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QUITMAN COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2022



QUITMAN COUNTY

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QUITMAN COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Quitman County, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the cash basis financial statements, of the governmental activities, each major fund, and the aggregate remaining fund information of Quitman County, Mississippi (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Quitman County, Mississippi, as of September 30, 2022, and the respective changes in cash basis financial position, thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not

modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, as described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood, that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Schedules, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, Schedule of Surety Bonds for County Officials and corresponding notes but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2024, on our consideration of Quitman County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Quitman County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Quitman County, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi

February 12, 2024

QUITMAN COUNTY

FINANCIAL STATEMENTS

QUITMAN COUNTY
Statement of Net Position – Cash Basis
September 30, 2022

Exhibit 1

	Total
Assets	
Cash	\$ 6,762,859
Total Assets	<u>6,762,859</u>
 Net Position	
Restricted:	
Expendable:	
General Government	1,775,040
Public safety	612,105
Public works	2,899,810
Debt Service	95,842
Unrestricted	<u>1,380,062</u>
Total Net Position	<u>\$ 6,762,859</u>

The notes to the financial statements are an integral part of this statement.

QUITMAN COUNTY
Statement of Activities – Cash Basis
For the Year Ended September 30, 2022

Exhibit 2

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	3,086,086	\$ 173,093	\$ 45,543		(2,867,450)
Public safety	2,256,809	153,215	92,259		(2,011,335)
Public works	5,043,554	141,028	4,153	2,627,882	(2,270,491)
Health and welfare	1,133,251		17,035		(1,116,216)
Culture and recreation	81,730				(81,730)
Conservation of natural resources	45,147		6,525	430,551	391,929
Economic development and assistance	143,130			82,682	(60,448)
Debt Service:					
Principal	575,482				(575,482)
Interest on long-term debt	16,048				(16,048)
Total Governmental Activities	<u>12,381,237</u>	<u>467,336</u>	<u>165,515</u>	<u>3,141,115</u>	<u>(8,607,271)</u>
General receipts:					
Property taxes					6,560,052
Road & bridge privilege taxes					73,660
Grants not restricted to specific programs					185,567
Unrestricted interest income					29,616
Long term capital debt issued					1,000,300
Proceeds from sale of capital assets					488,504
Compensation for loss of capital assets					15,971
Miscellaneous					<u>221,759</u>
Total General Receipts					<u>8,575,429</u>
Change in Net Position					<u>(31,842)</u>
Net Position - Beginning					<u>6,794,701</u>
Net Position - Ending					<u>\$ 6,762,859</u>

The notes to the financial statements are an integral part of this statement.

QUITMAN COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
September 30, 2022

Exhibit 3

	Major Funds					
	General Fund	ARPA	Road and Bridge	State Use Tax	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 1,380,062	1,327,579	885,122	1,093,031	2,077,065	6,762,859
Total Assets	\$ <u>1,380,062</u>	<u>1,327,579</u>	<u>885,122</u>	<u>1,093,031</u>	<u>2,077,065</u>	<u>6,762,859</u>
FUND BALANCES						
Restricted for:						
General government		1,327,579			447,461	1,775,040
Public safety					612,105	612,105
Public works			885,122	1,093,031	921,657	2,899,810
Debt service					95,842	95,842
Unassigned	1,380,062					1,380,062
Total Fund Balances	\$ <u>1,380,062</u>	<u>1,327,579</u>	<u>885,122</u>	<u>1,093,031</u>	<u>2,077,065</u>	<u>6,762,859</u>

The notes to the financial statements are an integral part of this statement.

QUITMAN COUNTY
Exhibit 4
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis
Fund Balances - Governmental Funds
For the Year Ended September 30, 2022

	Major Funds				Other	Total
	General	ARPA	Road and	State	Governmental	Governmental
	Fund		Bridge	Use	Funds	Funds
				Tax		
RECEIPTS						
Property taxes	\$ 4,274,314		2,124,643		161,095	6,560,052
Road and bridge privilege taxes			73,660			73,660
Licenses, commissions and other revenue	148,336				2,418	150,754
Fines and forfeitures	111,212					111,212
Intergovernmental revenues	264,363	659,633	548,063	749,314	1,270,824	3,492,197
Charges for services	13,620				191,750	205,370
Interest income	17,106	8,240			4,270	29,616
Miscellaneous revenues	41,836		4,795		175,128	221,759
Total Receipts	<u>4,870,787</u>	<u>667,873</u>	<u>2,751,161</u>	<u>749,314</u>	<u>1,805,485</u>	<u>10,844,620</u>
DISBURSEMENTS						
Current:						
General government	2,927,254				158,832	3,086,086
Public safety	2,119,317				137,492	2,256,809
Public works	10,000		3,828,954	227,722	976,878	5,043,554
Health and welfare	132,639				1,000,612	1,133,251
Culture and recreation	81,000				730	81,730
Conservation of natural resources	45,147					45,147
Economic development and assistance	121,732				21,398	143,130
Debt service:						
Principal					575,482	575,482
Interest					16,048	16,048
Total Disbursements	<u>5,437,089</u>	<u>0</u>	<u>3,828,954</u>	<u>227,722</u>	<u>2,887,472</u>	<u>12,381,237</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(566,302)</u>	<u>667,873</u>	<u>(1,077,793)</u>	<u>521,592</u>	<u>(1,081,987)</u>	<u>(1,536,617)</u>
OTHER CASH SOURCES (USES)						
Long term capital debt issued					1,000,300	1,000,300
Proceeds from sale of capital assets	3,255		82,529		402,720	488,504
Compensation for loss of capital assets	15,971					15,971
Transfers in			33,988		110,162	144,150
Transfers out	<u>(144,150)</u>					<u>(144,150)</u>
Total Other Cash Sources and Uses	<u>(124,924)</u>	<u>0</u>	<u>116,517</u>	<u>0</u>	<u>1,513,182</u>	<u>1,504,775</u>
Excess (Deficiency) of Receipts and Other Cash Sources over (under) Disbursements and Other Cash Uses	<u>(691,226)</u>	<u>667,873</u>	<u>(961,276)</u>	<u>521,592</u>	<u>431,195</u>	<u>(31,842)</u>
Cash Basis Fund Balances - Beginning,	<u>2,071,288</u>	<u>659,706</u>	<u>1,846,398</u>	<u>571,439</u>	<u>1,645,870</u>	<u>6,794,701</u>
Cash Basis Fund Balances - Ending	<u>\$ 1,380,062</u>	<u>1,327,579</u>	<u>885,122</u>	<u>1,093,031</u>	<u>2,077,065</u>	<u>6,762,859</u>

The notes to the financial statements are an integral part of this statement.

QUITMAN COUNTY
Statement of Fiduciary Net Position – Cash Basis
September 30, 2022

Exhibit 5

	Custodial Funds
ASSETS	
Cash	\$ 19,895
Total Assets	<u>19,895</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	19,895
Total net position	<u>\$ 19,895</u>

The notes to the financial statements are an integral part of this statement.

QUITMAN COUNTY**Exhibit 6****Statement of Changes in Fiduciary Net Position – Cash Basis
For the Year Ended September 30, 2022**

	Custodial Funds
CASH ADDITIONS	
Licenses and fees collected for State	\$ 11,323
Total Cash Additions	<u>11,323</u>
Net increase (decrease) in fiduciary net position	11,323
Net Position - Beginning	<u>8,572</u>
Net Position - Ending	<u>\$ 19,895</u>

The notes to the financial statements are an integral part of this statement.

QUITMAN COUNTY
Notes to Financial Statements
For the Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity - Quitman County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. The financial statements of the County are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require Quitman County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County reporting entity.

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the County legal entity and therefore are reported as part of the primary government financial statements.

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor-Collector
- Sheriff

B. Basis of Presentation – The County's basic financial statements consist of government-wide statements, including a Statement of Net Position - Cash Basis and a Statement of Activities - Cash Basis, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Position - Cash Basis and Statement of Activities - Cash Basis display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental receipts and other nonexchange receipts.

The Statement of Net Position - Cash Basis presents the financial condition of the governmental activities of the County at year-end. The Government-wide Statement of Activities - Cash Basis presents a comparison between direct disbursements and program receipts for each function or program of the County's governmental activities. Direct disbursements are those that are specifically associated with a service, program, or department and therefore, are clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular

QUITMAN COUNTY
Notes to Financial Statements
For the Year Ended September 30, 2022

program. Taxes and other receipts not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the County.

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund balances, receipts, and disbursements. Funds are organized into governmental and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

C. Measurement Focus and Basis of Accounting – The Government-wide, Governmental Funds and Fiduciary Funds financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

The County reports the following major governmental funds:

General Fund – This fund is used to account for and report all financial resources not accounted for and reported in another fund.

ARPA Fund – This fund is used to account for and report all financial resources relating to the receipt and disbursement of ARPA Funds.

Road and Bridge Fund – This fund is used to account for monies from specific revenue sources that are restricted for road and bridge maintenance.

State Use Tax Fund – This fund is used to account for monies from additional use taxes that are restricted for road and bridge maintenance.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds – These funds are used to account for and report the proceeds of specific cash sources that are restricted or committed to disbursement for specified purposes other than debt service or capital projects.

QUITMAN COUNTY
Notes to Financial Statements
For the Year Ended September 30, 2022

Debt Service Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursement for principal and interest.

Capital Projects Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursements for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

FIDUCIARY FUND TYPE

Custodial Funds – These funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

D. Account Classifications – The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Associations.

E. Deposits – State law authorizes the County to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality, or school district of this state. Further, the County may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less).

F. Equity Classifications

Government-wide Financial Statements:

Equity is classified as Net Position and displayed in two components:

Restricted net position – Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position not meeting the definition of “restricted.”

Net Position Flow Assumption – When a disbursement is paid for purposes for which both restricted and unrestricted (unassigned) resources are available, it is the County’s general policy to use restricted resources first. When disbursements are made for purposes for which unrestricted (unassigned) resources are available, and amounts in the unrestricted classification could be used, it is the County’s general policy to spend unassigned amounts.

Fund Financial Statements – Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

QUITMAN COUNTY
Notes to Financial Statements
For the Year Ended September 30, 2022

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

Restricted fund balance includes amount that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if disbursements paid for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption – When a disbursement is paid for purposes for which both restricted and unrestricted (unassigned) resources are available, it is the County’s general policy to use restricted resources first. When disbursements are paid for purposes for which unrestricted (unassigned) resources are available, it is the County’s general policy to spend unassigned amounts.

G. Property Tax Revenues – Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the County. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property; however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All property taxes are recognized as receipts when collected.

H. Changes in Accounting Standards.

GASB 87, *Leases*, was implemented during fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It established a single model for lease accounting based on the foundations principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments.

These financial statements do not reflect leases in accordance with GASB 87 as these financial statements were prepared using the cash basis of accounting.

NOTE 2 – DEPOSITS.

The carrying amount of the County’s total deposits with financial institutions at September 30, 2022, was \$6,782,754, and the bank balance was \$7,313,465. The collateral for public entities’ deposits in financial

QUITMAN COUNTY
Notes to Financial Statements
For the Year Ended September 30, 2022

institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County

NOTE 3 – INTERFUND TRANSFERS.

The following is a summary of interfund balances at September 30, 2022:

A. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Road & Bridge Fund	General Fund	33,988
Other Governmental Funds	General Fund	<u>110,162</u>
Total		\$ <u><u>144,150</u></u>

The principal purpose of the transfers was for 1) county matching on grants, 2) transfer of excess funds, 3) transfer of funds for renovations of special projects, and 4) allocation of funds for the payment of notes for capital purchases. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

NOTE 4 – CLAIMS AND JUDGMENTS.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2022, to January 1, 2023. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

QUITMAN COUNTY
Notes to Financial Statements
For the Year Ended September 30, 2022

NOTE 5 – LEASES.

As Lessor:

On February 1, 2005, the County entered into a lease with Rushing Aviation for rental of an airplane hangar for \$921 per month for the first 10 years and decreasing to \$798 per month for the next 10 years, ending January of 2025.

On May 1, 2017, a lease agreement was updated whereby the County leases a cell tower to AT&T for \$1,500 per month.

The County receives income from property it leases under noncancellable leases. Total income from such leases was \$28,920 for the year ended September 30, 2022. The future minimum lease receivables for these leases are as follows:

<u>Year Ending September 30:</u>	<u>Amount</u>
2023	\$ 28,920
2024	28,920
2025	28,920
2026	20,858
2027	7,957
Total minimum payments required	<u>115,575</u>

These financial statements do not reflect leases in accordance with GASB 87 as these financial statements were prepared using the cash basis of accounting.

NOTE 6 – CONTINGENCIES.

Federal Grants - The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the disbursements of resources for allowable purposes. The County may be responsible for any disallowances.

Litigation - The County is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the County with respect to the various proceedings. However, the County's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

Claim Liability – Pursuit to Section 65-15-21 “Refund to Municipalities” and Section 65-15-23 “Payment of Municipal Refund”, Mississippi Code Ann. (1972), the County received a request to refund one-half (1/2) of all ad valorem taxes collected by or for the county on property within the municipality (the streets of which are worked at the expense of the municipal treasury) for road purposes of the County. The claim requested that ad valorem taxes collected for the fiscal years 2018, 2019, and 2020 be refunded to the municipality. While it appears the municipality has authority to make such a claim, there are certain

QUITMAN COUNTY
Notes to Financial Statements
For the Year Ended September 30, 2022

mitigating factors which may affect the amount of the claim. It is not possible at the present time to estimate the ultimate outcome or liability.

NOTE 7 – JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

Coahoma Community College operates in a district composed of the Counties of Bolivar, Coahoma, Quitman, Tallahatchie, and Tunica. The Quitman County Board of Supervisors appoints 2 of the 12 members of the College Board of Trustees. The County levied \$131,688 in taxes for maintenance and support in the fiscal year 2022.

Northwest Community College operates in a district composed of the Counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tunica, and Yalobusha. The Quitman County Board of Supervisors appoints one of the 23 members of the College Board of Trustees. The County levied \$131,688 in taxes for maintenance and support in the fiscal year 2022.

Mid-State Opportunity, Inc. operates in a district composed of the counties of DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Quitman County Board of Supervisors appoints two of the 30 members of the Board of Directors. The other member counties appoint eight members, in the aggregate. Ten members are appointed from the business sector and ten members are appointed by minority disadvantaged persons who use the services of the organization. Most of the entity's funding comes from federal funds, with less than one percent coming from the counties in the aggregate.

Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Quitman County Board of Supervisors appoints 2 of 21 members of the Board of Commissioners. The County levied \$54,170 in taxes to support the district in fiscal year 2022.

Region One Mental Health Center operates in a district composed of the counties of Coahoma, Quitman, Tallahatchie, and Tunica. The Quitman County Board of Supervisors appoints one of the four member board of commissioners. The County appropriated \$25,200 to the Center for support in the fiscal year 2022.

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Quitman County Board of Supervisors appoints four of the 30 members of the Board of Directors. The County contributes a small percentage of the District's total revenue. The County appropriated \$17,500 for support of the District in fiscal year 2022.

NOTE 8 – DEFINED BENEFIT PENSION PLAN.

General Information about the Pension Plan

Plan Description. Quitman County, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides

QUITMAN COUNTY
Notes to Financial Statements
For the Year Ended September 30, 2022

retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy. At September 30, 2022, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2022 was 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2022, 2021 and 2020 were \$613,543, \$567,331, and \$509,153, respectively, equal to the required contributions for each year.

QUITMAN COUNTY

OTHER INFORMATION

QUITMAN COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2022
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 4,208,000	4,274,314	4,274,314	-
Licenses, commissions and other receipts	99,000	148,336	148,336	-
Fines and forfeitures	134,000	111,212	111,212	-
Intergovernmental receipts	294,000	264,363	264,363	-
Charges for services	73,000	13,620	13,620	-
Interest income	150,000	17,106	17,106	-
Miscellaneous receipts	18,000	41,836	41,836	-
Total Receipts	<u>4,976,000</u>	<u>4,870,787</u>	<u>4,870,787</u>	<u>-</u>
DISBURSEMENTS				
Current:				
General government	1,885,000	2,927,254	2,927,254	-
Public safety	2,607,000	2,119,317	2,119,317	-
Public works	10,000	10,000	10,000	-
Health and welfare	117,000	132,639	132,639	-
Education	81,000			-
Culture and recreation	-	81,000	81,000	-
Conservation of natural resources	69,000	45,147	45,147	-
Economic development and assistance	116,000	121,732	121,732	-
Debt service:				
Principal	19,000	-	-	-
Interest	-	-	-	-
Total Disbursements	<u>4,904,000</u>	<u>5,437,089</u>	<u>5,437,089</u>	<u>-</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>72,000</u>	<u>(566,302)</u>	<u>(566,302)</u>	<u>-</u>
OTHER CASH SOURCES (USES)				
Other financing sources	-	19,226	19,226	-
Other financing uses	-	(144,150)	(144,150)	-
Total Other Cash Sources and Uses	<u>-</u>	<u>(124,924)</u>	<u>(124,924)</u>	<u>-</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>72,000</u>	<u>(691,226)</u>	<u>(691,226)</u>	<u>-</u>
Cash Basis Fund Balances - Beginning	<u>1,889,000</u>	<u>2,071,288</u>	<u>2,071,288</u>	<u>-</u>
Cash Basis Fund Balances - Ending	<u>\$ 1,961,000</u>	<u>1,380,062</u>	<u>1,380,062</u>	<u>-</u>

The accompanying notes to the Other Information are an integral part of this schedule.

QUITMAN COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 ARPA FUND
 For the Year Ended September 30, 2022
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental receipts	\$ 660,000	659,633	659,633	-
Interest income		8,240	8,240	-
Total Receipts	<u>660,000</u>	<u>667,873</u>	<u>667,873</u>	<u>-</u>
DISBURSEMENTS				
Current:				
General government	-	-	-	-
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>660,000</u>	<u>667,873</u>	<u>667,873</u>	<u>-</u>
OTHER CASH SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Cash Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>660,000</u>	<u>667,873</u>	<u>667,873</u>	<u>-</u>
Cash Basis Fund Balances - Beginning	<u>660,000</u>	<u>659,706</u>	<u>659,706</u>	<u>-</u>
Cash Basis Fund Balances - Ending	<u>\$ 1,320,000</u>	<u>1,327,579</u>	<u>1,327,579</u>	<u>-</u>

The accompanying notes to the Other Information are an integral part of this schedule.

QUITMAN COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 State Use Tax
 For the Year Ended September 30, 2022
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental receipts	\$ 430,000	749,314	749,314	-
Total Receipts	430,000	749,314	749,314	-
DISBURSEMENTS				
Current:				
Public works	1,001,000	227,722	227,722	-
Total Disbursements	1,001,000	227,722	227,722	-
Excess (Deficiency) of Receipts over (under) Disbursements	(571,000)	521,592	521,592	-
OTHER CASH SOURCES (USES)				
Other financing source	-	-	-	-
Other financing use	-	-	-	-
Total Other Cash Sources and Uses	-	-	-	-
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	(571,000)	521,592	521,592	-
Cash Basis Fund Balances - Beginning	571,000	571,439	571,439	-
Cash Basis Fund Balances - Ending	\$ -	1,093,031	1,093,031	-

The accompanying notes to the Other Information are an integral part of this schedule.

QUITMAN COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
Road and Bridge Fund
For the Year Ended September 30, 2022
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 2,262,380	2,124,643	2,124,643	-
Road and bridge privilege taxes	75,000	73,660	73,660	-
Intergovernmental receipts	477,000	548,063	548,063	-
Miscellaneous receipts	-	4,795	4,795	-
Total Receipts	<u>2,814,380</u>	<u>2,751,161</u>	<u>2,751,161</u>	<u>-</u>
DISBURSEMENTS				
Current:				
Public works	<u>2,430,400</u>	<u>3,828,954</u>	<u>3,828,954</u>	<u>-</u>
Total Disbursements	<u>2,430,400</u>	<u>3,828,954</u>	<u>3,828,954</u>	<u>-</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>383,980</u>	<u>(1,077,793)</u>	<u>(1,077,793)</u>	<u>-</u>
OTHER CASH SOURCES (USES)				
Other financing sources	<u>2,000</u>	<u>116,517</u>	<u>116,517</u>	<u>-</u>
Total Other Cash Sources and Uses	<u>2,000</u>	<u>116,517</u>	<u>116,517</u>	<u>-</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>385,980</u>	<u>(961,276)</u>	<u>(961,276)</u>	<u>-</u>
Cash Basis Fund Balances - Beginning	<u>1,840,000</u>	<u>1,846,398</u>	<u>1,846,398</u>	<u>-</u>
Cash Basis Fund Balances - Ending	<u>\$ 2,225,980</u>	<u>885,122</u>	<u>885,122</u>	<u>-</u>

The accompanying notes to the Other Information are an integral part of this schedule.

QUITMAN COUNTY
Schedule of Capital Assets
For the Year Ended September 30, 2022
UNAUDITED

GOVERNMENTAL ACTIVITIES	Balance				Balance
	Oct. 1, 2021	Additions	Deletions	Adjustments	Sept. 30, 2022
Land	\$ 325,060				325,060
Construction in progress	1,190,738	645,784			1,836,522
Infrastructure	3,867,924				3,867,924
Buildings	3,745,533				3,745,533
Improvements other than buildings	662,231				662,231
Mobile equipment	5,575,503				5,575,503
Furniture & equipment	705,982				705,982
Total capital assets	\$ 16,072,971	645,784	-	-	16,718,755

The accompanying notes to the Other Information are an integral part of this schedule.

QUITMAN COUNTY
Schedule of Changes in Long-Term Debt
For the Year Ended September 30, 2022
UNAUDITED

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2022:

Description	Issue	Maturity	Interest	Balance		+ / -	Balance	
	Date	Date	Rate	Oct. 1, 2021	Additions	Reductions	Adjustments	Sept. 30, 2022
A. Equipment Notes								
Hospital Loan 1 of 3	10/7/2021	10/7/2027	4.250%	-	250,300		-	250,300
Hospital Loan 2 of 3	11/19/2021	11/19/2024	2.050%	-	750,000		-	750,000
2021 Dump Trucks - #70405-11	5/7/2020	5/7/2025	2.440%	267,233			(267,233)	-
2021 (5) New Caterpillar Motor Graders, Model 140M3	6/21/2021	6/21/2026	2.290%	920,020		536,981		383,039
B. Other loans								
MDA Cap. Improvements Revolving 50461	1/2/2005	4/1/2026	3.000%	41,463	-	8,167	-	33,296
MDA Capital Improvements 50532	7/16/2008	8/1/2023	3.000%	30,334	-	30,334	-	-
				1,259,050	1,000,300	575,482	(267,233)	1,416,635

The accompanying notes to the Other Information are an integral part of this schedule.

QUITMAN COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2022
UNAUDITED

Sheridan Boyd	Supervisor, District 1	Western Surety Company	100,000
Greg Thomas	Supervisor, District 2	Western Surety Company	100,000
Johnny Tullios	Supervisor, District 3	Western Surety Company	100,000
Manuel Killebrew	Supervisor, District 4	Western Surety Company	100,000
Jeremy Moore	Supervisor, District 5	Western Surety Company	100,000
Thomas H. "Butch" Scipper	Chancery Clerk	Western Surety Company	100,000
Otis Jones	County Administrator	Western Surety Company	100,000
Tracy G. Pinkston	Purchasing Clerk	Western Surety Company	100,000
Tracy G. Pinkston	Purchasing Clerk	Western Surety Company	100,000
Sheryl S. Cole	Assistant Purchasing Clerk	Western Surety Company	50,000
Sheryl S. Cole	Assistant Purchasing Clerk	Western Surety Company	50,000
Chasity Myles-Hentz	Receiving Clerk	Western Surety Company	75,000
Chasity Myles-Hentz	Receiving Clerk	Western Surety Company	75,000
Carol Foster	Assistant Receiving Clerk	Western Surety Company	50,000
Beatrice Pryor	Assistant Receiving Clerk	Western Surety Company	50,000
Beatrice Pryor	Assistant Receiving Clerk	Western Surety Company	50,000
Nicole S. Banks	Assistant Receiving Clerk	Western Surety Company	50,000
Nicole S. Banks	Assistant Receiving Clerk	Western Surety Company	50,000
Bill Knight	Inventory Clerk	Western Surety Company	75,000
Bill Knight	Inventory Clerk	Western Surety Company	75,000
Robert Andrews	Road Manager	Western Surety Company	50,000
Carol Foster	Road Manager	Western Surety Company	50,000
Tyrone Survillion	Constable	Western Surety Company	50,000
Thomas Bryant	Constable	Western Surety Company	50,000
Brenda Wiggs	Circuit Clerk	Western Surety Company	100,000
Bobbie Buggs	Deputy Circuit Clerk	Western Surety Company	50,000
Harold Dean Wiggs	Deputy Circuit Clerk	Western Surety Company	50,000
Harold Dean Wiggs	Deputy Circuit Clerk	Western Surety Company	50,000
Brenda Cook	Justice Court Judge	Western Surety Company	50,000
Joe M. Brown	Justice Court Judge	Western Surety Company	50,000
Gloria Survillion	Justice Court Clerk	Western Surety Company	50,000
Gloria Survillion	Justice Court Clerk	Western Surety Company	50,000
Haley Samantha Pennington	Deputy Justice Court Clerk	Western Surety Company	50,000
Haley Samantha Pennington	Deputy Justice Court Clerk	Western Surety Company	50,000
Alice Smith	Tax Assessor/Collector	Western Surety Company	100,000
Sallie M. Price	Deputy Tax Assessor	Western Surety Company	10,000
Sallie M. Price	Deputy Tax Assessor	Western Surety Company	10,000
Tiffany Griffin	Deputy Tax Collector	Western Surety Company	50,000
Tiffany Griffin	Deputy Tax Collector	Western Surety Company	50,000
Antoya Smith	Deputy Tax Collector	Western Surety Company	50,000
Antoya Smith	Deputy Tax Collector	Western Surety Company	50,000
Sandy Burke	Deputy Tax Assessor	Western Surety Company	10,000
Sandy Burke	Deputy Tax Assessor	Western Surety Company	10,000
Oliver Parker, Jr.	Sheriff	Western Surety Company	100,000

QUITMAN COUNTY, MISSISSIPPI
NOTES TO OTHER INFORMATION
For the Year Ended September 30, 2022
UNAUDITED

NOTE 1 - Budgetary Comparison Schedule

A. Budgetary Information.

Statutory requirements dictate how and when the county's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of receipt, each general item of disbursement, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

The County's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund.

NOTE 2 – LONG-TERM DEBT INFORMATION

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2022, the amount of outstanding debt was equal to 1.83% of the latest property assessments.

Subsequent Events – The County did not issue any debt obligations between September 30, 2022 and February 12, 2024.

QUITMAN COUNTY

SPECIAL REPORTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Supervisors
Quitman County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Quitman County, Mississippi (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 12, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Quitman County, Mississippi's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Quitman County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect, and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Quitman County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Quitman County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated February 12, 2024 included within this document.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird, & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi

February 12, 2024

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**INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES
(REQUIRED BY SECTION 31-7-115, MISS. CODE ANN. (1972))**

Members of the Board of Supervisors
Quitman County, Mississippi

We have examined Quitman County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2022. The Board of Supervisors of Quitman County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Quitman County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The results of our audit procedures disclosed a certain instance of noncompliance with the aforementioned code sections. This instance of noncompliance was considered in forming our opinion on compliance. Our finding and recommendation and your response are disclosed below:

Purchase Clerk

1. Public Officials Should Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.

Repeat Finding Yes, 2021 Finding 1

Criteria The County is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Title 31, Chapter 7.

Condition As reported in the prior year's audit report the County failed to comply with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7. A well-designed purchasing system would comply with the provisions of Title 31, Chapter 7 and would include proper bid requirements as well as the use of purchase requisitions, purchase orders, and receiving reports. During our test work, we noted the following instances of non-compliance:

- One (1) instance where a sole source purchase was not approved on the minutes but was listed on the Purchase Clerk Schedules
- Three (3) instances where there were no purchasing documents beyond the invoice
- One (1) instance where the invoice is dated prior to the purchase requisition and purchase order
- Three (3) instances where no receiving report could be located
- Two (2) instances where the purchase requisition was not signed by an authorized signer
- One (1) instance where no invoice was provided

Cause The County has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7.

Effect The County is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7.

Recommendation The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7.

Response The County shall comply with all public purchasing laws.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Quitman County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2022.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

Quitman County's response to the finding included in this report was not audited, and accordingly, we express no opinion on it.

This report is intended for use in evaluating the central purchasing system and inventory control system of Quitman County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird, & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
February 12, 2024

QUITMAN COUNTY
Schedule of Purchases Not Made from the Lowest Bidder
For the Year Ended September 30, 2022

Schedule 1

Our tests did not identify any purchases that were not made from the lowest bidder.

QUITMAN COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2022

Schedule 2

Our test results did not identify any emergency purchases.

QUITMAN COUNTYSchedule 3**Schedule of Purchases Made Noncompetitively from a Sole Source
For the Year Ended September 30, 2022**

Date	Item Purchased	Amount		Vendor
		Paid		
9/27/2022	Lucas chest compression system	\$ 14,906.44	Stryker	
	Lucas desk top battery	\$ 1,136.72	Stryker	
	Lucas external power supply	\$ 359.69	Stryker	
	Lucas 3 rechargeable batteries	\$ 695.28	Stryker	
	Lucas disposable suction cup 3-pk	\$ 135.96	Stryker	
	Lucas grip tape for slim black plate	\$ 27.54	Stryker	
	freight	\$ 182.46	Stryker	

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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Quitman County, Mississippi

In planning and performing our audit of the cash basis financial statements of Quitman County, Mississippi (the County) for the year ended September 30, 2022, we considered Quitman County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Quitman County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated February 12, 2024 on the financial statements of Quitman County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

Board of Supervisors

1. All Supervisors must Inspect the Roads and Bridges and Attest to the Clerk of the Board for having done so.

Repeat Finding

No

Criteria	<i>Section 65-7-117, Mississippi Code Annotated (1972), states that, "Each member of the board of supervisors shall inspect every road, bridge and ferry in each district at least annually, at times to be fixed by the board, and shall file with the clerk of the board a report, under oath, of the condition of the several roads, bridges and ferries inspected by him, with such recommendations as are needful, which reports shall be presented to the board of supervisors and kept on file for three (3) years."</i>
Condition	During the course of our testing we noted that the Board of Supervisors had inspected the roads and bridges but no certifications on the minutes or affidavits from the supervisors were filed to document that they had examined the roads and bridges annually.
Cause	Annual inspections of the roads and bridges in the County have not been completed and/or attested to having been done.
Effect	Failure to complete annual inspections of roads and bridges and to file an affidavit of said inspection can lead to failure to identify and to complete necessary improvements in a timely manner.
Recommendation	The Board of Supervisors should ensure that they complete the requisite inspections of the roads and bridges in their jurisdiction and file an affidavit with the Clerk of the Board for inclusion in the minutes.
Response	The Quitman County Board of Supervisors shall comply.

Chancery Clerk

2. Chancery Clerk Should Ensure Compliance with State Law over Expenses Claimed.

Repeat Finding	No.
Criteria	<i>Section 9-1-43(1), Mississippi Code Annotated (1972), further states, "(1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees' Retirement System under Sections 25-11-106.1 and 25-11-123(f)(4), employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk's or circuit clerk's services in excess of Ninety-seven Thousand Dollars (\$97,000.00)."</i>
Condition	<p>During the course of our audit, we noted that the following items were claimed as expenses on the AFR, but they are not allowable expenses:</p> <ul style="list-style-type: none"> • C Spire for \$8.46 (late fees) • Quitman County Democrat for \$150.00 (improper advertisement)

- Citizens Bank & Trust for **\$595.00** (NSF fees)

Cause	The Chancery Clerk claimed expenses that are not allowable.
Effect	Claiming expenses that are not allowable results in noncompliance and could result in the loss or misappropriation of public funds.
Recommendation	The Chancery Clerk should only claim expenses allowable under Schedule C. It is further recommended that the Clerk amend the AFR and repay the improperly claimed expenses in the amount of \$753.46 .
Response	Chancery Clerk will comply and amend the AFR and repay the improperly claimed expenses in the amount of \$753.46.

Sheriff

3. Public Officials Should Ensure Internal Control over and Compliance with State Law over the Purchase of Information and Evidence.

Repeat Finding	No.
Criteria	<i>Section 99-27-37, Mississippi Code Annotated (1972), states, "The Board(s) of Supervisors....are hereby authorized and empowered to appropriate, from time to time, sums of money, not exceeding one-third (1/3) of the fines which have been collected by them respectively, from the unlawful sale or possession of intoxicating liquors and/or narcotics and/or other illegal drugs, for the purpose of defraying expenses incurred by law enforcement agencies in the procuring of evidence of violations of statutes or ordinances, as the case may be, against the unlawful sale or keeping of intoxicating liquors and/or narcotics and/or other illegal drugs." Furthermore, all receipts in the purchase of evidence should be properly filled-out, documented, and supported.</i>
Condition	During the course of our test work, we noted that the vouchers for payments to confidential informants were not being completed in their entirety.
Cause	The Sheriff's office has not established controls to ensure that vouchers for cash payments for information and/or evidence are properly completed.
Effect	Failure to accurately record, document, and maintain receipts/vouchers could result in invalid and unsupported transactions as well as the loss or misappropriation of public funds.

Recommendation The Sheriff should strengthen controls to ensure that receipts/vouchers used to purchase information and/or evidence are appropriately documented, recorded, and supported as required by State law.

Response The Sheriff will strengthen controls to ensure receipts/vouchers are appropriately documented, recorded and supported as required by state law.

Payroll Clerk

4. Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.

Repeat Finding No.

Criteria *Section 25-11-127, Mississippi Code Annotated (1972), states, "No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement. After the person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement or such later date as established by the board, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in this section....*

4) The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either:

(a) For a period of time not to exceed one-half (½) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half (½) of the salary in effect for the position at the time of employment, or

(b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of retiree's average compensation.

To determine the normal working days for a position under paragraph (a) of this subsection, the employer shall determine the required number of working days for the position on a full-time basis and the equivalent number of hours representing the full-time position. The retiree then may work up to one-half (½) of the required number of working days or up to one-half (½) of the equivalent number of hours and receive up to one-half (½) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half (½) of the number of days or hours for a single full-time position.

Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment. *[Note: This notice is provided on PERS Form 4B and must be executed annually and sent to PERS]*

(6) (a) A member may retire and continue in municipal or county elective office provided that the member has reached the age and/or service requirement that will not result in a prohibited in-service distribution as defined by the Internal Revenue Service, or a retiree may be elected to a municipal or county office, provided that the person:

(i) Files annually, in writing, in the office of the employer and the office of the executive director of the system before the person takes office or as soon as possible after retirement, a waiver of all salary or compensation and elects to receive in lieu of that salary or compensation a retirement allowance as provided in this section, in which event no salary or compensation shall thereafter be due or payable for those services; however, any such officer or employee may receive, in addition to the retirement allowance, office expense allowance, mileage or travel expense authorized by any statute of the State of Mississippi; or

(ii) Elects to receive compensation for that elective office in an amount not to exceed twenty-five percent (25%) of the retiree's average compensation. In order to receive compensation as allowed in this subparagraph, the retiree shall file annually, in writing, in the office of the employer and the office of the executive director of the system, an election to receive, in addition to a retirement allowance, compensation as allowed in this subparagraph. *[Note: This notice is provided on PERS Form 9C and must be executed annually and sent to PERS]*

(b) The municipality or county in which the retired person holds elective office shall pay to the board the amount of the employer's contributions on the full amount of the regular compensation for the elective office that the retired person holds.

Condition

During the course of our audit, we noted the following:

- One (1) rehired retiree earned over the amount allowed by PERS
- One (1) rehired retiree did not have the proper form executed and filed with PERS

Cause

The County did not comply with *Section 25-11-127, Mississippi Code Annotated (1972)* in that it failed to ensure proper notice to PERS, proper execution of required documents, and proper monitoring of wages to ensure the PERS cap was not exceeded.

Effect

The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.

Recommendation	The County should timely and accurately file PERS Form 4Bs and 9Cs for all re-hired retirees and ensure that the statutory conditions for reemployment are met.
Response	Quitman County will file PERS Form 4Bs and 9Cs timely for all rehired retirees and ensure the statutory conditions are met.

Quitman County's responses to the findings included in this report were not audited and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record, and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird, & Clarke, PLLC
 Certified Public Accountants
 Vicksburg, Mississippi

February 12, 2024

QUITMAN COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

QUITMAN COUNTY
Schedule of Findings and Responses
For the Year Ended September 30, 2022

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|--|---------------|
| 1. Type of auditor's report issued on the financial statements | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified? | None reported |
| 3. Noncompliance material to the financial statements? | No |

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.