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# JEFFERSON COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports  
For the Year Ended September 30, 2019



JEFFERSON COUNTY

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JEFFERSON COUNTY

FINANCIAL SECTION



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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Jefferson County, Mississippi

### **Report on the Financial Statements**

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Mississippi as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units***

The financial statements do not include financial data for the County's legally separate component units. Accounting principles applicable to the County's cash basis of accounting require the financial data for those component units 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 units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the cash basis assets, net position, receipts, and disbursements of the aggregate discretely presented component units is not reasonably determinable.

### ***Adverse Opinion***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units” paragraph, the financial statements referred to above do not present fairly the cash basis financial position of the aggregate discretely presented component units of Jefferson County, Mississippi, as of September 30, 2019, or the changes in cash basis financial position thereof for the year then ended in accordance with accounting principles applicable to the County’s cash basis of accounting.

### ***Basis for Qualified Opinion on Governmental Activities and General Fund***

During the audit, we noted that bank reconciliations were not being prepared by the Tax Collector. Also, there was an unidentified difference noted in Accounts Payable account. The amount by which this departure would affect the cash basis assets, net position/fund balance, and cash receipts and disbursements of the County’s Governmental Activities and the General Fund has not been determined.

### ***Qualified Opinion***

In our opinion, except for the matter described in the “Basis for *Qualified Opinion on Governmental Activities and General Fund*” paragraph, the financial statements referred to above present fairly, in all material respects, the cash basis financial position of the governmental activities and General Fund of Jefferson County, Mississippi, as of September 30, 2019, and the changes in cash basis financial position thereof for the year then ended in accordance with the cash basis of accounting described in Note 1.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the business-type activities, the Countywide Road Maintenance Fund, the Bridge and Culvert Fund, the ERBR Fund, the Capital Improvement I&S Fund, the 2014 Bond Construction Fund, the Correctional Facility Fund, and the aggregate remaining fund information of Jefferson County, Mississippi, as of September 30, 2019, and the respective changes in cash basis financial position and, where applicable, cash flows thereof for the year then ended, in accordance with the basis of accounting described in Note 1.

### ***Basis of Accounting***

We draw attention to Note 1 of the financial statements which describes that Jefferson County, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Report on Supplementary and Other Information***

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

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

Schedule of Interfund Loans and Advances, Schedule of Capital Assets, Schedule of Changes in Short-term Debt, Schedule of Changes in Long-term Debt, Schedule of Surety Bonds for County Officials and corresponding notes have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2024, on our consideration of Jefferson 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 Jefferson 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 Jefferson County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, MS  
December 15, 2024

JEFFERSON COUNTY

FINANCIAL STATEMENTS



JEFFERSON COUNTY  
Statement of Net Position - Cash Basis  
September 30, 2019

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 2,893,800	3,466	2,897,266
Total Assets	<u>2,893,800</u>	<u>3,466</u>	<u>2,897,266</u>
NET POSITION			
Restricted:			
Expendable:			
General government	331,741		331,741
Public safety		3,466	3,466
Public works	1,422,122		1,422,122
Health and welfare	45,313		45,313
Culture and recreation	203,600		203,600
Economic development and assistance	209,220		209,220
Debt service	1,228,585		1,228,585
Unrestricted	(546,781)		(546,781)
Total Net Position	<u>\$ 2,893,800</u>	<u>3,466</u>	<u>2,897,266</u>

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

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 3,594,404	267,560			(3,326,844)		(3,326,844)
Public safety	1,442,685	112,459	210,079		(1,120,147)		(1,120,147)
Public works	2,012,779	267,346	1,538,475	17,019	(189,939)		(189,939)
Health and welfare	30,979		18,971		(12,008)		(12,008)
Culture and recreation	8,911				(8,911)		(8,911)
Conservation of natural resources	36,535				(36,535)		(36,535)
Debt service:							
Principal	155,000				(155,000)		(155,000)
Interest	178,331				(178,331)		(178,331)
Total Governmental Activities	7,459,624	647,365	1,767,525	17,019	(5,027,715)	0	(5,027,715)
Business-type activities:							
Correctional Facility	2,945,937	2,908,488				(37,449)	(37,449)
Total Business-type Activities	2,945,937	2,908,488	0	0		(37,449)	(37,449)
Total Primary Government	\$ 10,405,561	3,555,853	1,767,525	17,019	(5,027,715)	(37,449)	(5,065,164)
General receipts:							
Property taxes					\$ 3,659,119		3,659,119
Road & bridge privilege taxes					83,236		83,236
Grants and contributions not restricted to specific programs					363,676		363,676
Unrestricted gifts and donations					680		680
Unrestricted interest income					18,433		18,433
Miscellaneous					495,564	120	495,684
Proceeds from short term loans					1,535,000		1,535,000
Transfers					(37,329)	37,329	0
Total General Receipts, other cash sources, and Transfers					6,118,379	37,449	6,155,828
Changes in Net Position					1,090,664	0	1,090,664
Net Position - Beginning					1,803,136	3,466	1,806,602
Net Position - Ending					\$ 2,893,800	3,466	2,897,266

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

## JEFFERSON COUNTY

Exhibit 3

## Statement of Cash Basis Assets and Fund Balances

## Governmental Funds

September 30, 2019

	Major Funds						
	General Fund	Countywide Road Maintenance Fund	Bridge and Culvert Fund	ERBR Fund	Capital Improvement I&S Fund	2014 Bond Construction Fund	Other Governmental Funds
							Total Governmental Funds
ASSETS							
Cash	\$	150,996	329,974	236,380	1,228,585	704,772	2,893,800
Total Assets	<u>0</u>	<u>150,996</u>	<u>329,974</u>	<u>236,380</u>	<u>1,228,585</u>	<u>704,772</u>	<u>2,893,800</u>
FUND BALANCES							
Restricted for:							
General government							331,741
Public works		150,996	329,974	236,380		704,772	1,422,122
Health and welfare							45,313
Culture and recreation							203,600
Economic development and assistance							209,220
Debt service					1,228,585		1,228,585
Unassigned							(546,781)
Total Fund Balances	<u>\$ 0</u>	<u>150,996</u>	<u>329,974</u>	<u>236,380</u>	<u>1,228,585</u>	<u>704,772</u>	<u>2,893,800</u>

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

## JEFFERSON COUNTY

Exhibit 4

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances -  
Governmental Funds  
For the Year Ended September 30, 2019

	Major Funds							
	General Fund	Countywide Road Maintenance Fund	Bridge and Culvert Fund	ERBR Fund	Capital Improvement I&S Fund	2014 Bond Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>								
Property taxes	\$ 2,679,239	466,743	22,667		231,422		259,048	3,659,119
Road and bridge privilege taxes		83,236						83,236
Licenses, commissions and other receipts	117,954						4,137	122,091
Fines and forfeitures	183,699							183,699
Intergovernmental receipts	320,243	829,098		931,586			67,973	2,148,900
Charges for services							341,575	341,575
Interest income	18,131					302		18,433
Miscellaneous receipts	388,170	5,831					101,563	495,564
Total Receipts	<u>3,707,436</u>	<u>1,384,908</u>	<u>22,667</u>	<u>931,586</u>	<u>231,422</u>	<u>302</u>	<u>774,296</u>	<u>7,052,617</u>
<b>DISBURSEMENTS</b>								
General government	3,516,841						77,563	3,594,404
Public safety	1,173,309						269,376	1,442,685
Public works	105,000	1,174,902	9,124	232,320			491,433	2,012,779
Health and welfare	30,979							30,979
Culture and recreation							8,911	8,911
Conservation of natural resources	36,535							36,535
Debt service:								
Principal						155,000		155,000
Interest	95,189	8,341				70,631	4,170	178,331
Total Disbursements	<u>4,957,853</u>	<u>1,183,243</u>	<u>9,124</u>	<u>232,320</u>	<u>0</u>	<u>225,631</u>	<u>851,453</u>	<u>7,459,624</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(1,250,417)</u>	<u>201,665</u>	<u>13,543</u>	<u>699,266</u>	<u>231,422</u>	<u>(225,329)</u>	<u>(77,157)</u>	<u>(407,007)</u>
<b>OTHER CASH SOURCES (USES)</b>								
Issuance of short term debt	1,074,500	307,000					153,500	1,535,000
Transfers in	3,265,387	2,653,556			711,310		95	6,630,348
Transfers out	(3,089,470)	(3,100,604)		(462,886)			(14,717)	(6,667,677)
Total Other Cash Sources and Uses	<u>1,250,417</u>	<u>(140,048)</u>	<u>0</u>	<u>(462,886)</u>	<u>711,310</u>	<u>0</u>	<u>138,878</u>	<u>1,497,671</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>0</u>	<u>61,617</u>	<u>13,543</u>	<u>236,380</u>	<u>942,732</u>	<u>(225,329)</u>	<u>61,721</u>	<u>1,090,664</u>
Cash Basis Fund Balances - Beginning		89,379	316,431		285,853	930,101	181,372	1,803,136
Cash Basis Fund Balances - Ending	<u>\$ 0</u>	<u>150,996</u>	<u>329,974</u>	<u>236,380</u>	<u>1,228,585</u>	<u>704,772</u>	<u>243,093</u>	<u>2,893,800</u>

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

## JEFFERSON COUNTY

Exhibit 5

## Statement of Net Position - Cash Basis - Proprietary Fund

September 30, 2019

	Business-type Activities <u>Enterprise Fund</u> Correctional <u>Facility</u>
ASSETS	
Cash	\$ <u>3,466</u>
Total Assets	<u>3,466</u>
NET POSITION	
Restricted for:	
Public safety	<u>3,466</u>
Total Net Position	\$ <u>3,466</u>

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

## JEFFERSON COUNTY

Exhibit 6Statement of Cash Receipts, Disbursements and Changes in Net Position - Proprietary Fund  
For the Year Ended September 30, 2019

	Business-type Activities Enterprise Fund Correctional Facility
Operating Receipts	
Charges for services	\$ 2,908,488
Miscellaneous	120
Total Operating Receipts	<u>2,908,608</u>
Operating Disbursements	
Personal services	2,052,776
Contractual services	433,330
Materials and supplies	459,831
Total Operating Disbursements	<u>2,945,937</u>
Operating Income (Loss)	<u>(37,329)</u>
Nonoperating Receipts (Disbursements)	
Transfers in	312,820
Transfer out	(275,491)
Net Nonoperating Receipts (Disbursements)	<u>37,329</u>
Changes in Net Position	<u>0</u>
Net Position - Beginning	<u>3,466</u>
Net Position - Ending	<u>\$ 3,466</u>

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

JEFFERSON COUNTY

Exhibit 7

Statement of Fiduciary Assets and Liabilities - Cash Basis

September 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 414,429
Total Assets	<u>\$ 414,429</u>
LIABILITIES	
Amounts held in custody for others	\$ 2,402
Intergovernmental payables	<u>412,027</u>
Total Liabilities	<u>\$ 414,429</u>

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

## JEFFERSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2019

#### (1) Summary of Significant Accounting Policies.

##### A. Financial Reporting Entity.

Jefferson County, Mississippi (the County), is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. The financial statements of the County are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require Jefferson 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 units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary for reporting in accordance with accounting principles applicable to the County's cash basis of accounting.

- Jefferson County Hospital
- Jefferson County Nursing Home

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

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

##### B. Basis of Presentation.

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

##### Government-wide Financial Statements:

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

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



## JEFFERSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2019

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

#### Fund Financial Statements:

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

#### C. Measurement Focus and Basis of Accounting.

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

The County reports the following major Governmental Funds:

General Fund - This fund 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.

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

ERBR Fund - This fund is used to account for monies from specific revenue sources that are restricted for road bridge maintenance and repairs.

Capital Improvement I&S Fund - This fund is used to account for monies from specific revenue sources that are restricted for capital projects.

2014 Bond Construction Fund - This fund is used to account for proceeds from a bond issue that is restricted for capital improvements.

The County reports the following major Enterprise Funds:

Correctional Facility Fund - This fund is used to account for Jefferson's County portion of receipts and disbursements dealing with the correctional facility that Jefferson and Franklin County share.

Additionally, the County reports the following fund types:

#### GOVERNMENTAL FUND TYPES

## JEFFERSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2019

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

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

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

#### PROPRIETARY FUND TYPES

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

#### FIDUCIARY FUND TYPES

Agency Funds - These funds account for various taxes, deposits and other monies collected or held by the County, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

#### D. Account Classifications.

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

#### E. Deposits.

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

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

#### F. Equity Classifications.

Government-wide Financial Statements:

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

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

Unrestricted net position - All other net position not meeting the definition of "restricted."

Net Position Flow Assumption:

When a disbursement is paid for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When disbursements are paid for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general

## JEFFERSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2019

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.

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

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

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

#### Fund Balance Flow Assumption:

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

#### G. Property Tax Receipts.

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

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

#### (2) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2019, was \$3,311,695, and the bank balance was \$3,442,810. 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).

# JEFFERSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2019

**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.

### (3) Interfund Transfers.

The following is a summary of interfund transfers at September 30, 2019:

Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Countywide Road Maintenance Fund	\$ 3,100,604
General Fund	ERBR Fund	150,066
General Fund	Other Governmental Funds	14,717
Countywide Road Maintenance Fund	General Fund	2,653,556
Capital Improvement I&S Fund	General Fund	435,819
Capital Improvement I&S Fund	Correctional Facility Fund	275,491
Other Governmental Funds	General Fund	95
Correctional Facility Fund	ERBR Fund	312,820
Total		\$ <u>6,943,168</u>

### (4) Claims and Judgments.

**Risk Financing.**

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2019, to January 1, 2020. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

### (5) Contingencies.

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

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

### (6) Jointly Governed Organizations.

## JEFFERSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2019

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 governing body is a 40-member board of directors, with four appointed by the Jefferson County Board of Supervisors. The County appropriated \$6,438 for the support of the district in fiscal year 2019.

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 Jefferson County Board of Supervisors appoints two of the ten members of the board of commissioners. The County appropriated \$17,947 for the support of the district in fiscal year 2019.

Southwest Mississippi Partnership operates in a district composed 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.

Copiah-Lincoln Community College operates in a district composed of the counties of Adams, Copiah, Franklin, Jefferson, Lawrence, Lincoln and Simpson. The governing body is a 27-member board of trustees, with two appointed by the Jefferson County Board of Supervisors. The County appropriated \$96,108 for the maintenance and support of the college in fiscal year 2019.

(7) Defined Benefit Pension Plan.

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

Funding Policy. At September 30, 2019, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2019 was 17.40% of annual covered payroll. This rate increased as of July 1, 2019 from 15.75%. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2019, 2018 and 2017 were \$540,488, \$505,633 and \$498,365, respectively, equal to the required contributions for each year.

## JEFFERSON COUNTY

## SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY  
Schedule of Operating Costs of Solid Waste  
For the Year Ended September 30, 2019

Operating Disbursements, Cash Basis:

Salaries	\$ 200,024
Contractual services	85,944
Expendable Commodities:	
Gasoline and petroleum products	24,530
Repair parts	14,885
Capital outlay	3,609
Other items	<u>166,605</u>
Solid Waste Cash Basis Operating Disbursements	\$ <u><u>495,597</u></u>

## JEFFERSON COUNTY

## OTHER INFORMATION



JEFFERSON COUNTY  
Schedule of Interfund Loans and Advances  
For the Year Ended September 30, 2019  
UNAUDITED

The following is a summary of interfund balances at September 30, 2019:

A. Advances From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 19,500
Countywide Road Maintenance Fund	Other governmental Funds	62,800
Bridge and Culvert Fund	General Fund	94,547
Other Governmental Funds	General Fund	347,735
Other Governmental Funds	Countywide Road Maintenance Fund	172,423
Other Governmental Funds	Other governmental Funds	194,173
	Total	\$ <u>891,178</u>

The advances to and from other funds were made in prior years for cash flow purposes.

**JEFFERSON COUNTY**

## Schedule of Capital Assets

For the Year Ended September 30, 2019

UNAUDITED

**GOVERNMENTAL ACTIVITIES**

		<b>Balance</b>				<b>Balance</b>
		<b>Oct. 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Sept. 30, 2019</b>
Land	\$	50,452				50,452
Infrastructure		7,790,099				7,790,099
Buildings		2,649,889				2,649,889
Mobile equipment		3,632,544	103,283	43,443		3,692,384
Furniture & equipment		263,224				263,224
Leased property under capital leases		199,206				199,206
Total capital assets	\$	<u>14,585,414</u>	<u>103,283</u>	<u>43,443</u>	<u>-</u>	<u>14,645,254</u>

**BUSINESS TYPE ACTIVITIES**

		<b>Balance</b>				<b>Balance</b>
		<b>Oct. 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Sept. 30, 2019</b>
Land	\$	235,000				235,000
Buildings		3,862,120				3,862,120
Mobile equipment		95,793				95,793
Furniture & equipment		109,890				109,890
Total capital assets	\$	<u>4,302,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,302,803</u>

## JEFFERSON COUNTY

## Schedule of Changes in Short-term Debt

For the Year Ended September 30, 2019

UNAUDITED

The following is a summary of changes in short-term liabilities for the year ended September 30, 2019:

Description of Debt	Balance Oct. 1, 2018	Additions	Reductions	Adjustments	Balance Sept. 30, 2019
Tax anticipation note - General Fund	\$ 1,535,000	1,074,500	1,074,500	(460,500)	1,074,500
Tax anticipation note - Garbage & Solid Waste Fund	-	153,500	-	-	153,500
Tax anticipation note - Countywide Road Maintenance Fund	-	307,000	-	-	307,000
Total	<u>\$ 1,535,000</u>	<u>1,535,000</u>	<u>1,074,500</u>	<u>(460,500)</u>	<u>1,535,000</u>

During the month of September 2019, the County issued \$1,535,000 of tax anticipation notes with an interest rate of 6% and maturity date of April 1, 2020 in order to alleviate a temporary operating cash flow deficiency

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

JEFFERSON COUNTY  
Schedule of Changes in Long-term Debt  
For the Year Ended September 30, 2019  
UNAUDITED

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2019:

**Governmental Activities:**

<u>Description and Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Oct. 1, 2018</u>	<u>Issued</u>	<u>Principal Payments</u>	<u>Balance Sept. 30, 2019</u>
<b>Governmental Activities:</b>							
A. General Obligation Bonds:							
Series 2014 Road and Bridge Bonds	4/1/2014	10/2033	3-4.75%	\$ 3,215,000	-	155,000	3,060,000
Total				\$ 3,215,000	-	155,000	3,060,000

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

## JEFFERSON COUNTY

## Schedule of Surety Bonds for County Officials

September 30, 2019

UNAUDITED

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
James Edward Wells	County Supervisor - District 1	100,000	Western Surety
Cammie Earl Hutcherson	County Supervisor - District 2	100,000	Western Surety
Jerry Dale Wilson	County Supervisor - District 3	100,000	Western Surety
S D Johnson	County Supervisor - District 4	100,000	Western Surety
Tracy Albert Collins	County Supervisor - District 5	100,000	Western Surety
Delorise Frye	Chancery Clerk	100,000	Western Surety
Jackie Vernard Jackson	Deputy Circuit Clerk	50,000	Western Surety
Anna Ruth Fountain	Deputy Circuit Clerk	50,000	Western Surety
Samantha F. Jackson James	Tax Collector/Assessor	100,000	Western Surety
Lucille G. Bailey	Deputy Tax Collector	50,000	Western Surety
Temicka Denise Doss	Deputy Tax Assessor	25,000	Western Surety
Tomika Irving	Justice Court Judge	50,000	Western Surety
William Windell	Justice Court Judge	50,000	Western Surety
Courtina Nichole Jackson	Deputy Justice Court Clerk	50,000	Western Surety
Asia Davis	Deputy Justice Court Clerk	25,000	Western Surety
James Edward Bailey	Constable	50,000	Western Surety
Carl Bailey	Constable	50,000	Western Surety
Joseph Jackson	Constable	50,000	Western Surety
Sherra Wilson	Purchase Clerk	75,000	Lexon Insurance Company
Terrance Andra Cruel	Receiving Clerk	75,000	Western Surety
Linda Faye White	Inventory Control Clerk	75,000	Western Surety
Brenda Buck	County Administrator	100,000	Western Surety
Jerome Keith Queen	Road Manager	50,000	Western Surety

# JEFFERSON COUNTY

## Notes to Other Information For the Year Ended September 30, 2019

### (1) Long-term Debt Information:

A. Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2019, the amount of outstanding debt was equal to 5.61% of the latest property assessments.

### B. Subsequent Events

Subsequent to September 30, 2019, the County issued the following debt obligations:

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
9/18/2020	6.00%	1,000,000.00	Tax Anticipation Note	Tax revenues
10/1/2021	4.25%	1,000,000.00	Tax Anticipation Note	Tax revenues
12/16/2021	2.94%	220,000.00	Financed purchase	Tax revenues
9/27/2022	5.00%	1,000,000.00	Tax Anticipation Note	Tax revenues
4/1/2023	3.88%	360,000.00	Financed purchase	Tax revenues
4/1/2023	6.31%	131,087.00	Financed purchase	Tax revenues
9/15/2023	7.00%	1,000,000.00	Tax Anticipation Note	Tax revenues
3/1/2024	6.41%	294,753.00	Financed purchase	Tax revenues
3/15/2024	6.50%	460,000.00	Financed purchase	Tax revenues

## JEFFERSON COUNTY

### SPECIAL REPORTS



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

Members of the Board of Supervisors  
Jefferson 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 cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County, Mississippi (the County), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 15, 2024. Our report includes a qualified opinion on the governmental activities and the General Fund due to the Tax Collector not preparing bank reconciliations and an unidentified difference noted in the Accounts Payable account. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles applicable to the County's cash basis of accounting 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 units.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson County, Mississippi's internal control over financial reporting (internal control) to determine the 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 Jefferson County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as 2019-001, 2019-002, 2019-003, 2019-004 and 2019-005 that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson 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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as item 2019-001.

We also noted certain matters which we have reported to the management of Jefferson County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated December 15, 2024, included within this document.

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

Jefferson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Jefferson County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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, MS  
December 15, 2024



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

Members of the Board of Supervisors  
 Jefferson County, Mississippi

We have examined Jefferson 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, 2019. The Board of Supervisors of Jefferson County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

The results of our audit procedures disclosed certain instances of noncompliance with the aforementioned code sections. These instances of noncompliance were considered in forming our opinion on compliance. Our findings and recommendations and your responses are disclosed below.

Board of Supervisors.

1. List of employees authorized to issue requisitions and receiving reports.

<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Sections 31-7-103 and 31-7-109, Mississippi Code Annotated (1972), state that persons must be specifically authorized to sign purchase requisitions and receiving reports.</i>
<b>Condition</b>	During the course of our test work, we were unable to locate a listing approved by the Board of Supervisors specifying who was authorized to sign purchase requisitions and receiving reports.

<b>Cause</b>	The Board of Supervisors did not approve a list that specifies those individuals with authority to sign purchase requisitions and receiving reports for each department.
<b>Effect</b>	Failure to specify individuals with authority to sign purchase requisitions and receiving reports could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Board should annually approve and spread upon the minutes a list of individuals in each department who are authorized to sign purchase requisitions and receiving reports.
<b>View of Responsible Official</b>	No response was provided.

2. Public Officials Should Ensure Compliance with State Law over Emergency Purchases.

<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 31-7-13 (k), Mississippi Code Annotated (1972), states, "Governing authority emergency purchase procedure. If the governing authority, or the governing authority acting through its designee, shall determine that an emergency exists in regard to the purchase of any commodities or repair contracts, so that the delay incident to giving opportunity for competitive bidding would be detrimental to the interest of the governing authority, then the provisions herein for competitive bidding shall not apply and any officer or agent of such governing authority having general or special authority therefor in making such purchase or repair shall approve the bill presented therefor, and he shall certify in writing thereon from whom such purchase was made, or with whom such a repair contract was made. At the board meeting next following the emergency purchase or repair contract, documentation of the purchase or repair contract, including a description of the commodity purchased, the price thereof and the nature of the emergency shall be presented to the board and shall be placed on the minutes of the board of such governing authority."</i>
<b>Condition</b>	During the course of the audit, we noted one emergency purchase that was approved by the Board, but no explanation of the nature of the emergency was specified upon the minutes.
<b>Cause</b>	Public officials failed to properly disclose the circumstances justifying an emergency purchase culvert.
<b>Effect</b>	Failure to properly specify and justify an emergency purchase results in noncompliance with State law and could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Board of Supervisors should ensure that all emergency purchases are justified upon the minutes by specifying the circumstances around the emergency.
<b>View of Responsible Official</b>	No response was provided.

**Inventory Clerk and Chancery Clerk**

3. The Inventory Clerk Should Ensure that the Annual Inventory is Completed and Filed with the Clerk of the Board. The Clerk of the Board Should Ensure that the Inventory Report is filed with the State Department of Audit.

<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 31-7-107, Mississippi Code Annotated (1972), states, "the inventory control clerk, pursuant to regulations promulgated by the State Auditor, shall perform physical inventories of assets of the county on or before October 1 of each year and shall file with the board of supervisors, in triplicate, a written report of such inventory. The clerk of the board of supervisors shall keep the original of each inventory report so filed by the inventory control clerk as a permanent record of the county and shall forward a copy to the State Department of Audit not later than October 15."</i>
<b>Condition</b>	During the course of our test work, we noted that the annual inventory had not been conducted and that the report was not kept on hand nor was a report filed with the Office of the State Auditor.

<b>Cause</b>	The Inventory Clerk did not conduct an annual inventory and provide a report of such to the Clerk of the Board. The Clerk of the Board did not maintain a copy of the report on file and did not file a copy with the Office of the State Auditor.
<b>Effect</b>	Failure to properly perform an annual inventory and file evidence of such could result in the misappropriation of the County's fixed assets as well as noncompliance with State law.
<b>Recommendation</b>	The Inventory Clerk should annually perform an inventory of the County's fixed assets and provide a copy to the Clerk of the Board for preservation in the County's records as well as for filing with the Office of the State Auditor. The Clerk of the Board should ensure that the inventory report is filed with his office and then file a copy with the Office of the State Auditor.
<b>View of Responsible Official</b>	I did not perform an annual inventory for the FY 2019, but I am in process of delivering to each department head a copy of their inventory for review so that I can schedule an actual inventory before October ends.
Purchase Clerk.	
4.	<u>Public Officials Should Ensure Compliance with State Law over Purchasing Schedules.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 31-7-115, Mississippi Code Annotated (1972), states, "The State Auditor, or a certified public accountant employed by the State Auditor, shall, upon the close of the fiscal year of the county, make an audit of the books, records, supporting documents and other data of the county purchase clerk and the inventory control clerk. The Auditor shall review the county's compliance with Section 31-7-13(d), (k) and (m). The audit report shall include a schedule of purchases not made from the lowest bidder under the authority of Section 31-7-13(d), with the reasons given therefor. The audit report shall include a schedule of emergency purchases made under the authority of Section 31-7-13(k). The audit report shall include a schedule of purchases made noncompetitively from a sole source under the authority of Section 31-7-13(m)...."</i>
<b>Condition</b>	During the course of our audit, we noted the following instances of noncompliance with State law: <ul style="list-style-type: none"> <li>• The Purchase Clerk did not properly maintain the Purchasing Schedules</li> <li>• An emergency purchase was approved by the Board but was not included on the Purchasing Schedules</li> </ul>
<b>Cause</b>	The Purchase Clerk failed to properly maintain the Purchasing Schedules.
<b>Effect</b>	Failure to properly record purchases on the Purchasing Schedules results in noncompliance with State law and could result in the misappropriation of public funds.
<b>Recommendation</b>	The Purchase Clerk should ensure that the Purchasing Schedules are properly maintained.
<b>View of Responsible Official</b>	
<b>Official</b>	I will make the changes. These emergencies were not given to the purchase clerk to follow the purchase protocol properly.
5.	<u>Public Officials Should Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	The County is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Title 31, Chapter 7.
<b>Condition</b>	The County failed to comply with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7. A well-designed purchasing system would comply with the provisions of Title 31, Chapter 7 and would include proper bid requirements as

well as the use of purchase requisitions, purchase orders, and receiving reports. During our test work, we noted the following instances of non-compliance:

- Five (5) instances where no purchasing documentation could be located
- One (1) instance where no purchasing documentation was provided beyond the invoice
- Four (4) instances where there was no receiving report
- Seven (7) instances where no second quote or competitive bid was obtained for an expenditure over \$5,000

<b>Cause</b>	The County has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7.
<b>Effect</b>	The County is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7.
<b>Recommendation</b>	The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7.
<b>View of Responsible Official</b>	I will make the necessary changes wasn't aware of any documentation missing.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Jefferson County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2019.

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

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, MS  
December 15, 2024

JEFFERSON COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder  
For the Year Ended September 30, 2019

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

JEFFERSON COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2019

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
1/22/2019	Culvert	3,800.00	None given	None given.

JEFFERSON COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2019

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





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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Jefferson County, Mississippi

In planning and performing our audit of the financial statements of Jefferson County, Mississippi for the year ended September 30, 2019, we considered Jefferson 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 Jefferson County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated December 15, 2024, on the financial statements of Jefferson County, Mississippi.

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

The results of our review procedures and compliance tests identified certain immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

### Board of Supervisors

1. Public Officials Should Ensure Compliance with State law over Cafeteria Plans.

**Repeat Finding** Yes

**Criteria** *Section 25-17-9 (2), Mississippi Code Annotated (1972), states, "The State Auditor shall compile a list of providers of cafeteria plans which shall contain those providers he deems acceptable to provide benefits or services related to a cafeteria plan of a state agency or local government entity.*

*Section 25-17-9 (3), Mississippi Code Annotated (1972), states, "Only providers who appear on the most recent list compiled by the State Auditor shall, directly or indirectly, provide benefits included in or administrative services related to cafeteria plans of a state agency or local governmental entity..."*

**Condition** During the course of our audit, we noted that the County's cafeteria plan provider was not included on the Office of the State Auditor's list of 2019 approved cafeteria plan providers.

<b>Cause</b>	The Board of Supervisors did not ensure that the county's cafeteria plan provider was on the list approved by the Office of the State Auditor.
<b>Effect</b>	Failure to select a provider from the list of approved providers could result in misappropriation of public funds.
<b>Recommendation</b>	The Board of Supervisors should choose a cafeteria plan provider that is approved by the Office of the State Auditor.
<b>Response</b>	No response was provided.
<b>2.</b>	<u>Public officials should ensure that the avails of the reappraisal tax levy are expended for the specific purpose for which it is levied.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 27-39-325, Mississippi Code Annotated (1972), states, "The board of supervisors of any county having a plan or contract for reappraisal which has been approved by the State Tax Commission may annually levy an ad valorem tax on all the taxable property within the county, in an amount necessary to defray the cost of reappraisal. The funds derived from the levy shall be placed in a special account and shall be used only for the expenses involved in reappraisal or for repaying any amounts of indebtedness incurred for that purpose."</i>
<b>Condition</b>	During the course of our audit, we noted that there was a millage assessed under the above-referenced code section, but we also noted that avails of the levy were expended for purposes other than those allowed by the statute. The County utilized the funds to pay for its accounting software.
<b>Cause</b>	Internal controls over compliance with statutes regarding specific-purpose tax levies were not effective and allowed the avails of the reappraisal levy to be spent on expenditures other than the purpose for which it was levied.
<b>Effect</b>	This resulted in non-compliance with State law and resulted in the avails of the levy being improperly expended.
<b>Recommendation</b>	The Board of Supervisors should enhance internal control policies and procedures to ensure compliance with State law for specific purpose expenditures of the reappraisal maintenance levy.
<b>Response</b>	No response was provided.
<b>3.</b>	<u>Public officials should strengthen internal control over reconciliations of county accounts.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	An effective system of internal control requires bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
<b>Condition</b>	During the course of our test work, we noted that bank reconciliations were not prepared for the following county accounts: <ul style="list-style-type: none"> <li>• Escrow Account</li> <li>• JAG Grant 2010 SB B9 0063 Account</li> </ul>
<b>Cause</b>	The system of internal control did not include a bank reconciliation of the accounts.
<b>Effect</b>	Failure to complete an accurate and timely bank reconciliation of each bank account results in a weakness in the system of internal control over cash.
<b>Recommendation</b>	The County should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared correctly on a monthly basis and maintain records of such.
<b>Response</b>	No response was provided.

#### **Board of Supervisors, Sheriff, and Tax Assessor/Collector**

<b>4.</b>	<u>Public Officials Should Ensure Compliance with State Law over Depositories</u>
<b>Repeat Finding</b>	Yes

<b>Criteria</b>	<i>Section 27-105-371, Mississippi Code Annotated (1972)</i> , states, “All county officials who receive funds under the authority of their office shall deposit such funds into a county depository....”
<b>Condition</b>	During the course of our audit we noted that the Board approved The United Mississippi Bank on 1/22/2019 as the county depository. We further noted that the following accounts were held at an institution other than the approved county depository: <ul style="list-style-type: none"> <li>• The Jefferson Bank <ul style="list-style-type: none"> <li>○ Accounts Payable Clearing Account</li> <li>○ Payroll Clearing Account</li> <li>○ Tax Assessor/Collector Account</li> <li>○ Sheriff Department Fees Account</li> </ul> </li> </ul>
<b>Cause</b>	Public officials are maintaining public depositor accounts at institutions other than the one approved by the Board as the county depository.
<b>Effect</b>	Maintaining bank accounts at financial institutions other than the depository approved by the Board of Supervisors could result in the loss of public funds.
<b>Recommendation</b>	We recommend that either the Board of Supervisors approves multiple institutions as the county’s depositories or that public officials maintain all accounts at the depository approved by the Board.
<b>Response</b>	No response was provided.
<b>5.</b>	<u>Public Officials should Ensure Compliance with State Law Regarding the Adoption of a Budget.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 19-11-11(1), Mississippi Code Annotated (1972)</i> , states, “The budget as finally determined, in addition to setting out separately each general item of expenditure for which appropriations are to be made and the fund out of which the same is to be paid, shall set out the total amount to be expended from each fund, the anticipated working cash balance in the fund at the close of the present fiscal year, the estimated amount, if any, which shall accrue to the fund from sources other than taxation for the new fiscal year, and the amount necessary to be raised for each fund by tax levy during such fiscal year, and the working cash balance which the board determines necessary for the next fiscal year. The board of supervisors, not later than September 15th, shall then, by resolution, approve and adopt the budget as finally determined, and enter the same at length and in detail in its official minutes, and in like manner the said board shall enter the budget of estimated expenses for the county department of education which shall have been prepared and presented to the board by the county superintendent of education as provided by law.”
<b>Condition</b>	During the course of our audit, we noted that the Board had not approved and spread a final proposed budget for the fiscal year upon the minutes.
<b>Cause</b>	The Board did not comply with statutory requirements for the preparation, approval, and recording of the county budget for the fiscal year.
<b>Effect</b>	Failure to comply with state law regarding the preparation, approval, and recording of the annual budget results in noncompliance with state law, could result in the misappropriation of public funds, and reduces transparency to the public.
<b>Recommendation</b>	We recommend that the Board ensure compliance with state law by preparing and approving a proposed budget as well as by recording the budget in the minutes in the appropriate format.
<b>Response</b>	No response was provided.
<b>6.</b>	<u>Public Officials Should Ensure Compliance with State Law over the Publication of the Original Budget for the Fiscal Year.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 19-11-7, Mississippi Code Annotated (1972)</i> , states “(1) The county administrator of each county of the State of Mississippi shall prepare and submit to the board of supervisors....The budget, including the sheriff’s budget, containing such statement of revenues and expenses shall be published at least one (1) time during August or September but not later than September 30 of the

year in a newspaper published in the county, or if no newspaper is published therein, then in a newspaper having a general circulation therein.”

<b>Condition</b>	During the course of the audit, we noted that the original budget for the fiscal year was not published in the newspaper.
<b>Cause</b>	Public officials failed to ensure that proper publication was performed within the timeframe prescribed by law.
<b>Effect</b>	Failure to publish the County’s original budget for the fiscal year is not in compliance with State statutes and could diminish fiscal transparency for the County.
<b>Recommendation</b>	The Board of Supervisors should ensure that compliance with publication laws is achieved through proper publication of the original budget in accordance with the timelines established by State law.
<b>Response</b>	No response was provided.

**7.** Public Officials Should Ensure Compliance with State Law over the Required Notice to the Public for the Hearing on the Proposed Budget and Tax Levy for the Fiscal Year.

**Repeat Finding** Yes

**Criteria** *Section 27-39-203, Mississippi Code Annotated (1972)*, states (1) The governing body of all taxing entities shall hold a public hearing at which time the budget and tax levies for the upcoming fiscal year will be considered.

(2) (a) Except as otherwise provided in this subsection, the public hearing shall be advertised in accordance with the following procedures. The advertisement shall be no less than one-fourth (¼) page in size and the type used shall be no smaller than eighteen (18) point and surrounded by a one-fourth-inch solid black border. The advertisement may not be placed in that portion of the newspaper where legal notices and classified advertisements appear. It is the intent of the Legislature that the advertisement appears in a newspaper that is published at least five (5) days a week, unless the only newspaper in the county is published less than five (5) days a week. It is further the intent of the Legislature that the newspaper selected be one of general interest and readership in the community, and not one of limited subject matter. The advertisement shall be run once each week for the two (2) weeks preceding the adoption of the final budget. The advertisement shall state that the taxing entity will meet on a certain day, time and place fixed in the advertisement, which shall be not less than seven (7) days after the day the first advertisement is published, for the purpose of hearing comments regarding the proposed budget and proposed tax levies. Any increase in the projected budget revenues or any increase in the millage rate over the current fiscal year shall be explained by the governing body giving the reasons for the proposed increase. A taxing entity collecting taxes in more than one (1) county shall make the required advertisement by publication in each county where the taxing entity collects taxes....

(8) After the hearing has been held in accordance with the above procedures, the governing body of the taxing entity may adopt a resolution levying a tax rate on classes of property designated by Section 112, Mississippi Constitution of 1890, as specified in its advertisement. If the resolution adopting the tax rate is not adopted on the day of the public hearing, the scheduled date, time and place for consideration and adoption of the resolution shall be announced at the public hearing and the governing body shall advertise the date, time and place of the proposed adoption of the resolution in the same manner as provided under subsection (2).

(9) Any governing body of a tax entity shall be prohibited from expending any funds for the applicable fiscal year until it has strictly complied with the advertisement and public hearing requirements set forth in this section.”

<b>Condition</b>	Auditors were unable to obtain evidence of proper notice for the public hearing regarding the proposed budget and tax levy.
<b>Cause</b>	Public officials failed to ensure that proper notice was given regarding the public hearing for the proposed budget and tax levy.
<b>Effect</b>	Failure to properly notice the public regarding the proposed budget and tax levy results in noncompliance with State law and could diminish fiscal transparency for the County.
<b>Recommendation</b>	The Board of Supervisors should ensure compliance with State law regarding proper notice for the required public hearing so that stakeholders can participate in the budgeting process.

<b>Response</b>	No response was provided.
<b>8.</b>	<u>The Board of Supervisors should ensure compliance with state law over entering into an inter-local agreement with a local taxing entity for the collection of ad valorem taxes.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>§17-13-7(4), Mississippi Code Annotated (1972)</i> , provides that, “Any two (2) or more local governmental units may enter into written contractual agreements with one another for joint or cooperative action to provide services and facilities...” <i>§17-13-7(4)</i> supports <i>§27-41-2</i> , which allows inter-local agreements for collection by county of ad valorem taxes due to the municipality.
<b>Condition</b>	During the course of our audit, we observed that the Tax Collector has been collecting ad valorem taxes for the City of Fayette in the absence of any inter-local agreement.
<b>Cause</b>	An inter-local agreement has not been executed by the County and the local government entity for the collection of ad valorem taxes.
<b>Effect</b>	Failure to enter into adequate and appropriate contractual agreements could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Board of Supervisors should enter into an inter-local agreement with the local government entity for the collection of ad valorem taxes.
<b>Response</b>	No response was provided.
<b>9.</b>	<u>All Supervisors must Inspect the Roads and Bridges and Attest to the Clerk of the Board for having done so.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 65-7-117, Mississippi Code Annotated (1972)</i> , states that, “Each member of the board of supervisors shall inspect every road, bridge and ferry in each district at least annually, at times to be fixed by the board, and shall file with the clerk of the board a report, under oath, of the condition of the several roads, bridges and ferries inspected by him, with such recommendations as are needful, which reports shall be presented to the board of supervisors and kept on file for three (3) years.”
<b>Condition</b>	During the course of our testing we noted that the Board of Supervisors had inspected the roads and bridges but no certifications on the minutes or affidavits from the supervisors were filed to document that they had examined the roads and bridges annually.
<b>Cause</b>	Annual inspections of the roads and bridges in the County have not been completed and/or attested to having been done.
<b>Effect</b>	Failure to complete annual inspections of roads and bridges and to file an affidavit of said inspection can lead to failure to identify and to complete necessary improvements in a timely manner.
<b>Recommendation</b>	The Supervisors should ensure that they complete the requisite inspections of the roads and bridges in each district and file an affidavit with the Clerk of the Board for inclusion in the minutes.
<b>Response</b>	No response was provided.
<b>10.</b>	<u>A four-year road plan must be adopted for construction and major maintenance of roads and bridges.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 65-7-117, Mississippi Code Annotated (1972)</i> , states “...[T]he board of supervisors shall...on or before February 1 of each year thereafter, adopt and spread upon its minutes a four-year plan for the construction and maintenance of county roads and bridges. The plan may be amended at any time by a vote of the majority of the members of the board of supervisors.”
<b>Condition</b>	During the course of our testing we noted that a four-year road plan was not adopted and spread on the minutes.
<b>Cause</b>	A four-year road plan has not been adopted and spread on the minutes.

<b>Effect</b>	Failure to create a four-year road plan results in non-compliance with the statute and can lead to the failure to complete necessary improvements in a timely manner.
<b>Recommendation</b>	The Board of Supervisors should ensure that it adopts a four-year road plan and spreads it on the minutes.
<b>Response</b>	No response was provided.
<b>11.</b>	<u>Public Officials Should Ensure Compliance with the County Government Reorganization Act of 1988 by Delegating the Necessary Authorities to the County Administrator and Road Manager.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<p><i>Section 19-2-9(1), Mississippi Code Annotated (1972)</i>, states that the countywide personnel system is to be administered by the county administrator. The board of supervisors should spread on its minutes an order delegating the authority for handling personnel matters to the county administrator.</p> <p><i>Section 65-17-1(2), Mississippi Code Annotated (1972)</i>, states that “the county road manager, under the policies determined by the board of supervisors and subject to the board’s general supervision and control, shall administer the county road department, superintend the working, construction and maintaining of the public roads and the building of bridges in such county, and carry out the general policies of the board in conformity with the estimates of expenditures fixed in the annual budget as finally adopted by the board or as thereafter revised by appropriate action of the board.” The board of supervisors should reflect this by adopting written personnel policies and procedures that reflect the duties of the road manager or by spreading an order on its minutes.</p>
<b>Condition</b>	During the course of our audit, we noted that there is no board order delegating authority to the county administrator over the administration of the countywide personnel system. We also noted that there is no adopted, written policy or order spread on the minutes listing the duties and authorities of the road manager.
<b>Cause</b>	No board order has been spread to delegate the requisite authority to the county administrator to administer the countywide personnel system, and no board order or policy adopted lists the duties and authorities of the road manager.
<b>Effect</b>	Failure to properly delegate the necessary authority to the county administrator and the road manager could result in noncompliance with the County Government Reorganization Act of 1988.
<b>Recommendation</b>	The Board should spread an order on its minutes delegating the necessary authority over the administration of the countywide personnel system to the county administrator. The Board should also either spread an order on its minutes or adopt a written policy listing the duties and authorities of the road manager.
<b>Response</b>	No response was provided.
<b>12.</b>	<u>Public Officials Should Ensure Compliance with State Law over the Quarterly Appropriation of the Sheriff’s, Tax Assessor’s, and Tax Collector’s Budgets.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<p><i>Section 19-25-13, Mississippi Code Annotated (1972)</i>, states, “The board of supervisors shall, at its first meeting of each quarter beginning on October 1, January 1, April 1 and July 1, appropriate a lump sum for the sheriff for the expenses of his office during the current quarter. The quarterly appropriation shall be one-fourth (¼) of the amount approved in the annual budget unless the sheriff requests a different amount. Except in case of emergency, as provided in the county budget law, the appropriation for the quarter beginning in October of the last year of the sheriff’s term shall not exceed one-fourth (¼) of the annual budget.”</p> <p><i>Section 27-1-9(c), Mississippi Code Annotated (1972)</i>, states, “The board of supervisors shall, at its first meeting of each quarter beginning on October 1, January 1, April 1, and July 1, appropriate a lump sum for the assessor and tax collector for the expenses of his office during the current quarter. The quarterly appropriation shall be one-fourth (¼) of the amount approved in the annual budget unless the assessor and tax collector requests a different amount. Except in case of emergency, as</p>

	provided in the county budget law, the appropriation for the quarter beginning in October of the last year of the assessor and tax collector's term shall not exceed one-fourth (¼) of the annual budget."
<b>Condition</b>	During the course of the audit, we were unable to obtain evidence that the budgets for the sheriff, tax assessor, and tax collector were appropriated on a quarterly basis.
<b>Cause</b>	Public officials failed to appropriate the budgets of the sheriff, tax assessor, and tax collector on a quarterly basis and approve the actions on the minutes.
<b>Effect</b>	Failure to appropriate the budgets of the sheriff, tax assessor, and tax collector results in noncompliance with State law and could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Board of Supervisors should ensure that the budgets for the sheriff, tax assessor, and tax collector are appropriated on a quarterly basis in accordance with State law.
<b>Response</b>	No response was provided.
<b>13.</b>	<u>Public Officials and Employees should ensure compliance with state law over surety bonding requirements.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 25-1-15, Mississippi Code Annotated (1972)</i> , 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."
<b>Condition</b>	During the course of our testing we noted the following instances of non-compliance: <ul style="list-style-type: none"> <li>• The Circuit Clerk was not bonded</li> <li>• Two (2) deputy circuit clerks were not bonded</li> <li>• Two (2) deputy tax assessors and two (2) deputy tax collector were not bonded for the entire period</li> <li>• The Sheriff was not bonded</li> <li>• One (1) Justice Court Judge was not bonded</li> <li>• The Justice Court Clerk was not bonded</li> <li>• One (1) deputy justice court clerk was not bonded</li> <li>• Two (2) Constables were not bonded for the entire period</li> <li>• The Interim County Administrator was not bonded</li> <li>• One (1) of the Road Managers appointed during the period was not bonded</li> </ul>
<b>Cause</b>	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
<b>Effect</b>	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred.
<b>Recommendation</b>	We recommend that the Board of Supervisors implement procedures to ensure that County officials and employees are bonded as required by State law.
<b>Response</b>	No response was provided.
<b>14.</b>	<u>Public Officials should ensure appropriate authorization and treatment of interfund transactions.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	Governmental fund accounting requires appropriate authorization for interfund loans, transfers, and advances as well as balancing entries between funds. Additionally, loans and advances must be repaid within the requisite period of time.
<b>Condition</b>	During the course of our testing, we noted numerous interfund loans and advances that were made and not paid back within the timeframe allowed.

<b>Cause</b>	Extensive and excessive use of interfund loans, transfers, and advances are difficult to accurately track year over year. Additionally, insufficient safeguards over the accounting for these loans and transfers leads to discrepancies in balanced accounting. Interfund loans and advances were not repaid within a timely manner.
<b>Effect</b>	Insufficient internal controls over the treatment of interfund loans and transfers could lead to accounting errors and unauthorized transfers between funds.
<b>Recommendation</b>	The Board of Supervisors should take specific care to ensure appropriate authorization and documentation is available for all interfund transactions and should ensure appropriate internal controls are in place to accurately and timely account for those transactions.
<b>Response</b>	No response was provided.

**15.** Public Officials Should Ensure Compliance with State Law over Inmate Canteen/Welfare Funds.

<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 19-3-81 (1)(b), Mississippi Code Annotated (1972)</i> , states, “If the board of supervisors of any county authorizes the sheriff of such county to operate such a facility or facilities as provided in subsection (1) of this section, any funds which may be derived from the operation of an inmate canteen facility or facilities shall be deposited into a special fund in the county treasury to be designated as the “Inmate Canteen Fund.” <b>Any monies in the special fund may be expended solely by the sheriff of the county</b> for any educational related expenses, to purchase equipment and supplies and to provide for maintenance of the equipment purchased for the benefit and welfare of the inmates incarcerated in the county jail. The term “supplies” shall not include supplies related to the personal hygiene of inmates.” [Emphasis added]
<b>Condition</b>	During the course of the audit, we noted that the Sheriff had not approved the expenditures. We further noted that certain expenditures were for services and items other than those allowable by statute.
<b>Cause</b>	Public officials failed to obtain the Sheriff’s approval prior to authorizing expenditures from the inmate canteen/welfare fund.
<b>Effect</b>	Failure to obtain proper authorization resulted in noncompliance with State law.
<b>Recommendation</b>	The Board of Supervisors should implement controls to ensure that the Sheriff approves all expenditures from the inmate canteen fund prior to the Board authorizing any expenditures.
<b>Response</b>	No response was provided.
<b>Comptroller</b>	

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

<b>Repeat Finding</b>	Yes
<b>Criteria</b>	Disbursements should be recorded in the proper accounts.
<b>Condition</b>	<p>During the course of our testing of statutory fees, we noted multiple instances where the general ledger accounts that correspond to the various categories of statutory fees for the chancery clerk appeared to indicate that the clerk had been paid in excess of statutorily allowed amounts.</p> <p>Upon further review, we learned that the amounts recorded and paid from the monthly invoices submitted by the chancery clerk were being improperly coded in the general ledger.</p>
<b>Cause</b>	Controls over the coding of expenditures are improper.
<b>Effect</b>	Expenditures were miscoded.
<b>Recommendation</b>	We recommend controls over the coding of expenditures be strengthened to ensure proper coding and classification.
<b>Response</b>	This is currently being addressed by our accounts payable/payroll clerk who is responsible for the coding of expenditures.

**Payroll Clerk/Human Resources**



17.

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

**Repeat Finding**

Yes

**Criteria**

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

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

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

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

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

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

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

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

(ii) Elects to receive compensation for that elective office in an amount not to exceed twenty-five percent (25%) of the retiree’s average compensation. In order to receive compensation as allowed in this subparagraph, the retiree shall file annually, in writing, in the office of the employer and the office of the executive director of the system, an election to receive, in addition to a retirement allowance, compensation as allowed in this subparagraph. *[Note: This notice is provided on PERS Form 4B and must be executed annually and sent to PERS]*

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

**Condition**

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

- Four (4) of the eleven (11) retired individuals had improperly executed the PERS Form (4B or 9C)

- Two (2) of the eleven (11) retired individuals had not executed the PERS Form (4B or 9C)

<b>Cause</b>	The County did not comply with <i>Section 25-11-127, Mississippi Code Annotated (1972)</i> in that it failed to ensure proper notice to PERS, proper execution of required documents, and proper monitoring of wages to ensure the PERS cap was not exceeded.
<b>Effect</b>	The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.
<b>Recommendation</b>	The County should ensure that the statutory conditions for reemployment are met.
<b>Response</b>	Please find attached, Forms 4B and 4C submitted to PERS for our Reemployed Retirees for the FY 2019.

#### **Board of Supervisors, Chancery Clerk, and Purchase Clerk**

#### **18. Public Officials Should Ensure Compliance with State Law over Credit Card Use.**

**Repeat Finding** Yes

**Criteria** *Section 19-3-68, Mississippi Code Annotated (1972)*, states, “The board of supervisors of any county may acquire one or more credit cards which may be used by members of the board of supervisors and county employees to pay expenses incurred by them when traveling in or out of the state in the performance of their official duties. The chancery clerk or county purchase clerk shall maintain complete records of all credit card numbers and all receipts and other documents relating to the use of such credit cards. The supervisors and county employees shall furnish receipts for the use of such credit cards each month to the chancery clerk or purchase clerk who shall submit a written report monthly to the board of supervisors. The report shall include an itemized list of all expenditures and use of the credit cards for the month, and such expenditures may be allowed for payment by the county in the same manner as other items on the claims docket. The issuance of a credit card to a supervisor or county employee under the provisions of this section does not authorize the supervisor or county employee to use the credit card to make any expenditure that is not otherwise authorized by law. Any supervisor or county employee who uses the credit card to make an expenditure that is not approved for payment by the board shall be personally liable for the expenditure and shall reimburse the county.”

**Condition** During the course of our audit, we noted that no itemized report of credit card expenditures had been submitted to the Board to be paid each month.

We also noted that the county credit card was used to purchase items other than those allowed by statute.

**Cause** The Chancery Clerk and/or Purchase Clerk failed to properly present monthly reports of credit card expenditures to the Board for approval each month.

The County’s internal controls over credit card usage failed to prevent the card from being used to purchase items not allowed by statute.

**Effect** Failure to properly present monthly reports of credit card expenditures results in noncompliance with State law and could result in the misappropriation of public funds.

Failure to comply with state law regarding the proper usage of credit cards could result in the misappropriation of public funds.

**Recommendation** The Board of Supervisors should strengthen procedures to ensure that the Chancery Clerk and/or Purchase Clerk maintain proper documentation of credit card expenditures and present a monthly report of credit card expenditures to the Board for approval.

The Board of Supervisors should also strengthen controls over the usage of county credit cards to ensure that they are used only for the items allowed by law.

**Response** I will make the changes wasn’t aware of any credit card transactions.

#### **Chancery Clerk (In office 2016-2020)**

#### **19. Public Officials Should Ensure that State Assessments Collected are Settled Monthly to the State of Mississippi.**

<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 99-19-73(10)(b), Mississippi Code Annotated (1972)</i> , states, “It shall be the duty of the chancery clerk of each county to deposit all state assessments collected in the circuit, county and justice courts in the county on a monthly basis with the State Treasurer pursuant to appropriate procedures established by the State Auditor. The chancery clerk shall make a monthly lump-sum deposit of the total state assessments collected in the circuit, county and justice courts in the county under this section, and shall report to the Department of Finance and Administration the total number of violations under each subsection for which state assessments were collected in the circuit, county and justice courts in the county during that month.”
<b>Condition</b>	During the course of our audit, we noted that the Chancery Clerk was not settling state assessments monthly to the State.
<b>Cause</b>	Internal controls were insufficient to ensure that the assessments collected by the various courts of the County were completely and timely settled to the State.
<b>Effect</b>	Failure to completely settle collections to the State in a timely manner results in noncompliance with State law and could result in the misappropriation of public funds.
<b>Recommendation</b>	The Clerk should settle state assessments to the State in the month following the collection of the funds.
<b>Response</b>	During the term indicated, I was not the chancery clerk. I am making the proper corrections so that things will flow smooth with assessments.
<b>20.</b>	<u>Public officials Should Ensure that Land Redemption Settlements are made Timely.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 27-45-1, Mississippi Code Annotated (1972)</i> , states that “the clerk shall make redemption settlements within twenty (20) days after the end of each month and shall make a complete report thereof to the board of supervisors. For a failure so to report or to pay over the sums to the parties entitled thereto as herein required, he shall be liable on his official bond to a penalty of one percent (1%) per month on the amount withheld. The chancery clerk shall also note each redemption on the public record of delinquent tax lands, on the day payment of taxes is made, with the date, name and the amount of redemption money paid.”
<b>Condition</b>	During the course of our audit, we noted that land redemption settlements were made after the 20 <sup>th</sup> of the following month for three (3) of the ten (10) months chosen for testing.
<b>Cause</b>	The Chancery Clerk did not make land redemption settlements by the 20 <sup>th</sup> of the following month.
<b>Effect</b>	Failure to properly settle redemptions could result in the misappropriation of public funds and a violation of State Law.
<b>Recommendation</b>	The Chancery Clerk should ensure that redemption settlements are made by the 20 <sup>th</sup> of the month following collection.
<b>Response</b>	I was not the clerk during this time. We are working together to make sure the settlements are made.
<b>21.</b>	<u>Public Officials Should Ensure Compliance with State Law over the Minutes of the Board of Supervisors.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 19-3-27, Mississippi Code Annotated (1972)</i> , states, “It shall be the duty of the clerk of the board of supervisors to keep and preserve a complete and correct record of all the proceedings and orders of the board. He shall enter on the minutes the names of the members who attend at each meeting, and the names of those who fail to attend. He shall safely keep and preserve all records, books, and papers pertaining to his office, and deliver them to his successor when required. The minutes of each day’s proceedings shall either (a) be read and signed by the president or the vice president, if the president is absent or disabled so as to prevent his signing of the minutes, on or before the first Monday of the month following the day of adjournment of any term of the board of supervisors; or (b) be adopted and approved by the board of supervisors as the first order of business on the first day of the next monthly meeting of the board.”

<b>Condition</b>	During the course of our audit, we noted that the minutes of the Board of Supervisors had been approved by the Board but had not been recorded in the Chancery Clerk's office since January of 2021.
<b>Cause</b>	The Clerk of the Board has failed to timely record the approved minutes of the board of supervisors.
<b>Effect</b>	Failure to timely record and obtain approval of the minutes results in noncompliance with State law. Further, failure to timely record the minutes and orders of the Board of Supervisors could result in an inability to communicate the actions of the Board to the necessary parties.
<b>Recommendation</b>	We recommend the Clerk of the Board timely record the approved minutes of the Board of Supervisors.
<b>Response</b>	I was not the clerk. We are making every effort to correct the issue.
<b>22.</b>	<u>The Chancery Clerk Should Ensure Compliance with State Law over Expenses Claimed.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 9-1-43(1), Mississippi Code Annotated (1972), further states, "(1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees' Retirement System under Sections 25-11-106.1 and 25-11-123(f)(4), employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk's or circuit clerk's services in excess of Ninety Thousand Dollars (\$90,000.00)."</i>
<b>Condition</b>	The Clerk did not maintain proper supporting documentation to support all expenses claimed.  Auditors were unable to obtain supporting documentation for any expenses claimed which totaled <b>\$113,998.00</b> .
<b>Cause</b>	The Clerk did not maintain the necessary documentation to support that all expenses claimed were Schedule C deductions.
<b>Effect</b>	Failure to maintain all necessary supporting documentation for expenses and claiming expenses that are not allowable could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Clerk should maintain support for all expenses claimed on the AFR.
<b>Response</b>	No response was provided.
<b>Circuit Clerk</b>	
<b>23.</b>	<u>The Circuit Clerk Should Ensure Compliance with State Law over Expenses Claimed.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 9-1-43(1), Mississippi Code Annotated (1972), further states, "(1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees' Retirement System under Sections 25-11-106.1 and 25-11-123(f)(4), employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk's or circuit clerk's services in excess of Ninety Thousand Dollars (\$90,000.00)."</i>
<b>Condition</b>	The Clerk did not maintain proper supporting documentation to support all expenses claimed.  Auditors were unable to obtain supporting documentation for any of the expenses chosen for testing which totaled <b>\$1,330.16</b> .

<b>Cause</b>	The Clerk did not maintain the necessary documentation to support that all expenses claimed were Schedule C deductions.
<b>Effect</b>	Failure to maintain all necessary supporting documentation for expenses and claiming expenses that are not allowable could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Clerk should maintain support for all expenses claimed on the AFR.
<b>Response</b>	No response was provided.
<b>Sheriff (In office 2016-2020)</b>	
<b>24.</b>	<u>The Sheriff Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 25-1-72, Mississippi Code Annotated (1972)</i> , states that, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."
<b>Condition</b>	During the course of our test work, we noted that six (6) of the ten (10) deposits chosen for testing were not made in a timely manner.
<b>Cause</b>	These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the Sheriff's Office.
<b>Effect</b>	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts, and settlement of funds to the County.
<b>Recommendation</b>	The Sheriff should ensure that the deposits are being made in a timely manner as prescribed by statute.
<b>Response</b>	No response was provided.
<b>25.</b>	<u>The Sheriff Should Ensure Compliance with State Laws over the Presentation of Meal Logs to the Board of Supervisors.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 19-25-74, Mississippi Code Annotated (1972)</i> , states, "The sheriff shall maintain a log, showing the name of each prisoner, the date and time of incarceration and release, to be posted by the tenth calendar day of each month for the period spanning the preceding month, which shall record the number of meals served to prisoners on each day, and shall make affidavit as to the correctness thereof and file the same monthly with the board of supervisors. Such log shall remain on file with the board of supervisors as other records of said board and shall be made available to the State Department of Audit upon request. No claims for the cost or expenses of feeding prisoners shall be approved by the board of supervisors for any month unless and until such log for that month is filed."
<b>Condition</b>	During the course of our test work, we noted that the meal logs were not being presented to the Board yet claims to vendors were being paid.
<b>Cause</b>	The Sheriff did not present the meal logs to the Board of Supervisors. The administration did not properly maintain the meal logs for use by the auditor.
<b>Effect</b>	Failure to properly maintain and present the meal logs could result in the misappropriation of public funds.

<b>Recommendation</b>	The Sheriff should present the meal logs to the Board of Supervisors for review monthly prior to payment of any claims for meal expenses.
<b>Response</b>	No response was provided.
<b>26.</b>	<u>Public Officials Should Ensure that Bank Reconciliations are Performed Accurately</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	An effective system of internal controls requires bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
<b>Condition</b>	During the course of our audit, we noted that the Sheriff's Account bank reconciliations were not performed.
<b>Cause</b>	The Sheriff has not implemented proper controls to ensure the accuracy of the bank reconciliation.
<b>Effect</b>	Not completing an accurate bank reconciliation results in a weakness in internal control and can result in the misappropriation of public funds.
<b>Recommendation</b>	The Sheriff should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared correctly on a monthly basis and maintain records of such.
<b>Response</b>	No response was provided.
<b>Tax Assessor/Collector</b>	
<b>27.</b>	<u>The Tax Collector Should Strengthen Internal Control over Settlements.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 27-29-11, Mississippi Code Annotated (1972)</i> , requires that the tax collector make report of and turn over any and all taxes collected during the preceding month on or before the twentieth (20 <sup>th</sup> ) day of the month.
<b>Condition</b>	During the course of our audit, we noted twelve (12) instances out of twelve (12) months tested where the Tax Collector settled the prior month's collected taxes after the 20 <sup>th</sup> of the month.
<b>Cause</b>	The Tax Collector has not established a system of internal control to ensure settlements are made timely.
<b>Effect</b>	Inadequate controls surrounding the settlement of revenue collections could result in improper revenue recognition.
<b>Recommendation</b>	The Tax Collector should implement an effective internal control system to ensure the timeliness of settlements.
<b>Response</b>	No response was provided.
<b>28.</b>	<u>The Tax Collector's Office is not Performing Bank Reconciliations.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	An effective system of internal control requires bank reconciliations be prepared in a timely manner and any identified unreconciled differences be resolved in a timely manner.
<b>Condition</b>	During the course of our cash count, we noted that the bank reconciliation for the Tax Collector's account has not been prepared. We were unable to obtain a current bank reconciliation, a listing of outstanding checks, a current trial balance, and other documentation needed to properly complete the testing.
<b>Cause</b>	The system of internal control failed to ensure that a timely bank reconciliation was performed for the bank accounts.

<b>Effect</b>	Failure to complete a timely bank reconciliation of each individual bank account results in a weakness in the system of internal control over cash.
<b>Recommendation</b>	The Tax Collector should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared in a timely manner for all bank accounts.
<b>Response</b>	No response was provided.
<b>Auditor's Note</b>	Please see Finding 2019-004 included in this report.

## Warden

**29.** The Correctional Facility has Insufficient Separation of Duties in the Collection, Deposit, Recording, Settling, and Reconciling Functions.

<b>Repeat Finding</b>	Yes
<b>Criteria</b>	An effective system of internal control should include an adequate segregation of duties in the collection, deposit, recording, settling, and reconciling functions.
<b>Condition</b>	During the course of our audit, we noted that the same individual collects money, reviews the collections for the day, prepares the deposit, takes the deposit, settles the account, and reconciles the account.
<b>Cause</b>	The Warden has not established a system of internal control with adequate separation of duties concerning the collection, deposit, recording, settling, and reconciling.
<b>Effect</b>	Failure to properly separate the accounting duties could result in the misappropriation of public funds.
<b>Recommendation</b>	The Warden should ensure that there is an adequate separation of duties in the collection, deposit, recording, settling, and reconciling functions within the office.
<b>Response</b>	No response was provided.

The Mississippi Office of the State Auditor has taken exception to certain revenues and expenses claimed. The details of the exception and disposition are as follows:

### Exception Issued On:

Delores Frye, Chancery Clerk

### Nature of Exception:

The Clerk did not maintain the necessary documentation to support that all expenses claimed were Schedule C deductions. See finding #22 described in this report.

### Amount of Exception:

\$113,998.00

### Disposition of Exception:

This matter will be referred to the Investigative Division of the Office of the State Auditor.

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

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

record and its distribution is not limited.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, MS  
December 15, 2024



## JEFFERSON COUNTY

### SCHEDULE OF FINDINGS AND RESPONSES

# JEFFERSON COUNTY

## Schedule of Findings and Responses For the Year Ended September 30, 2019

### Section 1: Summary of Auditor's Results

#### **Financial Statements:**

1. Type of auditor's report issued on the financial statements:
 

Governmental activities	Qualified
Business-type activities	Unmodified
Aggregate discretely presented component units	Adverse
General Fund	Qualified
Countywide Road Maintenance Fund	Unmodified
Bridge and Culvert Fund	Unmodified
ERBR Fund	Unmodified
Capital Improvement I&S Fund	Unmodified
2014 Bond Construction Fund	Unmodified
Aggregate remaining fund information	Unmodified
Correctional Facility Fund	Unmodified
2. Internal control over financial reporting:
 

a. Material weaknesses identified?	Yes
b. Significant deficiency identified?	No
3. Noncompliance material to the financial statements noted? Yes

### Section 2: Financial Statement Findings

#### **Chancery Clerk**

#### **Material Weakness/Material Noncompliance**

**2019-001.** The County signed warrants without sufficient funds.

**Repeat Finding** Yes

**Criteria** *Section 19-13-43, Mississippi Code of 1972 Annotated*, prohibits the signing of warrants or the delivery of warrants until there is sufficient money in the fund upon which it is drawn to pay the same.

**Condition** Warrants were issued on funds which did not have sufficient money to pay the warrants. As of September 30, 2019, the following funds had negative cash balances:

- a. General Fund (\$2,690,255.06)
- b. Mapping & Reappraisal (\$328,141.47)
- c. Jefferson County Ambulance Service Fund (\$751,011.76)
- d. CDC-Health Needs Assessments (\$352.89)
- e. USDA HOME Grants (\$19,277.33)
- f. USDA Farmers Market Promo Program (\$32,649.98)
- g. Emergency 911 Fund (\$240,640.87)
- h. EMSOF-Jefferson Co. Hospital (\$3,716.16)
- i. Garbage & Solid Waste (\$236,319.24)
- j. Fire Maintenance (\$21,064.85)
- k. CDBG Road Grant (\$55,748.69)

## JEFFERSON COUNTY

### Schedule of Findings and Responses For the Year Ended September 30, 2019

- l. SW Illegal Dumping Enforcement (\$3,337.35)
- m. Economic Development Youth Building (\$10,162.00)
- n. 22<sup>nd</sup> Circuit Court Drug Court (\$380.00)
- o. Jeff Co. Road & Bridge Bond (\$143,820.38)
- p. Jefferson Co. Water/Sewer Fund (\$89,332.39)
- q. Jeff/Frank Co. Corr. Facility (\$341,802.32)
- r. Copiah-Jeff Regional Library (\$11,094.38)

<b>Cause</b>	The County did not comply with state law.
<b>Effect</b>	Failure to have sufficient cash balances in county funds prior to the signing and delivery of warrants on these funds resulted in the use of the cash balances of other funds for purposes other than the intended purposes. These types of transactions could result in the Board of Supervisors being held personally liable for such amounts.
<b>Recommendation</b>	The Board of Supervisors should implement procedures to ensure that no warrants are signed or delivered until there is sufficient money in the fund upon which it is drawn to pay the same, as required by law.
<b>Views of Responsible Officials</b>	No response was provided.
<b>Board of Supervisors</b>	
<b>Material Weakness</b>	
<b>2019-002.</b>	<u>Component units should be included in the financial statements.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	Generally accepted accounting principles require the financial data for the County's component units 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 units.
<b>Condition</b>	The financial statements do not include the financial data for the county's legally separate component units.
<b>Cause</b>	The County did not include the audited financial statements of the component units.
<b>Effect</b>	The failure to properly follow generally accepted accounting principles resulted in an adverse opinion on the discretely presented component units.
<b>Recommendation</b>	The Board of Supervisors should provide audited financial data for its discretely presented component units for inclusion in the County's financial statements.
<b>Views of Responsible Officials</b>	No response was provided.
<b>Justice Court Clerk</b>	
<b>Material Weakness</b>	
<b>2019-003.</b>	<u>Public Officials should strengthen internal controls over bank reconciliations of the Justice Court Clearing accounts.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	An effective system of internal control requires bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.

## JEFFERSON COUNTY

### Schedule of Findings and Responses For the Year Ended September 30, 2019

<b>Condition</b>	During the course of our cash count, we noted an unidentified overage of <b>\$465,433.65</b> .
<b>Cause</b>	The system of internal control failed to ensure that a timely and accurate bank reconciliation was performed for the Justice Court accounts.
<b>Effect</b>	Failure to complete accurate and timely bank reconciliations results in a weakness in the system of internal control over cash.
<b>Recommendation</b>	The Clerk should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared timely and accurately.
<b>Views of Responsible Officials</b>	No response was provided.

#### Tax Collector Material Weakness

<b>2019-004.</b>	<u>The Tax Collector's Office is not Performing Bank Reconciliations.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	An effective system of internal control in the Tax Collector's Office consists of timely and accurate reconciliations of bank statements and ensuring reconciled cash is sufficient for settlement of outstanding collections to the proper entities for which collections were made.
<b>Condition</b>	During the course of our audit, we noted the following: <ul style="list-style-type: none"><li>• The Tax Collector has not reconciled bank statements since 2015.</li><li>• The Tax Collector's office uses a largely manual process for the tracking of collections and disbursements in place of accounting software. As such, the operation of the manual system increases the likelihood of errors in opening balances, journal entries, and reconciliations. There are also fewer safeguards over the accounting process.</li><li>• During the course of the cash count, we were unable to draw a conclusion due to the absence of multiple critical accounting reports such as a trial balance, list of outstanding checks, etc.</li></ul>
<b>Cause</b>	The Tax Collector has failed to properly implement an accounting system and internal control to track and reconcile all receipts, expenditures, and bank statements.
<b>Effect</b>	The failure to properly implement a system of accounting for all receipts and disbursements as well as the failure to accurately and timely reconcile bank statements could result in the loss or misappropriation of public funds and issues concerning settlements to the entities for which the Tax Collector collects. This further resulted in a qualified opinion for Governmental Activities and General Fund.
<b>Recommendation</b>	The Tax Collector should implement the usage of an accounting system for the office to track and record all collections and expenditures so that an accurate reconciliation can be performed as a control over cash and settlements.
<b>Views of Responsible Officials</b>	No response was provided.

#### Board of Supervisors Material Weakness

<b>2019-005.</b>	<u>Public Officials should strengthen internal controls over bank reconciliations of the Accounts Payable account.</u>
<b>Repeat Finding</b>	No

JEFFERSON COUNTY

Schedule of Findings and Responses  
For the Year Ended September 30, 2019

<b>Criteria</b>	An effective system of internal control requires bank reconciliations be prepared accurately and any identified unreconciled differences be resolved in a timely manner.
<b>Condition</b>	During the testing of cash, a difference between the general ledger and the reconciled amount in the amount of <b>\$114,418.00</b> was noted.
<b>Cause</b>	The system of internal control failed to ensure that an accurate bank reconciliation was performed for the Accounts Payable account.
<b>Effect</b>	Failure to complete accurate and timely bank reconciliations results in a weakness in the system of internal control over cash. This resulted in qualified opinions on the Governmental Activities and the General Fund opinion units.
<b>Recommendation</b>	The Board of Supervisors should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared timely and accurately.
<b>Views of Responsible Officials</b>	No response was provided.