



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**YAZOO COUNTY, MISSISSIPPI**

**Audited Financial Statements and Special Reports**

**For the Year Ended September 30, 2022**



YAZOO COUNTY  
TABLE OF CONTENTS

FINANCIAL SECTION .....	1
INDEPENDENT AUDITOR’S REPORT .....	2
FINANCIAL STATEMENTS.....	7
Statement of Net Position .....	8
Statement of Activities .....	9
Balance Sheet – Governmental Funds.....	10
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position .....	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	13
Statement of Net Position – Proprietary Funds.....	14
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	15
Statement of Cash Flows – Proprietary Funds.....	16
Statement of Fiduciary Net Position.....	17
Statement of Changes in Fiduciary Net Position .....	18
Notes to Financial Statements.....	19
REQUIRED SUPPLEMENTARY INFORMATION .....	42
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)	
General Fund.....	43
Road Fund .....	44
COVID Relief Fund .....	45
G.O. 2021 Construction Bonds Fund .....	46
G.O. 2022 Bonds Fund.....	47
Schedule of County’s Proportionate Share of the Net Pension Liability .....	48
Schedule of County’s Contributions .....	49
Notes to Required Supplementary Information.....	50
SUPPLEMENTARY INFORMATION .....	54
Reconciliation of Operating Costs of Solid Waste .....	55
OTHER INFORMATION .....	56
Schedule of Surety Bonds for County Officials.....	57
SPECIAL REPORTS.....	58
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 .....	59
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)) .....	61
Limited Internal Control and Compliance Review Management Report.....	66
SCHEDULE OF FINDINGS AND RESPONSES .....	74
AUDITEE’S CORRECTIVE ACTION PLAN .....	77
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS.....	79

# **YAZOO COUNTY**

## **FINANCIAL SECTION**

DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
PRIVATE COMPANIES PRACTICE SECTION

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Yazoo County, Mississippi

### Report on the Audit of the Financial Statements

#### Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yazoo 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.

#### Qualified Opinions on Governmental Activities, Business-type Activities, Yazoo County Regional Jail Fund and Port Fund

In our opinion, except for the effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, Yazoo County Regional Jail Fund, and Port Fund, of Yazoo County, Mississippi, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Unmodified Opinions on General Fund, Road Fund, COVID Relief Fund, G.O. 2021 Construction Bonds Fund, G.O. 2022 Bonds Fund, and the aggregate remaining fund information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Road Fund, COVID Relief Fund, G.O. 2021 Construction Bonds Fund, G.O. 2022 Bonds Fund, and the aggregate remaining fund information of Yazoo County, Mississippi, as of September 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for Qualified and Unmodified 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 Statements 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 qualified and unmodified opinions.

### *Matters Giving Rise to Qualified Opinions on Governmental Activities, Business-type Activities, Yazoo County Regional Jail Fund and Port Fund*

As discussed in Note 7 to the financial statements, the County has not recorded a liability for other postemployment benefits in the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other postemployment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net position and change the expenses of the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund. The amount by which this departure would affect the liabilities, net position and expenses of the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund is not reasonably determinable.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of the County's Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Omission of Required Supplementary Information**

Yazoo County, Mississippi has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Yazoo County, Mississippi's basic financial statements. The accompanying Reconciliation of the Operating Costs of Solid Waste is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Reconciliation of the Operating Costs of Solid Waste is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Reconciliation of Operating Costs of Solid Waste is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Surety Bonds for County Officials 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 September 19, 2023, on our consideration of Yazoo 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 Yazoo 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 Yazoo 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

September 19, 2023

## **YAZOO COUNTY**

## **FINANCIAL STATEMENTS**

**YAZOO COUNTY**  
**Statement of Net Position**  
**September 30, 2022**

**Exhibit 1**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 34,166,540	536,935	34,703,475
Property tax receivable	12,221,950	-	12,221,950
Fines receivable (net of allowance for uncollectibles of \$590,521)	326,484	-	326,484
Intergovernmental receivables	195,783	255,394	451,177
Internal balances	(65,382)	65,382	-
Capital assets:			
Land and construction in progress	1,663,268	979,683	2,642,951
Other capital assets, net	55,663,612	11,255,826	66,919,438
Restricted assets:			
Investments	-	1,266,250	1,266,250
Total Assets	<u>104,172,255</u>	<u>14,359,470</u>	<u>118,531,725</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,973,517	462,924	2,436,441
Total Deferred Outflows of Resources	<u>1,973,517</u>	<u>462,924</u>	<u>2,436,441</u>
<b>LIABILITIES</b>			
Claims payable	963,028	128,469	1,091,497
Intergovernmental payables	550,354	-	550,354
Matured bonds and interest payable	48,110	-	48,110
Accrued interest payable	147,107	88,607	235,714
Amounts held in custody for others	468,470	-	468,470
Unearned revenue	5,503,063	-	5,503,063
Other payables	13,460	-	13,460
Cash overdraft	-	1,242,659	1,242,659
Claims and judgments payable	478,212	-	478,212
Long-term liabilities			
Net pension liability	14,288,539	3,351,634	17,640,173
Due within one year:			
Capital debt	2,897,664	1,027,536	3,925,200
Due in more than one year:			
Capital debt	19,479,694	9,346,832	28,826,526
Non-capital debt	216,959	45,058	262,017
Total Liabilities	<u>45,054,660</u>	<u>15,230,795</u>	<u>60,285,455</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	485,878	113,970	599,848
Deferred revenues - property taxes	12,221,950	-	12,221,950
Total Deferred Inflows of Resources	<u>12,707,828</u>	<u>113,970</u>	<u>12,821,798</u>
<b>NET POSITION</b>			
Net investment in capital assets	34,949,522	1,861,141	36,810,663
Restricted for:			
Expendable:			
General government	71,139	-	71,139
Public safety	658,726	-	658,726
Public works	19,905,389	-	19,905,389
Health and welfare	94,029	-	94,029
Port		370,592	370,592
Economic development and assistance	454,074	-	454,074
Unemployment compensation	77,571	-	77,571
Debt service	179,038	-	179,038
Capital projects	72	-	72
Unrestricted	(8,006,276)	(2,754,104)	(10,760,380)
Total Net Position	<u>\$ 48,383,284</u>	<u>(522,371)</u>	<u>47,860,913</u>

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

**YAZOO COUNTY**  
**Statement of Activities**  
**For the Year Ended September 30, 2022**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 6,087,745	581,878	13,129	-	(5,492,738)		(5,492,738)
Public safety	3,326,257	651,009	418,081	-	(2,257,167)		(2,257,167)
Public works	19,821,955	31,449	5,183,930	478,860	(14,127,716)		(14,127,716)
Health and welfare	520,764	-	336,011		(184,753)		(184,753)
Culture and recreation	256,075	45,000	-	-	(211,075)		(211,075)
Conservation of natural resources	122,965	-	-	-	(122,965)		(122,965)
Economic development and assistance	176,873	296,735	-	-	119,862		119,862
Interest on long-term debt	312,496	-	-	-	(312,496)		(312,496)
Bond issue costs	311,000	-	-	-	(311,000)		(311,000)
Pension expense	1,248,850	-	-	-	(1,248,850)		(1,248,850)
Total Governmental Activities	32,184,980	1,606,071	5,951,151	478,860	(24,148,898)		(24,148,898)
Business-type activities:							
Regional jail	3,800,289	3,665,473				(134,816)	(134,816)
Port	444,338	145,115	45,541	-		(253,682)	(253,682)
Total Business-type Activities	4,244,627	3,810,588	45,541	-	-	(388,498)	(388,498)
Total Primary Government	\$ 36,429,607	5,416,659	5,996,692	478,860	(24,148,898)	(388,498)	(24,537,396)
General revenues:							
Property taxes				\$	14,508,590	194,198	14,702,788
Road & bridge privilege taxes					184,882	-	184,882
Grants and contributions not restricted to specific programs					1,687,291	-	1,687,291
Unrestricted interest income					109,487	9,637	119,124
Miscellaneous					80,140	103,167	183,307
Gain (Loss) on disposal and sale of assets					140,444	-	140,444
Total General Revenues					16,710,834	307,002	17,017,836
Changes in Net Position					(7,438,064)	(81,496)	(7,519,560)
Net Position - Beginning					55,821,348	(440,875)	55,380,473
Net Position - Ending				\$	48,383,284	(522,371)	47,860,913

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

**YAZOO COUNTY**  
**Balance Sheet – Governmental Funds**  
**September 30, 2022**

**Exhibit 3**

	Major Funds					Other	Total
	General Fund	Road Fund	COVID Relief Fund	G.O. 2021 Construction Bonds Fund	G.O. 2022 Bonds Fund	Governmental Funds	Governmental Funds
<b>ASSETS</b>							
Cash	\$ 6,349,387	3,733,773	5,504,768	182,992	10,549,479	7,846,141	34,166,540
Property tax receivable	6,136,698	3,343,558	-	-	-	2,741,694	12,221,950
Fines receivable (net of allowance for uncollectibles of \$ 590,521)	326,484	-	-	-	-	-	326,484
Intergovernmental receivables	180,229	-	-	-	-	15,554	195,783
Due from other funds	-	137,024	-	-	-	69,886	206,910
Advances to other funds	63,571	-	-	-	-	-	63,571
Total Assets	<u>\$ 13,056,369</u>	<u>7,214,355</u>	<u>5,504,768</u>	<u>182,992</u>	<u>10,549,479</u>	<u>10,673,275</u>	<u>47,181,238</u>
<b>LIABILITIES</b>							
Claims payable	\$ 68,546	216,209	-	-	632,975	45,298	963,028
Intergovernmental payables	550,354	-	-	-	-	-	550,354
Due to other funds	297,323	-	-	-	-	-	297,323
Advances from other funds	-	-	-	-	-	52,000	52,000
Matured bonds and interest payable	-	-	-	-	-	48,110	48,110
Amounts held in custody for others	468,470	-	-	-	-	-	468,470
Claims and judgments payable	478,212	-	-	-	-	-	478,212
Unearned Revenue	-	-	5,503,063	-	-	-	5,503,063
Total Liabilities	<u>\$ 1,862,905</u>	<u>216,209</u>	<u>5,503,063</u>	<u>-</u>	<u>632,975</u>	<u>145,408</u>	<u>8,360,560</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable revenue - property taxes	6,136,698	3,343,558	-	-	-	2,741,694	12,221,950
Unavailable revenue - fines	326,484	-	-	-	-	-	326,484
Total Deferred Inflows of Resources	<u>\$ 6,463,182</u>	<u>3,343,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,741,694</u>	<u>12,548,434</u>
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Advances	63,571	-	-	-	-	-	63,571
<b>Restricted for:</b>							
General government	-	-	1,705	-	-	69,434	71,139
Public safety	-	-	-	-	-	658,726	658,726
Public works	-	3,654,588	-	182,992	9,916,504	6,151,305	19,905,389
Health and welfare	-	-	-	-	-	94,029	94,029
Economic development and assistance	-	-	-	-	-	454,074	454,074
Capital Projects	-	-	-	-	-	72	72
Debt service	-	-	-	-	-	326,145	326,145
Unemployment compensation	-	-	-	-	-	77,571	77,571
Unassigned	4,666,711	-	-	-	-	(45,183)	4,621,528
Total Fund Balances	<u>\$ 4,730,282</u>	<u>3,654,588</u>	<u>1,705</u>	<u>182,992</u>	<u>9,916,504</u>	<u>7,786,173</u>	<u>26,272,244</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,056,369</u>	<u>7,214,355</u>	<u>5,504,768</u>	<u>182,992</u>	<u>10,549,479</u>	<u>10,673,275</u>	<u>47,181,238</u>

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

**YAZOO COUNTY****Exhibit 3-1****Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position  
September 30, 2022**

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 26,272,244
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$87,998,276	57,326,880
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	326,484
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(22,594,317)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(14,288,539)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(147,107)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,973,517
Deferred inflows of resources related to pensions	<u>(485,878)</u>
Total Net Position - Governmental Activities	\$ <u><u>48,383,284</u></u>

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

**YAZOO COUNTY**
**Exhibit 4**
**Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds  
For the Year Ended September 30, 2022**

	Major Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Road Fund	COVID Relief Fund	G.O. 2021 Construction Bonds Fund	G.O. 2022 Bonds Fund		
REVENUES							
Property taxes	\$ 7,214,369	4,754,353	-	-	-	2,539,868	14,508,590
Road and bridge privilege taxes	-	184,882	-	-	-	-	184,882
Licenses, commissions and other revenue	526,108	-	-	-	-	6,479	532,587
Fines and forfeitures	201,969	-	-	-	-	-	201,969
Intergovernmental revenues	1,920,053	707,993	13,129	-	610,274	4,865,853	8,117,302
Charges for services	48,163	-	-	-	-	931,030	979,193
Interest income	49,053	18,036	1,668	25,310	205	15,215	109,487
Miscellaneous revenues	19,116	57,651	-	-	-	3,373	80,140
Total Revenues	9,978,831	5,722,915	14,797	25,310	610,479	8,361,818	24,714,150
EXPENDITURES							
Current:							
General government	6,383,243	-	13,129	-	-	25,230	6,421,602
Public safety	2,805,455	-	-	-	-	661,649	3,467,104
Public works	-	8,049,591	-	8,103,225	632,975	4,137,287	20,923,078
Health and welfare	156,476	-	-	-	-	439,179	595,655
Culture and recreation	256,075	-	-	-	-	-	256,075
Conservation of natural resources	133,485	-	-	-	-	-	133,485
Economic development and assistance	31,052	-	-	-	-	145,737	176,789
Debt service:							
Principal	50,635	1,825,820	-	-	-	1,598,453	3,474,908
Interest	7,667	46,452	-	-	-	253,916	308,035
Bond issue costs	-	-	-	-	311,000	-	311,000
Total Expenditures	9,824,088	9,921,863	13,129	8,103,225	943,975	7,261,451	36,067,731
Excess of Revenues over (under) Expenditures							
	154,743	(4,198,948)	1,668	(8,077,915)	(333,496)	1,100,367	(11,353,581)
OTHER FINANCING SOURCES (USES)							
Long-term capital debt issued	-	2,031,496	-	-	10,250,000	621,950	12,903,446
Proceeds from sale of capital assets	96,511	1,243,628	-	-	-	231,732	1,571,871
Transfers In	-	-	-	-	-	305,771	305,771
Transfers Out	(305,771)	-	-	-	-	-	(305,771)
Total Other Financing Sources and Uses	(209,260)	3,275,124	-	-	10,250,000	1,159,453	14,475,317
Net Changes in Fund Balances							
	(54,517)	(923,824)	1,668	(8,077,915)	9,916,504	2,259,820	3,121,736
Fund Balances - Beginning	4,784,799	4,578,412	37	8,260,907	-	5,526,353	23,150,508
Fund balances - Ending	\$ 4,730,282	3,654,588	1,705	182,992	9,916,504	7,786,173	26,272,244

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

**YAZOO COUNTY****Exhibit 4-1****Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended September 30, 2022**

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 3,121,736
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$2,153,215 was exceeded by capital outlays of \$2,916,852 in the current period.	763,637
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain (loss) of \$140,444 and the proceeds from the sale of \$1,571,871 in the current period.	(1,431,427)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(107,678)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$3,474,908 was exceeded by debt proceeds of \$12,903,446.	(9,428,538)
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Amortization of bond premium	8,714
Amortization of refunding charges on long-term debt	(25,030)
Compensated absences payable	45,419
Accrued interest payable	11,855
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(1,248,850)
Recording of contributions made during the year	852,098
Change in Net Position of Governmental Activities	\$ <u>(7,438,064)</u>

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



**YAZOO COUNTY**  
**Statement of Net Position – Proprietary Funds**  
**September 30, 2022**

**Exhibit 5**

	Business-Type Activities		
	Enterprise Funds		
	Yazoo County		
	Regional Jail Fund	Port Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ -	536,935	536,935
Intergovernmental receivable	255,394	-	255,394
Restricted assets:			
Investments- cash equivalent	1,266,250	-	1,266,250
Due from other funds	74,769	2,184	76,953
Total Current Assets	1,596,413	539,119	2,135,532
Noncurrent assets:			
Capital assets:			-
Land	75,000	904,683	979,683
Other capital assets, net	10,463,528	792,298	11,255,826
Total Noncurrent Assets	10,538,528	1,696,981	12,235,509
Total Assets	12,134,941	2,236,100	14,371,041
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	438,560	24,364	462,924
Total Deferred Outflows of Resources	438,560	24,364	462,924
<b>LIABILITIES</b>			
Current liabilities:			
Claims payable	128,461	8	128,469
Advances from other funds	11,571	-	11,571
Accrued interest payable	78,643	9,964	88,607
Cash overdraft	1,242,659		1,242,659
Capital debt:			-
Capital related debt - current portion	965,000	62,536	1,027,536
Total Current Liabilities	2,426,334	72,508	2,498,842
Noncurrent liabilities:			
Net pension liability	3,175,232	176,402	3,351,634
Capital debt:			-
Capital related debt - noncurrent portion	8,853,274	493,558	9,346,832
Non-capital debt:			-
Compensated absences payable	44,538	520	45,058
Total Noncurrent Liabilities	12,073,044	670,480	12,743,524
Total Liabilities	14,499,378	742,988	15,242,366
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	107,973	5,997	113,970
Total Deferred Inflows of Resources	107,973	5,997	113,970
<b>NET POSITION</b>			
Net investment in capital assets	720,254	1,140,887	1,861,141
Restricted for:			-
Port	-	370,592	370,592
Unrestricted	(2,754,104)	-	(2,754,104)
Total Net Position	\$ (2,033,850)	1,511,479	(522,371)

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

**Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds  
For the Year Ended September 30, 2022**

	Business-Type Activities		
	Enterprise Funds		
	Yazoo County Regional Jail Fund	Port Fund	Total
<b>Operating Revenues</b>			
Charges for services	\$ 3,665,473	145,115	3,810,588
Miscellaneous	3,944	99,223	103,167
Total Operating Revenues	3,669,417	244,338	3,913,755
<b>Operating Expenses</b>			
Personnel services	1,494,876	41,665	1,536,541
Contractual services	607,301	321,368	928,669
Materials and supplies	851,969	45,591	897,560
Depreciation expense	303,497	2,880	306,377
Pension expense	277,522	15,418	292,940
Total Operating Expenses	3,535,165	426,922	3,962,087
Operating Income (Loss)	134,252	(182,584)	(48,332)
<b>Nonoperating Revenues (Expenses)</b>			
Property taxes		194,198	194,198
Interest income	7,481	2,156	9,637
Intergovernmental grants	-	45,541	45,541
Interest expense	(265,124)	(17,416)	(282,540)
Net Nonoperating Revenue (Expenses)	(257,643)	224,479	(33,164)
Changes in Net Position	(123,391)	41,895	(81,496)
Net Position- Beginning	(1,910,459)	1,469,584	(440,875)
Net Position - Ending	\$ (2,033,850)	1,511,479	(522,371)

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

**YAZOO COUNTY****Exhibit 7****Statement of Cash Flows – Proprietary Funds  
For the Year Ended September 30, 2022**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Yazoo County Regional Jail Fund</b>	<b>Port Fund</b>	<b>Total</b>
Cash Flows From Operating Activities			
Receipts from customers	\$ 3,637,969	145,115	3,783,084
Payments to suppliers	(913,078)	(380,150)	(1,293,228)
Payments to employees for services	(1,689,821)	(51,665)	(1,741,486)
Other operating cash receipts	3,944	99,223	103,167
Net Cash Provided (Used) by Operating Activities	<u>1,039,014</u>	<u>(187,477)</u>	<u>851,537</u>
Cash Flows From Noncapital Financing Activities			
Receipts from property tax collections		192,031	192,031
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>192,031</u>	<u>192,031</u>
Cash Flows From Capital and Related Financing Activities			
Capital grants received	-	45,541	45,541
Principal paid on debt	(925,000)	(60,715)	(985,715)
Interest paid on debt	(352,438)	(18,504)	(370,942)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,277,438)</u>	<u>(33,678)</u>	<u>(1,311,116)</u>
Cash Flows From Investing Activities			
Interest on deposits	7,481	2,156	9,637
Net Cash Provided (Used) by Investing Activities	<u>7,481</u>	<u>2,156</u>	<u>9,637</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(230,943)	(26,968)	(257,911)
Cash and Cash Equivalents at Beginning of Year	1,497,193	563,903	2,061,096
Cash and Cash Equivalents at End of Year	<u>\$ 1,266,250</u>	<u>536,935</u>	<u>1,803,185</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 134,252	(182,584)	(48,332)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	303,497	2,880	306,377
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(709)	-	(709)
(Increase) decrease in interfund receivable	(26,796)	-	(26,796)
(Increase) decrease in deferred outflows of resources	(20,099)	(1,114)	(21,213)
Increase (decrease) in claims payable	(16,947)	(13,191)	(30,138)
Increase (decrease) in compensated absences liability	(5,590)	520	(5,070)
Increase (decrease) in cash overdraft liability	563,140	-	563,140
Increase (decrease) in net pension liability	770,160	42,786	812,946
Increase (decrease) in deferred inflows of resources	(661,894)	(36,774)	(698,668)
Total Adjustments	<u>904,762</u>	<u>(4,893)</u>	<u>899,869</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,039,014</u>	<u>(187,477)</u>	<u>851,537</u>

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

**YAZOO COUNTY**  
**Statement of Fiduciary Net Position**  
**September 30, 2022**

**Exhibit 8**

	<b><u>Custodial Funds</u></b>
<b>ASSETS</b>	
Cash	\$ 64,209
Due from other funds	13,460
Total Assets	<u>\$ 77,669</u>
<b>LIABILITIES</b>	
Intergovernmental payables	\$ 13,460
Total Liabilities	<u>\$ 13,460</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations and other governments	\$ 64,209
Total Net Position	<u>\$ 64,209</u>

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

**YAZOO COUNTY****Exhibit 9****Statement of Changes in Fiduciary Net Position  
For the Year Ended September 30, 2022**

	Custodial Funds
ADDITIONS	
Tax collections for other governments	\$ 532,485
Licenses and fees collected for State	353,022
Total Additions	<u>885,507</u>
DEDUCTIONS	
Payments of tax to other governments	521,385
Payments of licenses and fees to State	344,562
Total Deductions	<u>865,947</u>
Net increase (decrease) in fiduciary net position	19,560
Net Position - Beginning	44,649
Net Position - Ending	<u>\$ 64,209</u>

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

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

**A. Financial Reporting Entity.**

Yazoo 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. Accounting principles generally accepted in the United States of America require Yazoo County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

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
- Tax Collector
- Sheriff

**B. Individual Component Unit Disclosures.**

**Blended Component Units**

Certain component units, although legally separate from the primary government, are nevertheless so intertwined with the primary government that they are, in substance, the same as the primary government. Therefore, these component units are reported as if they are part of the primary government. The following component units' balances and transactions are blended with the balances and transactions of the primary government.

Yazoo County Human Resource Agency - The mission of the agency is to provide human services to people in need and that meet the general and specialized needs of the citizens of Yazoo County.

Yazoo County Port Commission – This commission was created for the purpose of overseeing the operations of the Yazoo County Port. A five-member board of commissioners is appointed as follows: one commissioner is appointed by the Governor; two commissioners are appointed by Yazoo County; and two commissioners are appointed by Yazoo City.

**C. Basis of Presentation.**

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

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**Government-wide Financial Statements:**

The Statement of Net Position and the Statement of Activities display information concerning the County as a whole. The statements include all non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Position presents the financial condition of the governmental activities and business-type activities of the County at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues 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, deferred outflows, liabilities, deferred inflows, fund balances/net position, revenues, and expenditures/expenses. Funds are organized into governmental, proprietary, and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column as Other Governmental Funds.

**D. Measurement Focus and Basis of Accounting.**

The Government-wide, Proprietary Funds and Fiduciary Funds financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied.

The revenues and expenses of Proprietary Funds are classified as operating or non-operating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as non-operating.

Governmental fund financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

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.

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

COVID Relief Fund – This fund is used to account for monies from The American Rescue Plan Act of 2021 that are to aid in the recovery of the effects associated with the COVID-19 pandemic.

G.O. 2021 Construction Bonds Fund – This fund is used to account for monies from General Obligation Road Bonds that are restricted for road maintenance.

G.O. 2022 Bonds Fund – This fund is used to account for monies from General Obligation Road Bonds that are restricted for road maintenance.

The County reports the following major Enterprise Funds:

Yazoo County Regional Jail Fund – This fund is used to account for the County’s activities of the regional jail.

Port Fund – This fund is used to account for the activities of the port.

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 revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures 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 expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**PROPRIETARY FUND TYPE**



**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

**FIDUCIARY FUND TYPE**

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

**E. 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 Association.

**F. Deposits and Investments.**

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, certificates of deposit, and other cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair market value.

**G. Receivables.**

Receivables are reported net of allowances for uncollectible accounts, where applicable.

**H. Inter-fund Transactions and Balances.**

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of interfund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund, if applicable, to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed, or assigned. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**I. Restricted Assets**

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

Proprietary Fund assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

Certain proceeds of the County's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue" account is funded by revenues received for housing of inmates and is used to fund the General Account. Revenues exceeding the amount necessary to fund the General Account are transferred to the County upon request and substantiation of monthly expenditures. The "bond issuance expense" account is used to segregate resources set aside to pay bond issue cost. The "escrow" account is used to set aside funds to repay the refinanced bonds. The "debt service reserve" account is used to report resources set aside to subsidize potential deficiencies from the County's operation that could adversely affect debt service payments. The "general" account is funded by the revenue account and used to pay bondholder interest and principal payments as they come due.

**J. Capital Assets.**

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the applicable governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital asset costs, other than infrastructure, have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because non-capitalization of interest does not have a material effect on the County's financial statements. Donated capital assets are recorded at their fair value at the time of donation.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements and Proprietary Funds. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

	<u>Capitalization Thresholds</u>	<u>Estimated Service Life</u>
Land	\$ 0	N/A
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5 to 10 years
Furniture and equipment	5,000	3 to 7 years
Infrastructure	0	20 to 50 years
Intangible assets	*	*

\* Intangible assets for the County represent right to use leased assets, and are capitalized as a group for reporting purposes. The estimated useful life is the term of the lease agreement. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized.

The term "depreciation" includes the amortization of intangible assets.

**K. Deferred Outflows/Inflows of Resources.**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 8 for additional details.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenues) until that time.

Deferred revenue – property taxes/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

Unavailable revenue – fines – When an asset is recorded in the governmental fund financial statements, but the revenue is not available, the government should report a deferred inflow of resources until such time the revenue becomes available.

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 8 for additional details.

**L. Pensions.**

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. Long-term Liabilities.**

Long-term liabilities are the unmatured principal of bonds, loans, notes, or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on financed purchases and other commitments.

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Funds Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**N. Equity Classifications.**

Government-wide Financial Statements:

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

Net Investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.

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" or "net investment in capital assets."

Net Position Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

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.

Government fund balance is classified as non-spendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

*Nonspendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

*Restricted fund balance* includes amounts 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 expenditures incurred 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 an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

**O. 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 the original purchase.

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of the original purchase occurs.

**P. Intergovernmental Revenues in Governmental Funds.**

Intergovernmental revenues, consisting of grants, entitlements, and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

**Q. Compensated Absences.**

The County has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and Proprietary Funds financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

**R. 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 foundational 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.

**NOTE 2 – DEPOSITS AND INVESTMENTS.**

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$34,767,684 and the bank balance was \$34,335,438. The collateral for public entities' deposits in financial 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

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

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.

Investments:

As provided in Section 91-13-8, Miss. Code Ann. (1972), the following investments of the County are handled through a trust indenture between the County and the trustee related to the operations of the Yazoo County Regional Correctional Facility.

Investments balances at September 30, 2022, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Hancock Horizon Government Money Market Fund	Less than one year	Level 1	\$ 1,266,250

Interest Rate Risk: The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972), limits the maturity period of any investment to no more than one year.

Credit Risk. State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The County does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. Of the County's investment, \$1,266,250 were held in trust accounts by the trustee on behalf of the County.

**NOTE 3 – INTER-FUND TRANSACTIONS AND BALANCES.**

The following is a summary of inter-fund balances at September 30, 2022:

A. Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Road Fund	General Fund	\$ 137,024
Other Governmental Funds	General Fund	69,886
Custodial Funds	General Fund	13,460
Yazoo County Regional Jail Fund	General Fund	74,769
Port Fund	General Fund	2,184
	Total	<u>\$ 297,323</u>

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

The amount payable to the Yazoo County Regional Jail Fund of \$74,769 represents the amount due from the General Fund for the housing of prisoners. The remaining receivables represent the tax revenues collected in September 2022, but not settled until October 2022. All interfund balances are expected to be repaid within one year from the date of the financial statements.

**B. Advances from/to Other Funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Yazoo County Regional Jail Fund	\$ 11,571
General Fund	Other Governmental Funds	52,000
	Total	<u>\$ 63,571</u>

Amounts listed represent amounts paid in 2010 for the Regional Jail construction and matching funds to start up Human Resource Agency federal programs in fiscal year 2005.

**C. Transfers In/Out:**

Transfers In	Transfers Out	Amount
Other Governmental Funds	General Fund	\$ 305,771
	Total	<u>\$ 305,771</u>

The transfers to the Other Governmental Funds were to provide cash matches for federal grants.

**NOTE 4 – INTERGOVERNMENTAL RECEIVABLES.**

Intergovernmental receivables at September 30, 2022, consisted of the following:

Description	Amount
Governmental Activities:	
Legislative tax credit	\$ 176,260
DUI Grant Funds	3,969
Department of Health and Human Services Funds	15,554
Total Governmental Activities	<u>\$ 195,783</u>

Description	Amount
Business-type Activities:	
Housing Inmate revenues from various governments	\$ 255,394
Total Business-type Activities	<u>\$ 255,394</u>

**NOTE 5– CAPITAL ASSETS.**

The following is a summary of capital assets activity for the year ended September 30, 2022:



**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

<b>Governmental Activities</b>	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	478,860	-	-	-	478,860
Construction in progress	744,368	440,040			1,184,408
Total non-depreciable capital assets	1,223,228	440,040	-	-	1,663,268
Depreciable capital assets:					
Infrastructure	121,563,490	-	-	-	121,563,490
Buildings	7,242,454	-	-	-	7,242,454
Mobile equipment	10,465,897	2,222,405	4,033,044	4,219,060	12,874,318
Furniture & equipment	1,876,812	254,407	149,593	-	1,981,626
Leased property under capital lease	4,219,060	-	-	(4,219,060)	-
Total depreciable capital assets	145,367,713	2,476,812	4,182,637	-	143,661,888
Less accumulated depreciation for:					
Infrastructure	76,210,398	540,520	-	-	76,750,918
Buildings	3,209,183	146,005	-	-	3,355,188
Mobile equipment	6,508,965	1,285,112	2,616,577	1,323,145	6,500,645
Furniture & equipment	1,344,580	181,578	134,633	-	1,391,525
Leased property under capital lease	1,323,145	-	-	(1,323,145)	-
Total accumulated depreciation	88,596,271	2,153,215	2,751,210	-	87,998,276
Depreciable capital assets, net	56,771,442	323,597	1,431,427	-	55,663,612
Governmental activities capital assets, net	57,994,670	763,637	1,431,427	-	57,326,880

The adjustments above for leased assets are the result of the implementation of GASB 87. Under the new guidance leases that were previously reported as capital leases and whereby the asset conveys to the lessee at the conclusion of the lease, are now considered financed purchases. Since these assets are no longer considered leased assets, reclassifications have been made to report them in their respective category.

<b>Business-type Activities</b>	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	979,683	-	-	-	979,683
Total non-depreciable capital assets	979,683	-	-	-	979,683
Depreciable capital assets:					
Buildings	14,164,892	-	-	-	14,164,892
Improvements other than buildings	3,425,186	-	-	-	3,425,186
Mobile equipment	294,957	-	-	-	294,957
Furniture & equipment	200,621	-	-	-	200,621
Total depreciable capital assets	18,085,656	-	-	-	18,085,656
Less accumulated depreciated for:					
Buildings	3,424,228	283,299	-	-	3,707,527
Improvements other than buildings	2,740,149	-	-	-	2,740,149
Mobile equipment	265,461	-	-	-	265,461
Furniture & equipment	93,615	23,078	-	-	116,693
Total accumulated depreciation	6,523,453	306,377	-	-	6,829,830
Total depreciable capital assets, net	11,562,203	(306,377)	-	-	11,255,826
Business-type activities capital assets, net	12,541,886	(306,377)	-	-	12,235,509

Depreciation expense was charged to the following functions:

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

<b>Governmental Activities</b>	<b>Amount</b>
General government	\$ 212,799
Public safety	181,096
Public works	1,746,102
Health & welfare	13,218
Total	<u>\$ 2,153,215</u>

<b>Business-type Activities</b>	
Correctional facility	\$ 303,497
Port	2,880
Total	<u>\$ 306,377</u>

Commitments with respect to unfinished capital projects as of September 30, 2022, consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
Various road projects	\$ unknown	unknown

**NOTE 6 – 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.

The County finances its exposure to risk of loss relating to employee health and accident coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool. The pool is a claims-servicing organization with the County retaining the risk of loss on all claims to which the County is exposed. Premium payments to the pool are determined on an actuarial basis. The County has reinsurance which functions on a specific stop loss coverage. This coverage is purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$50,000. Claims expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs).

The following table provides changes in the balances of claims liabilities for fiscal years 2021 and 2022:

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

	2021	2022
Unpaid Claims, Beginning of Fiscal Year	\$ 318,968	526,096
Plus: Incurred Claims (Including IBNRs)	2,898,393	2,407,732
Less: Claims payments	(2,691,265)	(2,455,616)
Unpaid Claims, End of Fiscal Year	\$ 526,096	478,212

**NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (OPEB).**

Plan Description

The Yazoo County Board of Supervisors administers the County's health insurance plan which is authorized by Sections 25-15-101 et seq., Mississippi Code Ann. (1972). The County's health insurance plan may be amended by the Yazoo County Board of Supervisors. The County provides health insurance coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool, and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as an agent multiple-employer health care plan. However, the County has not recorded a liability for other postemployment benefits nor has the County reported the note disclosures which are required by accounting principles generally accepted in the United States of America. The County does not issue a publicly available financial report for the Plan.

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

*General Information about the Pension Plan*

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. 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 employer's rate at September 30, 2022 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers 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 \$1,051,973, \$1,046,313, and \$985,866, respectively, equal to the required contributions for each year.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At September 30, 2022, the County reported a liability of \$17,640,173 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2022 net pension liability was 0.0857 percent, which was based on a measurement date of June 30, 2022. This was a decrease of 0.0047 percent from its proportionate share used to calculate the September 30, 2021 net pension liability, which was based on a measurement date of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$1,541,790. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 253,497	-
Net difference between projected and actual earnings on pension plan investments	735,520	-
Changes of assumptions	643,566	-
Changes in the proportion and differences between actual contributions and proportionate share of contributions	534,662	599,848
Contributions subsequent to the measurement date	269,196	-
	<u>\$ 2,436,441</u>	<u>599,848</u>

The \$269,196 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2023	\$ 529,385
2024	423,369
2025	(342,563)
2026	957,206
Total	<u>\$ 1,567,397</u>

**Actuarial Assumptions.** The total pension liability as of June 30, 2022 was determined by an actuarial valuation prepared as of June 30, 2021, by the investment experience for the fiscal year ending June 30, 2022. The following actuarial assumptions are applied to all periods in the measurement:

Inflation percentage	2.40%
Salary increases, including inflation	2.65 - 17.90%
Investment rate of return	
net of pension plan investment expense, including inflation	7.55%

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	25.00 %	4.60 %
International Equity	20.00	4.50
Global Equity	12.00	4.85
Fixed Income	18.00	1.40
Real Estate	10.00	3.65
Private Equity	10.00	6.00
Private Infrastructure	2.00	4.00
Private Credit	2.00	4.00
Cash	1.00	(0.10)
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

	<u>1% Decrease (6.55%)</u>	<u>Discount Rate (7.55%)</u>	<u>1% Increase (8.55%)</u>
Proportionate share of the net pension liability	\$ 23,022,235	17,640,173	13,202,947

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**NOTE 9 – LONG TERM DEBT**

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

Debt outstanding as of September 30, 2022, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
2021 general obligation bond	\$ 9,150,000	1.500 to 2.000%	01/2031
2022 general obligation bond	10,250,000	2.180%	09/2034
Total General Obligation Bonds	<u>\$ 19,400,000</u>		
B. Other Loans:			
New BOS Building	\$ 190,071	2.850%	01/2031
Total Other Loans	<u>\$ 190,071</u>		
C. Financed Purchases:			
2021 GMC Silverado Crew Cab	\$ 22,628	2.089%	03/2024
(5) Caterpillars & Excavator	832,486	2.163%	01/2024
(2) 2022 Kenworth T880 Trucks	195,007	2.225%	01/2024
John Deere Tractors, Cutters & Loaders	665,014	2.725%	03/2024
(10) 2022 Ford F-150 Pickup Trucks	221,249	2.780%	05/2025
(5) 2022 Ford F-150 Pickup Trucks	108,102	2.963%	08/2024
2020 Mack Truck	70,895	2.601%	01/2023
(2) 2021 Kentworth Knuckleboom Trucks	144,980	1.970%	12/2023
(2) 2022 Mack Trucks with Refuse Bodies	461,087	2.290%	03/2025
Total Financed Purchases	<u>\$ 2,721,448</u>		

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
-------------------------	-----------------------	------------------	------------------------

**Business-type Activities:**

A. Bonds:			
Regional Jail Refunding 2016	\$ 9,135,000	3.000 to 5.000%	07/2031
Total Bond	<u>9,135,000</u>		
B. Other Loans:			
Port MDA Loan	\$ 556,094	3.00%	02/2029
Total Other Loans	<u>\$ 556,094</u>		

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:

Year ending September 30:	<b>Governmental Activities</b>					
	<b>General obligation Bonds</b>		<b>Other Loans</b>		<b>Financed Purchases</b>	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,605,000	464,224	18,796	5,492	1,265,154	66,422
2024	1,650,000	436,245	19,339	4,949	1,223,262	35,551
2025	1,705,000	394,572	19,886	4,402	233,032	5,773
2026	1,765,000	351,504	20,472	3,816	-	-
2027	1,820,000	311,841	21,064	3,224	-	-
2028-2032	8,870,000	917,574	90,514	6,637		
2033-2034	1,985,000	95,241	-	-	-	-
Total	\$ 19,400,000	2,971,201	190,071	28,520	2,721,448	107,746

Year ending September 30:	<b>Business-type Activities</b>			
	<b>Bonds</b>		<b>Other Loans</b>	
	Principal	Interest	Principal	Interest
2023	965,000	315,438	62,536	16,683
2024	980,000	296,138	64,412	14,807
2025	1,025,000	256,938	66,345	12,874
2026	1,060,000	215,938	68,335	10,884
2027	1,110,000	95,448	70,385	8,834
2028-2031	3,995,000	311,813	224,081	13,577
Total	9,135,000	1,491,713	556,094	77,659

**Pledge of Future Revenues** –The County has pledged future revenues for housing inmates, net of specified operating expenses, to repay, \$14,165,000 in limited obligation urban renewal revenue bonds issued in June 2016. Proceeds from the bonds were used to refund the urban renewal revenue bonds issued to provide financing for the construction of the Yazoo County Regional Correctional Facility (YCRCF). The bonds are not a general obligation of the County and, therefore, are not secured by the full faith and credit of the County. The bonds are payable solely from income derived from an inmate housing agreement with the Mississippi Department of Corrections for housing state prisoners and income received from any other governments for housing and holding prisoners and are payable through July, 2031. The total principal and interest remaining to be paid on the bonds is \$10,626,713.

**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 counties issue bonds 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 8.65% of the latest property assessments.

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



**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
<b>Governmental Activities:</b>						
Compensated absences	\$ 262,378	-	45,419	-	216,959	
General obligation bonds	10,305,000	10,250,000	1,155,000	-	19,400,000	1,605,000
Add:						
Premiums	74,553	-	8,714	-	65,839	8,714
Other loans	208,339	-	18,268	-	190,071	18,796
Capital leases	2,369,642	-	-	(2,369,642)	-	-
Financed purchases	-	2,653,446	2,301,640	2,369,642	2,721,448	1,265,154
Total	\$ 13,219,912	12,903,446	3,529,041	-	22,594,317	2,897,664

	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
<b>Business-Type Activities:</b>						
Compensated absences	\$ 50,128	520	5,590	-	45,058	
Bonds	10,060,000	-	925,000	-	9,135,000	965,000
Add:						
Premiums	761,362	-	78,088	-	683,274	78,088
Other loans	616,809	-	60,715	-	556,094	62,536
Total	\$ 11,488,299	520	1,069,393	-	10,419,426	1,105,624

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Road Fund, Other Governmental Funds, Yazoo County Regional Correctional Facility Fund and Port Fund.

**NOTE 10 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS.**

The following fund reported a deficit in fund balance or net position at September 30, 2022:

Business-Type Activities	
Enterprise Fund:	
Regional Jail Facility Fund	\$ 2,033,850
Total	\$ 2,033,850

**NOTE 11 – 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 expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the County. No provision for any liability that may result has been recognized in the County's financial statement.

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

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.

**NOTE 12 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.**

The governmental activities' unrestricted net position deficit amount of \$(8,006,276) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$218,049 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. The \$1,755,468 balance of the deferred outflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4 years. The \$485,878 balance of the deferred inflow of resources related to pension at September 30, 2022, will be recognized in pension expense over the next 3 years.

The business-type activities' unrestricted net position deficit amount of \$(2,754,104) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$51,147 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. The \$411,777 balance of the deferred outflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4 years. The \$113,970 balance of the deferred inflow of resources related to pension at September 30, 2022, will be recognized in pension expense over the next 3 years.

**NOTE 13 – RELATED ORGANIZATIONS.**

The Yazoo County Board of Supervisors are responsible for appointing a voting majority of the members of the boards of the following organizations, but the County's accountability for these organizations does not extend beyond making the appointments to these organizations. The County periodically makes small appropriations to these organizations:

- Eden Drainage District
- Silver Creek Drainage District
- Fifteen Mile Bayou Water Management District
- Rocky Bayou Drainage District
- Atchafalaya Drainage District
- Yazoo County Convention and Visitor's Bureau

**NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

Holmes Community College operates in a district composed of the Counties of Attala, Carroll, Choctaw, Grenada, Holmes, Madison, Montgomery, Webster, and Yazoo. The Yazoo County Board of Supervisors

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

appoints two of the 22 members of the board of trustees. The County appropriated \$474,536 for maintenance and support of the college in fiscal year 2022.

The 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 Yazoo County Board of Supervisors appoints one of the 21 members of the district board of commissioners. The County appropriated \$46,849 for support of the district in fiscal year 2022.

Central Mississippi Planning and Development District operates in a district composed of the Counties of Copiah, Hinds, Madison, Rankin, Simpson, Warren, and Yazoo. The Yazoo County Board of Supervisors appoints three of the 33 members of the board of directors. The County appropriated \$6,263 for support of the district in fiscal year 2022.

Central Mississippi Emergency Medical Services District operates in a district composed of the Counties of Attala, Clarke, Copiah, Holmes, Lauderdale, Leake, Rankin, Scott, Smith, Warren, and Yazoo. The Yazoo County Board of Supervisors appoints two of the 26 members of the board. The County provides minimal support for the district.

**NOTE 15 - TAX ABATEMENT**

Governmental Accounting Standards Board (GASB) Statement 77, *Tax Abatement Disclosures*, requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Yazoo County Board of Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the County. The County had tax abatement agreements with four entities as of September 30, 2022.

The County had abatements under the following statutes, which do not provide for the abatement of school or state tax levies: 27-31-102, 27-31-105 and 57-80-9, Miss. Code (Ann.) 1972. All allowable property tax levies are as follows:

Category	Fiscal Year 2022	
	% of Taxes	Amount of
	Abated	Taxes Abated
Oil recovery equipment	100%	9,574
MDA Growth and Prosperity program property	100%	805
Additions, expansions or equipment replacement	75%	38,700
Certain central business district structures	100%	1,026

The companies were not required to comply with any special provisions in order to receive the abatements and the County made no commitments as part of the agreements other than to reduce taxes.

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**NOTE 16 – SUBSEQUENT EVENTS.**

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Yazoo County evaluated the activity of the County through September 19, 2023 (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred that require disclosure in the notes to the financial statements.

Subsequent to September 30, 2022, the County issued the following debt obligations:

<u>Issue Date</u>	<u>Interest Rate</u>		<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/19/2022	3.520%	\$	81,255	Financed Purchase	Advalorem taxes
2/15/2023	3.280%		1,322,382	Financed Purchase	Advalorem taxes
2/23/2023	4.230%		960,000	Financed Purchase	Advalorem taxes
5/19/2023	4.321%		37,824	Financed Purchase	Advalorem taxes
5/19/2023	4.321%		339,947	Financed Purchase	Advalorem taxes
6/28/2023	4.955%		47,580	Financed Purchase	Advalorem taxes
6/27/2023	4.955%		74,984	Financed Purchase	Advalorem taxes
11/3/2022	3.250%		32,270	Financed Purchase	Advalorem taxes

## **YAZOO COUNTY**

### **REQUIRED SUPPLEMENTARY INFORMATION**

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 6,274,552	7,229,096	7,229,096	-
Licenses, commissions and other revenue	484,174	527,301	527,301	-
Fines and forfeitures	140,323	201,797	201,797	-
Intergovernmental revenues	2,096,765	1,919,263	1,919,263	-
Charges for services	-	48,163	48,163	-
Interest income	73,440	54,471	54,471	-
Miscellaneous revenues	228,753	19,116	19,116	-
Total Revenues	<u>9,298,007</u>	<u>9,999,207</u>	<u>9,999,207</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,273,341	6,745,764	6,745,764	-
Public safety	2,668,481	2,772,034	2,772,034	-
Public works	-	-	-	-
Health and welfare	165,340	156,112	156,112	-
Culture and recreation	211,075	256,075	256,075	-
Conservation of natural resources	145,134	133,430	133,430	-
Economic development and assistance	34,636	31,052	31,052	-
Debt service:				
Principal	-	50,635	50,635	-
Interest	-	7,667	7,667	-
Total Expenditures	<u>10,498,007</u>	<u>10,152,769</u>	<u>10,152,769</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(1,200,000)</u>	<u>(153,562)</u>	<u>(153,562)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	96,511	96,511	-
Proceeds from long-term debt	-	-	-	-
Transfers In (Out)	-	(305,771)	(305,771)	-
Total Other Financing Sources and Uses	<u>-</u>	<u>(209,260)</u>	<u>(209,260)</u>	<u>-</u>
Net Change in Fund Balance	(1,200,000)	(362,822)	(362,822)	-
Fund Balances- Beginning	<u>(4,572,396)</u>	<u>3,525,882</u>	<u>3,576,628</u>	<u>50,746</u>
Fund Balances- Ending	<u>\$ (5,772,396)</u>	<u>3,163,060</u>	<u>3,213,806</u>	<u>50,746</u>

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

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 3,209,680	4,758,189	4,758,189	-
Road and bridge privilege taxes	292,674	184,882	184,882	-
Fines and forfeitures	-	-	-	-
Intergovernmental revenues	670,785	227,021	227,021	-
Interest income	12,890	18,036	18,036	-
Miscellaneous revenues	509,905	1,437,610	1,437,610	-
Total Revenues	<u>4,695,934</u>	<u>6,625,738</u>	<u>6,625,738</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public works	5,145,934	5,073,566	5,073,566	-
Debt service:				
Principal	-	2,370,794	2,370,794	-
Interest	-	328	328	-
Total Expenditures	<u>5,145,934</u>	<u>7,444,688</u>	<u>7,444,688</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(450,000)</u>	<u>(818,950)</u>	<u>(818,950)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	1,243,628	1,243,628	-
Proceeds from long-term debt	-	2,031,496	2,031,496	-
Total Other Financing Sources and Uses	<u>-</u>	<u>3,275,124</u>	<u>3,275,124</u>	<u>-</u>
Net Change in Fund Balance	(450,000)	2,456,174	2,456,174	-
Fund Balances- Beginning	<u>(2,134,694)</u>	<u>4,645,304</u>	<u>5,018,018</u>	<u>372,714</u>
Fund Balances- Ending	<u>\$ (2,584,694)</u>	<u>7,101,478</u>	<u>7,474,192</u>	<u>372,714</u>

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

**YAZOO COUNTY**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**COVID Relief Fund**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 2,632,496	2,632,496	2,632,496	-
Interest income	1,669	1,669	1,669	-
Total Revenues	<u>2,634,165</u>	<u>2,634,165</u>	<u>2,634,165</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	13,129	13,129	13,129	-
Total Expenditures	<u>13,129</u>	<u>13,129</u>	<u>13,129</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>2,621,036</u>	<u>2,621,036</u>	<u>2,621,036</u>	<u>-</u>
Net Change in Fund Balance	2,621,036	2,621,036	2,621,036	-
Fund Balances- Beginning	<u>2,883,732</u>	<u>2,883,732</u>	<u>2,883,732</u>	<u>-</u>
Fund Balances- Ending	<u>\$ 5,504,768</u>	<u>5,504,768</u>	<u>5,504,768</u>	<u>-</u>

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



**YAZOO COUNTY**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**G.O. 2021 Construction Bonds Fund**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Interest income	-	25,310	25,310	-
Total Revenues	<u>-</u>	<u>25,310</u>	<u>25,310</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>9,500,000</u>	<u>9,669,145</u>	<u>9,669,145</u>	<u>-</u>
Total Expenditures	<u>9,500,000</u>	<u>9,669,145</u>	<u>9,669,145</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(9,500,000)</u>	<u>(9,643,835)</u>	<u>(9,643,835)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt	-	-	-	-
Premiums on bonds issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(9,500,000)	(9,643,835)	(9,643,835)	-
Fund Balances- Beginning	<u>-</u>	<u>-</u>	<u>2,548,485</u>	<u>2,548,485</u>
Fund Balances- Ending	<u>\$ (9,500,000)</u>	<u>(9,643,835)</u>	<u>(7,095,350)</u>	<u>2,548,485</u>

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

**YAZOO COUNTY**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**G.O. 2022 Bonds Fund**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental revenues	610,274	610,274	610,274	-
Interest income	205	205	205	-
Total Revenues	<u>610,479</u>	<u>610,479</u>	<u>610,479</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public works	632,975	632,975	632,975	-
Debt service:				
Bond issue costs	<u>311,000</u>	<u>311,000</u>	<u>311,000</u>	<u>-</u>
Total Expenditures	<u>943,975</u>	<u>943,975</u>	<u>943,975</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(333,496)</u>	<u>(333,496)</u>	<u>(333,496)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt	<u>10,250,000</u>	<u>10,250,000</u>	<u>10,250,000</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>10,250,000</u>	<u>10,250,000</u>	<u>10,250,000</u>	<u>-</u>
Net Change in Fund Balance	9,916,504	9,916,504	9,916,504	-
Fund Balances- Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances- Ending	<u>\$ 9,916,504</u>	<u>9,916,504</u>	<u>9,916,504</u>	<u>-</u>

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

**YAZOO COUNTY**  
**Schedule of the County's Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.0857%	0.0904%	0.0847%	0.0871%	0.0863%	0.0887%	0.083%	0.085%	0.088%
County's proportionate share of the net pension liability (asset)	\$ 17,640,173	13,361,510	16,396,931	15,322,604	14,354,252	14,744,951	14,843,734	13,108,407	10,668,844
County's covered payroll	\$ 5,903,088	6,012,432	5,640,139	5,671,992	5,508,133	5,690,051	5,318,019	5,296,419	5,370,825
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	298.83%	222.23%	290.72%	270.15%	260.60%	259.09%	279.12%	247.50%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	61.54%	61.49%	57.47%	61.70%	67.21%

\* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

**YAZOO COUNTY**  
**Schedule of the County's Contributions**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,051,973	1,046,313	985,866	923,077	864,628	893,026	835,010	834,148
Contributions in relation to the contractually required contribution	<u>1,051,973</u>	<u>1,046,313</u>	<u>985,866</u>	<u>923,077</u>	<u>864,628</u>	<u>893,026</u>	<u>835,010</u>	<u>834,148</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 6,045,815	6,013,286	5,665,898	5,716,450	5,489,699	5,670,006	5,301,651	5,296,178
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.15%	15.75%	15.75%	15.75%	15.75%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until, a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2022**

**UNAUDITED**

**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, Tax Assessor and Tax 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 revenue, each general item of expenditure, 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 (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP 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. The Budget Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

**C. Budget/GAAP Reconciliation.**

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major Special Revenue Fund:

	Governmental Fund Types				
	General Fund	Road Fund	COVID Relief Fund	G.O. 2021 Const. Bonds Fund	G.O. 2022 Bonds Fund
Budget (Cash basis)	\$ (362,822)	2,456,174	2,621,036	(9,643,835)	9,916,504
Increase (Decrease)					
Net adjustments for revenue accruals	(20,376)	(902,823)	(2,619,368)	-	-
Net adjustments for expenditure accruals	328,681	(2,477,175)	-	1,565,920	-
GAAP Basis	\$ (54,517)	(923,824)	1,668	(8,077,915)	9,916,504

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2022**

**UNAUDITED**

**Pension Schedules**

**A. Changes of assumptions.**

**2015**

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

**2016**

- The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

**2017**

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

**2019**

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
  - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
  - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
  - For males, 137% of male rates at all ages.
  - For females, 115% of female rates at all ages.

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2022**

**UNAUDITED**

- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

**2021**

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
  - For females, 84% of the female rates up to age 72, 100% for ages above 76.
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
  - For males, 134% of male rates at all ages.
  - For females, 121% of female rates at all ages.
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
  - For males, 97% of male rates at all ages.
  - For females, 110% of female rates at all ages.
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

**B. Changes in benefit provisions.**

**2016**

- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2022**

**UNAUDITED**

**C. Method and assumptions used in calculations of actuarially determined contributions.**

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2020 valuation for the June 30, 2022 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	27.7 years
Asset valuation method	5-year smoothed market
Price Inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation



## **YAZOO COUNTY**

### **SUPPLEMENTARY INFORMATION**

**YAZOO COUNTY**  
**Reconciliation of Operating Costs of Solid Waste**  
**For the Year Ended September 30, 2022**

Operating Expenditures, Cash Basis:

Personnel	\$ 337,328
Expendable Commodities:	
Gasoline and petroleum products	75,975
Repair parts	16,549
Office, field and shop supplies	129,615
Solid waste contract and disposal fees	408,022
	<hr/>
Solid Waste Cash Basis Operating Expenditures	967,489

Full Cost Expenses:

Indirect administrative costs	2,758
Depreciation on equipment	213,832
Net effect of other accrued expenses	<hr/> 10,151
	<hr/>
Solid Waste Full Cost Operating Expenses	\$ <u><u>1,194,230</u></u>

## **YAZOO COUNTY**

## **OTHER INFORMATION**

**YAZOO COUNTY**  
**Schedule of Surety Bonds for County Officials**  
**For the Year Ended September 30, 2022**  
**“Unaudited”**

<b>NAME</b>	<b>POSITION</b>	<b>AMOUNT OF BOND</b>	<b>COMPANY</b>
David Ford Berry, III	Supervisor	100,000	Fidelity & Deposit Co. of MD
Willie Wright	Supervisor	100,000	Fidelity & Deposit Co. of MD
Cobie Collins	Supervisor	100,000	FCCI Insurance Group
David Martin Shipp	Supervisor	100,000	Western Surety Co.
Danny L. Moore, Jr.	Supervisor	100,000	Western Surety Co.
Donna Kraft	County Administrator	100,000	Fidelity & Deposit Co. of MD
Quint Carver	Chancery Clerk	100,000	Western Surety Co.
Robert Coleman	Circuit Clerk	100,000	Western Surety Co.
Crystal Collins	Deputy Circuit Clerk	50,000	Fidelity & Deposit Co. of MD
Cathy Thompson	Deputy Circuit Clerk	50,000	Western Surety Co.
Alice Waters	Deputy Circuit Clerk	50,000	Western Surety Co.
Tommy Irvine	Tax Collector	100,000	Western Surety Co.
Jakese Westbrook Martin	Deputy Tax Collector	50,000	Western Surety Co.
Shequita Monet Young	Deputy Tax Collector	50,000	Western Surety Co.
Mona W. Mazeres	Deputy Tax Collector	50,000	Western Surety Co.
Laquanta Anderson	Deputy Tax Collector	50,000	Western Surety Co.
Denise Robertson	Tax Assessor	50,000	Western Surety Co.
Susan Jenkins	Deputy Tax Assessor	50,000	Fidelity & Deposit Co. of MD
Nanci Boatner	Deputy Tax Assessor	50,000	Western Surety Co.
Belinda Niven	Deputy Tax Assessor	50,000	Western Surety Co.
Jacob Sheriff	Sheriff	100,000	Western Surety Co.
Bennie K. Warrington	Justice Court Judge	50,000	Travelers Casualty & Surety
Pam Ingram May	Justice Court Judge	50,000	FCCI Insurance Group
Demetrius Westbrook	Justice Court Clerk	50,000	Western Surety Co.
Teresa Lockett	Deputy Justice Court Clerk	50,000	Western Surety Co.
Hailey Douglas	Deputy Justice Court Clerk	50,000	Western Surety Co.
Catherine Haymer	Deputy Justice Court Clerk	50,000	Western Surety Co.
Jeremy L. McCoy	Constable	50,000	Western Surety Co.
Eddie E. Smith	Constable	50,000	Western Surety Co.
John Byrd	Purchase Clerk	100,000	Western Surety Co.
Tricia Y. Brumfield	Receiving Clerk	75,000	Western Surety Co.
Demetrius Westbrook	Asst Receiving Clerk	50,000	Fidelity & Deposit Co. of MD
Henry Engleman	Asst Receiving Clerk-Barn	50,000	Western Surety Co.
Nellie Hollis	Asst Receiving Clerk-DHS	50,000	Fidelity & Deposit Co. of MD
Patricia Aldridge	Inventory Control Clerk	75,000	Fidelity & Deposit Co. of MD
James Warrington, Jr.	Road Manager	50,000	Western Surety Co.

## **YAZOO COUNTY**

## **SPECIAL REPORTS**

DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
PRIVATE COMPANIES PRACTICE SECTION

**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  
Yazoo County, Mississippi

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Yazoo 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 September 19, 2023. The report is qualified on the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund because the County did not record a liability or current year expense for other postemployment benefits as required by accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Yazoo 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 Yazoo 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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as 2022-001 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Yazoo County, Mississippi's financial statements are free from 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 Yazoo County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated September 19, 2023, included within this document.

### **Yazoo County's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Yazoo County, Mississippi's responses to the finding identified in our audit and described in the accompanying Auditee's Corrective Action Plan. Yazoo County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

### **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  
September 19, 2023

DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
PRIVATE COMPANIES PRACTICE SECTION

**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  
Yazoo County, Mississippi

We have examined Yazoo 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 Yazoo 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 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 Yazoo 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.

In our opinion, Yazoo 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 and, in our opinion, is fairly presented when considered in relation to that examination.



This report is intended for use in evaluating Yazoo County, Mississippi's compliance with the aforementioned requirements, 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

September 19, 2023

**Schedule of Purchases Not Made From the Lowest Bidder  
For the Year Ended September 30, 2022**

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

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

**Schedule 2**

Our tests did not identify any emergency purchases.

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

Our tests did not identify any purchases made noncompetitively from a sole source.

DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
PRIVATE COMPANIES PRACTICE SECTION

## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Yazoo County, Mississippi

In planning and performing our audit of the financial statements of Yazoo County, Mississippi for the year ended September 30, 2022, we considered Yazoo 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 Yazoo 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 September 19, 2023, on the financial statements of Yazoo 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 immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

### Board of Supervisors

1. The Board of Supervisors should ensure compliance with state law over entering into an inter-local agreement with a local taxing entity for the collection of ad valorem taxes.

**Repeat Finding** Yes, 2019, 2020, 2021

<b>Criteria</b>	Section 17-13-7(4), Miss. Code Ann. (1972), provides that “Any two (2) or more local government units may enter into written contractual agreements with one another for joint or cooperative action to provide services and facilities...” Section 17-13-7(4) supports Section 27-41-2 which allows inter-local agreements for collection by county of ad valorem taxes due to municipality.
<b>Condition</b>	During the course of our audit, we observed that the Tax Collector has been collecting ad valorem taxes for the Town of Bentonia in the absence of any inter-local agreement.
<b>Cause</b>	An inter-local agreement has not been executed by the County and the local government entity for the collection of ad valorem taxes.
<b>Effect</b>	Failure to enter into adequate and appropriate contractual agreements could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Board of Supervisors should enter into an inter-local agreement with the local government entity for the collection of ad valorem taxes.
<b>Response</b>	Attempts have been made to contract Town of Bentonia. We will comply.

**2.** Deficit fund balances

<b>Repeat Finding</b>	Yes, 2021
<b>Criteria</b>	Management is responsible for establishing a proper internal control system to ensure the County operates within its means.
<b>Condition</b>	We noted a deficit fund balance at September 30, 2022. This deficit fund balance existed in the Regional Jail Correctional Facility funds.
<b>Cause</b>	The Regional Jail Correctional Facility fund was operating with a cash deficit.
<b>Effect</b>	Prolonged deficit fund balances, especially in grant funding accounts, could result in loss of future grant funding.
<b>Recommendation</b>	The Board of Supervisors should determine the reasons for the deficit fund balance and take the appropriate actions to reduce the deficit.
<b>Response</b>	The regional jail is a reimbursement type fund. Requests are made monthly to Hancock Bank for reimbursement. We can only be reimbursed when funds are available. We are currently 12 months behind on reimbursement.

**3.** Controls over classifications should be strengthened.

<b>Repeat Finding</b>	No
<b>Criteria</b>	Revenues and disbursements should be recorded in the proper accounts.
<b>Condition</b>	<p>During the course of the audit, we noted a significant number of transactions that were recorded in incorrect accounts. Specifically, we noted the following:</p> <ul style="list-style-type: none"> <li>• Generic descriptions were used that provided little to no detail</li> </ul>

- Multiple revenues were categorized as miscellaneous when they were grant revenues

<b>Cause</b>	Numerous receipts and disbursements were recorded to incorrect accounts.
<b>Effect</b>	The improper coding of revenues and expenditures could result in the loss or misappropriation of public funds. Further, it could result in the failure to identify and track certain grant revenues and reimbursements.
<b>Recommendation</b>	We recommend controls be implemented to review financial information on a monthly basis to ensure proper coding, classification, and sufficient descriptions.
<b>Response</b>	We will comply

#### **Payroll Clerk**

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

**Repeat Finding** Yes, 2020 and 2021

**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.

<b>Condition</b>	<p>During the course of our audit, we noted the following:</p> <ul style="list-style-type: none"><li>• PERS Form 4Bs and 9Cs were not re-executed for the applicable PERS fiscal year</li><li>• Five out of seven forms were incomplete</li></ul>
<b>Cause</b>	<p>The County did not comply with <i>Section 25-11-127, Mississippi Code Annotated (1972)</i> 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.</p>
<b>Effect</b>	<p>The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.</p>
<b>Recommendation</b>	<p>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.</p>
<b>Response</b>	<p>We will comply.</p>



**Tax Collector**

5. The Tax Collector has not settled motor vehicle legislative credits in accordance with state law.

**Repeat Finding** Yes, 2020 and 2021

**Criteria** Section 27-51-25, Mississippi Code Annotated (1972) provides that “within twenty (20) days after the end of the month, the county tax collector shall file a report showing the amount of motor vehicle ad valorem taxes collected by him for the previous month.” Further, remittance of collected taxes shall be made “on or before the twentieth day of the month following that in which the collections were made.”

**Condition** During the course of our testing, we noted multiple months in which the legislative credit provided by the State of Mississippi was not settled accurately.

**Cause** The Tax Collector is not in compliance with the tax collector duties provided in Section 27-51-25.

**Effect** The failure to accurately and timely settle legislative credits to the County and municipalities for which they were collected could result in the loss or misappropriation of public funds. Additionally, inaccurate and untimely collections could negatively affect the budgeting process for the affected entities.

**Recommendation** The Tax Collector should ensure that all collections are accounted for and settled to the appropriate taxing bodies accurately and timely.

**Response** No response received.

6. The Tax Collector is not Making Timely Settlements.

**Repeat Finding** No

**Criteria** *Section 27-29-11, Mississippi Code Annotated (1972),* requires that the tax collector make report of and turn over any and all taxes collected during the preceding month on or before the twentieth (20<sup>th</sup>) day of the month.

**Condition** During the course of our test work, we noted seven (7) instances where the tax collector settled the prior month’s collected taxes after the 20<sup>th</sup> of the month.

**Cause** The Tax Collector has not established a system of internal control to ensure settlements are made timely.

**Effect** Inadequate controls surrounding the settlement of revenue collections could result in improper revenue recognition.

**Recommendation** The Tax Collector should implement an effective internal control system to ensure the timeliness of settlements.

<b>Response</b>	No response received.
<b>7.</b>	<u>The Tax Collector Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	<i>Section 25-1-72, Mississippi Code Annotated (1972), states that, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."</i>
<b>Condition</b>	During the course of our testing for one month's deposits, we noted that thirteen (13) deposits were not made in a timely manner with four (4) deposits being held for five or more days.
<b>Cause</b>	These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the Tax Collector's Office.
<b>Effect</b>	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts, and settlement of funds to the County.
<b>Recommendation</b>	The Tax Collector should ensure that the deposits are being made in a timely manner as prescribed by statute.
<b>Response</b>	No response received.
<b>8.</b>	<u>The Tax Collector should ensure that assets are sufficient to settle all liabilities.</u>
<b>Repeat Finding</b>	No.
<b>Criteria</b>	An effective system of accounting should ensure that all reported account balances are properly stated, and sufficient assets are available to extinguish all liabilities.
<b>Condition</b>	During the course of our cash count, we noted that the assets available for settlement of all liabilities were insufficient.
<b>Cause</b>	The Tax Collector did not ensure that all account balances were correctly stated.
<b>Effect</b>	Failure to properly account for all funds could result in the misappropriation of public funds or insufficient assets to settle all liabilities.

**Recommendation** The Tax Collector should investigate the relevant account balances to ensure that they are accurately stated.

**Response** No response received.

**Chancery Clerk**

**9.** The Clerk of the Board should ensure publication of the synopsis of the county audit report.

**Repeat Finding** No

**Criteria** *Section 7-7-221, Mississippi Code Annotated (1972), states that, "as soon as possible after an annual audit of the fiscal and financial affairs of a county...has been made and a copy of such report of audit or examination has been filed with the board of supervisors of such county and the clerk thereof, as required in Section 7-7-215, the clerk of the board of supervisors shall publish a synopsis of such report in a form prescribed by the State Auditor.... (4) The clerk shall forward a copy of the published synopsis to the State Auditor within sixty (60) days of its publication."*

**Condition** During the course of our audit, we noted that the synopsis of the prior year audit report had not been published.

**Cause** The Clerk of the Board did not ensure that the synopsis of the prior year audit was published.

**Effect** Failure to publish a synopsis of the audit report results in noncompliance with state statutes as well as a lack of transparency with regard to the audit report and notification to the public.

**Recommendation** The Clerk of the Board should ensure that the synopsis is published in the proper format, as prescribed by statute and the Office of the State Auditor.

**Response** We will comply.

**Circuit Clerk**

**10.** Circuit Clerk Should Strengthen Internal Controls over Reconciling Bank Accounts.

**Repeat Finding** No

**Criteria** An effective system of internal controls requires that the bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.

<b>Condition</b>	During the course of our test work, we noted that bank reconciliations were not being completed for the clerk's fee account.
<b>Cause</b>	The Circuit Clerk has not established a system of internal control to ensure cash accounts are accurately and timely reconciled.
<b>Effect</b>	Not performing accurate and timely bank reconciliations creates a weakness in the system of internal controls over cash and may result in the loss or misappropriation of county assets.
<b>Recommendation</b>	The Circuit Clerk should implement an effective internal control system to ensure that all bank accounts are reconciled monthly in an accurate and timely manner.
<b>Response</b>	No response received.

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

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

September 19, 2023

## **YAZOO COUNTY**

### **SCHEDULE OF FINDINGS AND RESPONSES**

**YAZOO 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:
 

Governmental activities	Qualified
Business-type activities	Qualified
General Fund	Unmodified
Road Fund	Unmodified
COVID Relief Fund	Unmodified
G.O. 2021 Construction Bonds Fund	Unmodified
G.O. 2022 Bonds Fund	Unmodified
Yazoo County Regional Jail Fund	Qualified
Port Fund	Qualified
Aggregate remaining fund information	Unmodified
  
2. Internal control over financial reporting:
  - a. Material weakness identified? Yes
  - b. Significant deficiency identified? None reported
  
3. Noncompliance material to the financial statements noted? No

Section 2: Financial Statement Findings

**Material Weakness**

**Board of Supervisors and County Administrator**

**2022-001.**            The County does not record a liability for other postemployment benefits in the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund.

**Repeat Finding**        Yes, 2018, 2019, 2020, 2021

**Criteria**                Yazoo County provides health insurance coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool, and offers health insurance benefit coverage through the County's health insurance plan. Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement No. 75 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions as an agent multiple employer health care plan. The failure to properly follow generally accepted accounting principles resulted in a qualified opinion on the governmental activities, business-

**YAZOO COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended September 30, 2022**

	type activities, Yazoo County Regional Jail Fund and Port Fund. The County does not issue a publicly available financial report for their health insurance plan.
<b>Condition</b>	GASB Statement No. 75 requires the County to report on an accrual basis the liability associated with other postemployment benefits. However, the County has not recorded a liability for other postemployment benefits, nor has the county reported the note disclosures which are required by accounting principles generally accepted in the United States of America.
<b>Cause</b>	The County does not have an actuarial valuation performed annually so that a liability for other postemployment benefits could be recorded.
<b>Effect</b>	The failure to properly follow generally accepted accounting principles resulted in a qualified opinion on the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund.
<b>Recommendation</b>	The Board of Supervisors should have an actuarial valuation performed annually so that a liability for other postemployment benefits can be recorded and appropriate note disclosures can be made in accordance with accounting principles generally accepted in the United States of America.
<b>Views of Responsible Officials</b>	See attached Auditee's Corrective Action Plan

## **YAZOO COUNTY**

### **AUDITEE'S CORRECTIVE ACTION PLAN**



Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
3528 Manor Drive  
Vicksburg, Mississippi 39180

To Whom It May Concern:

Yazoo County respectfully submits the following corrective action plan for the year ended September 30, 2022.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section 1: Summary of Auditor's Results does not include findings and is not addressed.

**2022-001.**

Corrective Action Planned:

We believe that the cost of compliance with this statement outweighs the benefits; therefore, we will not have an actuarial valuation performed.

Anticipated Completion Date:

Not applicable

Name and Contact Person Responsible for Corrective Action:

Donna S. Kraft  
County Administrator  
Phone #662-746-8668

## **YAZOO COUNTY**

### **SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**Yazoo County**  
**Summary Schedule of Prior Year Audit Findings**

Finding Number	Finding Summary	Status	Additional Information
2021-001 (Originally 2009-002)	The County does not record a liability for other postemployment benefits in the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund.	Not Corrected	We believe that the cost of compliance with this statement outweighs the benefits, therefore we will not have an actuarial valuation performed.