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# **MONROE COUNTY, MISSISSIPPI**

Audited Financial Statements  
And  
Special Reports

Cash Basis

For the Year Ended September 30, 2023

MONROE COUNTY  
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MONROE COUNTY

FINANCIAL SECTION

# Windham and Lacey, PLLC

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### INDEPENDENT AUDITORS' REPORT

Members of the Board of Supervisors  
Monroe County, Mississippi

#### ***Report on the Audit of the Financial Statements***

##### ***Opinions***

We have audited the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe County, Mississippi (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe County, Mississippi, as of September 30, 2023, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 2.

##### ***Basis for Opinions***

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

##### ***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, as described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditors' 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 auditors' 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Monroe County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the responsibility of management and was derived from and relates 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

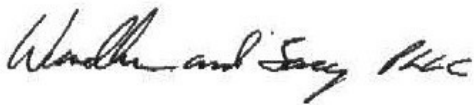
### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Schedules, Schedule of Changes in Short-term Debt, Schedule of Changes in Long-term Debt, Schedule of Investments, Schedule of Capital Assets, Schedule of Surety Bonds for County Officials and corresponding notes but does not include the basic financial statements and our auditors' 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 December 15, 2023, on our consideration of Monroe 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 Monroe 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 Monroe County, Mississippi's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC".

Windham and Lacey, PLLC  
December 15, 2023

MONROE COUNTY

FINANCIAL STATEMENTS



MONROE COUNTY  
Statement of Net Position - Cash Basis  
September 30, 2023

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash	\$ 35,297,564	4,219,415	39,516,979
Total Assets	<u>35,297,564</u>	<u>4,219,415</u>	<u>39,516,979</u>
NET POSITION			
Restricted:			
Expendable:			
General government	4,010,476		4,010,476
Debt service	889,518		889,518
Public safety	1,101,452		1,101,452
Public works	9,570,493	4,219,415	13,789,908
Health and welfare	1,009,441		1,009,441
Economic development	3,513,127		3,513,127
Culture and recreation	67,897		67,897
Unemployment compensation	31,294		31,294
Medical claims	1,002,916		1,002,916
Unrestricted	<u>14,100,950</u>		<u>14,100,950</u>
Total Net Position	\$ <u>35,297,564</u>	<u>4,219,415</u>	<u>39,516,979</u>

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

MONROE COUNTY  
Statement of Activities - Cash Basis  
For the Year Ended September 30, 2023

Exhibit 2

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 6,017,802	998,947	239,672		(4,779,183)		(4,779,183)
Public safety	7,622,724	758,007	720,696		(6,144,021)		(6,144,021)
Public works	13,869,509	281,500	1,561,369	3,035,794	(8,990,846)		(8,990,846)
Health and welfare	339,147		156,550		(182,597)		(182,597)
Conservation of natural resources	217,423				(217,423)		(217,423)
Culture and recreation	236,937		37,500		(199,437)		(199,437)
Economic development and assistance	342,642				(342,642)		(342,642)
Self-insurance claims paid	2,141,645	1,988,125			(153,520)		(153,520)
Debt service:							
Principal	1,637,211				(1,637,211)		(1,637,211)
Interest	353,448				(353,448)		(353,448)
Paying agent fee	5,040				(5,040)		(5,040)
Total Governmental Activities	<u>32,783,528</u>	<u>4,026,579</u>	<u>2,715,787</u>	<u>3,035,794</u>	<u>(23,005,368)</u>	<u>0</u>	<u>(23,005,368)</u>
Business-type Activities:							
Solid Waste	4,789,581	6,838,171	189,675			2,238,265	2,238,265
Total Business-type Activities	<u>4,789,581</u>	<u>6,838,171</u>	<u>189,675</u>	<u>0</u>	<u>0</u>	<u>2,238,265</u>	<u>2,238,265</u>
Total Primary Government	<u>\$ 37,573,109</u>	<u>10,864,750</u>	<u>2,905,462</u>	<u>3,035,794</u>	<u>(23,005,368)</u>	<u>2,238,265</u>	<u>(20,767,103)</u>

(Continued)

MONROE COUNTY  
Statement of Activities- Cash Basis  
For the Year Ended September 30, 2023

Exhibit 2

<u>Net (Disbursements) Receipts and Changes in Net Position</u>			
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General receipts, transfers and other cash sources:			
Property taxes	\$ 17,005,674	209,592	17,215,266
Road & bridge privilege taxes	450,969		450,969
Grants and contributions not restricted to specific programs	1,242,195		1,242,195
Unrestricted interest income	621,865	17,273	639,138
Proceeds of short term debt	500,000		500,000
Compensation for loss of county property	434,311	3,916	438,227
Proceeds from sales of assets	1,093,740	8,749	1,102,489
Miscellaneous	398,943		398,943
Total General receipts, transfers and other cash sources	21,747,697	239,530	21,987,227
Changes in Net Position	(1,257,671)	2,477,795	1,220,124
Net Position - Beginning (Note 2)	36,555,235	1,741,620	38,296,855
Net Position - Ending	\$ 35,297,564	4,219,415	39,516,979

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

MONROE COUNTY  
Statement of Cash Basis Assets and Fund Balances -  
Governmental Funds  
September 30, 2023

Exhibit 3

	Governmental Funds					
	Major Funds					
	General Fund	Countywide Road Maintenance Fund	Road Construction 2022 Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 16,009,767	6,765,109	350,366	0	11,169,406	34,294,648
Total Assets	\$ 16,009,767	6,765,109	350,366	0	11,169,406	34,294,648
FUND BALANCES						
Restricted for:						
General government	\$ 1,908,817				2,101,659	4,010,476
Public safety					1,101,452	1,101,452
Public works		6,765,109	350,366		2,455,018	9,570,493
Health and welfare					1,009,441	1,009,441
Culture and recreation					67,897	67,897
Economic development and assistance					3,513,127	3,513,127
Debt service					889,518	889,518
Unemployment compensation					31,294	31,294
Unassigned	14,100,950					14,100,950
Total Fund Balances	\$ 16,009,767	6,765,109	350,366	0	11,169,406	34,294,648

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

## MONROE COUNTY

Exhibit 4Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds  
For the Year Ended September 30, 2023

	Governmental Funds					
	Major Funds					
	General Fund	Countywide Road Maintenance Fund	Road Construction 2022 Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property taxes	\$ 10,382,874	5,278,352			1,344,448	17,005,674
Road and bridge privilege taxes		450,969				450,969
Licenses, commissions, and other receipts	612,202				49,143	661,345
Fines and forfeitures	466,283				29,730	496,013
Intergovernmental receipts	2,330,009	3,970,924			692,843	6,993,776
Charges for services	243,499				637,597	881,096
Interest income	235,301	136,215	3,014	57,781	189,554	621,865
Miscellaneous receipts	280,932	10,809			107,202	398,943
Total Receipts	14,551,100	9,847,269	3,014	57,781	3,050,517	27,509,681
DISBURSEMENTS						
General government	5,793,157				224,645	6,017,802
Public safety	6,501,981				1,120,743	7,622,724
Public works	439,496	8,748,064	651,750	3,067,381	962,818	13,869,509
Health and welfare	306,789				32,358	339,147
Culture and recreation	155,500				81,437	236,937
Conservation of natural resources	217,423					217,423
Economic development and assistance	326,723				15,919	342,642
Debt service:						
Principal	132,743	445,516	834,000		224,951	1,637,210
Interest	2,823	2,790	330,000		17,836	353,449
Paying agent fees			5,040			5,040
Total Disbursements	13,876,635	9,196,370	1,820,790	3,067,381	2,680,707	30,641,883
Excess of Receipts Over (Under) Disbursements	674,465	650,899	(1,817,776)	(3,009,600)	369,810	(3,132,202)

(Continued)

## MONROE COUNTY

Exhibit 4Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Governmental Funds  
For the Year Ended September 30, 2023

	Governmental Funds					
	Major Funds					
	General Fund	Countywide Road Maintenance Fund	Road Construction 2022 Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
OTHER CASH SOURCES (USES)						
Proceeds from sales of assets	48,167	1,020,573			25,000	1,093,740
Compensation for loss of county property	434,311					434,311
Proceeds of short-term loan		500,000				500,000
Transfers in/out	3,412,040	(1,169,040)	1,169,040	(3,812,040)	400,000	
Total Other Cash Sources and Uses	3,894,518	351,533	1,169,040	(3,812,040)	425,000	2,028,051
Net Changes in Cash Basis Fund Balances	4,568,983	1,002,432	(648,736)	(6,821,640)	794,810	(1,104,151)
Cash Basis Fund Balances-Beginning (Note 2)	11,440,784	5,762,677	999,102	6,821,640	10,374,596	35,398,799
Cash Basis Fund Balances - Ending	\$ 16,009,767	6,765,109	350,366	0	11,169,406	34,294,648

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

MONROE COUNTY  
Statement of Net Position - Cash Basis  
Proprietary Funds  
September 30, 2023

Exhibit 5

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Solid Waste Fund	Insurance Fund
ASSETS		
Current Assets:		
Cash	\$ 4,219,415	1,002,916
Total Current Assets	4,219,415	1,002,916
Total Assets	4,219,415	1,002,916
NET POSITION		
Restricted for:		
Medical claims		1,002,916
Public works	4,219,415	
Total Net Position	\$ 4,219,415	1,002,916

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

## MONROE COUNTY

Exhibit 6

Statement of Cash Receipt, Disbursements and Changes in Net Position -  
 Proprietary Funds  
 For the Year Ended September 30, 2023

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Solid Waste Fund	Insurance Fund
Operating Receipts		
Charges for services	\$ 6,838,171	
Premiums		1,988,125
Total Operating Receipts	6,838,171	1,988,125
Operating Disbursements		
Personal services	1,163,857	
Contractual services	2,175,783	
Materials and supplies	749,899	
Capital outlay	594,326	
Indirect administrative cost	23,328	
Claims payments		2,131,938
Administrative		9,707
Total Operating Disbursements	4,707,193	2,141,645
Operating Income (Loss)	2,130,978	(153,520)
Nonoperating Receipts (Disbursements)		
Property tax	209,592	
Interest income	17,273	
Intergovernmental grants	189,675	
Compensation for loss of capital assets	3,916	
Sale of capital assets	8,749	
Debt service		
Principal	(76,419)	
Interest	(5,969)	
Net Nonoperating Receipts (Disbursements)	346,817	
Net Income (Loss)	2,477,795	(153,520)
Changes in Net Position	2,477,795	(153,520)
Net Position -Beginning (Note 2)	1,741,620	1,156,436
Net Position - Ending	4,219,415	1,002,916

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



MONROE COUNTY  
Statement of Fiduciary Net Position - Cash Basis  
September 30, 2023

Exhibit 7

	Custodial Funds
ASSETS	
Cash and investments	\$ <u>20</u>
Total Assets	\$ <u><u>20</u></u>
NET POSITION	
Restricted for:	
Other governments	\$ <u>20</u>
Total Net Position	\$ <u><u>20</u></u>

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

MONROE COUNTY  
Statement of Changes in Fiduciary Net Position - Cash Basis  
For the Year Ended September 30, 2023

Exhibit 8

	<u>Custodial Funds</u>
<b>CASH ADDITIONS</b>	
Assessments on fines for other governments	\$ 649,562
Tax collections for other governments	2,304,299
Interest income	357
Total Cash Additions	<u>2,954,218</u>
<b>CASH DEDUCTIONS</b>	
Payments of assessments on fines to other governments	649,562
Payments of tax collections to other governments	<u>2,304,636</u>
Total Cash Deductions	<u>2,954,198</u>
Net Change in Fiduciary Net Position	20
Net Position - Beginning	<u>0</u>
Net Position - Ending	<u><u>\$ 20</u></u>

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

MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

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

B. Basis of Presentation.

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

Government-wide Financial Statements:

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

The Statement of Net Position – Cash Basis presents the financial condition of the governmental activities and business-type activities of the County at year-end. The Government-wide Statement of Activities – Cash Basis presents a comparison between direct disbursements and program receipts for each function or program of the County's governmental activities and business-type activities. Direct disbursements are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other receipts not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. Internal service fund balances have been eliminated against the disbursements and program receipts.

MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

The comparison of direct disbursements with program receipts identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general receipts of the County.

Fund Financial Statements:

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

C. Measurement Focus and Basis of Accounting.

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

The County reports the following major Governmental Funds:

General Fund - This fund accounts for and reports all financial resources not accounted for and reported in another fund.

Countywide Road Maintenance Fund - This fund accounts for funds received for the maintenance and construction of roads and bridges.

Road Construction 2022 Fund - This fund accounts for the funds received from a bond issue for the maintenance and construction of roads and bridges and to pay the debt on the bonds.

American Rescue Plan Act Fund - This fund accounts for funds received from the federal government to address issues resulting from COVID 19.

The County reports the following major Proprietary Funds:

Solid Waste Fund - This fund accounts for the County's activities of disposal of solid waste within the County.

Insurance Fund - This fund accounts for activities related to the County's self-insurance programs for employees' medical benefits.

MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

PROPRIETARY FUND TYPES

Enterprise Funds - These funds 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 receipts collected, disbursements paid and/or net income is necessary for management accountability.

Internal Service Funds - These funds account for the operations of County departments that render services and/or provide goods to other County departments on a cost-reimbursement basis. The County's internal service fund reports on self-insurance programs for employee medical benefits. In the government-wide financial statements, Internal Service Funds are included in the governmental activities.

FIDUCIARY FUND TYPES

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

D. Account Classifications.

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

E. 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 cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally twelve months or less). Investments in governmental securities are stated at book value.

MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

F. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net position and displayed in two components:

Restricted net position - Consists of net assets 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 assets not meeting the definition of “restricted.”

Net Position Flow Assumption:

When a disbursement 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 disbursements are incurred for purposes for which unrestricted (committed 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.

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 restricted or unassigned. The following are descriptions of fund classifications used by the County:

*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 disbursements paid for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

When a disbursement is incurred for purposes for which both restricted and unrestricted (committed or unassigned) resources are available, it is the County’s general policy to use restricted resources first. When disbursements 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.

MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

G. Property Tax Receipts.

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

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

H. Accounting Standards Update.

GASB 96, *Subscription-Based Information Technology Arrangements*, was implemented during the 2023 fiscal year. Prior to the issuance of this statement there was no accounting or financial reporting guidance specifically for SBITAs. The purposes of the standard is to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, relatability, relevance, and consistency of information about SBITAs. The County's financial statements do not reflect SBITAs in accordance with GASB 96, as these financial statements were prepared using the cash basis of accounting.

(2) Change in Accounting Principle.

Prior to October 1, 2022, the County's financial statements were presented using the accrual basis of accounting. For the fiscal year ended September 30, 2023, the basic financial statements are prepared on a cash basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which requires revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. As a result of this change, the Beginning Net Position on the Statement of Activities (Exhibit 2), the Statement of Cash Receipts, Disbursements and Changes in Net Position-Proprietary Funds (Exhibit 6) and the beginning fund balance on the Statement of Cash Receipts, Disbursements and Changes in Fund Balance-Governmental Funds (Exhibit 4), will not agree to the prior year ending balance.

(3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2023, was \$39,516,999, and the bank balance was \$40,301,782. 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 County's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

(4) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2023, to January 1, 2024. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

Health and Accident Benefits.

The County is exposed to risk of loss relating to employee health, accident, and dental coverage. Through June 30, 2021, the County addressed its exposure to these risks by purchasing insurance through a private insurance carrier. On July 1, 2021, Monroe County reinstituted its self-insurance plan with the County paying into the plan for all active employees. Employees may purchase additional or dependent coverage and pay the additional premium through a payroll deduction. Insurance is not available for retirees.

The County is subject to risk of loss from catastrophic claims. Because of this, the County has maintained the following plans to minimize this potential loss:

The County has purchased coinsurance which functions on two separate stop loss coverages: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$70,000, and the aggregate policy covers all submitted claims in excess of \$1,071,536.

The County has collected an additional charge for expected future catastrophic losses. This additional charge has resulted in the Internal Service Fund's \$1,002,916 net position at September 30, 2023, being designated for future catastrophic losses.

(5) Contingencies.

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

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

Investigations - In January, 2021, it was determined that funds had been misappropriated from the Sheriff's Office. An investigation was initiated by the Office of the State Auditor and as of the date of the report, there has been no final disposition of the investigation.



MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

(6) Joint Venture.

The County participates in the following joint venture:

Monroe County is a participant with the City of Aberdeen in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate the Aberdeen-Monroe County Hospital. The joint venture was created to provide medical care and is governed by a board of directors, composed of five members; two appointed by the County, two appointed by the City of Aberdeen, and a fifth jointly appointed. Effective July 6, 2011, Monroe County and the City of Aberdeen authorized the execution of a lease agreement with Pioneer Health Service of Monroe County, Inc., for the Aberdeen-Monroe County Hospital and its related facilities. The lease agreement is for a term of ten years, with an option to renew. This lease is in the process of being renewed with the hospital paying the \$7,500 monthly rental through the date of this report.

(7) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Tombigbee Regional Library System operates in a district composed of the Counties of Choctaw, Clay, Monroe, and Webster. The Monroe County Board of Supervisors appoints two of the five members of the library board of trustees. The County appropriated \$112,500 for maintenance and support of the library in fiscal year 2023.

Three Rivers Planning and Development District operates in a district composed of the Counties of Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Monroe, Pontotoc, and Union. The governing body is a 40-member board of directors, with five appointed by the Board of Supervisors of each member County. The County appropriated \$52,344 for maintenance and support of the district in fiscal year 2023.

Northeast Mental Health-Mental Retardation Commission operates in a district composed of the Counties of Benton, Chickasaw, Itawamba, Lee, Monroe, Pontotoc, and Union. The board of commissioners consists of one appointee from each County's Board of Supervisors. The County appropriated \$46,000 for maintenance and support of the commission in fiscal year 2023.

Itawamba Community College operates in a district composed of the Counties of Chickasaw, Itawamba, Lee, Monroe and Pontotoc. The governing body is a 30-member board of trustees, with six appointed by the Board of Supervisors of each member County. Monroe County appropriated \$2,130,394 for maintenance and support of the college in fiscal year 2023.

Three Rivers Solid Waste Management Authority operates in a district composed of the Counties of Calhoun, Itawamba, Lafayette, Lee, Monroe, Pontotoc, and Union and the Cities of Aberdeen, Amory, Fulton, New Albany, Oxford, Pontotoc, and Tupelo. The authority is governed by a 14-member board, with one appointed by each member. The Authority is fiscally independent of the members. Members are billed based on the volume of solid waste deposited.

Lift, Inc., operates in a district composed of the Counties of Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Monroe, Pontotoc, and Union. The Monroe County Board of Supervisors appoints one of the 24 members of the board of directors. The County did not receive a request for funding in fiscal year 2023.

MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

(8) Related Organizations.

The Monroe County Board of Supervisors created districts to provide fire protection services to the County. The board appoints the commissioners of each district, but the County's accountability for the districts does not extend beyond making the appointments. Each district receives the avails of a two-mill tax levy on the real property in the district and an annual appropriation from the County in the amount of \$5,000. Monroe County appropriated \$42,127 for the operations of the four districts in fiscal year 2023. The districts are as follows:

<u>District</u>	<u>Enabling Legislation</u>	<u>Funding</u>
Cason Fire District	Section 19-5-151, Miss. Code Ann. (1972)	\$ 10,839
Sipsey River Fire District	Section 19-5-151, Miss. Code Ann. (1972)	\$ 6,823
Splunge Fire District	Section 19-5-151, Miss. Code Ann. (1972)	\$ 6,662
Wren Grading District	Section 19-5-223, Miss. Code Ann. (1972)	\$ 17,803

(9) Tax Abatements.

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement No. 77, *Tax Abatement Disclosures*. This statement 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 Monroe County Board of Supervisors negotiates property tax abatements on an individual basis. Abatements are for five to ten years and are for economic development purposes. The County had tax abatement agreements with sixteen entities as of September 30, 2023.

The County had three types of abatements, none of which provides for the abatement of school or state tax levies:

Sections 27-31-101 and 27-31-105, Miss. Code Ann. (1972)

All allowable property tax levies.

All allowable property tax levies except for countywide road fund tax levy.

There are sixteen companies that have tax abatements under these statutes.

<u>Category</u>	<u>Percent of Taxes Abated During the Fiscal Year</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Construction and expansion of a manufacturing facility	79.1%	\$ 1,591,478

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.

MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

(10) Defined Benefit Pension Plan.

Plan Description. Monroe 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.

Funding Policy. At September 30, 2023, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2023, 2022, and 2021 were \$1,523,571, \$1,430,305, and \$1,364,871, respectively, equal to the required contributions for each year.

(11) Leases.

As Lessee:

The County makes payments for property it leases under non-cancellable leases. The total amount paid for these leases was \$109,976 for the year ended September 30, 2023.

On January 31, 2022, Monroe County entered into a non-cancellable lease agreement with JMF Properties, LLC, for the lease of a building to be used by the Department of Human Services in Amory. The lease stipulated the County would pay the lessor \$3,600 per month for four years. This lease was modified in June, 2023, to address the need for additional space. The new lease amount is now \$4,990 per month. At the end of the lease term, the County has the right to renew the lease for an additional one-year period at an amount to be agreed upon.

On August 1, 2021, Monroe County entered into a non-cancellable lease agreement with N J & G, LLC, for the lease of a building to be used by the Department of Human Services in Aberdeen. The lease stipulated the County would pay the lessor \$3,600 per month for four years. At the end of the lease term, the County has the right to renew the lease for an additional four years at an amount to be agreed upon.

On October 12, 2016, Monroe County entered into a non-cancellable lease agreement with Bobby and Barbara Brisco for the lease of a building to be used by the Cooperative Extension Service. The lease stipulated the County would pay the lessor \$1,901 per month for ten years. At the end of the lease term, the County has the right to renew the lease for two additional five-year terms at an amount to be agreed upon.

The future minimum lease payments for these leases are as follows:

Year Ended September 30:	Amount
2024	\$ 125,892
2025	125,892
2026	125,892
2027	125,892
2028	125,892
Total	\$ 629,460

MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

As Lessor:

The County receives income from property it leases under noncancellable leases. Total income from such leases was \$129,367 for the year ended September 30, 2023.

On September 15, 1963, Monroe County entered into a non-cancellable lease agreement with True Temper Corporation for the lease of a building jointly owned by the City of Amory and Monroe County. The lease stipulated the lessee would pay the County \$11,000 per year for 20 years. At the end of the lease term, the lessee has the right to renew the lease for up to 15 additional five-year periods. The County has received \$6,500 per year since 2008.

On December 31, 1964, Monroe County entered into a non-cancellable lease agreement with the Continental Oil Company for the lease of a building owned by the County. The lease stipulated the lessee would pay the County \$10,000 per year for a period of 25 years. At the end of the lease term, the lessee has the right to renew the lease for up to seven additional ten-year periods. Currently, the lease is with Axiall Corp. The County has been receiving \$10,000 per year since 2008.

On February 1, 2010, Monroe County entered into a non-cancellable lease agreement with the Sav-A-Life of Monroe County for the lease of office space at the Monroe County Government Complex in Amory. The lease stipulated the lessee would pay the County \$200 per month for two years. The lease automatically renews for successive one-year periods unless either party provides written notice of intent not to renew 60 days prior to the end of any term.

On March 26, 2009, Monroe County entered into a non-cancellable agricultural lease agreement with Dennis Jackson for the lease of 33 acres at the Monroe County Airport. The lease stipulated the lessee would pay the County \$925 per year for three years. Currently, the lessee has continued to pay the County \$1,785 and the County is in the process of executing a new agricultural lease.

On August 30, 2021, Monroe County entered into a non-cancellable lease agreement with the Pioneer Community Hospital of Aberdeen for the lease of the hospital jointly owned by the City of Aberdeen and Monroe County. The lease stipulated the lessee would pay the County \$7,500 per month for ten years.

The County owns the following hangers at the Monroe County Airport which it leases for a period of ten years at the following rates: 6 at \$100 per month and 7 at \$115 per month. The total received in 2023 was \$18,682. This approximates the amount received each year.

The future minimum lease payments for these leases are as follows:

<u>Year Ended September 30:</u>	<u>Amount</u>
2024	\$ 106,500
2025	106,500
2026	106,500
2027	106,500
2028	<u>106,500</u>
Total Minimum Payments Required	\$ <u>532,500</u>

MONROE COUNTY  
Notes to the Financial Statements  
As of and for the Year Ended September 30, 2023

The County's financial statements do not reflect leases in accordance with GASB 87 or SBITAs in accordance with GASB 96 as these financial statements were prepared using the cash basis of accounting.

- (12) The following is a summary of interfund transfers at September 30, 2023:

Transfers:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	American Rescue Plan Act Fund	\$ 3,812,040
Other Governmental Funds	General Fund	400,000
Road Construction 2022 Fund	Countywide Road Fund	<u>1,169,040</u>
Total		<u>\$ 5,381,080</u>

The purpose of the transfers was to:

- Provide funds for budgetary purposes.
- Reimburse the General Fund from the American Rescue Plan Act Fund for salaries paid.
- Provide funds for debt payments.

The transfers were routine and consistent with the activities of the fund making the transfer.

- (13) Subsequent Events.

The County is required to evaluate events that occur subsequent to the date of the statement of net position but before the financial statements are issued (subsequent events). Such events that provide additional evidence with respect to conditions that existed as of the statement of net position date are recognized in the accompanying financial statements. However, subsequent events that provide evidence with respect to conditions that did not exist at the statement of net position date but arose subsequently, and are of such a nature that their disclosure is essential to the user's understanding of the financial statements, are required to be disclosed herein. Management of Monroe County evaluated the County's activity and events that occurred through December 15, 2023, and determined that no events have occurred that meets the disclosure requirements.

MONROE COUNTY

SUPPLEMENTARY INFORMATION

MONROE COUNTY  
Schedule of Expenditures of Federal Awards  
September 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Grant Identification Number	Pass-through Entity Identifying Number	Federal Disbursements
U.S. Department of Agriculture- Natural Resources Conservation Service				
Cooperative Agreement	10.923	NR204423XXXXC038		25,455
Cooperative Agreement	10.923	NR224423XXXXC039		42,885
Cooperative Agreement	10.923	NR224423XXXXC055		45,025
				<u>113,365</u>
U. S. Department of Transportation- Federal Aviation Administration - Airport Improvement Grant	20.106	3-28-0001-023-2022		374,271
Passed through-Mississippi Department of Wildlife, Fisheries and Parks Recreational Trail Program	20.219	N/A	21RTP355	58,584
Total U. S. Department of Transportation				<u>432,855</u>
U. S. Department of Treasury- Passed through State Treasurer of Mississippi				
American Rescue Plan Act	21.027	N/A	N/A	6,821,640 *
Local Assistance and Tribal Consistency	21.032	N/A	N/A	190,617
Passed through Department of Public Safety Premium Pay	21.019	N/A	N/A	43,000
				<u>7,055,257</u>
U. S. Department of Homeland Security Passed through the Mississippi Emergency Management Agency				
Public Assistance Disaster Grant	97.036	095-99095-00	4697 DR-MS	1,780,711 *
Hazard Mitigation Grants	97.067	22LE048	EMW-2022-SS-006	45,980
Hazard Mitigation Grants	97.067	22LE048	EMW-2022-SS-006	41,000
Hazard Mitigation Grants	97.067	21LE048	N/A	70,000
Performance Grants	97.042		EMA-2022-EP-0009-SO1	31,192
				<u>1,968,883</u>
Total Expenditures of Federal Awards			\$	<u><u>9,570,360</u></u>

\* Denotes major program

(Continued)

MONROE COUNTY  
Schedule of Expenditures of Federal Awards  
September 30, 2023

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Monroe County under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 *U. S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Monroe County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Monroe County.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

Monroe County elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



MONROE COUNTY

OTHER INFORMATION

MONROE COUNTY  
Budgetary Comparison Schedule -  
Budget and Actual (Non-GAAP Basis)  
General Fund  
For the Year Ended September 30, 2023 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Property taxes	\$ 9,985,386	9,985,386	10,382,874	397,488
Licenses, commissions and other receipts	523,035	523,035	612,202	89,167
Fines and forfeitures	425,910	425,910	466,283	40,373
Intergovernmental receipts	1,657,545	1,983,274	2,330,009	346,735
Charges for services	350,000	350,000	243,499	(106,501)
Interest income	12,850	12,850	235,301	222,451
Miscellaneous receipts	230,135	230,135	280,932	50,797
Total Receipts	<u>13,184,861</u>	<u>13,510,590</u>	<u>14,551,100</u>	<u>1,040,510</u>
<b>DISBURSEMENTS</b>				
Current:				
General government	5,550,564	6,117,697	5,793,157	324,540
Public safety	5,931,066	6,783,236	6,501,981	281,255
Public works	162,877	442,937	439,496	3,441
Health and welfare	290,822	298,555	306,789	(8,234)
Culture and recreation	129,000	129,000	155,500	(26,500)
Conservation of natural resources	179,334	171,602	217,423	(45,821)
Economic development and assistance	463,169	463,169	326,723	136,446
Debt service:				
Principal			132,743	(132,743)
Interest			2,823	(2,823)
Total Disbursements	<u>12,706,832</u>	<u>14,406,196</u>	<u>13,876,635</u>	<u>529,561</u>
Excess of Receipts Over (Under) Disbursements	<u>478,029</u>	<u>(895,606)</u>	<u>674,465</u>	<u>1,570,071</u>
<b>OTHER CASH SOURCES (USES)</b>				
Proceeds from sale of capital assets	7,500	7,500	48,167	40,667
Compensation for loss of capital assets	7,000	7,000	434,311	427,311
Transfers in		977,635	3,812,040	2,834,405
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	
Total Other Cash Sources and Uses	<u>(385,500)</u>	<u>592,135</u>	<u>3,894,518</u>	<u>3,302,383</u>
Excess (Deficiency) of Receipts and Other Cash Sources over (under) Disbursements and Other Cash Uses	92,529	(303,471)	4,568,983	4,872,454
Cash Basis Fund Balances - Beginning	<u>100,000</u>	<u>496,000</u>	<u>11,440,784</u>	<u>10,944,784</u>
Cash Basis Fund Balances - Ending	<u>\$ 192,529</u>	<u>192,529</u>	<u>16,009,767</u>	<u>15,817,238</u>

The accompanying notes to the other information are an integral part of this schedule.

MONROE COUNTY  
Budgetary Comparison Schedule -  
Budget and Actual (Non-GAAP Basis)  
Countywide Road Maintenance Fund  
For the Year Ended September 30, 2023 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 5,429,044	5,429,044	5,278,352	(150,692)
Road and bridge privilege taxes	454,309	454,309	450,969	(3,340)
Fines and forfeitures	100	100		(100)
Intergovernmental receipts	3,962,926	3,962,926	3,970,924	7,998
Charges for services	3,000	3,000		(3,000)
Interest income	5,500	5,500	136,215	130,715
Miscellaneous receipts	10,100	10,100	10,809	709
Total Receipts	<u>9,864,979</u>	<u>9,864,979</u>	<u>9,847,269</u>	<u>(17,710)</u>
DISBURSEMENTS				
Current:				
Public works	8,877,060	8,877,060	8,748,064	128,996
Debt service:				
Principal	1,279,517	1,279,516	445,516	834,000 A
Interest	<u>342,277</u>	<u>342,278</u>	<u>2,790</u>	<u>339,488 A</u>
Total Disbursements	<u>10,498,854</u>	<u>10,498,854</u>	<u>9,196,370</u>	<u>1,302,484</u>
Excess of Receipts Over (Under) Disbursements	<u>(633,875)</u>	<u>(633,875)</u>	<u>650,899</u>	<u>1,284,774</u>
OTHER CASH SOURCES (USES)				
Proceeds from sales of assets	410,015	410,015	1,020,573	610,558
Proceeds of short-term loan			500,000	500,000
Transfers to other funds			<u>(1,169,040)</u>	<u>(1,169,040) A</u>
Total Other Cash Sources and Uses	<u>410,015</u>	<u>410,015</u>	<u>351,533</u>	<u>(58,482)</u>
Excess (Deficiency) of Receipts and Other Cash Sources over (under) Disbursements and Other Cash Uses	<u>(223,860)</u>	<u>(223,860)</u>	<u>1,002,432</u>	<u>1,226,292</u>
Cash Basis Fund Balances – Beginning	<u>1,140,000</u>	<u>1,140,000</u>	<u>5,762,677</u>	<u>4,622,677</u>
Cash Basis Fund Balances – Ending	<u>\$ 916,140</u>	<u>916,140</u>	<u>6,765,109</u>	<u>5,848,969</u>

A - Reclassification of debt payments made in the road fund to reflect payments in the fund that maintains the debt.

The accompanying notes to the other information are an integral part of this schedule.

MONROE COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Road construction 2022  
 For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
<b>RECEIPTS</b>					
Interest income	115,000	115,000	3,014	(111,986)	
Total Receipts	115,000	115,000	3,014	(111,986)	
<b>DISBURSEMENTS</b>					
Current:					
Public Works	2,935,000	2,719,567	656,790	2,062,777	
Debt Service					
Principal			834,000	(834,000)	A
Interest			330,000	(330,000)	A
Total Disbursements	2,935,000	2,719,567	1,820,790	898,777	
Excess of Receipts over (under) Disbursements	(2,820,000)	(2,604,567)	(1,817,776)	786,791	
<b>OTHER CASH SOURCES (USES)</b>					
Transfers in			1,169,040	1,169,040	A
Total Other Cash Sources and (Uses)	0	0	1,169,040	1,169,040	
Excess (Deficiency) of Receipts and Other Cash Sources over (under) Disbursements and other Cash Uses	(2,820,000)	(2,604,567)	(648,736)	1,955,831	
Fund Balances - Beginning	1,288,000	1,288,000	999,102	(288,898)	
Fund Balances - Ending	(1,532,000)	(1,316,567)	350,366	1,666,933	

A - Reclassification of debt payments made in the road fund to reflect payments in the fund that maintains the debt.

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

MONROE COUNTY  
Budgetary Comparison Schedule -  
Budget and Actual (Non-GAAP Basis)  
American Rescue Plan Act  
For the Year Ended September 30, 2023 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Interest income	\$ 1,500	79,422	57,781	(21,641)
Total Receipts	<u>1,500</u>	<u>79,422</u>	<u>57,781</u>	<u>(21,641)</u>
DISBURSEMENTS				
Current:				
Public works	<u>3,950,000</u>	<u>3,067,382</u>	<u>3,067,381</u>	<u>1</u>
Total Disbursements	<u>3,950,000</u>	<u>3,067,382</u>	<u>3,067,381</u>	<u>1</u>
Excess of Receipts Over (Under) Disbursements	<u>(3,948,500)</u>	<u>(2,987,960)</u>	<u>(3,009,600)</u>	<u>(21,640)</u>
OTHER CASH SOURCES (USES)				
Transfer In (out)		<u>(3,812,040)</u>	<u>(3,812,040)</u>	
Total Other Cash Sources and Uses	<u>0</u>	<u>(3,812,040)</u>	<u>(3,812,040)</u>	<u>0</u>
Excess (Deficiency) of Receipts and Other Cash Sources over (under) Disbursements and Other Cash Uses	<u>(3,948,500)</u>	<u>(6,800,000)</u>	<u>(6,821,640)</u>	<u>(21,640)</u>
Cash Basis Fund Balances – Beginning	<u>6,800,000</u>	<u>6,800,000</u>	<u>6,821,640</u>	<u>21,640</u>
Cash Basis Fund Balances – Ending	\$ <u><u>2,851,500</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

The accompanying notes to the other information are an integral part of this schedule.

MONROE COUNTY  
Schedule of Changes in Short-term Debt  
For the Year Ended September 30, 2023 - UNAUDITED

The following is a summary of changes in short-term liabilities for the year ended September 30, 2023:

<u>Description and Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Oct. 1, 2022</u>	<u>Issued</u>	<u>Principal Payments</u>	<u>Balance Sept. 30, 2023</u>
Governmental Activities:							
Countywide Road Fund							
Loan from Three Rivers Planning and Development District	04/27/2023	Less than one year	0%	\$	\$ <u>500,000</u>		\$ <u>500,000</u>
Loan until disaster funds are received							

The accompanying notes to the other information are an integral part of this schedule.

MONROE COUNTY  
Schedule of Changes in Long-term Debt  
For the Year Ended September 30, 2023 - UNAUDITED

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2023:

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2022	Issued	Principal Payments	Balance Sept. 30, 2023
Governmental Activities:							
A. General Obligation Bonds:							
Road Construction 2022	05/19/2022	08/01/2032	2.75%	\$ 10,000,000		834,000	9,166,000
B. Financed Purchases:							
Four dump trucks	06/18/2019	07/18/2023	3.64%	397,687		397,687	
Paver	06/19/2019	09/18/2023	3.64%	47,829		47,829	
Sheriff's vehicles	01/21/2021	02/01/2024	2.41%	177,705		132,743	44,962
Sheriff's vehicles	11/04/2020	11/01/2023	2.41%	36,291		31,044	5,247
Equipment	10/01/2021	09/23/2026	2.41%	170,463		41,089	129,374
Equipment	01/12/2022	01/12/2027	2.21%	687,285		152,818	534,467
Total				\$ 11,517,260	0	1,637,210	9,880,050
Business-type Activities:							
A. Financed Purchases:							
Tractor	04/07/2022	04/07/2026	2.41%	\$ 282,567		76,419	206,148
Total				\$ 282,567	0	76,419	206,148

The accompanying notes to the other information are an integral part of this schedule.

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

MONROE COUNTY  
Schedule of Investments  
For the Year Ended September 30, 2023 - UNAUDITED

<u>Fund</u>	<u>Description</u>	<u>Beginning Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Oct. 1, 2022</u>	<u>Additions (A)</u>	<u>Reductions (B)</u>	<u>Balance Sept. 30, 2023</u>
MAJOR FUND								
Road Construction 2022	Money Market	12/01/22	Various	5.280%	\$ 250,000			250,000
Road Construction 2022	Treasury Note	10/01/22	Various	5.200%	8,410,558	317,750	24,422	8,703,886
Total Major Fund					8,660,558	317,750	24,422	8,953,886
Total Governmental Funds					\$ 8,660,558	317,750	24,422	8,953,886

A Earnings on investments that are added to the investment.

B Investment fees taken from investment.

The accompanying notes to the other information are an integral part of this schedule.



MONROE COUNTY  
Schedule of Capital Assets  
For the Year Ended September 30, 2023 - UNAUDITED

	Balance Oct. 1, 2022	Increases	Decreases	Adjustments	Balance Sept. 30, 2023
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,667,112		(18,155)		1,648,957
Construction in progress	2,981,755	847,797		(2,934,269)	895,283
Total capital assets, not being depreciated	<u>4,648,867</u>	<u>847,797</u>	<u>(18,155)</u>	<u>(2,934,269)</u>	<u>2,544,240</u>
Capital assets, being depreciated:					
Buildings	16,411,245				16,411,245
Improvements other than buildings	3,300,988		(85,430)		3,215,558
Mobile equipment	13,472,971	2,565,395	(1,439,602)		14,598,764
Furniture and equipment	2,427,941	36,432	(18,910)		2,445,463
Infrastructure	114,296,607			2,934,269	117,230,876
Total capital assets being depreciated	<u>149,909,752</u>	<u>2,601,827</u>	<u>(1,543,942)</u>	<u>2,934,269</u>	<u>153,901,906</u>
Governmental activities capital assets, net	<u>\$ 154,558,619</u>	<u>3,449,624</u>	<u>(1,562,097)</u>	<u>0</u>	<u>156,446,146</u>
<b>Business-type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 186,111				186,111
Total capital assets, not being depreciated	<u>186,111</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>186,111</u>
Capital assets, being depreciated:					
Mobile equipment	5,006,751	594,326	(527,004)		5,074,073
Furniture and equipment	26,209				26,209
Total capital assets being depreciated	<u>5,032,960</u>	<u>594,326</u>	<u>(527,004)</u>	<u>0</u>	<u>5,100,282</u>
Business-type activities capital assets, net	<u>\$ 5,219,071</u>	<u>594,326</u>	<u>(527,004)</u>	<u>0</u>	<u>5,286,393</u>

The accompanying notes to the other information are an integral part of this schedule.

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

MONROE COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2023 - UNAUDITED

NAME	POSITION	COMPANY	BOND
Ronnie Boozer	Chancery Clerk	Western Surety	\$100,000
Kay Watson	Inventory Control Clerk	Western Surety	\$75,000
Robert Prisock	County Administrator	Western Surety	\$100,000
Lillian White	Assistant Receiving Clerk	Western Surety	\$50,000
Mitzi Presley	Tax Assessor	Western Surety	\$50,000
Melanie Plunkett	Deputy Tax Assessor	Western Surety	\$10,000
Gussie Gardner	Deputy Tax Assessor	Western Surety	\$10,000
Kimberly Holloway	Deputy Tax Assessor	Western Surety	\$10,000
Kimberly Holloway	Assistant Receiving Clerk	Western Surety	\$50,000
Kerri Spann	Deputy Tax Assessor	Western Surety	\$10,000
Alysia Wright	Tax Collector	Western Surety	\$100,000
Jackie Baggett	Deputy Tax Collector	Western Surety	\$50,000
Taylor Bishop	Deputy Tax Collector	Western Surety	\$50,000
Kristie Coker	Deputy Tax Collector	Western Surety	\$50,000
Constance Frye	Deputy Tax Collector	Western Surety	\$50,000
Shauna Clark	Deputy Tax Collector	Western Surety	\$50,000
Kristie Coker	Assistant Receiving Clerk	Western Surety	\$50,000
Donna Pearson	Deputy Tax Collector	Western Surety	\$50,000
Jay Barnes	Receiving Clerk	Western Surety	\$75,000
Carl Cadden	Purchase Clerk	Western Surety	\$100,000
Taylor Brock	Justice Court Clerk	Western Surety	\$50,000
Luchia Brown	Justice Court Clerk	Western Surety	\$50,000
Brody Skinner	Justice Court Clerk	Western Surety	\$50,000
Tina Morrow	Justice Court Clerk	Western Surety	\$50,000
Courtney Freeman	Justice Court Clerk	Western Surety	\$50,000
Kayla Watson	Justice Court Clerk	Western Surety	\$50,000
William K. Crook	Sheriff	Western Surety	\$100,000
Katelyn Johnson	Assistant Receiving Clerk	Western Surety	\$50,000
Sandra Stephens	Justice Court Clerk	Western Surety	\$50,000
Tatum Savage	Justice Court Clerk	Western Surety	\$50,000
Heather Fowlkes	Justice Court Clerk	Western Surety	\$50,000
Joshua Randall	Justice Court Clerk	Western Surety	\$50,000
Crystal Cooper	Justice Court Clerk	Western Surety	\$50,000
Carrie Kendrick	Justice Court Clerk	Western Surety	\$50,000
Jennifer Jordan	Justice Court Clerk	Western Surety	\$50,000
Kalei Powell	Deputy Circuit Clerk	Western Surety	\$50,000
Jordyn Parker	Deputy Circuit Clerk	Western Surety	\$50,000
Natoya Eddie	Deputy Circuit Clerk	Western Surety	\$50,000
Natoya Eddie	Assistant Receiving Clerk	Western Surety	\$50,000

(Continued)

MONROE COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2023 - UNAUDITED

NAME	POSITION	COMPANY	BOND
Zoe Gunn	Deputy Circuit Clerk	Western Surety	\$50,000
Brittany Smith	Deputy Circuit Clerk	Western Surety	\$50,000
Dana Sloan	Circuit Clerk	Western Surety	\$100,000
Adrian Haynes	Justice Court Judge	Western Surety	\$50,000
Brandon Davis	Justice Court Judge	Western Surety	\$50,000
Sarah Cline Stevens	Justice Court Judge	Western Surety	\$50,000
Patrick Chism	Constable	Western Surety	\$50,000
Herbert Harris	Constable	Western Surety	\$50,000
Ron West	Constable	Western Surety	\$50,000
Michael Richardson	Supervisor District 1	Western Surety	\$100,000
Billy R. Richey	Supervisor District 2	Western Surety	\$100,000
Ruble West	Supervisor District 3	Western Surety	\$100,000
Fulton Ware	Supervisor District 4	Western Surety	\$100,000
Hosea Bogan	Supervisor District 5	Western Surety	\$100,000
Robert Bryan	Assistant Receiving Clerk	Western Surety	\$50,000
John Gurley	Coroner	Western Surety	\$5,000

The accompanying notes to the other information are an integral part of this schedule.

## MONROE COUNTY

### Notes to Other Information For the Year Ended September 30, 2023 UNAUDITED

(1) Budgetary Comparison Information.

A. Budgetary Information.

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

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

Basis of Presentation.

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

(2) Debt Information.

Short-term Debt:

As a result of a disaster in March, 2023, the County borrowed \$500,000 from the Three Rivers Planning and Development District. This was a zero-interest loan and is to be repaid when disaster funds are received.

Long-term Debt:

- A. Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a County issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2023, the amount of outstanding debt was 2.43% of the latest property assessments.
- B. General Obligation Debt - The County issued general obligation bonds to provide funds for construction and maintenance of County roads and bridges. Such debt is being retired from internet use tax revenue received from the state. However, should the internet use tax is not sufficient to pay the debt, the bonds are backed by the faith, credit and taxing power of the County, which gives the County the ability to levy sufficient taxes to make the debt payments.

(Continued)

MONROE COUNTY

Notes to Other Information  
For the Year Ended September 30, 2023  
UNAUDITED

- C. Financed Purchases - The County purchased vehicles and equipment via long-term purchase. The amount owed on these financed purchases is retired from ad valorem taxes collected by the County.
- D. Defeased Debt - In July, 2020, the Board of Supervisors determined that sufficient funds were available to pay the outstanding balance of the 2019A and 2019B Hospital Refunding Bonds which totaled \$1,885,000. Because these bonds did not have a call feature, the Board authorized the establishment of an irrevocable trust to place the funds necessary to pay the debt service on the bonds as they matured. At September 30, 2023, the outstanding principal balance of the bonds was \$985,000 and the balance in the trust was \$1,041,502.

## MONROE COUNTY

## SPECIAL REPORTS

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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### INDEPENDENT AUDITORS' 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  
Monroe County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Monroe County, Mississippi (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 15, 2023.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Monroe 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 Monroe 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

As part of obtaining reasonable assurance about whether Monroe 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*.

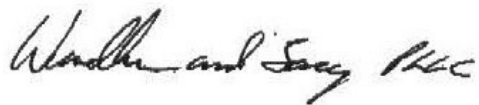
We noted a certain matter that we reported to the management of Monroe County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated December 15, 2023, included within this document.

### **Monroe County's Response to the Finding**

Monroe County's responses to the finding identified in our audit is described in the accompanying Limited Internal Control and Compliance Review Management Report. Monroe County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **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 County'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 County'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.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC".

Windham and Lacey, PLLC  
December 15, 2023



# Windham and Lacey, PLLC

## *Certified Public Accountants*

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### INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Members of the Board of Supervisors  
Monroe County, Mississippi

#### ***Opinion on Each Major Federal Program***

We have audited Monroe County, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Monroe County, Mississippi's major federal programs for the year ended September 30, 2023. Monroe County, Mississippi's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Monroe County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Monroe County, Mississippi and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Monroe County, Mississippi's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Monroe County, Mississippi's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Monroe County, Mississippi's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Monroe County, Mississippi's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Monroe County Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Monroe County, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Monroe County, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

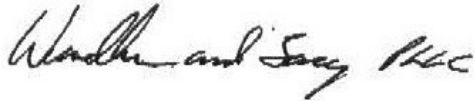
### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Windham and Lacey, PLLC". The signature is written in a cursive, flowing style.

Windham and Lacey, PLLC  
December 15, 2023

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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Mississippi Society of CPAs

### INDEPENDENT AUDITORS' REPORT ON CENTRAL PURCHASING SYSTEM, INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES (AS REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE OF 1972 ANNOTATED)

Members of the Board of Supervisors  
Monroe County, Mississippi

We have examined Monroe County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with the bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated* during the year ended September 30, 2023. The Board of Supervisors of Monroe County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

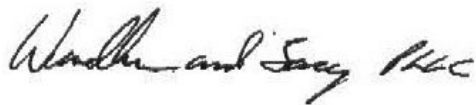
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Monroe 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 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, Monroe County, Mississippi complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2023.

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, Mississippi Code of 1972 Annotated*. The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

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

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC". The signature is written in a cursive, flowing style.

Windham and Lacey, PLLC  
December 15, 2023

MONROE COUNTY  
Schedule of Purchases Made from Other Than the Lowest Bidder  
For the Year Ended September 30, 2023

Schedule 1

The results of our tests did not identify any purchases made from other than the lowest bidder.

MONROE COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2023

Schedule 2

Our test results identified the following emergency purchases:

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason For Emergency Purchase</u>
04/10/2023	Roof repairs to the Monroe County Government Complex	\$143,500.00	Wheeler Roofing	Damage from March 24, 2023 tornado.
04/18/2023	Geosynthetic Clay Liner for Monroe County Landfill	\$214,678.00	Environmental Specialist International	New landfill cell for tornado damage debris.
06/05/2023	Emergency Siren in Prairie	\$1,873.75	Precision Communications	Faculty siren control board and battery.
07/26/2023	Six 2023 Ford Expedition SSV Police Package Vehicles	\$299,970.00	Pine Belt Auto Group d/b/a Courtesy Ford	Seven vehicles in current fleet experiencing mechanical issues.

## MONROE COUNTY

Schedule 3Schedule of Purchases Made Noncompetitively from a Sole Source  
For the Year Ended September 30, 2023

Our test results identified the following purchases made noncompetitively from a sole source:

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
08/29/2022	Ballot scanner and tabulator	\$ 7,265.00	Election Systems and Software
10/10/2022	DARE educational supplies	\$ 5,521.23	Creative Product Sourcing
11/01/2022	Fire alarm repairs to Courthouse	\$ 10,904.36	Johnson Controls
12/22/2022	Law enforcement training kits	\$ 40,600.00	KDL Solutions



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### LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Monroe County, Mississippi

In planning and performing our audit of the cash basis financial statements of Monroe County, Mississippi (the County) for the year ended September 30, 2023, we considered Monroe 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 Monroe 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 December 15, 2023, on the financial statements of Monroe County, Mississippi.

The results of our review procedures and compliance tests identified a certain area that is an opportunity for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response is disclosed below:

Chancery Clerk.

2023-001

Minutes of the Board of Supervisors should be maintained included in the minute books of the County in a current manner.

Repeat Finding

Yes

Criteria

Section 19-3-27, Miss. Code Ann. (1972), requires a complete and correct record of the proceedings of the Board of Supervisors be maintained.

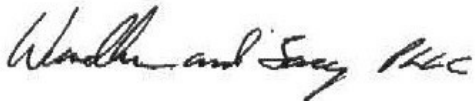
Condition

Board minutes, while approved and signed by the President of the Board, have not been included in the minute books of the County.

<u>Cause</u>	Staffing limitations.
<u>Effect</u>	Invalidate actions of the Board.
<u>Recommendation</u>	The Chancery Clerk should take immediate action to bring the board minutes current and have them booked and paged in the minute books of the County.
<u>Views of Responsible Official</u>	I am taking action to bring the board minutes current.

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

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the County, 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.



Windham and Lacey, PLLC  
December 15, 2023

MONROE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MONROE COUNTY  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2023

Section 1: Summary of Auditors' Results

*Financial Statements:*

- |    |                                                                                     |               |
|----|-------------------------------------------------------------------------------------|---------------|
| 1. | Type of auditors' report issued on the financial statements:                        | Unmodified    |
| 2. | Internal control over financial reporting:                                          |               |
| a. | Material weakness identified?                                                       | No            |
| b. | Significant deficiency identified that is not considered to be a material weakness? | None Reported |
| 3. | Noncompliance material to the financial statements?                                 | No            |

*Federal Awards:*

- |     |                                                                                                                                                                                                      |               |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 4.  | Internal control over major programs:                                                                                                                                                                |               |
| a.  | Material weakness identified?                                                                                                                                                                        | No            |
| b.  | Significant deficiency identified that is not considered to be a material weakness?                                                                                                                  | None Reported |
| 5.  | Type of auditors' report issued on compliance for major programs:                                                                                                                                    | Unmodified    |
| 6.  | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?                                                                                                   | No            |
| 7.  | Federal programs identified as major programs:                                                                                                                                                       |               |
|     | American Rescue Plan Act, Assistance Listing #21.027                                                                                                                                                 |               |
|     | Public Assistance Disaster Grants, Assistance Listing #97.036                                                                                                                                        |               |
| 8.  | The dollar threshold used to distinguish between type A and type B programs:                                                                                                                         | \$750,000     |
| 9.  | Qualified as a low-risk auditee?                                                                                                                                                                     | No            |
| 10. | Prior fiscal year audit findings and questioned costs relative to federal awards which require the auditee to prepare a Summary Schedule of Prior Audit Findings in accordance with 2CFR 200.511(b)? | No            |

MONROE COUNTY  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2023

Section 2: Financial Statement Findings

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

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.