



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

PIKE COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2023



PIKE COUNTY

TABLE OF CONTENTS

FINANCIAL SECTION	1
INDEPENDENT AUDITOR’S REPORT	2
FINANCIAL STATEMENTS	6
Statement of Net Position	7
Statement of Activities	8
Balance Sheet – Governmental Funds	9
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	12
Statement of Fiduciary Net Position.....	13
Statement of Changes in Fiduciary Net Position	14
Notes to Financial Statements	15
REQUIRED SUPPLEMENTARY INFORMATION	37
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)	
General Fund	38
Countywide Road Maintenance Fund	39
Use Tax Maintenance Fund	40
American Rescue Plan Fund	41
Schedule of the Proportionate Share of the Net Pension Liability	42
Schedule of Pension Contributions.....	43
Notes to the Required Supplementary Information.....	44
SUPPLEMENTARY INFORMATION	49
Schedule of Expenditures of Federal Awards	50
Reconciliation of Operating Costs of Solid Waste	51
OTHER INFORMATION	52
Schedule of Surety Bonds for County Officials	53
SPECIAL REPORTS.....	54
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance.....	57
Independent Accountant’s Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required by Section 31-7-115, Miss. Code Ann. (1972)).....	60
Limited Internal Control and Compliance Review Management Report	66
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	68
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS.....	71

PIKE COUNTY

FINANCIAL SECTION

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

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

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

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

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Pike County, Mississippi

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pike 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.

Adverse Opinion on the Aggregate Discretely Presented Component Unit

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions sections of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component unit of Pike County, Mississippi, as of September 30, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Each Major Fund, and the Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Pike County, Mississippi, as of September 30, 2023, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial 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 adverse and unmodified opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Unit

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data of this component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that includes the financial data for its component unit. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component unit on the aggregate discretely presented component unit has not been determined.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free of material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is

expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Omission of Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pike 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* and the Reconciliation of Operating Costs of Solid Waste are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information 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. This 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 GAAS. In our opinion, the Schedule of Expenditures of Federal Awards and the Reconciliation of Operating Costs of Solid Waste are 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 Schedule of Surety Bonds for County Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2024, on our consideration of Pike 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 Pike 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 Pike County, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

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

May 1, 2024

PIKE COUNTY

FINANCIAL STATEMENTS

PIKE COUNTY
Statement of Net Position
September 30, 2023

Exhibit 1

	Primary Government
	Governmental Activities
ASSETS	
Cash	\$ 36,651,834
Property tax receivable	17,618,757
Accounts receivable (net of allowance for uncollectibles of \$1,150,289)	1,265,035
Fines receivable (net of allowance for uncollectibles of \$12,225,399)	625,102
Intergovernmental receivables	541,481
Loans receivable	450,000
Capital Assets:	
Land and construction in progress	4,413,246
Other capital assets, net	58,106,096
Total Assets	<u>119,671,551</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	5,399,631
Deferred amount on refunding	202,891
Total Deferred Outflows of Resources	<u>5,602,522</u>
LIABILITIES	
Claims payable	2,584,894
Intergovernmental payables	614,255
Accrued interest payable	48,545
Unearned revenue	5,379,516
Amounts held in custody for others	1,354,765
Long-term liabilities	
Due within one year:	
Leases payable	80,632
SBITA payable	39,381
Capital debt	1,238,125
Due in more than one year:	
Leases payable	181,133
SBITA payable	42,728
Capital debt	11,313,706
Non-Capital debt	370,474
Net pension liability	27,130,227
Total Liabilities	<u>50,378,381</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	639,878
Deferred revenues - property taxes	17,618,757
Total Deferred Inflows of Resources	<u>18,258,635</u>
NET POSITION	
Net investment in capital assets	49,826,528
Restricted for:	
Expendable:	
General government	2,455,129
Public safety	1,258,140
Public works	12,695,163
Health and welfare	2,095
Economic development	1,351,713
Unemployment compensation	43,190
Debt service	812,067
Unrestricted	(11,806,968)
Total Net Position	<u><u>56,637,057</u></u>

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

PIKE COUNTY
Statement of Activities
For the Year Ended September 30, 2023

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 9,658,108	1,215,503	1,997,619		(6,444,986)
Public safety	6,127,622	827,444	429,379		(4,870,799)
Public works	11,336,043	1,844,437	6,824,570		(2,667,036)
Health and welfare	858,899		345,234		(513,665)
Culture and recreation	76,623				(76,623)
Conservation of natural resources	370,120				(370,120)
Economic development and assistance	955,634				(955,634)
Interest on long-term debt	491,740				(491,740)
Pension expense	3,469,649				(3,469,649)
Total Primary Government	<u>\$ 33,344,438</u>	<u>3,887,384</u>	<u>9,596,802</u>	<u>-</u>	<u>(19,860,252)</u>
General revenues:					
Property taxes				\$	16,599,304
Road & bridge privilege taxes					568,607
Grants and contributions not restricted to specific programs					898,811
Unrestricted interest/investment income					122,224
Miscellaneous					661,522
Total General Revenues					<u>18,850,468</u>
Changes in Net Position					<u>(1,009,784)</u>
Net Position - Beginning, as previously reported					59,861,104
Prior period adjustment					<u>(2,214,263)</u>
Net Position - Beginning, as restated					<u>57,646,841</u>
Net Position - Ending				\$	<u>56,637,057</u>

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

PIKE COUNTY
Balance Sheet – Governmental Funds
September 30, 2023

Exhibit 3

	Major Funds					
	Countywide				Other	Total
	General Fund	Road Maintenance Fund	Use Tax Maintenance Fund	American Rescue Plan Fund	Governmental Funds	Governmental Funds
ASSETS						
Cash	\$ 11,047,540	4,740,109	4,651,202	5,666,175	10,546,808	36,651,834
Property tax receivable	11,594,984	1,890,000			4,133,773	17,618,757
Accounts receivable (net of allowance for uncollectibles of \$1,150,289)					1,265,035	1,265,035
Fines receivable (net of allowance for uncollectibles of \$12,225,399)	625,102					625,102
Loans receivable					450,000	450,000
Intergovernmental receivables	499,623				41,858	541,481
Due from other funds		70,556			59,248	129,804
Total Assets	<u>23,767,249</u>	<u>6,700,665</u>	<u>4,651,202</u>	<u>5,666,175</u>	<u>16,496,722</u>	<u>57,282,013</u>
LIABILITIES						
Claims payable	404,496	1,696,825	87,136		396,437	2,584,894
Intergovernmental payables	583,764					583,764
Due to other funds	160,295					160,295
Amounts held in custody for others	1,354,765					1,354,765
Unearned Revenue				5,379,516		5,379,516
Total Liabilities	<u>2,503,320</u>	<u>1,696,825</u>	<u>87,136</u>	<u>5,379,516</u>	<u>396,437</u>	<u>10,063,234</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	11,594,984	1,890,000			4,133,773	17,618,757
Unavailable revenue-fines	625,102					625,102
Unavailable revenue-accounts receivable					1,265,035	1,265,035
Total Deferred Inflows of Resources	<u>12,220,086</u>	<u>1,890,000</u>	<u>-</u>	<u>-</u>	<u>5,398,808</u>	<u>19,508,894</u>
FUND BALANCE						
Restricted for:						
General government				286,659	2,168,470	2,455,129
Public safety					1,258,140	1,258,140
Public works		3,113,840	4,564,066		5,017,257	12,695,163
Health and welfare					2,095	2,095
Economic development					1,351,713	1,351,713
Unemployment compensation					43,190	43,190
Debt service					860,612	860,612
Unassigned	9,043,843					9,043,843
Total Fund Balances	<u>9,043,843</u>	<u>3,113,840</u>	<u>4,564,066</u>	<u>286,659</u>	<u>10,701,477</u>	<u>27,709,885</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 23,767,249</u>	<u>6,700,665</u>	<u>4,651,202</u>	<u>5,666,175</u>	<u>16,496,722</u>	<u>57,282,013</u>

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

PIKE COUNTY**Exhibit 3-1****Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2023**

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 27,709,885
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$78,921,294.	62,519,342
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,890,137
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(13,266,179)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(48,545)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(27,130,227)
Deferred amount on refunding	202,891
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	5,399,631
Deferred inflows of resources related to pensions	(639,878)
Total Net Position - Governmental Activities	\$ <u>56,637,057</u>

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

PIKE COUNTY
Exhibit 4
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended September 30, 2023**

	Major Funds					
	Countywide				Other	Total
	General Fund	Road Maintenance Fund	Use Tax Maintenance Fund	American Rescue Plan Fund	Governmental Funds	Governmental Funds
REVENUES						
Property taxes	\$ 10,675,565	1,872,205			4,051,534	16,599,304
Road and bridge privilege taxes		568,607				568,607
Licenses, commissions and other revenue	462,184				187,693	649,877
Fines and forfeitures	646,626				279	646,905
Intergovernmental revenues	1,837,979	3,193,728		1,821,830	3,642,076	10,495,613
Charges for services	537,141				2,179,452	2,716,593
Interest income	122,224					122,224
Miscellaneous revenues	313,899	146			21,046	335,091
Total Revenues	<u>14,595,618</u>	<u>5,634,686</u>	<u>-</u>	<u>1,821,830</u>	<u>10,082,080</u>	<u>32,134,214</u>
EXPENDITURES						
Current:						
General government	7,775,386				2,322,820	10,098,206
Public safety	5,563,363				1,142,600	6,705,963
Public works	71,177	8,269,137	435,934		3,033,365	11,809,613
Health and welfare	456,927				361,248	818,175
Culture and recreation	3,500				17,410	20,910
Conservation of natural resources	370,120					370,120
Economic development and assistance	61,052				887,992	949,044
Debt service:						
Principal		22,177			1,311,019	1,333,196
Interest		3,541			444,063	447,604
Total Expenditures	<u>14,301,525</u>	<u>8,294,855</u>	<u>435,934</u>	<u>-</u>	<u>9,520,517</u>	<u>32,552,831</u>
Excess of Revenues over (under) Expenditures	<u>294,093</u>	<u>(2,660,169)</u>	<u>(435,934)</u>	<u>1,821,830</u>	<u>561,563</u>	<u>(418,617)</u>
OTHER FINANCING SOURCES (USES)						
Long-term capital debt issued			5,000,000			5,000,000
SBITA issued					128,469	128,469
Proceeds from sale of capital assets	338,522	23,175				361,697
Transfers in	1,046,424	898,846		-	843,503	2,788,773
Transfers out	(185,000)	(106,175)		(1,821,830)	(675,768)	(2,788,773)
Total Other Financing Sources and Uses	<u>1,199,946</u>	<u>815,846</u>	<u>5,000,000</u>	<u>(1,821,830)</u>	<u>296,204</u>	<u>5,490,166</u>
Net Changes in Fund Balances	<u>1,494,039</u>	<u>(1,844,323)</u>	<u>4,564,066</u>	<u>-</u>	<u>857,767</u>	<u>5,071,549</u>
Fund Balances - Beginning	<u>7,549,804</u>	<u>4,958,163</u>	<u>-</u>	<u>286,659</u>	<u>9,843,710</u>	<u>22,638,336</u>
Fund Balances - Ending	<u>\$ 9,043,843</u>	<u>3,113,840</u>	<u>4,564,066</u>	<u>286,659</u>	<u>10,701,477</u>	<u>27,709,885</u>

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

PIKE COUNTY**Exhibit 4-1****Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2023**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 5,071,549
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlay of \$1,263,519 was exceeded by depreciation and amortization of \$1,263,543 in the current period.	(24)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, while in the governmental funds, the proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$326,431, and the proceeds from the sale of capital assets of \$361,697 in the current period.	(35,266)
Fine revenue recognized on the modified accrual basis in the funds during the current year is decreased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(210,493)
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	84,502
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount debt repayments of \$1,333,196 was exceeded by debt proceeds of \$5,128,469.	(3,795,273)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Change in compensated absences	(5,595)
Change in accrued interest payable	(26,383)
Amortization of bond premium	1,882
Amortization of deferred charges	(19,635)
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(3,469,649)
Recognition of contributions made for the current year	1,394,601
Change in Net Position of Governmental Activities	\$ <u>(1,009,784)</u>

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

PIKE COUNTY
Statement of Fiduciary Net Position
September 30, 2023

Exhibit 5

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 277,034
Due from other funds	<u>30,491</u>
Total Assets	<u><u>307,525</u></u>
LIABILITIES	
Intergovernmental payables	<u>30,491</u>
Total Liabilities	\$ <u><u>30,491</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>277,034</u>
Total Net Position	\$ <u><u>277,034</u></u>

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

PIKE COUNTY
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2023

Exhibit 6

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 350,027
Licenses and fees collected for State	<u>948,417</u>
Total Additions	<u><u>1,298,444</u></u>
DEDUCTIONS	
Payments of tax to other governments	345,028
Payments of licenses and fees to State	<u>945,752</u>
Total Deductions	<u><u>\$ 1,290,780</u></u>
Net increase (decrease) in fiduciary net position	7,664
Net Position - Beginning of year	<u>269,370</u>
Net Position - End of year	<u><u>\$ 277,034</u></u>

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

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity - Pike County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Pike County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

Management has chosen to omit from these financial statements the following component unit which has a significant operational or financial relationship with the County. Accordingly, the financial statements do not include the data of this component unit for reporting in accordance with accounting principles generally accepted in the United States of America.

- Pike County Economic Development District

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 and a Statement of Activities, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities 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 revenues and other nonexchange revenues.

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

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures. Funds are organized into governmental and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

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

Governmental fund financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major governmental funds:

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

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

Use Tax Maintenance Fund – This fund is used to account for proceeds of GO Bonds, Series 2022 Road and Bridge Bonds, and monies from use tax that are restricted for road and bridge maintenance.

American Rescue Plan Fund – This fund is used to account for the accumulation of financial resources from The American Rescue Plan Act of 2021 (ARPA) that are considered restricted in nature.

Additionally, the County reports the following fund types:

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

GOVERNMENTAL FUND TYPES

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

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

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

FIDUCIARY FUND TYPE

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

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

E. Deposits 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, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the County did not invest in any governmental securities during the fiscal year.

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

G. Interfund Transactions and Balances – Transactions between funds that represent short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as “due to/from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

H. Capital Assets – Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the applicable governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

at estimated fair market value at the time of donation. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Pike County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

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

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

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

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

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

Deferred amount on refunding – For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational matter over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 11 for additional details.

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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

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

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

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

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 11 for additional details.

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

K. Leases – The Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases* (GASB 87), to establish a single leasing model for accounting and reporting purposes. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. GASB 87 was implemented during fiscal year 2022.

The County uses the Federal Prime Borrowing Rate in effect at the date of the lease inception to calculate the present value of lease payments when the rate implicit in the lease is not known. See Note 9 for details.

L. Subscription-Based Information Technology Arrangements – The Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) (GASB 96) 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, reliability, relevance, and consistency of information about SBITAs.

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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

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

In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

N. Equity Classifications

Government-wide Financial Statements:

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

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

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

Unrestricted net position – All other net position not meeting the definition of “restricted” or “net investment in capital assets.”

Net Position Flow Assumption – When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the County’s general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned or unassigned) resources are available, and amounts in the unrestricted classification 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 nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

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

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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

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

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

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

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

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

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

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

R. Changes in Accounting Standards – 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 are 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, reliability, relevance, and consistency of information about SBITAs.

NOTE 2 – PRIOR PERIOD ADJUSTMENTS.

A summary of the significant net position adjustments is as follows:

Exhibit 2 - Statement of Activities

Explanation	Amount
To correct prior year overstatement of net position from prior fines receivable balance which included items other than fines such as restitution, etc.	\$ (2,214,263)
Total prior period adjustments	<u><u>\$ (2,214,263)</u></u>

NOTE 3 – DEPOSITS.

The carrying amount of the County's total deposits with financial institutions at September 30, 2023, was \$36,928,868, and the bank balance was \$38,740,519. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

NOTE 4 – INTERFUND TRANSACTIONS AND BALANCES.

The following is a summary of interfund balances at September 30, 2023:

A. Due From/To Other Funds:

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Receivable Fund	Payable Fund	Amount
Countywide Road Maintenance Fund	General Fund	\$ 70,556
Other Governmental Funds	General Fund	59,248
Custodial Funds	General Fund	30,491
Total		<u>\$ 160,295</u>

The receivables represent the tax revenue collected but not settled until October 2023. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 157,355
General Fund	American Rescue Plan Act Fund	889,069
Countywide Road Maintenance Fund	American Rescue Plan Act Fund	898,846
Other Governmental Funds	General Fund	185,000
Other Governmental Funds	Countywide Road Maintenance Fund	106,175
Other Governmental Funds	American Rescue Plan Act Fund	33,915
Other Governmental Funds	Other Governmental Funds	518,413
Total		<u>\$ 2,788,773</u>

The principal purpose of interfund transfers was to provide funds for operating expenses and allocate budgeted amounts. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

NOTE 5 – INTERGOVERNMENTAL RECEIVABLES.

At September 30, 2023, intergovernmental receivables consisted of:

Governmental Activities:	Amount
Legislative Tag Credit	\$ 300,395
Housing prisoners reimbursement	43,644
Emergency Management Performance Grants	35,001
Waste tire grant	20,475
Health department renovation funds	21,383
Edward Byrne Memorial Justice Assistance Grant Program	10,813
Home Investment Partnership Program	109,770
Total Governmental Activities	<u>\$ 541,481</u>

NOTE 6 – LOANS RECEIVABLE.

Loans receivable balances at September 30, 2023, are as follows:

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Description	Issue Date	Interest Rate	Maturity Date	Receivable Balance
Low income housing loan	3/10/2000	1.00%	3/10/2050	\$ <u>450,000</u>

NOTE 7 – CAPITAL ASSETS.

The following is a summary of capital assets for the year ended September 30, 2023:

Governmental activities:

	Balance Oct. 1, 2022	Additions	Deletions	Adjustments *	Balance Sept. 30, 2023
Non-depreciable capital assets:					
Land	\$ 4,413,246	-	-	-	4,413,246
Construction in progress	3,940,695	432,215	-	(4,372,910)	-
Total non-depreciable capital assets	<u>8,353,941</u>	<u>432,215</u>	<u>-</u>	<u>(4,372,910)</u>	<u>4,413,246</u>
Depreciable capital assets:					
Infrastructure	104,086,568	-	-	4,372,910	108,459,478
Buildings	18,491,787	-	-	-	18,491,787
Improvements other than buildings	1,429,827	-	-	-	1,429,827
Mobile equipment	6,047,537	659,508	67,949	-	6,639,096
Furniture and equipment	1,414,004	43,327	16,595	-	1,440,736
Total depreciable capital assets	<u>131,469,723</u>	<u>702,835</u>	<u>84,544</u>	<u>4,372,910</u>	<u>136,460,924</u>
Less accumulated depreciation for:					
Infrastructure	63,512,517	238,063	-	-	63,750,580
Buildings	7,926,310	365,174	-	-	8,291,484
Improvements other than buildings	646,165	83,067	-	-	729,232
Mobile equipment	4,476,336	360,655	42,045	-	4,794,946
Furniture and equipment	1,058,102	86,161	7,233	-	1,137,030
Total accumulated depreciation	<u>77,619,430</u>	<u>1,133,120</u>	<u>49,278</u>	<u>-</u>	<u>78,703,272</u>
Total depreciable capital assets, net	<u>53,850,293</u>	<u>(430,285)</u>	<u>35,266</u>	<u>4,372,910</u>	<u>57,757,652</u>
Governmental activities					
Capital assets, net	\$ <u>62,204,234</u>	<u>1,930</u>	<u>35,266</u>	<u>-</u>	<u>62,170,898</u>
Lease and Subscription IT assets, net (Note 9)					<u>348,444</u>
Total capital assets, net, as reported in the statement of net position					\$ <u>62,519,342</u>

*Adjustments include reclassifying completed construction in progress to infrastructure.

Depreciation expense was charged to the following functions:

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Governmental Activities:	<u>Amount</u>
General government	\$ 384,618
Public safety	192,507
Public works	452,968
Health and welfare	40,724
Culture and recreation	55,713
Economic development and assistance	6,590
Total governmental activities depreciation expense	<u>\$ 1,133,120</u>

NOTE 8 – 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.

NOTE 9 – INTANGIBLE RIGHT-TO-USE LEASES AND SUBSCRIPTION BASED IT ARRANGEMENTS.

A summary of lease and subscription IT asset activity during the year ended September 30, 2023 is as follows:

	<u>Balance Oct. 1, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Remeasurements</u>	<u>Balance Sept. 30, 2023</u>
Lease assets:					
Mobile equipment	437,997	-	-	-	437,997
Total lease assets	437,997	-	-	-	437,997
Less accumulated amortization for:					
Lease assets:					
Mobile equipment	87,599	87,600	-	-	175,199
Total accumulated amortization	87,599	87,600	-	-	175,199
Total lease assets, net	350,398	(87,600)	-	-	262,798
Subscription IT assets	-	128,469	-	-	128,469
Less accumulated amortization:	-	42,823	-	-	42,823
Total Subscription IT assets, net	-	85,646	-	-	85,646
Total lease and Subscription IT assets, net	<u>\$ 350,398</u>	<u>(1,954)</u>	<u>-</u>	<u>-</u>	<u>348,444</u>

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

A summary of lease and subscription IT liabilities during the year ended September 30, 2023 is as follows:

	Balance Oct. 1, 2022	Additions	Deductions	Remeasurements	Balance Sept. 30, 2023
Lease liabilities	\$ 336,424	-	74,659	-	261,765
Subscription IT liabilities	-	128,469	46,360	-	82,109
Total	\$ 336,424	128,469	121,019	-	343,874

Leases

The County is a lessee for various non-cancellable leases of buildings, equipment, etc. For leases that have a maximum possible term of 12 months or less at commencement, the County recognizes expense based on the provisions of the lease contract. For all other leases, other than short-term, the County recognized a lease and an intangible right-to-use lease asset.

At lease commencement, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized as a component of depreciation expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The County generally uses the Federal Prime Borrowing Rate at lease inception as the discount rate for leases unless the rate that the lessor charges is known. The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a county or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the County and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

The County, acting as lessee, has entered into various leases of equipment of which the details, including the lease terms, are described in the schedule below. For these leases, the County has recognized an intangible right to use asset. These lease are initially measured at the present value of payments expected to be made. The discount rates used for these leases were the Federal Prime Borrowing Rate at the lease inception.

As Lessee:

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Lease Assets

	Balance 10/1/2022	Additions	Amortization	Adjustments	Balance 9/30/2023
Equipment	\$ 350,398	-	87,600	-	262,798
Total	\$ 350,398	-	87,600	-	262,798

Lease Liabilities

	Balance 10/1/2022	Additions	Principal Payments	Adjustments	Balance 9/30/2023
Right to Use Equipment	\$ 336,424	-	74,659	-	261,765
Total	\$ 336,424	-	74,659	-	261,765

Pike County entered into a lease agreement with Magnolia Motors Leasing for the lease of (4) Western Star dump trucks owned by Magnolia Motors Leasing. The lease stipulated that the lessee would pay approximately \$101,573 per year in lease payments commencing for a term of five (5) years.

The following schedule contains the details of leases of the County for right to use equipment:

Description	Discount Rate	Term	Issue Date	Maturity Date	Annual Payment	Amount Outstanding
(4) Western Star dump trucks	8.00%	5 Years	6/22/2022	6/22/2027	\$ 101,573	\$ 261,765

The following is a schedule by years of the total payments due as of September 30, 2023:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2024	\$ 80,632	\$ 20,941
2025	87,083	14,491
2026	94,050	7,524
Total	\$ 261,765	\$ 42,956

SBITA

The County has contracts for multiple subscription-based IT arrangements for items such as software, user seats and various site licenses. For contracts that have a maximum possible term of 12 months or less at commencement, the County recognizes expense based on the provisions of the contract. For all other contracts, other than short-term, the County recognized a subscription liability and a right to use subscription asset.

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

At commencement, the County initially measures the liability at the present value of payments expected to be made during the subscription term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before commencement of the subscription term. Subsequently, the subscription asset is amortized in amortization expense on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT asset.

The County generally uses the Federal Prime Borrowing Rate at subscription inception as the discount rate unless the rate that the vendor charges is known. This rate is the rate the county would be charged for borrowing the subscription payment amounts during the subscription term.

The subscription term includes the non-cancellable period of the contract plus any additional periods covered by either a county or vendor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the county and the vendor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the subscription term.

The following schedule contains the details of the County's Subscription-Based IT Arrangements:

Description	Discount Rate	Term	Issue Date	Maturity Date	Annual Payment	Amount Outstanding
Microsoft contract	8.50%	3 Years	9/29/2023	9/29/2026	\$ 46,360	\$ 82,109

The following is a schedule by years of the total payments due as of September 30, 2023:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2024	\$ 39,381	\$ 6,979
2025	42,728	3,632
Total	\$ 82,109	\$ 10,611

NOTE 10 – LONG TERM DEBT.

Debt outstanding as of September 30, 2023, consisted of the following:

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Governmental Activities:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. General Obligation Bonds:			
G.O. Bonds, Series 2012B, Bridge Bonds	\$ 2,880,000	2.40-3.40%	10/2032
G.O. Industrial Development Refunding Bonds, Series 2021	2,210,000	1.00-2.50%	09/2034
G.O. Central Maintenance Facility Bonds, Series 2015	210,000	1.75-2.375%	04/2025
G.O. Refunding Bonds, Jail Renovation, Series 2015	570,000	1.00-2.75%	08/2026
G.O. Bridge Bonds, Series 2016A	470,000	1.75-2.45%	08/2036
G.O. Gateway Bonds, Series 2016B	1,465,000	3.625-5.00%	07/2036
G.O. Bonds, Series 2022, Road & Bridge Bonds	4,655,000	3.20-4.625%	08/2034
Total General Obligation Bonds	<u>\$ 12,460,000</u>		
B. Financed Purchases:			
San SY75 Excavators	72,382	5.06%	09/2026
Total Financed Purchases	<u>\$ 72,382</u>		

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

Governmental Activities:

Year Ending September 30:	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2024	\$ 1,215,000	377,787	23,125	2,593
2025	1,245,000	341,048	24,113	1,605
2026	1,175,000	303,094	25,144	575
2027	1,020,000	267,027	-	-
2028	1,050,000	235,938	-	-
2029-2033	5,475,000	704,834	-	-
2034-2036	1,280,000	70,274	-	-
Total	<u>\$ 12,460,000</u>	<u>2,300,002</u>	<u>72,382</u>	<u>4,773</u>

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 equal to 3.49% of the latest property assessments.

Prior Year Defeasance of Debt – In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On September 30, 2023, \$1,980,000 of bonds outstanding were considered defeased.

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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

	Balance Oct. 1, 2022	Additions	Deletions	Adjustments	Balance Sept. 30, 2023	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 364,879	5,595	-		370,474	-
General obligation bonds	8,650,000	5,000,000	1,190,000		12,460,000	1,215,000
Premiums	21,331	-	1,882		19,449	
Financed Purchases	94,559	-	22,177		72,382	23,125
Total	\$ 9,130,769	5,005,595	1,214,059	-	12,922,305	1,238,125

Compensated absences will be paid by the funds from which the employees' salaries were paid, which are generally the General Fund, Countywide Road Maintenance Fund, Countywide Bridge Fund and Garbage & Solid Waste Fund.

NOTE 11 – DEFINED BENEFIT PENSION PLAN.

General Information about the Pension Plan

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 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 employer's rate at September 30, 2023, was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature.

The County's contributions (employer share only) to PERS for the years ending September 30, 2023, 2022 and 2021 were \$1,394,601, \$1,355,597, and \$1,279,555, respectively, equal to the required contributions for each year.

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

At September 30, 2023, the County reported a liability of \$27,130,227 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participation entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2023, net pension liability was 0.107868 percent, which was based on a measurement date of June 30, 2023. This was a decrease of 0.004243 percent from its proportionate share used to calculate the September 30, 2022, net pension liability, which was based on a measurement date of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of \$3,469,649. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 685,165	-
Net difference between projected and actual earnings on pension plan investments	1,115,788	-
Changes of assumptions	3,197,570	-
Changes in the proportion and differences between County contributions and proportionate share of contributions	55,385	639,878
County Contributions subsequent to the measurement date	345,723	-
	<u>\$ 5,399,631</u>	<u>639,878</u>

\$345,723 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
2024	\$ 1,637,187
2025	891,246
2026	1,877,529
2027	8,068
Total	<u>\$ 4,414,030</u>

Actuarial Assumptions. The total pension liability as of June 30, 2023 was determined by an actuarial valuation prepared as of June 30, 2022, and by the investment experience for the fiscal year ending June 30, 2023. The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 - 17.90 percent, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The experience report is dated April 20, 2023.

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

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.75 %
International Equity	22.00	4.75
Global Equity	12.00	4.95
Fixed Income	20.00	1.75
Real Estate	10.00	3.25
Private Equity	8.00	6.00
Cash Equivalents	1.00	0.25
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be phased in to 22.40 percent over the three fiscal years (17.40 percent to FYE 2024, 19.40 percent for FYE 2025, 21.40 percent for FYE 2026, and 22.40 percent for FYE 2027). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 34,985,114	27,130,227	20,684,417

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

NOTE 12 – CONTINGENCIES.

Federal Grants - The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the county. No provision for any liability that may result has been recognized in the County's financial statement.

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

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

NOTE 13 – EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' deficit unrestricted net position amount of (\$11,806,968) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$345,723 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. The \$5,053,908 balance of deferred outflow of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next four years. The \$639,878 balance of the deferred inflow of resources related to pension at September 30, 2023, will be recognized in pension expense over the next three years.

The governmental activities' net investment in capital assets amount of \$49,826,528 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County debt. The \$202,891 balance of deferred outflows of resources at September 30, 2023, will be recognized as an expense and will decrease the unrestricted net position over the next ten years.

NOTE 14 – JOINT VENTURES.

The County participates in the following joint ventures:

Pike County is a participant with the City of McComb in a joint venture, authorized by Section 61-3-5, *Mississippi Code Annotated (1972)*, to operate the McComb-Pike County Airport. The joint venture was created to furnish the McComb-Pike County area with air service. The two entities each appoint three members to the six-member board of commissioners. The County's contribution to the joint venture was \$30,000 in fiscal year 2023. Complete financial statements for the McComb-Pike County Airport can be obtained from 2051 John E. Lewis Drive, McComb, MS 39648.

Pike County is a participant with Amite County and the City of McComb in a joint venture, authorized by Section 41-13-15, *Mississippi Code Annotated (1972)*, to operate the Southwest Mississippi Regional Medical Center. The joint venture was created to provide medical service for the residents of the local area and is governed by seven board members. One member is appointed by Amite County, two by Pike County, two by the City of McComb and two jointly by Pike County and the City of McComb. The hospital is basically self-supporting. However, the Counties and City have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Southwest Mississippi Regional Medical Center can be obtained from 215 Marion Avenue, McComb, MS 39648.

Pike County is a participant with the Counties of Amite and Walthall in a joint venture, authorized by Section 39-3-11, *Mississippi Code Annotated (1972)*, to operate the Pike-Amite-Walthall Regional Library System. The joint venture was created to provide library service for the three Counties and is governed by five board members. The Counties of Amite and Pike appoint two board members each and Walthall

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

County appoints one board member. By contractual agreement, the County's appropriation to the joint venture was \$345,000 in fiscal year 2023. Complete financial statements for the Pike-Amite-Walthall Regional Library System can be obtained from 1022 Virginia Avenue, McComb, MS 39648.

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

Southwest Mississippi Planning and Development District operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The Pike County Board of Supervisors appoints four of the 40 members of the board of directors. The County provided \$59,144 for support of the district in fiscal year 2023.

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The Pike County Board of Supervisors appoints one of the ten members of the board of commissioners. The County appropriated \$89,450 for support of the commission in fiscal year 2023.

Southwest Mississippi Community College operates in a district composed of the Counties of Amite, Pike, Walthall, and Wilkinson. The Pike County Board of Supervisors appoints six of the 14 members of the College Board of Trustees. The County levy collected \$1,868,635 for the maintenance and support of the College in fiscal year 2023.

Southwest Mississippi Development Corporation operates in a District comprised of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The entity is governed by ten members appointed by each County's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the County's Board of Supervisors. The member Counties provide only modest financial support for the entity.

Scenic Rivers Development Authority Alliance operates in a district composed of the Counties of Amite, Franklin, Pike, and Walthall, as well as the City of McComb, the Board of Wilkinson County Industrial Development Authority, and the Pike County Economic Development District. The Pike County Board of Supervisors appoints two of the 16-member board of trustees. The County appropriated \$280,000 for its support in fiscal year 2023.

NOTE 16 – 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.

PIKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2023

As of September 30, 2023, Pike County provides tax exempt status to seven manufacturing companies subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes, with the exception of levies involving the school, the mandatory one mill, and the community college tax levies. These exemptions are authorized under Sections 27-31-101 and 27-31-105 of the Mississippi Code Annotated (1972). These exemptions encourage business to locate or expand operations in the County and to create jobs. The County had abatements under the above code sections, which do not provide for the abatement of school or state tax levies:

Category	Fiscal Year 2023	
	% of Taxes Abated	Amount of Taxes Abated
Various production and manufacturing companies	100	\$ 319,495

NOTE 17 – SUBSEQUENT EVENTS.

Events that occur after the statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Pike County evaluated the activity of the County through May 1, 2024, (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2023, the County issued the following debt obligation:

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
1/1/2024	1.00%	200,000	Other Loan	Ad valorem taxes

PIKE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

PIKE 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)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 10,269,000	10,681,793	10,681,793	-
Licenses, commissions and other revenue	777,350	458,540	458,540	-
Fines and forfeitures	567,300	670,317	670,317	-
Intergovernmental revenues	1,111,357	1,660,019	1,660,019	-
Charges for services	355,000	547,845	547,845	-
Interest income	255,800	121,611	121,611	-
Miscellaneous revenues	197,500	847,122	847,122	-
Total Revenues	13,533,307	14,987,247	14,987,247	-
EXPENDITURES				
General government	8,306,713	7,431,943	7,431,943	-
Public safety	6,187,886	5,616,607	5,616,607	-
Public works	30,000	80,529	80,529	-
Health and welfare	421,198	457,359	457,359	-
Culture and recreation	3,500	3,500	3,500	-
Conservation of natural resources	376,472	370,175	370,175	-
Economic development and assistance	67,268	61,135	61,135	-
Total Expenditures	15,393,037	14,021,248	14,021,248	-
Excess of Revenues over (under) Expenditures	(1,859,730)	965,999	965,999	-
OTHER FINANCING SOURCES (USES)				
Sources	455,000	1,123,732	1,123,732	-
Uses	(749,000)	(492,234)	(492,234)	-
Total Other Financing Sources (Uses)	(294,000)	631,498	631,498	-
Net Change in Fund Balance	(2,153,730)	1,597,497	1,597,497	-
Fund Balance - Beginning	1,562,457	7,475,591	7,500,559	24,968
Fund Balance - Ending	\$ (591,273)	9,073,088	9,098,056	24,968

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

PIKE 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)
REVENUES				
Property tax	1,878,000	1,930,204	1,930,204	-
Road and bridge privilege taxes	500,000	527,335	527,335	-
Intergovernmental revenues	632,000	1,868,009	1,868,009	-
Miscellaneous revenues	70,000	181,779	181,779	-
Total Revenues	3,080,000	4,507,327	4,507,327	-
EXPENDITURES				
Public works	3,772,813	5,421,548	5,421,548	-
Debt service	-	25,718	25,718	-
Total Expenditures	3,772,813	5,447,266	5,447,266	-
Excess of Revenues over (under) Expenditures	(692,813)	(939,939)	(939,939)	-
OTHER FINANCING SOURCES (USES)				
Sources	-	23,175	23,175	-
Uses	(103,431)	(106,175)	(106,175)	-
Total Other Financing Sources (Uses)	(103,431)	(83,000)	(83,000)	-
Net Change in Fund Balance	(796,244)	(1,022,939)	(1,022,939)	-
Fund Balance - Beginning	4,126,756	5,020,117	5,020,117	-
Fund Balance - Ending	\$ 3,330,512	3,997,178	3,997,178	-

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

PIKE COUNTY**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)****Use Tax Maintenance Fund****For the Year Ended September 30, 2023****UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Public works	-	348,799	348,799	-
Total Expenditures	-	348,799	348,799	-
Excess of Revenues over (under) Expenditures	-	(348,799)	(348,799)	-
OTHER FINANCING SOURCES (USES)				
Sources	-	5,000,000	5,000,000	-
Total Other Financing Sources (Uses)	-	5,000,000	5,000,000	-
Net Change in Fund Balance	-	4,651,201	4,651,201	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	4,651,201	4,651,201	-

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	40,000	100,000	100,000	-
Total Revenues	40,000	100,000	100,000	-
EXPENDITURES				
Public works	3,607,927	-	-	-
Total Expenditures	3,607,927	-	-	-
Excess of Revenues over (under) Expenditures	(3,567,927)	100,000	100,000	-
OTHER FINANCING SOURCES (USES)				
Uses	(250,000)	(989,276)	(989,276)	-
Total Other Financing Sources (Uses)	(250,000)	(989,276)	(989,276)	-
Net Change in Fund Balance	(3,817,927)	(889,276)	(889,276)	-
Fund Balance - Beginning	-	7,388,005	7,388,005	-
Fund Balance - Ending	\$ (3,817,927)	6,498,729	6,498,729	-

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

PIKE COUNTY
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2023

UNAUDITED

Pike County	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.107868%	0.112111%	0.111461%	0.110785%	0.110642%	0.114092%	0.110804%	0.111519%	0.115483%	0.114113%
County's proportionate share of the net pension liability (asset)	\$ 27,130,227	23,076,524	16,474,423	21,446,683	19,464,143	18,976,952	18,419,339	19,920,144	17,851,368	13,851,271
County's covered payroll	\$ 8,003,194	7,671,312	7,283,561	7,639,276	6,781,009	6,832,216	6,676,762	7,140,724	7,380,800	7,133,416
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	338.99%	300.82%	226.19%	280.74%	287.04%	277.76%	275.87%	278.97%	241.86%	194.17%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

PIKE COUNTY
Schedule of Pension Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2023

UNAUDITED

Pike County	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,394,601	1,355,597	1,279,555	1,230,470	1,086,333	1,071,782	1,061,660	1,115,014	1,147,827
Contributions in relation to the contractually required contribution	<u>1,394,601</u>	<u>1,355,597</u>	<u>1,279,555</u>	<u>1,230,470</u>	<u>1,086,333</u>	<u>1,071,782</u>	<u>1,061,660</u>	<u>1,115,014</u>	<u>1,147,827</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 8,014,947	7,790,787	7,353,764	7,639,276	6,730,688	6,804,965	6,740,698	7,079,448	7,287,790
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	16.14%	15.75%	15.75%	15.75%	15.75%

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

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

PIKE COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2023

UNAUDITED

Budgetary Comparison Schedule

A. Budgetary Information.

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

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

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budget Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

C. Budget/GAAP Reconciliation.

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

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

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

	General Fund	Countywide Road Maintenance Fund	Use Tax Maintenance Fund	American Rescue Plan Fund
Budget (Cash basis)	\$ 1,597,497	(1,022,939)	4,651,201	(889,276)
Increase (Decrease)				
Net adjustments for revenue accruals	(130,415)	2,026,205	0	1,721,830
Net adjustments for expenditure accruals	26,957	(2,847,589)	(87,135)	(832,554)
GAAP Basis	\$ 1,494,039	(1,844,323)	4,564,066	0

PIKE COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2023

UNAUDITED

Pension Schedules

A. Changes in benefit provisions.

2016

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

B. Changes of assumptions.

2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

2016

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

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumptions were reduced from 3.75% to 3.25%

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

PIKE COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2023

UNAUDITED

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2019

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.

For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

For males, 137% of male rates at all ages.

For females, 115% of female rates at all ages.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2021

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.

For females, 84% of the female rates up to age 72, 100% for ages above 76.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:

For males, 134% of male rates at all ages.

For females, 121% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent

PIKE COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2023

UNAUDITED

Annuitant Table with the following adjustments:

For males, 97% of male rates at all ages.

For females, 110% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

Withdrawal rates, pre-retirement mortality rates, disability rates, and service retirement rates were also adjusted to more closely reflect actual experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

2023

The investment rate of return assumption was changed from 7.55% to 7.00%.

The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.

Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.

The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.

For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.

The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.

The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

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

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2021, valuation for the June 30, 2023, fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

PIKE COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2023

UNAUDITED

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	26.7 years
Asset valuation method	5-year smoothed market
Price Inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

PIKE COUNTY

SUPPLEMENTARY INFORMATION

PIKE COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2023

Federal Agency/ Pass-Through Entity/ Program Title or Cluster	Federal Assistance Listing Number	Federal Agency/ Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed-through Mississippi Development Authority Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	*	14.228	1138-221-057-ED-01 \$ 1,233,497
Passed-through Mississippi Home Corporation Home Investment Partnership Program	14.239	Unknown	330,970
Total United States Department of Housing and Urban Development			<u>1,564,467</u>
U.S. Department of Justice			
Passed-through Mississippi Department of Health Crime Victim Assistance	16.575	N/A	152,148
Passed-through Mississippi Department of Safety Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unknown	78,712
Total United States Department of Justice			<u>230,860</u>
U.S. Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	*	21.027	N/A 1,821,830
Total United States Department of the Treasury			<u>1,821,830</u>
U.S. Election Assistance Commission			
Passed-through the Mississippi Secretary of State's Office HAVA Election Security Grants	90.404	Unknown	57,873
Total United States Election Assistance Commission			<u>57,873</u>
U.S. Department of Homeland Security			
Passed- through Mississippi Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4626-DR-MS	172,959
Passed-through Mississippi Emergency Management Agency Emergency Management Performance Grants	97.042	N/A	35,001
Total United States Department of Homeland Security			<u>207,960</u>
Total for All Federal Awards			<u><u>\$ 3,882,990</u></u>

* Denotes Major Federal Award Program

NOTES TO THE 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 Pike 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 Pike County it is not intended to and does not present the financial position, changes in net position or cash flows of Pike 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 (if any) 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

Pike County has not elected to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

PIKE COUNTY

Reconciliation of Operating Costs of Solid Waste
For the Year Ended September 30, 2023

Operating Expenditures, Cash Basis

Personal Services	\$ 107,568
Contractual services	1,636,664
Consumable supplies	<u>1,332</u>
Solid Waste Cash Basis Operating Expenditures	1,745,564
Full Cost Expenses:	
Indirect administrative costs	17,281
Net effect of other accrued expenses	<u>132,928</u>
Solid Waste Full Cost Operating Expenses	\$ <u><u>1,895,773</u></u>

PIKE COUNTY

OTHER INFORMATION

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

Name	Position	Company	Bond
Tazwell Bowsky	Supervisor District 1	Western Surety	100,000
Samuel L. Hall	Supervisor District 2	Western Surety	100,000
Robert J. Accardo	Supervisor District 3	Western Surety	100,000
Jacob Joseph Gazzo	Supervisor District 4	Western Surety	100,000
Carroll Lee Fortenberry, Jr.	Supervisor District 5	Western Surety	100,000
Rebecca Buie	Chancery Clerk	Travelers	100,000
Tanuyon M. Dangerfield	County Administrator	Western Surety	100,000
Felicia D. Lewis	Receiving Clerk	Western Surety	75,000
Mary Sasfras	Asst. Receiving Clerk	Western Surety	50,000
Raven Ashley	Asst. Receiving Clerk	Western Surety	50,000
Cullet Davis	Asst. Receiving Clerk	Western Surety	50,000
Blanket Bond (6)	Asst. Receiving Clerk	Western Surety	50,000
Gwendolyn J. Nunnery	Tax Collector	Western Surety	100,000
Erica L. Guidry	Deputy Tax Collector	Western Surety	50,000
Megan B. Harvey	Deputy Tax Collector	FCCI Insurance	50,000
Ashley Abraham	Deputy Tax Collector	Western Surety	50,000
Barbara D. Tate	Deputy Tax Collector	FCCI Insurance	50,000
Annette McGhee	Deputy Tax Collector	Western Surety	50,000
Delores T. Brown	Deputy Tax Collector	Western Surety	50,000
Jennifer A. Privatte	Deputy Tax Collector	Western Surety	50,000
Crystal Gatlin	Deputy Tax Collector	Western Surety	50,000
Nina Fortenberry	Deputy Tax Collector	Western Surety	50,000
Tiffany Elnora Belton	Deputy Tax Collector	Western Surety	50,000
Jhamelilla M. Anderson	Deputy Tax Collector	Western Surety	50,000
Angel M. Varnado	Deputy Tax Collector	Western Surety	50,000
Santara Fortenberry	Deputy Tax Collector	Western Surety	50,000
Laurie Allen	Tax Assessor	Travelers	50,000
Angela R. Coulliette	Deputy Tax Assessor	Western Surety	50,000
Mechelle L. Duncan	Deputy Tax Assessor	Western Surety	50,000
Angela G. Washington	Deputy Tax Assessor	Western Surety	50,000
Terry P. Boyd	Deputy Tax Assessor	Western Surety	10,000
Kenya Fuller Lofton	Deputy Tax Assessor	Western Surety	10,000
Lance E. Honea	Deputy Tax Assessor	Western Surety	10,000
Cristina I Byrd	Deputy Tax Assessor	Travelers	50,000
Lisa Renee Hutchinson	Deputy Tax Assessor	Western Surety	50,000
Alice M. Barnes	Deputy Tax Assessor	Western Surety	50,000
William M. Johnson, Jr.	Deputy Tax Assessor	Western Surety	50,000
Santara Fortenberry	Deputy Tax Assessor	Western Surety	10,000
Ted M. Lofton	Deputy Tax Assessor	Western Surety	10,000
Tammy A. Rayborn	Purchase Clerk	Western Surety	100,000
Tanuyon M. Dangerfield	Asst. Purchase Clerk	Western Surety	50,000
Debra A. Evans	Inventory Control Clerk	Western Surety	75,000
Roger A. Graves	Circuit Clerk	Western Surety	100,000
Juanita H. Pounds	Deputy Circuit Clerk	Western Surety	50,000
Leachia Ann Robinson	Deputy Circuit Clerk	Western Surety	50,000
Brenda R. Williams	Deputy Circuit Clerk	Western Surety	50,000
Breanna Butrick	Deputy Circuit Clerk	Western Surety	50,000
Brenda Denise Robinson	Deputy Circuit Clerk	Western Surety	50,000
Mark E. Thompson	Constable	Western Surety	50,000
Oliver B. James	Constable	Western Surety	50,000
Dennis W. Johnson	Constable	Western Surety	50,000
James B. Brumfield	Sheriff	Western Surety	100,000
Aubrey P. Rimes	Justice Court Judge	Western Surety	50,000
Melvin Hollins	Justice Court Judge	Western Surety	50,000
Fulton D. Brewer	Justice Court Judge	Western Surety	50,000
Andranette R. Jordan	Justice Court Clerk	Western Surety	50,000
Loretta D. Conerly	Deputy Justice Court Clerk	Travelers	50,000
Pamela A. Woods	Deputy Justice Court Clerk	Western Surety	50,000
Takeia Monique Coleman	Deputy Justice Court Clerk	Western Surety	50,000
Danyell Patrice Martin	Deputy Justice Court Clerk	Western Surety	50,000
Suzanna Lynn Morris	Deputy Justice Court Clerk	Western Surety	50,000
Alice Faye Wilkinson	Deputy Justice Court Clerk	Western Surety	50,000
Lauria Ann Evans	Deputy Justice Court Clerk	Western Surety	50,000
Linda S. Moore	Deputy Justice Court Clerk	Western Surety	50,000
Takerria Johnson	Deputy Justice Court Clerk	Western Surety	50,000
Wendell Alexander	Road Manager	Western Surety	50,000

PIKE COUNTY

SPECIAL REPORTS

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

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

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

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

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

Members of the Board of Supervisors
Pike 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Pike 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 May 1, 2024. Our report includes an adverse opinion on the aggregate discretely presented component unit due to the omission of the discretely presented component unit which is required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pike 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 Pike County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Pike County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters, which we have reported to the management of Pike County, Mississippi in the Independent Accountant's Report on Central Purchasing System, Inventory Control System, and Purchase Clerk Schedules and in the Limited Internal Control and Compliance Review Management Report dated May 1, 2024, included within this document.

Purpose of this Report

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

May 1, 2024

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

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

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

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

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

Members of the Board of Supervisors
Pike County, Mississippi

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pike 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 Pike County, Mississippi's major federal programs for the year ended September 30, 2023. Pike County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Pike 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pike 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 Pike 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 Pike County, Mississippi's federal programs.

Auditor's 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 Pike 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 Pike 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 Pike 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 Pike 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 Pike 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 Auditor's 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.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
May 1, 2024

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

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

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

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

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

Members of the Board of Supervisors
Pike County, Mississippi

We have examined Pike 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, Miss. Code Ann. (1972)* and compliance with the purchasing requirements in accordance with the bid requirements of *Section 31-7-13, Miss. Code Ann. (1972)* during the year ended September 30, 2023. The Board of Supervisors of Pike County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

The results of our audit procedures disclosed a certain instance of noncompliance with the aforementioned code sections. This instance of noncompliance was considered in forming our opinion on compliance.

Board of Supervisors.

1. Public Officials and Employees should ensure compliance with state law over surety bonding requirements.

Repeat Finding Yes, 2022, 2021, 2020

Criteria *Section 31-7-124, Mississippi Code Annotated (1972)*, requires Assistant Receiving Clerks to execute a bond in a penalty not less than \$50,000, to be payable, conditioned, and approved as provided by law. In addition, *Section 25-1-15(2), Mississippi Code Annotated (1972)*, requires a new bond every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.

Section 25-1-15, Mississippi Code Annotated (1972), states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."

Condition During the course of our testing we noted the following instances of non-compliance:

- Six (6) assistant receiving clerks were bonded using a blanket bond
- One (1) deputy justice court clerk was not bonded for the entire period

Cause Public Officials insufficient control over the requirements for bonding officials and employees.

Effect Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.

Recommendation We recommend the Board of Supervisors implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.

Response County immediately implemented a procedure that reduced the number of assistant clerks, and each was bonded to meet the requirements set forth by State Law. Documents are available upon request.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Pike 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, Miss. Code Ann. (1972)*. The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination and, in our opinion, is fairly presented when considered in relation to that examination.

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

This report is intended for use in evaluating Pike County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

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

May 1, 2024

PIKE COUNTYSchedule 1**Schedule of Purchases Not Made from the Lowest Bidder
For the Year Ended September 30, 2023**

<u>Date</u>	<u>Item</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for accepting other than Lowest Bid</u>
1/3/2023	2020 Dodge Caravan	\$ 26,435	Rainbow Chrysler	\$ 25,205	Lower miles
6/30/2023	2023 Dodge Charger	\$ 37,000	PineBelt	\$ 36,215	On lot

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
3/8/2023	Generator	\$ 93,400	Austin Electric	Old generator burned up.

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

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
4/18/2023	Tote Bin DS200	\$ 71,865	Election Systems & Software
7/3/2023	Express Poll Tablets	28,585	Election Systems & Software

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

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

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

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

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Pike County, Mississippi

In planning and performing our audit of the financial statements of Pike County, Mississippi for the year ended September 30, 2023, we considered Pike 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 Pike 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 May 1, 2024, on the financial statements of Pike County, Mississippi.

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

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

County Administrator and Comptroller.

1. Controls over classification of revenue should be strengthened.

Repeat Finding	No
Criteria	Revenues and disbursements should be recorded in the proper accounts.
Condition	We noted a significant amount of transactions that were recorded in incorrect accounts. We noted \$140,006 in General Fund and \$1,155,486 in Countywide Road Maintenance Fund of revenue that were credited to expenditure codes, thus netting out both the revenue and expenditures in the general ledger.
Cause	Revenue was incorrectly recorded as a credit to expenditure codes.
Effect	Both revenue and expenditures were understated. Adjustments were made to correct this on the financial statements.
Recommendation	We recommend that controls be implemented to review financial information on a monthly basis to ensure proper classification. This includes only coding revenue to revenue codes and expenditures to expenditure codes. We recommend the county utilizing the <i>Mississippi County Financial Accounting Manual</i> for further guidance on coding.
Response	County will comply with recommendation to ensure proper classification.

Pike 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 entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record, and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

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

May 1, 2024

PIKE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|--|---------------|
| 1. Type of auditor's report issued on the financial statements | |
| Governmental activities | Unmodified |
| Aggregate discretely presented component unit | Adverse |
| General Fund | Unmodified |
| Countywide Road Maintenance Fund | Unmodified |
| Use Tax Maintenance Fund | Unmodified |
| American Rescue Plan Fund | Unmodified |
| Aggregate remaining fund information | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified? | None reported |
| 3. Noncompliance material to the financial statements? | No |

Federal Awards:

- | | |
|--|---------------|
| 4. Internal control over major federal programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified? | None reported |
| 5. Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 6. Any audit finding disclosed that is required to be reported in accordance with CFR 200.516 (a)? | No |
| 7. Identification of major federal programs: | |
| a. ALN # 14.228, Community Development Block Grants/state's program and non-entitlement grants in Hawaii | |
| b. ALN # 21.027, COVID-19 Coronavirus State and Local Fiscal Recovery Funds | |
| 8. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. Auditee qualified as low risk auditee? | No |

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

10. Prior fiscal year findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511 (b)? Yes

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.

PIKE COUNTY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Tazwell Bowsky
1st District

Samuel Hall
2nd District

Robert Accardo
3rd District

Jake Gazzo
4th District

Lee Fortenberry
5th District

PIKE COUNTY



BOARD OF SUPERVISORS

Becky Buie
Chancery Clerk

Tanuyon Dangerfield, CPPB
County Administrator

Wayne Dowdy
Board Attorney

Tammy Rayborn
Purchase Clerk

Pike County

Summary Schedule of Prior Year Audit Findings

Finding Number	Finding Summary	Status	Additional Information
2022-001 (Originally 2022-001; Initial Year of Finding)	The Justice Court should ensure effective controls over fines receivable.	Corrected	Corrective Action Was Taken.