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**ISSAQUENA COUNTY, MISSISSIPPI**

**Audited Financial Statements and Special Reports**

**For the Year Ended September 30, 2021**

ISSAQUENA COUNTY

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## **ISSAQUENA COUNTY**

### **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Issaquena 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 Issaquena County, Mississippi, (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements 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 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.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Issaquena County, Mississippi, as of September 30, 2021, and the respective changes in cash basis financial position and, thereof for the year then ended, in accordance with the basis of accounting described in Note 1C.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements which describes that Issaquena 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**

#### *Reports on Other Information*

Budgetary Comparison Schedules, Schedule of Interfund Loans, Schedule of Capital Assets, 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 January 28, 2025, on our consideration of Issaquena 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 Issaquena 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 Issaquena County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
January 28, 2025

## **ISSAQUENA COUNTY**

### **FINANCIAL STATEMENTS**

**ISSAQUENA COUNTY**  
**Statement of Net Position – Cash Basis**  
**September 30, 2021**

**Exhibit 1**

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash	\$ 6,553,214	734,952	7,288,166
Total Assets	<u>6,553,214</u>	<u>734,952</u>	<u>7,288,166</u>
NET POSITION			
Restricted:			
Expendable:			
General government	18,675		18,675
Public safety	398,465	734,952	1,133,417
Public works	3,798,083		3,798,083
Unrestricted	2,337,991		2,337,991
Total Net Position	<u>\$ 6,553,214</u>	<u>734,952</u>	<u>7,288,166</u>

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

**ISSAQUENA COUNTY**
**Exhibit 2**
**Statement of Activities – Cash Basis  
For the Year Ended September 30, 2021**

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 1,179,813	63,145	254,296		(862,372)		(862,372)
Public safety	698,189	8,483	178,877		(510,829)		(510,829)
Public works	3,143,980		629,538	1,374,934	(1,139,508)		(1,139,508)
Health and welfare	130,349		27,420		(102,929)		(102,929)
Culture and recreation	34,500				(34,500)		(34,500)
Education	14,220				(14,220)		(14,220)
Conservation of natural resources	41,382				(41,382)		(41,382)
Economic development and assistance	132,813		123,548		(9,265)		(9,265)
Total Governmental Activities	\$ 5,375,246	71,628	1,213,679	1,374,934	(2,715,005)	-	(2,715,005)
Business-type activities:							
Regional correctional facility	\$ 2,709,379	3,066,300		24,272		381,193	381,193
Total Business-type Activities	\$ 2,709,379	3,066,300	-	24,272		381,193	381,193
Total Primary Government	\$ 8,084,625	3,137,928	1,213,679	1,399,206	(2,715,005)	381,193	(2,333,812)
General receipts:							
Property taxes					\$ 2,393,609		2,393,609
Road & bridge privilege taxes					20,814		20,814
Grants and contributions not restricted to specific programs					67,612		67,612
Unrestricted interest income					27,035	428	27,463
Miscellaneous					155,796	81,725	237,521
Total General Receipts and Other Cash Sources					2,664,866	82,153	2,747,019
Changes in Net Position					(50,139)	463,346	413,207
Net Position - Beginning*					6,625,849	271,606	6,897,455
Fund reclassifications					(22,496)		(22,496)
Net Position - Beginning, as restated					6,603,353	271,606	6,874,959
Net Position - Ending					\$ 6,553,214	734,952	7,288,166

\* Net Position - Beginning will not agree to prior year due to the County electing to present the basic financial statement on the cash basis of accounting for the fiscal year ended September 30, 2021 (See Note 1.H.).

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

**ISSAQUENA COUNTY**
**Exhibit 3**
**Statement of Cash Basis Assets and Fund Balances**
**Governmental Funds**
**September 30, 2021**

	Major Fund				Other	Total
	General	Willette Road	Greenfield	Gas Excise	Governmental	Governmental
	Fund	Bridge Project	Road Bridge	Tax Fund	Funds	Funds
		Fund	Fund			
ASSETS						
Cash	\$ 2,337,991	478,195	1,124,664	783,518	1,828,846	6,553,214
Total Assets	<u>\$ 2,337,991</u>	<u>478,195</u>	<u>1,124,664</u>	<u>783,518</u>	<u>1,828,846</u>	<u>6,553,214</u>
FUND BALANCES						
Restricted for:						
General government	\$				18,675	18,675
Public safety					398,465	398,465
Public works		478,195	1,124,664	783,518	1,411,706	3,798,083
Unassigned	2,337,991					2,337,991
Total Fund Balances	<u>\$ 2,337,991</u>	<u>478,195</u>	<u>1,124,664</u>	<u>783,518</u>	<u>1,828,846</u>	<u>6,553,214</u>

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

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**ISSAQUENA COUNTY**
**Exhibit 4**
**Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances**
**Governmental Funds**
**For the Year Ended September 30, 2021**

	Major Fund				Other Governmental Funds	Total Governmental Funds
	General Fund	Willette Road Bridge Project Fund	Greenfield Road Bridge Fund	Gas Excise Tax Fund		
<b>RECEIPTS</b>						
Property taxes	\$ 2,014,324				379,285	2,393,609
Road and bridge privilege taxes					20,814	20,814
Licenses, commissions and other revenue	12,455				851	13,306
Fines and forfeitures	51,626					51,626
Intergovernmental receipts	470,698		1,374,934	81,437	729,156	2,656,225
Charges for services	135				6,561	6,696
Interest income	23,210			1,172	2,653	27,035
Miscellaneous receipts	45,085				110,711	155,796
Total Receipts	2,617,533	-	1,374,934	82,609	1,250,031	5,325,107
<b>DISBURSEMENTS</b>						
Current:						
General government	1,179,813			-		1,179,813
Public safety	566,985				131,204	698,189
Public works	1,781	1,941,611	250,270		950,318	3,143,980
Health and welfare	130,349					130,349
Culture and recreation	34,500					34,500
Education	14,220					14,220
Conservation of natural resources	41,382					41,382
Economic development and assistance	1,265				131,548	132,813
Total Disbursements	1,970,295	1,941,611	250,270	-	1,213,070	5,375,246
Excess (Deficiency) of Receipts over (under) Disbursements	647,238	(1,941,611)	1,124,664	82,609	36,961	(50,139)
<b>OTHER CASH SOURCES (USES)</b>						
Interfund loans made				(177,655)	177,655	-
Interfund loans repaid				99,474	(99,474)	-
Transfers in					236,765	236,765
Transfers out	(236,765)					(236,765)
Total Other Cash Sources and Uses	(236,765)	-	-	(78,181)	314,946	-
Excess (Deficiency) of Receipts and other Cash Sources over (Under) Disbursements and other Cash Uses	410,473	(1,941,611)	1,124,664	4,428	351,907	(50,139)
Cash Basis Fund Balances - Beginning*	1,950,014	2,419,806		779,090	1,476,939	6,625,849
Fund reclassification	(22,496)					(22,496)
Fund Balances - Beginning, as restated	1,927,518	2,419,806	-	779,090	1,476,939	6,603,353
Cash Basis Fund Balances - Ending	\$ 2,337,991	478,195	1,124,664	783,518	1,828,846	6,553,214

\* Cash Basis Fund Balances - Beginning will not agree to prior year due to the County electing to present the basic financial statement on the cash basis of accounting for the fiscal year ended September 30, 2021 (See Note 1.H.).

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



**ISSAQUENA COUNTY****Exhibit 5****Statement of Net Position - Cash Basis – Proprietary Fund  
September 30, 2021**

		Business-type Activities - Enterprise Fund
		<u>Issaquena County Correctional Facility Fund</u>
ASSETS		
Cash	\$	<u>734,952</u>
Total Assets	\$	<u><u>734,952</u></u>
NET POSITION		
Unrestricted	\$	<u>734,952</u>
Total Net Position	\$	<u><u>734,952</u></u>

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

**ISSAQUENA COUNTY****Exhibit 6**

**Statement of Cash Receipts, Disbursements and Changes in Net Position**  
**Proprietary Fund**  
**For the Year Ended September 30, 2021**

	Business-type Activities - Enterprise Fund
	Issaquena County Correctional Facility Fund
<b>OPERATING RECEIPTS</b>	
Charges for services	\$ 3,066,300
Miscellaneous receipts	81,725
Total Operating Receipts	<u>3,148,025</u>
<b>OPERATING DISBURSEMENTS</b>	
Current:	
Personal services	1,347,519
Contractual services	597,770
Materials and supplies	764,090
Total Operating Disbursements	<u>2,709,379</u>
Operating Income / (Loss)	<u>438,646</u>
<b>NONOPERATING RECEIPTS / (DISBURSEMENTS)</b>	
Interest income	428
Intergovernmental grants	24,272
Net Nonoperating Receipts / (Disbursements)	<u>24,700</u>
Changes in net position	<u>463,346</u>
Net Position - Beginning*	<u>271,606</u>
Net Position - Ending	\$ <u><u>734,952</u></u>

\* Net Position - Beginning will not agree to prior year due to the County electing to present the basic financial statement on the cash basis of accounting for the fiscal year ended September 30, 2021 (See Note 1.H.).

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

ISSAQUENA COUNTY  
Statement of Fiduciary Net Position – Cash Basis  
September 30, 2021

Exhibit 7

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash	\$ <u>7,402</u>
Total Assets	<u>7,402</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations and other governments	<u>7,402</u>
Total Net Position	\$ <u>7,402</u>

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

**ISSAQUENA COUNTY****Exhibit 8****Statement of Changes in Fiduciary Net Position – Cash Basis  
For the Year Ended September 30, 2021**

	<u><b>Custodial Funds</b></u>
CASH ADDITIONS	
Tax collections for other governments	\$ 148,638
Licenses and fees collected for State	<u>62,828</u>
Total Cash Additions	<u>211,466</u>
CASH DEDUCTIONS	
Payments of tax to other governments	151,031
Payments of licenses and fees to State	<u>64,004</u>
Total Cash Deductions	\$ <u>215,035</u>
Net increase (decrease) in fiduciary net position	(3,569)
Net Position - Beginning of year	<u>10,971</u>
Net Position - End of year	\$ <u>7,402</u>

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

**ISSAQUENA COUNTY**  
**Notes to the Financial Statements**  
**September 30, 2021**

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Issaquena 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 Issaquena County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County's reporting entity.

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

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

**ISSAQUENA COUNTY**  
**Notes to the Financial Statements**  
**September 30, 2021**

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

**ISSAQUENA COUNTY**  
**Notes to the Financial Statements**  
**September 30, 2021**

Gas Excise Tax Fund - This fund is used to account for severance taxes received from the State of Mississippi that are restricted for public works.

Willette Road Bridge Project Fund - This fund is used to account for monies from specific revenue sources that is restricted to the aforementioned project.

Greenfield Road Bridge Fund - This fund is used to account for monies from specific revenue sources that is restricted to the aforementioned project.

The County reports the following major Enterprise Fund:

Issaquena County Regional Correctional Facility – The correctional facility fund accounts for the County's activities of housing prisoners on a contract basis for the Mississippi Department of Corrections and others.

Additionally, the County reports the following fund types:

**GOVERNMENTAL FUND TYPES**

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

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 TYPE**

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 TYPE**

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

**D. Account Classifications.**

The account 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.

**ISSAQUENA COUNTY**  
**Notes to the Financial Statements**  
**September 30, 2021**

E. Deposits.

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

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

F. Equity Classifications.

Government-wide Financial Statements:

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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.



**ISSAQUENA COUNTY**  
**Notes to the Financial Statements**  
**September 30, 2021**

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

**Fund Balance Flow Assumption:**

When a disbursement is paid for purposes for which both restricted and unrestricted (unassigned) resources are available, it is the County's general policy to use restricted resources first. When disbursements are paid for purposes for which unrestricted (unassigned) resources are available, and amounts in unrestricted classifications could be used, it is the County's general policy to spend 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 next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All property taxes are recognized as receipts when collected.

**H. Change in Accounting Principle.**

Prior to October 1, 2020, the County's financial statements were presented using the accrual basis of accounting. For the fiscal year ended September 30, 2021, the basic financial statements are prepared on a cash basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

**ISSAQUENA COUNTY**  
**Notes to the Financial Statements**  
**September 30, 2021**

(2) Fund Reclassification (Accounting Change).

Effective October 1, 2020, and in accordance with implementation of GASB 84, the Payroll Clearing Fund, previously reported as a Fiduciary Fund, was reclassified and reported in the General Fund. Therefore, the County has adjusted beginning fund balance/net position for the General Fund and Governmental Activities in the amount of (\$22,496).

For the Fiduciary Fund Custodial Activities, the County has treated the beginning of the year net position of \$10,971 as having been recognized in the period incurred. The County has adjusted beginning net position for their fiduciary funds from \$0 to \$10,971.

(3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$7,295,568, and the bank balance was \$7,560,170. 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, *Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

(4) Interfund Transfers.

The following is a summary of interfund transfers at September 30, 2021:

Transfers In/Out:

Transfers In	Transfers Out	Amount
Other Governmental Funds	General Fund	\$ 236,765
Total		\$ 236,765

**ISSAQUENA COUNTY**  
**Notes to the Financial Statements**  
**September 30, 2021**

(5) 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, 2021, to January 1, 2022. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(6) Contingencies.

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

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

(7) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Delta Community Mental Health Services operates in a district composed of the Counties of Bolivar, Issaquena, Sharkey, and Washington. The Issaquena County Board of Supervisors appoints one of the four members of the Board of Commissioners. The County appropriated \$20,000 for support in fiscal year 2021.

Mississippi Delta Community College operates in a district composed of the Counties of Bolivar, Coahoma, Humphreys, Issaquena, Leflore, Sharkey, Sunflower, and Washington. The Issaquena County Board of Supervisors appoints one of the 20 members of the College Board of Trustees. The County appropriated \$111,565 for maintenance and support of the college in fiscal year 2021.

South Delta Planning and Development District operates in a district composed of the Counties of Bolivar, Humphreys, Issaquena, Sharkey, Sunflower, and Washington. The Issaquena County

**ISSAQUENA COUNTY**  
**Notes to the Financial Statements**  
**September 30, 2021**

Board of Supervisors appoints three of the 12 members of the Board of Directors. The County appropriated \$1,265 for support in fiscal year 2021.

The Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Issaquena County Board of Supervisors appoints one of the 21 members of the Board of Commissioners. The County levied a 0.75 mill tax for support in fiscal year 2021.

(8) Defined Benefit Pension Plan.

Plan Description. Issaquena 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, 2021, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$312,533, \$325,443 and \$330,444, respectively, equal to the required contributions for each year.

(9) Tax Abatements.

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, Tax Abatements and Disclosures. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the government or the citizens of those governments.

Issaquena County had no abatement agreements as of September 30, 2021.

## **ISSAQUENA COUNTY**

## **OTHER INFORMATION**

**ISSAQUENA COUNTY**  
**Budgetary Comparison Schedule -**  
**Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Year Ended September 30, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Property taxes	\$ 1,857,847	2,014,374	2,014,324	(50)
Licenses, commissions and other revenue	23,370	149,912	12,455	(137,457)
Fines and forfeitures	55,531	51,626	51,626	-
Intergovernmental revenues	55,029	1,708,600	470,698	(1,237,902)
Charges for services		135	135	-
Interest income	12,671	23,210	23,210	-
Miscellaneous receipts	57,888	50,919	45,085	(5,834)
Total Receipts	<u>2,062,336</u>	<u>3,998,776</u>	<u>2,617,533</u>	<u>(1,381,243)</u>
<b>DISBURSEMENTS</b>				
Current:				
General government	2,691,044	2,000,337	1,179,813	820,524
Public safety	668,027	423,185	566,985	(143,800)
Public works	8,800	(3,319)	1,781	(5,100)
Health and welfare	150,165	92,349	130,349	(38,000)
Culture and recreation	36,000	500	34,500	(34,000)
Education		14,220	14,220	-
Conservation of natural resources	58,454	38,757	41,382	(2,625)
Economic development and assistance	1,265		1,265	(1,265)
Total Disbursements	<u>3,613,755</u>	<u>2,566,029</u>	<u>1,970,295</u>	<u>595,734</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(1,551,419)</u>	<u>1,432,747</u>	<u>647,238</u>	<u>(785,509)</u>
<b>OTHER CASH SOURCES (USES)</b>				
Transfer-out		(1,374,934)	(236,765)	1,138,169
Total Other Cash Sources and Uses	<u>-</u>	<u>(1,374,934)</u>	<u>(236,765)</u>	<u>1,138,169</u>
<b>Excess (Deficiency) of Receipts and Other Cash Sources over (under) Disbursements and Other Cash Uses</b>	<u>(1,551,419)</u>	<u>57,813</u>	<u>410,473</u>	<u>352,660</u>
Cash Basis Fund Balance - Beginning	<u>2,385,000</u>	<u>1,316,218</u>	<u>1,927,518</u>	<u>611,300</u>
Cash Basis Fund Balance - Ending	<u>\$ 833,581</u>	<u>1,374,031</u>	<u>2,337,991</u>	<u>963,960</u>

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

**ISSAQUENA COUNTY**

## Schedule of Interfund Loans

For the Year Ended September 30, 2021

UNAUDITED

The following is a summary of interfund balances at September 30, 2021:

**A. Due From/To Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Gas Excise Tax	Other Governmental Funds	\$ <u>78,181</u>

Receivable represents monies to cover cost for flood repairs. All interfund balances are expected to be repaid within one year from the date of the financial transaction.

**B. Advances To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	Other Governmental Funds	\$ <u>30,000</u>

Receivable represents monies to cover operating cost. All interfund balances are not expected to be repaid within one year from the date of the financial transaction.

**ISSAQUENA COUNTY**

## Schedule of Capital Assets

For the Year Ended September 30, 2021

UNAUDITED

**Governmental activities:**

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments*	Balance Sept. 30, 2021
Land	\$ 86,272				86,272
Construction in progress	402,570	2,043,885		(168,883)	2,277,572
Infrastructure	435,181				435,181
Buildings	616,343				616,343
Improvements other than buildings	382,361			111,135	493,496
Mobile equipment	1,343,720	22,435	49,286	6,535	1,323,404
Furniture and equipment	105,704				105,704
Total capital assets	<u>\$ 3,372,151</u>	<u>2,066,320</u>	<u>49,286</u>	<u>(51,213)</u>	<u>5,337,972</u>

**Business-type activities:**

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments	Balance Sept. 30, 2021
Land	\$ 17,500				17,500
Buildings	3,851,891				3,851,891
Mobile equipment	94,261		21,423		72,838
Furniture and equipment	64,546	12,759			77,305
Total capital assets	<u>\$ 4,028,198</u>	<u>12,759</u>	<u>21,423</u>	<u>-</u>	<u>4,019,534</u>

\* Adjustments are to reflect certain routine reclassifications of completed construction in progress to improvements other than building and to correct posting errors in prior periods.



**ISSAQUENA COUNTY**

Schedule of Changes in Long-term Debt

For the Year Ended September 30, 2021

UNAUDITED

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2021:

<u>Description and Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	Balance	<u>Issued</u>	Principal	Balance
				<u>Oct. 1, 2020</u>		<u>Payments</u>	<u>Sept. 30, 2021</u>

**NO LONG-TERM DEBT CARRIED BY COUNTY IN FISCAL YEAR 2021.**

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

**ISSAQUENA COUNTY**  
**Schedule of Surety Bonds for County Officials**  
**September 30, 2021**

**UNAUDITED**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Eddie Hatcher	Supervision District 1	Travelers Casualty & Surety C	\$ 100,000
Jerry Britton	Supervision District 2	Travelers Casualty & Surety Co.	100,000
Stallard Williams	Supervision District 3	Travelers Casualty & Surety Co.	100,000
James McFarland, III	Supervision District 4	Travelers Casualty & Surety Co.	100,000
William Holcomb	Supervision District 5	Travelers Casualty & Surety Co.	100,000
Ronda Delaney	Chancery Clerk	Travelers Casualty & Surety Co.	100,000
Andrew Joseph Torres Willard	Deputy Chancery Clerk	Travelers Casualty & Surety Co.	50,000
Peggy Thomas	Deputy Chancery Clerk	Travelers Casualty & Surety Co.	50,000
Ronda Delaney	Circuit Clerk	Travelers Casualty & Surety Co.	100,000
Andrew Joseph Torres Willard	Deputy Circuit Clerk	Travelers Casualty & Surety Co.	50,000
Peggy Thomas	Deputy Circuit Clerk	Travelers Casualty & Surety Co.	50,000
Ronda Delaney	Purchase Clerk	Travelers Casualty & Surety Co.	75,000
Stephanie Harris	Assistant Purchase Clerk	Travelers Casualty & Surety Co.	50,000
Anderson Johnson	Assistant Purchase Clerk	Travelers Casualty & Surety Co.	50,000
Andrew Joseph Torres Willard	Receiving Clerk	Travelers Casualty & Surety Co.	75,000
Sharon Heigle	Assistant Receiving Clerk	Travelers Casualty & Surety Co.	50,000
Brenda N Peterson	Assistant Receiving Clerk	Travelers Casualty & Surety Co.	50,000
Christy Williams	Assistant Receiving Clerk	Travelers Casualty & Surety Co.	50,000
Mike Delaney	Inventory Control Clerk	Travelers Casualty & Surety Co.	75,000
Ricky Boyd	Inventory Control Clerk	Travelers Casualty & Surety Co.	75,000
Robert T Williams	Constable	Travelers Casualty & Surety Co.	50,000
Matthew Williams	Constable	Travelers Casualty & Surety Co.	50,000
Richard Jones	Sheriff	Travelers Casualty & Surety Co.	100,000
Tommy Williams	Justice Court Judge	Travelers Casualty & Surety Co.	50,000
Gayle Coleman	Justice Court Judge	Travelers Casualty & Surety Co.	50,000
Melinda Braxton	Justice Court Clerk	Travelers Casualty & Surety Co.	50,000
Pamela Horton	Tax Assessor/Collector	Travelers Casualty & Surety Co.	100,000
Perteria McGee	Assistant Tax Assessor	Travelers Casualty & Surety Co.	10,000
Perteria McGee	Assistant Tax Collector	Travelers Casualty & Surety Co.	50,000
Angela Williams	Coroner	Travelers Casualty & Surety Co.	50,000

## ISSAQUENA COUNTY

### Notes to Other Information For the Year Ended September 30, 2021

#### UNAUDITED

(1) Budgetary Comparison Information.

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

(2) 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, 2021, the amount of outstanding debt was equal to 0% of the latest property assessments.

B. Subsequent Events.

Subsequent to September 30, 2021, the County issued the following debt obligations:

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
03/2022	4.50%	\$ 45,024	financed purchase	ad valorem revenue
07/2022	4.50%	79,564	financed purchase	ad valorem revenue
08/2024	9.00%	47,814	financed purchase	ad valorem revenue

## **ISSAQUENA 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  
Issaquena County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Issaquena County, Mississippi (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 28, 2025.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Issaquena 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain matters which we have reported to the management of Issaquena 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 January 28, 2025, included within this document.

### **Purpose of this Report**

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

January 28, 2025



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

Members of the Board of Supervisors  
Issaquena County, Mississippi

We have examined Issaquena 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 bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2021. The Board of Supervisors of Issaquena 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 Issaquena 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 made in accordance with state law.

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

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

**GREENVILLE • HOLLANDALE • LOUISVILLE • VICKSBURG**

Purchase Clerk.

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

Repeat Finding Yes; #1 fiscal year 2020

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

Condition 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:

- Two (2) instances where a receiving report was signed by an unauthorized individual
- Two (2) instances where the invoice was dated prior to the purchasing documents
- One (1) instance where no competitive bid or second quote was obtained for an expenditure of greater than \$5,000
- Four (4) instances where no receiving report was provided
- Eleven (11) instances where the purchase requisition and/or purchase order was not signed
- Seventeen (17) instances where no purchase documentation was provided

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

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

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

Response We will comply.



In our opinion, except for the noncompliance referred to in the preceding paragraph, Issaquena County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2021.

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 examination and, in our opinion, is fairly presented in relation to that examination.

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

January 28, 2025

**ISSAQUENA COUNTY**

**Schedule of Purchases from Other Than the Lowest Bidder  
For the Year Ended September 30, 2021**

**Schedule 1**

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

**ISSAQUENA COUNTY**  
**Schedule of Emergency Purchases**  
**For the Year Ended September 30, 2021**

**Schedule 2**

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
6/30/2021	7x14 Dump Trailer	\$ 10,935	Cowboy Trailers	roads washed out, trailer needed to transport rock where trucks could not reach

**ISSAQUENA COUNTY**

**Schedule 3**

**Schedule of Purchases Made Noncompetitively from a Sole Source  
For the Year Ended September 30, 2021**

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

## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Issaquena County, Mississippi

In planning and performing our audit of the cash basis financial statements of Issaquena County, Mississippi for the year ended September 30, 2021, we considered Issaquena 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 Issaquena 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 January 28, 2025, on the financial statements of Issaquena 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. All Supervisors must Inspect the Roads and Bridges and Attest to the Clerk of the Board for having done so.

Repeat Finding Yes; 2020-1

Criteria *Section 65-7-117, Mississippi Code Annotated (1972)*, states that, “[With regard to any county which is exempt from the provisions of Section 19-2-3, this section shall read as follows:] 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.”

Condition During the course of our testing we noted that the Board of Supervisors had inspected the roads and bridges but no certifications on the minutes or affidavits from the supervisors were filed to document that they had examined the roads and bridges annually.

Cause Annual inspections of the roads and bridges in the County have not been completed and/or attested to having been done.

Effect Failure to complete annual inspections of roads and bridges and to file an affidavit of said inspection can lead to failure to identify and to complete necessary improvements in a timely manner.

Recommendation The Board of Supervisors should ensure that they complete the requisite inspections of the roads and bridges in their jurisdiction and file an affidavit with the Clerk of the Board for inclusion in the minutes.

Response We will comply.

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

Repeat Finding Yes; 2020-2

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

*Section 25-1-19(1), Mississippi Code Annotated (1972)*, states, “All the bonds shall be filed and recorded in the office of the clerk of the chancery court of the county, except that the original of the chancery clerk's bond, after it is recorded, shall be deposited and filed in the office of the clerk of the circuit court.”

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

- One (1) deputy circuit clerk was bonded with an indefinite bond

	<ul style="list-style-type: none"> <li>• One (1) deputy circuit clerk was not bonded for the entire period</li> <li>• The deputy tax assessor needs a bond specific to that position, and the deputy tax assessor-collector was not bonded for the entire period</li> <li>• One assistant purchase clerk was bonded with an indefinite bond and one assistant purchase clerk was not bonded</li> <li>• One assistant receiving clerk was not bonded for the entire period</li> <li>• The receiving clerk was not bonded for the entire period</li> <li>• The inventory control clerk was not bonded for the entire period</li> <li>• Not all bonds were recorded in the Chancery Clerk's office</li> </ul>
Cause	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
Effect	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
Recommendation	We recommend the Board of Supervisors implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.
Response	Since this audit, all bonds should be up to date and correct.

3.	<u>Public Officials should Ensure Compliance with State Law over Adopting the Final Amended Budget.</u>
Repeat Finding	No
Criteria	<p><i>Section 7-7-211, Mississippi Code Annotated (1972), states, "The department [of audit] shall have the power and it shall be its duty...</i></p> <p>To identify and define for all public offices of the state and its subdivisions generally accepted accounting principles or other accounting principles as promulgated by nationally recognized professional organizations and to consult with the State Fiscal Officer in the prescription and implementation of accounting rules and regulations;</p> <p>To provide best practices, for all public offices of regional and local subdivisions of the state, systems of accounting, budgeting and reporting financial facts relating to said offices in conformity with legal requirements and with generally accepted accounting principles or other accounting principles as promulgated by nationally recognized professional organizations; to assist such subdivisions in need of assistance in the installation of such systems; to revise such systems when deemed necessary, and to report to the Legislature at periodic times the extent to which each office is maintaining such systems, along with such recommendations to the Legislature for improvement as seem desirable...."</p> <p><i>Mississippi County Financial Accounting Manual, Section B-Budgeting states, "The final amended budget of all funds for a fiscal year, which may be amended up to</i></p>

	the end of the fiscal year, must be entered on the minutes of the Board of Supervisors no later than October 31 <sup>st</sup> , next following the close of the fiscal year.”
Condition	During the course of our audit, we noted that there was no final amended budget approved and spread upon the minutes.
Cause	The Board did not approve and spread the final amended budget upon the minutes by October 31 <sup>st</sup> following the close of the fiscal year.
Effect	Failure to adopt and spread the final amended budget results in noncompliance with state law and reduces transparency to the public.
Recommendation	We recommend that the Board adopt the final amended budget for the previous fiscal year no later than October 31 <sup>st</sup> immediately following the close of the previous fiscal year.
Response	We shall comply.

#### Payroll Clerk

#### 4. Employee File Documentation.

Repeat Finding	Yes; 2020-4
Criteria	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.
Condition	During the course of our test work, we noted the following: <ul style="list-style-type: none"> <li>• Three (3) instances where the withholding elections per the file did not match the withholding rates in the system.</li> <li>• Nine (9) instances where the I-9 was incomplete.</li> </ul>
Cause	The employee files are not being reviewed regularly to identify files without proper documentation.
Effect	The County employees’ withholding elections could be calculated at the wrong rates and the County could face liability due to having improperly executed Form I-9s.
Recommendation	The County should maintain a complete employee file system that would ensure that the County is following State and Federal employee documentation laws.
Response	We will comply.

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

Repeat Finding	Yes; 2020-5
Criteria	<i>Section 25-11-127, Mississippi Code Annotated (1972)</i> , 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 ( $\frac{1}{2}$ ) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half ( $\frac{1}{2}$ ) 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 ( $\frac{1}{2}$ ) of the required number of working days or up to one-half ( $\frac{1}{2}$ ) of the equivalent number of hours and receive up to one-half ( $\frac{1}{2}$ ) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half ( $\frac{1}{2}$ ) of the number of days or hours for a single full-time position.

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

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

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

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

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

Condition	During the course of our audit, we noted the following: <ul style="list-style-type: none"> <li>• One (1) individual appears to have been paid in excess of the PERS-allowed amount</li> <li>• Four (4) individuals did not have properly executed forms on file for the correct period</li> </ul>
Cause	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.
Effect	The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.
Recommendation	The County should timely and accurately file PERS Form 4Bs and 9Cs for all re-hired retirees and ensure that the statutory conditions for reemployment are met.
Response	We will comply.

#### Chancery Clerk / Purchase Clerk

6. Public Officials Should Ensure Compliance with State Law over Credit Card Use.

Repeat Finding Yes; 2020-6

Criteria *Section 19-3-68, Mississippi Code Annotated (1972)*, states, "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."

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

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.
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.
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.
Response	We will comply.

#### Circuit Clerk

7.	<u>The Circuit Clerk Should Strengthen Internal Controls over Deposits and Settlements.</u>
Repeat Finding	Yes; 2020-7
Criteria	An effective system of internal controls requires that all settlements are made in a timely manner.
Condition	During the course of our test work, we noted that seven (7) of the eighteen (18) deposits tested were not made timely. We further noted that six (6) of the monthly settlements were not made on time.
Cause	The Circuit Clerk has not established a system of internal control to ensure deposits and settlements are made timely.
Effect	Failure to timely deposit and settle funds could result in the loss or misappropriation of public funds.
Recommendation	The Circuit Clerk should implement an effective internal control system to ensure the timeliness of deposits and settlements.
Response	I hired a part-time deputy to settle. This finding is now fixed.

#### Chancery Clerk

8.	<u>The Chancery Clerk should strengthen internal controls over bank reconciliations of the Land Redemption account.</u>
Repeat Finding	Yes; 2020-8

Criteria	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.
Condition	During the course of our cash count, we noted an unidentified overage of \$19,154.13. We further noted that reconciliations were not current, which likely could explain the overage.
Cause	The system of internal control failed to ensure that a timely and accurate bank reconciliation was performed for the land redemption account.
Effect	Failure to complete an accurate and timely bank reconciliation results in a weakness in the system of internal control over cash and may result in inappropriate or insufficient settlements to the various parties.
Recommendation	The Clerk should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared timely and accurately.
Response	As of right now, I have reconciled through April 2023 and will get caught up.

9. Public officials Should Ensure that Land Redemption Settlements are made Timely.

Repeat Finding	No
Criteria	<i>Section 27-45-1, Mississippi Code Annotated (1972), 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.”</i>
Condition	During the course of our audit, we noted that the settlements for six (6) of the ten (10) months chosen for testing were made after the 20 <sup>th</sup> of the following month.
Cause	The Chancery Clerk did not make redemption settlements by the 20 <sup>th</sup> of the following month.
Effect	Failure to properly settle redemptions could result in the misappropriation of public funds and results in noncompliance with State Law.
Recommendation	The Chancery Clerk should ensure that redemption settlements are made by the 20 <sup>th</sup> of the month following collection.
Response	We will comply.

Sheriff (In office 2020-2022)

10. The Sheriff Should Strengthen Internal Controls over Settlements.

Repeat Finding	Yes; 2020-9
Criteria	An effective system of internal control includes the timely and proper completion of monthly settlements to the County's general fund.
Condition	During the course of our test work, noted that seven (7) of the twelve (12) settlements were not made in a timely manner.
Cause	The Sheriff has not established a system of internal control to ensure that settlements are made timely.
Effect	Failure to timely settle funds could result in the loss or misappropriation of public funds.
Recommendation	The Sheriff should implement an effective internal control system to ensure the timeliness of settlements.
Response	Inherited January 2023 and shall comply.

#### Justice Court Clerk

11.	<u>The Justice Court Clerk Should Strengthen Internal Control over Settlements.</u>
Repeat Finding	Yes
Criteria	An effective system of internal control includes the timely and proper completion of monthly settlements to the County's general fund.
Condition	During the course of our test work, we noted that the Justice Court Clerk did not timely settle funds with two (2) of the twelve (12) settlements being made late. Some settlements were held for close to two months.
Cause	The Justice Court Clerk did not timely make settlements of the funds collected by the twentieth (20 <sup>th</sup> ) of the subsequent month.
Effect	Failure to make timely and proper settlements could result in the misappropriation of public funds.
Recommendation	The Justice Court Clerk should strengthen controls over the settling of funds to ensure that proper settlements are made on or before the twentieth (20 <sup>th</sup> ) of the subsequent month.
Response	My office will comply with the monthly deadline going forward.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

January 28, 2025

## **ISSAQUENA COUNTY**

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

## ISSAQUENA COUNTY

### Schedule of Findings and Responses For the Year Ended September 30, 2021

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

##### **Financial Statements:**

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

#### Section 2: Financial Statement Findings

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