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LAFAYETTE COUNTY, MISSISSIPPI
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2023



LAFAYETTE COUNTY

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LAFAYETTE COUNTY

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Lafayette County, Mississippi

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lafayette County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate(s) directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Surety Bonds for County Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025 on our consideration of Lafayette 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 Lafayette 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 Lafayette 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
February 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafayette County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2023

INTRODUCTION

The following discussion and analysis of Lafayette County, Mississippi's financial performance provides an overview of the County's financial activities for the year ended September 30, 2023. The intent of this discussion and analysis is to look at the County's performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

- Total net position – governmental activities for 2023 decreased \$1,538,426 which represents a 1.55% decrease from 2022. Total net position- business-type activities for 2023 decreased \$207,431.
- The County had \$41,577,880 in total revenues for 2023. Tax revenues account for \$24,810,960 or 56.67% of total revenues for 2023. Charges for services account for \$7,349,639 or 17.68% for 2023.
- For 2023, the County had \$42,064,213 in total expenses. Expenses of \$12,628,581 were offset by charges for services, grants, or outside contributions. General revenues of \$28,949,299 were not adequate to provide for the remainder of the expenses. For 2022, the County had \$40,735,272 in total expenses. Expenses of \$13,460,235 were offset by charges for services, grants, or outside contributions. General revenues of \$29,099,123 were adequate to provide for the remainder of the expenses.
- Among major funds, the General Fund had \$22,072,119 in revenues and \$22,029,636 in expenditures. The General Fund's fund balance decreased \$1,492,179 from the prior year. For 2022, the General Fund had \$22,819,375 in revenues and \$18,607,402 in expenditures. The General Fund's fund balance decreased \$292,176 over the prior year.
- Among major funds, the Bridge and Culvert Fund had \$5,126,833 in revenues, and \$4,785,177 in expenditures. The Bridge and Culvert Fund's fund balance increased \$341,656 over the prior year. For 2022, the Bridge and Culvert Fund had \$4,493,588 in revenues, and \$4,115,350 in expenditures. The Bridge and Culvert Fund's fund balance increased \$330,674 over the prior year.
- Capital assets, net of accumulated depreciation, in the governmental activities increased by \$1,167,937, inclusive of prior period adjustments of \$1,089,913 and accumulated depreciation. In 2022, Capital assets, net of accumulated depreciation, in the governmental activities decreased by \$491,455, inclusive of prior period adjustments of \$1,104,038 and accumulated depreciation.
- In the business-type activities, capital assets decreased by \$447,370, inclusive of a prior period adjustment and accumulated depreciation. In 2022, capital assets, net of accumulated depreciation, increased \$235,288.
- Long-term debt increased by \$20,483,489 in the governmental activities primarily due to the issuance of a bond. The business-type activities increased by \$8,555. In 2022, long-term debt decreased by \$2,797,262 in the governmental activities and increased \$2,591 in the business-type activities.

**Lafayette County, Mississippi
Management’s Discussion and Analysis
For the Year Ended September 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County’s basic financial statements. The County’s basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Figure 1 – Required Components of the County's Annual Report

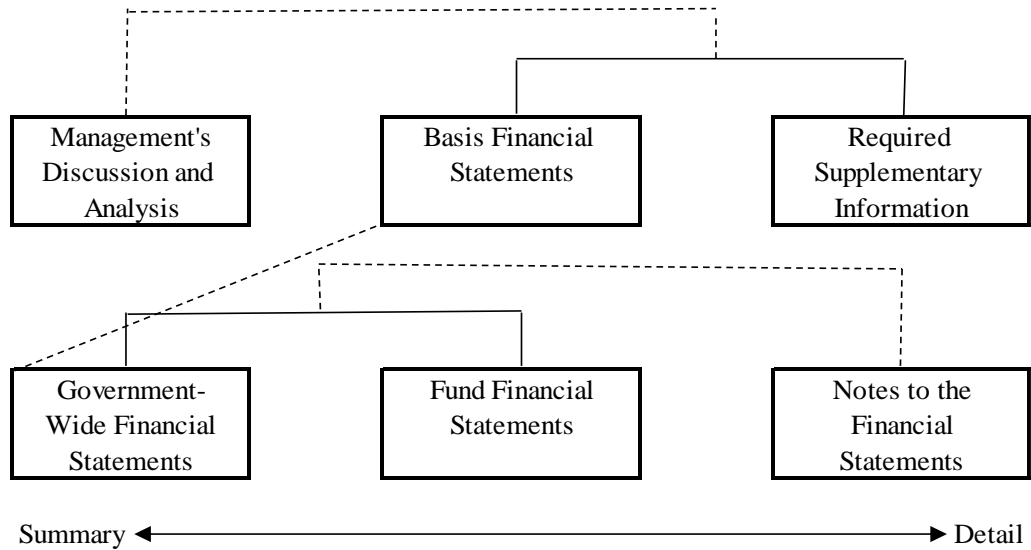


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

The next page summarizes the major features of the County’s financial statements, including the portion of the County’s government they cover and the types of information they contain. The remainder of this section of Management’s Discussion and Analysis explains the structure and content of each of the statements.

The next page also shows the Major Features of the County’s Government-Wide and Fund Financial Statements.

**Lafayette County, Mississippi
Management’s Discussion and Analysis
For the Year Ended September 30, 2023**

	Government-Wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds)	All activities of the County that are not business-type or fiduciary in nature	All activities of the County that are business-type in nature	The County is the trustee or agent for someone else's resources
Required Financial Statements	* Statement of Net Position * Statement of Activities	* Balance Sheet * Statement of Revenues, Expenditures and Changes in Fund Balances	*Statement of Net Position *Statement of Revenues, Expenses and Changes in Net Position *Cash Flows	* Statement of Fiduciary Assets and Liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, liabilities, both financial and capital and short and long term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both short and long term	All assets, liabilities, both short and long term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when the cash is received or paid	N/A

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County’s finances. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

Lafayette County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2023

The Statement of Net Position presents information on all the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as "net position." Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the County that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt and pension expense. The business-type activities of the County include solid waste collection.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - Most of the County's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the County's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may gain a better understanding of the long-term impact of the County's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual governmental funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All non-major funds are combined and presented in these reports as other governmental funds.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. These funds are

Lafayette County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2023

reported using the accrual basis of accounting. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Capital outlay spending results in capital assets on government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.

Bond and notes proceeds result in liabilities on government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

A net pension liability and net OPEB liability results in a liability on the government-wide financial statements but is not reported on governmental funds financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules as required supplementary information. The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund and each additional major special revenue fund as required by the Governmental Accounting Standards Board. Additionally, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of the County's Contributions and the Schedule of Changes in the Total OPEB Liability and Related Ratios are included in this Section.

Other Information

Although not a required part of the basic financial statements, the Schedule of Surety Bonds for County Officials is presented for purposes of additional analysis.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

**Lafayette County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2023**

Net position may serve over time as a useful indicator of the County's financial position. In the case of Lafayette County, total assets and total deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$97,909,456 as of September 30, 2023.

The County's financial position is a product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

Table 1 A presents a summary of the County's net position for the governmental activities at September 30, 2023 and September 30, 2022.

**Table 1 A
Condensed Statement of Net Position**

	9/30/2023	9/30/2022	% Change
Assets:			
Current assets	\$ 109,845,326	89,241,723	23%
Restricted assets			
Capital assets, net	96,998,087	95,830,150	1%
Total assets	<u>206,843,413</u>	<u>185,071,873</u>	12%
Deferred outflows of resources	<u>17,457,279</u>	<u>13,524,808</u>	29%
Liabilities:			
Current liabilities	13,692,750	14,403,629	-5%
Long-term debt outstanding	42,159,546	21,676,057	94%
Net pension liability	44,496,790	34,656,389	28%
Net OPEB Liability	1,315,226	3,158,937	-58%
Total liabilities	<u>101,664,312</u>	<u>73,895,012</u>	38%
Deferred inflows of resources	<u>24,726,924</u>	<u>25,253,787</u>	-2%
Net position:			
Net investment in capital assets	55,875,536	75,266,756	-26%
Restricted	57,432,588	34,905,613	65%
Unrestricted	(15,398,668)	(10,724,487)	-44%
Total net position	<u>\$ 97,909,456</u>	<u>99,447,882</u>	-2%

The following are significant current year transactions in the governmental activities that had an impact on the Statement of Net Position:

- Cash position increase of \$20,603,603.
- Net pension liability increase of \$9,840,401.

**Lafayette County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2023**

Table 1 B presents a summary of the County's net position for the business-type activities at September 30, 2023 and September 30, 2022.

**Table 1 B
Condensed Statement of Net Position**

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>% Change</u>
Assets:			
Current assets	\$ 1,018,210	556,517	83%
Restricted assets			
Capital assets, net	<u>1,079,039</u>	<u>1,526,409</u>	-29%
Total assets	<u>2,097,249</u>	<u>2,082,926</u>	1%
Deferred outflows of resources			
	<u>1,106,734</u>	<u>853,106</u>	30%
Liabilities:			
Current liabilities	122,638	107,794	14%
Long-term debt outstanding	116,279	107,724	8%
Net pension liability	<u>2,849,061</u>	<u>2,218,995</u>	28%
Total liabilities	<u>3,087,978</u>	<u>2,434,513</u>	27%
Deferred inflows of resources			
	<u>327,019</u>	<u>505,102</u>	-35%
Net position:			
Net investment in capital assets	1,079,039	1,526,409	-29%
Restricted	<u>(1,290,053)</u>	<u>(1,529,992)</u>	16%
Total net position	<u>\$ (211,014)</u>	<u>(3,583)</u>	<u>-5789%</u>

The following are significant current year transactions in the business-type activities that had an impact on the Statement of Net Position.

- Net pension liability increase of \$630,066.

In connection with the application of standards on accounting and financial reporting for pensions and OPEB, management presents the following additional information:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Total unrestricted net position (deficit) Restricted net position	\$ (15,398,668)	(1,290,053)
Less unrestricted deficit in net position resulting from recognition of the net pension liability and net OPEB liability, including the deferred outflows and deferred inflows related to pensions and OPEB	<u>(33,269,335)</u>	<u>(1,901,446)</u>
Unrestricted net position (deficit) Restricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ 17,870,667</u>	<u>611,393</u>

Changes in Net Position

**Lafayette County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2023**

Lafayette County's total revenues for the fiscal year ended September 30, 2023 and 2022 were \$41,577,880 and \$42,559,358 respectively. The total cost of all services provided was \$42,064,213 for 2023 and \$40,735,272 for 2022.

The following tables present a summary of the changes in net position for the governmental and business-type activities for the fiscal years ended September 30, 2023 and September 30, 2022.

**Table 2 A
Changes in Net Position - Governmental Activities**

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>% Change</u>
Revenues:			
Program revenues			
Charges for services	\$ 4,854,795	5,330,826	-9%
Operating grants & contributions	4,839,254	5,440,932	-11%
Capital grants & contributions	439,688	283,406	55%
General revenues			
Property taxes	24,810,960	24,115,001	3%
Grants and contributions not restricted	613,018	538,372	14%
Unrestricted interest income	939,957	1,016,924	-8%
Other	2,460,854	3,063,941	-20%
Total revenues	<u>38,958,526</u>	<u>39,789,402</u>	<u>-2%</u>
Expenses:			
General government	7,853,467	11,549,040	-32%
Public safety	12,199,602	12,217,372	0%
Public works	11,613,858	10,548,942	10%
Health and welfare	372,521	346,122	8%
Culture and recreation	370,296	225,839	64%
Conservation of natural resources	157,815	114,686	38%
Economic development	219,755	309,945	-29%
Interest on long term debt	730,549	650,845	12%
Pension expense	5,389,176	2,206,613	144%
Total Expenses	<u>38,907,039</u>	<u>38,169,404</u>	<u>2%</u>
Transfers	<u>(500,000)</u>	<u>-</u>	<u>N/A</u>
Change in net position	<u>\$ (448,513)</u>	<u>1,619,998</u>	<u>-128%</u>

**Lafayette County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2023**

**Table 2 B
Changes in Net Position - Business-Type Activities**

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>% Change</u>
Revenues:			
Program revenues			
Charges for services	\$ 2,494,844	2,405,071	4%
General revenues			
Unrestricted interest income	1,548	576	169%
Miscellaneous	122,962	364,309	-66%
Total revenues	<u>2,619,354</u>	<u>2,769,956</u>	<u>-5%</u>
Expenses:			
Solid waste collection	2,812,113	2,424,582	16%
Pension expense	345,061	141,286	144%
Total Expenses	<u>3,157,174</u>	<u>2,565,868</u>	<u>23%</u>
Transfers	500,000	-	N/A
Change in net position	<u>\$ (37,820)</u>	<u>204,088</u>	<u>-119%</u>

Governmental Activities – The following table presents the cost of major functional activities of the County: General Government, Public Safety, Public Works, Health & Welfare, Culture and Recreation, Conservation of Natural Resources, Economic Development and Assistance, Interest on Long-Term Debt and Pension expense for the governmental activities. The table also shows each function's net cost (total cost less charges for services generated by the activity and intergovernmental aid provided for that activity). The net cost shows the financial burden that was placed on Lafayette County's taxpayers by each of these functions.

	<u>2023 Total Cost</u>	<u>2023 Net Cost</u>	<u>2022 Total Cost</u>	<u>2022 Net Cost</u>
General Government	7,853,467	(3,967,643)	11,549,040	(6,517,377)
Public safety	12,199,602	(9,242,792)	12,217,372	(8,880,774)
Public works	11,613,858	(8,384,351)	10,548,942	(7,932,890)
Health and welfare	372,521	(310,925)	346,122	(275,271)
Culture and recreation	370,296	(370,296)	225,839	(225,839)
Conservation of natural resources	157,815	(157,815)	114,686	(114,686)
Economic development and assistance	219,755	(219,755)	309,945	(309,945)
Interest and other expenses on long-term liabilities	730,549	(730,549)	650,845	(650,845)
Pension expense	5,389,176	(5,389,176)	2,206,613	(2,206,613)
Total Expenses	<u>\$ 38,907,039</u>	<u>(28,773,302)</u>	<u>38,169,404</u>	<u>(27,114,240)</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

**Lafayette County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2023**

The financial performance of the County as a whole is reflected in its governmental funds. As the County completed the year, its governmental funds reported a combined fund balance of \$75,902,776 an increase of \$21,048,769 from 2022. In 2022, the combined fund balance was \$54,854,007. The General Fund is the principal operating fund of the County. The decrease in the fund balance of the General Fund for the fiscal year 2023 was \$1,492,179.

BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

Over the course of the year, Lafayette County revised its annual operating budget on several occasions. Budgeted revenues were changed as better estimates became available.

A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund and other special revenue major funds is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Governmental Activities:

Capital Assets - As of September 30, 2023, Lafayette County's total capital assets were \$178,405,609. This includes land, construction in progress, infrastructure, buildings, improvements other than buildings, mobile equipment, furniture and equipment and intangible right to use equipment. This amount represents an increase from the previous year of \$3,307,272. Total accumulated depreciation as of September 30, 2023 was \$81,407,522 including \$3,384,113 of depreciation expense for the year. The balance in total net capital assets was \$96,998,087 at year-end.

	9/30/2023	9/30/2022	% Change
Land	\$ 5,374,593	5,171,172	4%
Construction in progress	1,723,671	510,360	238%
Infrastructure	108,182,130	107,651,770	0%
Buildings	44,893,170	44,108,129	2%
Improvements other than buildings	2,665,858	2,665,858	0%
Mobile equipment	13,380,779	12,930,876	3%
Furniture and equipment	2,141,476	2,016,240	6%
Intangible right to use equipment	43,932	43,932	0%
Accumulated depreciation	(81,407,522)	(79,268,187)	-3%
Total Capital Assets, net	\$ 96,998,087	95,830,150	1%

Business-Type Activities:

Capital Assets.

As of September 30, 2023, Lafayette County's total capital assets were \$2,370,751, including buildings, and mobile equipment. This amount represents a decrease from the previous year of \$461,282. Total accumulated depreciation as of September 30, 2023 was \$1,291,712 including \$260,667 of depreciation expense for the year. The balance in total net capital assets was \$1,079,039 at year-end.

**Lafayette County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2023**

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>% Change</u>
Buildings	288,220	288,220	0%
Mobile equipment	2,082,531	2,543,813	-18%
Accumulated depreciation	(1,291,712)	(1,305,624)	1%
Total Capital Assets, net	\$ 1,079,039	1,526,409	-29%

Debt Administration.

Governmental Activities:

At September 30, 2023, Lafayette County had \$42,159,546 in long-term debt outstanding.

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>% Change</u>
General Obligation Bonds	\$ 35,370,000	16,210,000	118%
Bond Premium	2,491,573	738,411	237%
Other loans	3,243,827	3,589,361	-10%
Leases payable	17,151	25,622	-33%
Compensated absences	1,036,995	1,112,663	-7%
Total Long-Term Debt	\$ 42,159,546	21,676,057	94%

Business-Type Activities:

At September 30, 2023, Lafayette County had \$116,279 in long-term debt outstanding.

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>% Change</u>
Compensated absences	116,279	107,724	8%

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the Lafayette County Administrator's office (room 222) at the Lafayette County Chancery Building, 300 N. Lamar Boulevard, P.O. Box 1240, Oxford, Mississippi 38655, or call 662-236-2717.

FINANCIAL STATEMENTS

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 68,109,970	868,458	68,978,428
Cash with fiscal agent	53,067		53,067
Investments	20,095,197		20,095,197
Property tax receivable	19,808,860		19,808,860
Accounts receivable (net of allowance for uncollectible of \$ 454,944)		194,976	194,976
Fines receivable (net of allowance for uncollectible of \$ 1,417,402)	870,487		870,487
Lease receivable	4,785		4,785
Intergovernmental receivables	714,384	143,352	857,736
Internal balances	188,576	(188,576)	-
Capital assets:			
Land and construction in progress	7,098,264		7,098,264
Other capital assets, net	89,899,823	1,079,039	90,978,862
Total Assets	<u>206,843,413</u>	<u>2,097,249</u>	<u>208,940,662</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	17,285,035	1,106,734	18,391,769
Deferred outflows related to OPEB	172,244		172,244
Total Deferred Outflows of Resources	<u>17,457,279</u>	<u>1,106,734</u>	<u>18,564,013</u>
LIABILITIES			
Claims payable	1,615,798	122,638	1,738,436
Intergovernmental payables	1,751,624		1,751,624
Accrued interest payable	433,013		433,013
Unearned revenue	9,892,315		9,892,315
OPEB Liability	1,315,226		1,315,226
Long-term liabilities			
Due within one year:			
Capital debt	2,205,788		2,205,788
Due in more than one year:			
Capital debt	38,916,763		38,916,763
Non-capital debt	1,036,995		1,036,995
Compensated absences		116,279	116,279
Net pension liability	44,496,790	2,849,061	47,345,851
Total Liabilities	<u>101,664,312</u>	<u>3,087,978</u>	<u>104,752,290</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	2,485,126	159,119	2,644,245
Deferred inflows related to OPEB	2,429,472		2,429,472
Deferred inflows related to leases	3,466		3,466
Deferred inflows - advance payments of user fees		167,900	167,900
Deferred revenues - property taxes	19,808,860		19,808,860
Total Deferred Inflows of Resources	<u>24,726,924</u>	<u>327,019</u>	<u>25,053,943</u>
NET POSITION			
Net investment in capital assets	55,875,536	1,079,039	56,954,575
Restricted for:			
Expendable:			
General government	3,342,538		3,342,538
Public safety	824,170		824,170
Public works	32,373,855	(1,290,053)	31,083,802
Health and welfare	10,304		10,304
Economic development	694,960		694,960
Unemployment compensation	38,497		38,497
Restricted:			
Nonexpendable	20,148,264		20,148,264
Unrestricted	(15,398,668)		(15,398,668)
Total Net Position	<u>\$ 97,909,456</u>	<u>(211,014)</u>	<u>97,698,442</u>

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 7,853,467	2,083,683	1,802,141		(3,967,643)		(3,967,643)
Public safety	12,199,602	2,771,112	127,698	58,000	(9,242,792)		(9,242,792)
Public works	11,613,858		2,847,819	381,688	(8,384,351)		(8,384,351)
Health and welfare	372,521		61,596		(310,925)		(310,925)
Culture and recreation	370,296				(370,296)		(370,296)
Conservation of natural resources	157,815				(157,815)		(157,815)
Economic development and assistance	219,755				(219,755)		(219,755)
Interest on long-term debt	730,549				(730,549)		(730,549)
Pension expense	5,389,176				(5,389,176)		(5,389,176)
Total Governmental Activities	<u>38,907,039</u>	<u>4,854,795</u>	<u>4,839,254</u>	<u>439,688</u>	<u>(28,773,302)</u>		<u>(28,773,302)</u>
Business-type activities:							
Solid waste	3,157,174	2,494,844				(662,330)	(662,330)
Total Business-type Activities	<u>3,157,174</u>	<u>2,494,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(662,330)</u>	<u>(662,330)</u>
Total Primary Government	<u>\$ 42,064,213</u>	<u>7,349,639</u>	<u>4,839,254</u>	<u>439,688</u>	<u>(28,773,302)</u>	<u>(662,330)</u>	<u>(29,435,632)</u>
General revenues:							
Property taxes				\$ 24,163,852			24,163,852
Road & bridge privilege taxes				647,108			647,108
Grants and contributions not restricted to specific programs				613,018			613,018
Unrestricted interest income				939,957	1,548		941,505
Miscellaneous				2,460,854	122,962		2,583,816
Transfer Out				(500,000)	500,000		-
Total General Revenues				<u>28,324,789</u>	<u>624,510</u>		<u>28,949,299</u>
Changes in Net Position				<u>(448,513)</u>	<u>(37,820)</u>		<u>(486,333)</u>
Net Position - Beginning, as previously stated				99,447,882	(3,583)		99,444,299
Prior Period Adjustments				(1,089,913)	(169,611)		(1,259,524)
Net Position- Beginning, as restated				<u>98,357,969</u>	<u>(173,194)</u>		<u>98,184,775</u>
Net Position - Ending				<u>\$ 97,909,456</u>	<u>(211,014)</u>		<u>97,698,442</u>

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

	<u>Major Funds</u>								
	<u>General Fund</u>	<u>Hospital Proceeds Fund</u>	<u>Lafayette County Reserve/Trust Fund</u>	<u>2023 GO Bond Proceeds Fund</u>	<u>CSFRP Fund</u>	<u>Countywide Road Maintenance Fund</u>	<u>Bridge and Culvert Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS									
Cash	\$ 20,566,751	1,650,599		21,702,738	9,984,549	2,997,724	5,035,808	6,171,801	68,109,970
Investments			20,095,197						20,095,197
Cash with fiscal agent			53,067						53,067
Property tax receivable	12,830,900					2,342,664	2,785,718	1,849,578	19,808,860
Fines receivable (net of allowance for uncollectible of \$ 1,417,402)	870,487								870,487
Lease receivable								4,785	4,785
Intergovernmental receivables	597,958							116,426	714,384
Due from other funds	40,235					127,989	80,835	72,566	321,625
Advances to other funds	148,341								148,341
Total Assets	<u>\$ 35,054,672</u>	<u>1,650,599</u>	<u>20,148,264</u>	<u>21,702,738</u>	<u>9,984,549</u>	<u>5,468,377</u>	<u>7,902,361</u>	<u>8,215,156</u>	<u>110,126,716</u>
LIABILITIES									
Claims payable	\$ 790,263				30,656	133,467	383,793	277,619	1,615,798
Intergovernmental payables	1,738,075								1,738,075
Unearned revenue					9,892,315				9,892,315
Due to other funds	294,939								294,939
Total Liabilities	<u>\$ 2,823,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,922,971</u>	<u>133,467</u>	<u>383,793</u>	<u>277,619</u>	<u>13,541,127</u>
DEFERRED INFLOWS OF RESOURCES:									
Unavailable revenue - property taxes	12,830,900					2,342,664	2,785,718	1,849,578	19,808,860
Deferred inflows related to leases								3,466	3,466
Unavailable revenue - fines	870,487								870,487
Total Deferred Inflows of Resources	<u>\$ 13,701,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,342,664</u>	<u>2,785,718</u>	<u>1,853,044</u>	<u>20,682,813</u>
Fund balances:									
Nonspendable:									
Advances	148,341								148,341
Permanent fund principal			20,148,264						20,148,264
Restricted for:									
General government		1,650,599						1,365,826	3,016,425
Public safety								824,170	824,170
Public works				21,702,738	61,578	2,992,246	4,732,850	2,884,443	32,373,855
Health and welfare								10,304	10,304
Economic development and assistance								694,960	694,960
Debt service								266,293	266,293
Unemployment compensation								38,497	38,497
Unassigned	18,381,667								18,381,667
Total Fund Balances	<u>\$ 18,530,008</u>	<u>1,650,599</u>	<u>20,148,264</u>	<u>21,702,738</u>	<u>61,578</u>	<u>2,992,246</u>	<u>4,732,850</u>	<u>6,084,493</u>	<u>75,902,776</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 35,054,672</u>	<u>1,650,599</u>	<u>20,148,264</u>	<u>21,702,738</u>	<u>9,984,549</u>	<u>5,468,377</u>	<u>7,902,361</u>	<u>8,215,156</u>	<u>110,126,716</u>

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

LAFAYETTE COUNTY

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 75,902,776
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$81,407,522.	96,998,087
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	870,487
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(42,159,546)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(44,496,790)
Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(1,315,226)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(433,013)
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	17,285,035
Deferred inflows of resources related to pensions	(2,485,126)
Deferred outflows of resources related to other postemployment benefits	172,244
Deferred inflows of resources related to other postemployment benefits	<u>(2,429,472)</u>
Total Net Position - Governmental Activities	\$ <u>97,909,456.00</u>

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

LAFAYETTE COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2023

Exhibit 4

Major Funds									
	General Fund	Hospital Proceeds Fund	Lafayette County Reserve/Trust Fund	2023 GO Bond Proceeds Fund	CSFRP Fund	Countywide Road Maintenance Fund	Bridge and Culvert Fund	Other Governmental Funds	Total Governmental Funds
REVENUES									
Property taxes	\$ 15,869,828					2,867,327	3,262,222	2,164,475	24,163,852
Road and bridge privilege taxes						647,108			647,108
Licenses, commissions and other revenue	1,291,106							234,704	1,525,810
Fines and forfeitures	552,383							26,678	579,061
Intergovernmental revenues	803,033				1,259,602	1,007,933	1,842,505	978,887	5,891,960
Charges for services	2,148,630							512,105	2,660,735
Interest income	284,129	7,105	495,477	34,285	62,974	11,319	22,106	22,562	939,957
Miscellaneous revenues	1,123,010		960,360			139,239		60,786	2,283,395
Total Revenues	<u>22,072,119</u>	<u>7,105</u>	<u>1,455,837</u>	<u>34,285</u>	<u>1,322,576</u>	<u>4,672,926</u>	<u>5,126,833</u>	<u>4,000,197</u>	<u>38,691,878</u>
EXPENDITURES									
Current:									
General government	8,549,916		61,592	232,500	226,795			882,760	9,953,563
Public safety	11,867,347				261,763			3,343,082	15,472,192
Public works	295,164				301,700	4,420,274	4,785,177	1,170,012	10,972,327
Health and welfare	339,614							17,206	356,820
Culture and recreation	370,296								370,296
Conservation of natural resources	157,815								157,815
Economic development and assistance	46,190							173,565	219,755
Debt service:									
Principal	308,560							885,445	1,194,005
Interest	94,734							569,270	664,004
Total Expenditures	<u>22,029,636</u>	<u>-</u>	<u>61,592</u>	<u>232,500</u>	<u>790,258</u>	<u>4,420,274</u>	<u>4,785,177</u>	<u>7,041,340</u>	<u>39,360,777</u>
Excess of Revenues over (under) Expenditures	<u>42,483</u>	<u>7,105</u>	<u>1,394,245</u>	<u>(198,215)</u>	<u>532,318</u>	<u>252,652</u>	<u>341,656</u>	<u>(3,041,143)</u>	<u>(668,899)</u>
OTHER FINANCING SOURCES (USES)									
Long-term capital debt issued				20,000,000					20,000,000
Premiums on bonds issued				1,900,953					1,900,953
Proceeds from sale of capital assets								316,715	316,715
Transfers In								1,712,818	1,712,818
Transfers Out	(1,534,662)				(500,000)	(32,905)		(145,251)	(2,212,818)
Total Other Financing Sources and Uses	<u>(1,534,662)</u>	<u>-</u>	<u>-</u>	<u>21,900,953</u>	<u>(500,000)</u>	<u>(32,905)</u>	<u>-</u>	<u>1,884,282</u>	<u>21,717,668</u>
Net Changes in Fund Balances	<u>(1,492,179)</u>	<u>7,105</u>	<u>1,394,245</u>	<u>21,702,738</u>	<u>32,318</u>	<u>219,747</u>	<u>341,656</u>	<u>(1,156,861)</u>	<u>21,048,769</u>
Fund Balance- Beginning	<u>20,022,187</u>	<u>1,643,494</u>	<u>18,754,019</u>	<u>-</u>	<u>29,260</u>	<u>2,772,499</u>	<u>4,391,194</u>	<u>7,241,354</u>	<u>54,854,007</u>
Fund balance, Ending	<u>\$ 18,530,008</u>	<u>1,650,599</u>	<u>20,148,264</u>	<u>21,702,738</u>	<u>61,578</u>	<u>2,992,246</u>	<u>4,732,850</u>	<u>6,084,493</u>	<u>75,902,776</u>

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

LAFAYETTE COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2023

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 21,048,769
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that Capital outlays of \$5,781,219 exceeded depreciation of \$3,384,113 in the current period.	2,397,106
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$455,971 and the proceeds from the sale of \$316,715 in the current period.	(139,256)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	89,189
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long- term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$20,000,000 exceeded debt repayments of \$1,194,005 in the current period..	(18,805,995)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(5,389,176)
Recording of contributions made during the year	2,333,959
Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in governmental funds. These activities are:	
Change in Premium	(1,753,162)
Change in OPEB Liability - Other than Pension	1,843,711
Change in Deferred outflow - Other than Pension	(28,707)
Change in Deferred inflow - Other than Pension	(1,906,283)
Change compensated absences	75,668
Change accrued interest payable	<u>(214,336)</u>
Change in Net Position of Governmental Activities	<u>\$ (448,513)</u>

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

LAFAYETTE COUNTY
Statement of Net Position - Proprietary Fund
September 30, 2023

Exhibit 5

	Business-type Activities <u>Enterprise Fund</u> Garbage Collection <u>Fund</u>
ASSETS	
Current assets:	
Cash	\$ 868,458
Accounts receivable (net of allowance for uncollectible of \$ 454,944)	194,976
Intergovernmental receivables	143,352
Total Current Assets	<u>1,206,786</u>
Noncurrent assets:	
Capital assets:	
Other capital assets, net	1,079,039
Total Noncurrent Assets	<u>1,079,039</u>
Total Assets	<u>2,285,825</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,106,734
Total Deferred Outflows of Resources	<u>1,106,734</u>
LIABILITIES	
Current liabilities:	
Claims payable	122,638
Due to other funds	40,235
Advances from other funds	148,341
Total Current Liabilities	<u>311,214</u>
Noncurrent liabilities:	
Net pension liability	2,849,061
Non capital debt	
Compensated absences payable	116,279
Total Noncurrent Liabilities	<u>2,965,340</u>
Total Liabilities	<u>3,276,554</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	159,119
Deferred inflows - advance payments of user fees	167,900
Total Deferred Inflows of Resources	<u>327,019</u>
NET POSITION	
Net investment in capital assets	1,079,039
Restricted for:	
Public works	(1,290,053)
Total Net Position	<u>\$ (211,014)</u>

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

LAFAYETTE COUNTY

Exhibit 6

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
For the Year Ended September 30, 2023

	Business-type Activities Enterprise Fund Garbage Collection Fund
Operating Revenues	
Charges for services	\$ 1,907,550
Total Operating Revenues	<u>1,907,550</u>
Operating Expenses	
Cost of sales	
Personal services	1,067,998
Contractual services	1,137,653
Materials and supplies	345,795
Pension expense	345,061
Depreciation expense	260,667
Total Operating Expenses	<u>3,157,174</u>
Operating Income (Loss)	<u>(1,249,624)</u>
Nonoperating Revenues (Expenses)	
Intergovernmental grants	637,184
Interest income	1,548
Miscellaneous	73,072
Net Nonoperating Revenue (Expenses)	<u>711,804</u>
Net Income (Loss)	(537,820)
Transfers in	500,000
Changes in Net Position	<u>(37,820)</u>
Net Position- Beginning, as previously reported	(3,583)
Prior period adjustment	(169,611)
Net Position- Beginning, as restated	<u>(173,194)</u>
Net Position - Ending	<u>\$ (211,014)</u>

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

LAFAYETTE COUNTY
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2023

Exhibit 7

	Business-type Activities Enterprise Fund Garbage Collection Fund
Cash Flows From Operating Activities	
Charges for services	\$ 1,921,974
Payments to suppliers	(1,455,139)
Payment to employees	(1,182,113)
Net Cash Provided (Used) by Operating Activities	<u>(715,278)</u>
Cash Flows From Noncapital Financing Activities	
Cash received from other funds:	
Operating transfers in	<u>500,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>500,000</u>
Cash Flows From Capital and Related Financing Activities	
TVA in lieu monies received	637,184
Other receipts	122,962
Acquisition and construction of capital assets	<u>(32,798)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>727,348</u>
Cash Flows From Investing Activities	
Interest on deposits	<u>1,548</u>
Net Cash Provided (Used) by Investing Activities	<u>1,548</u>
Net Increase (Decrease) in Cash and Cash Equivalents	513,618
Cash and Cash Equivalents at Beginning of Year	354,840
Cash and Cash Equivalents at End of Year	<u>\$ 868,458</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ <u>(1,249,624)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	260,667
Changes in assets and liabilities:	
(Increase) decrease in accounts receivables	27,546
(Increase) decrease in intergovernmental receivables	(15,856)
(Increase) decrease in deferred outflows of resources	(253,628)
(Increase) decrease in interfund loans	40,235
Increase (decrease) in claims payable	14,844
Increase (decrease) in compensated absences liability	8,555
Increase (decrease) in net pension liability	630,066
Increase (decrease) in deferred inflows of resources	<u>(178,083)</u>
Total Adjustments	<u>534,346</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (715,278)</u>

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

LAFAYETTE COUNTY
Statement of Fiduciary Net Position
September 30, 2023

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 333,891
Due from other funds	<u>13,549</u>
Total Assets	<u>\$ 347,440</u>
LIABILITIES	
Intergovernmental payables	\$ <u>232,619</u>
Total Liabilities	<u>\$ 232,619</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	\$ <u>114,821</u>
Total net position	<u>114,821</u>

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

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

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ <u>547,608</u>
Total Additions	<u>547,608</u>
DEDUCTIONS	
Payments of collections on behalf of individuals	<u>514,880</u>
Total Deductions	<u>514,880</u>
Net increase (decrease) in fiduciary net position	<u>32,728</u>
Net Position - Beginning	<u>82,093</u>
Net Position - Ending	\$ <u><u>114,821</u></u>

The Accompanying Notes to Financial Statements are an Integral Part of These Statements.

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

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

B. Individual Component Unit Disclosures.

Blended Component Units

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

The Lafayette County Public Improvement Corporation is comprised solely of the five members of the Lafayette County Board of Supervisors. Although created legally separate from the County under Section 31-8-3, Miss. Code Ann. (1972), the Corporation is reported as if it were part of the primary government because its sole purpose is to finance and construct County public facilities.

The Lafayette County Economic Development District is comprised solely of the five members of the Lafayette County Board of Supervisors. Although created legally separate from the County under Section 19-5-99, Miss. Code Ann. (1972), the District is reported as if it were part of the primary government because its sole purpose is to enhance and develop the economic development resources of the County.

The Lafayette County Reserve and Trust Fund trustees are comprised solely of the five members of the Lafayette County Board of Supervisors. Although created legally separate from the County by Senate Bill No. 2945, the Trust is reported as if the Trust were part of the primary government because the sole purpose for the Trust is to invest the proceeds from the sale of the real and personal property related to the Baptist Memorial Hospital – North Mississippi.

C. Basis of Presentation.

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

LAFAYETTE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues 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 presents the financial condition of the governmental activities and business-type activities of the County at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

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

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

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

LAFAYETTE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

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

The County reports the following major Governmental Funds:

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

Hospital Proceeds Fund – This fund is used to account for the proceeds that resulted from the sale of the Oxford-Lafayette Medical Center.

Lafayette County Reserve/Trust Fund – This fund is used to account for the investments from the proceeds that resulted from the sale of the Oxford-Lafayette Medical Center.

2023 GO Bond Proceeds Fund – This fund is used to account for monies received and expended under the from the 2023 bond issuance.

CSFRP Fund – This fund is used to account for monies received and expended under the American Rescue Plan Act.

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 the construction and maintenance of bridges and culverts.

The County reports the following major Enterprise Fund:

Garbage Collection Fund - This fund is used to account for the County's activities of disposal of solid waste within the County.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

Permanent Funds - These funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's programs.

PROPRIETARY FUND TYPE

LAFAYETTE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

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

FIDUCIARY FUND TYPE

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

E. Account Classifications.

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

F. Deposits and Investments.

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

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

G. Receivables.

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

H. Interfund Transactions and Balances.

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

I. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (applicable) governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure, which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

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

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

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

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

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

J. Deferred Outflows/Inflows of Resources.

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

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

Deferred outflows related to OPEB – This amount represents the County's proportionate share of the deferred outflows of resources reported by the OPEB plan in which the County participates. See Note 10 for additional details.

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

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

be recognized as an inflow of resources (revenue) until that time.

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

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

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

Deferred inflows related to OPEB – This amount represents the County's proportionate share of the deferred inflows of resources reported by the OPEB plan in which the County participates. See Note 10 for additional details.

Deferred inflows – advance payments on user fees – When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

Deferred inflows relates to leases – Deferred inflows of resources measured at the initial value of the lease receivable to reflect that the lease receivable related to future periods.

K. Leases.

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

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

L. Subscription-Based Information Technology Arrangements.

The Governmental Accounts Standards Board (GASB) issued Statement No.96, *Subscription-Based Information Technology Arrangements (SBITAs)* (GASB 96) to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, reliability, relevance and consistency of information about SBITAs.

M. Long-term Liabilities.

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

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

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

N. Pensions.

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

O. Other Postemployment Benefits.

Plan Description

The Lafayette County Board of Supervisors administers the County's health insurance plan, which is authorized by Sections 25-15-101, Miss. Code Ann. (1972). The County's health insurance plan may be amended by the Lafayette County Board of Supervisors. The County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan.

P. Compensated Absences.

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

Q. Equity Classifications.

Government-wide Financial Statements:

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

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

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

Unrestricted net position - All other net position not meeting the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted

LAFAYETTE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

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

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:

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

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

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

Fund Balance Flow Assumption:

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

R. Property Tax Revenues:

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

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

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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

S. Intergovernmental Revenues in Governmental Funds.

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

T. Changes in Accounting Standards.

GASB 96, *Subscription-Based Information Technology Arrangements*, was implemented during the 2023 fiscal year. Prior to the issuance of this statement there was no accounting or financial reporting guidance specifically for SBITAs. The purposes of the standard is to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, reliability, relevance, and consistency of information about SBITAs.

(2) Prior Period Adjustments.

A summary of significant net position/fund balance adjustments is as follows:

Exhibit 2 – Statement of Activities – Governmental Activities.

Explanation	Amount
To correct prior year errors in recording capital assets.	\$ <u><u>(1,089,913)</u></u>

Exhibit 2 – Statement of Activities – Business-type Activities.

Explanation	Amount
To correct prior year errors in recording capital assets.	\$ <u><u>(169,611)</u></u>

Exhibit 6 – Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.

Explanation	Amount
To correct prior year errors in recording capital assets.	\$ <u><u>(169,611)</u></u>

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2023, was \$69,312,319, and the bank balance was \$69,878,947. 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

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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.

Cash with Fiscal Agents:

The carrying amount of the County's total cash with fiscal agents at September 30, 2023, was \$53,067.

Investments:

As provided by Senate Bill Number 2945, the board of trustees shall invest the funds in any of the investments authorized for the Mississippi Prepaid Affordable College Tuition Program under Section 37-155-9; Miss. Code Ann. (1972), and those investments shall be subject to the limitations prescribed by Section 37-155-9. The maximum investments in stocks shall not exceed fifty percent (50%) of the book value of the total investment fund of the system.

The investments are held in a custodial account with Fidelity Investments.

Investments balances at September 30, 2023, are as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Bonds	\$ 13,334,767
Stock	3,366,810
Mutual Funds	566,180
Exchange Traded Products	<u>2,827,440</u>
	<u>20,095,197</u>

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of September 30, 2023:

- Level 1 type of investments of \$20,095,197 are valued using quoted market prices (Level 1 inputs)

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

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

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Notes to Financial Statements
For the Year Ended September 30, 2023

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. Of the County's investment, \$500,000 of securities, including a \$250,000 limit for cash held in a brokerage account is insured by the Securities Investor Protection Corporation (SICP). In addition, Fidelity provides its brokerage customers an additional \$1 billion dollar coverage with Lloyd's of London. How the \$1 billion would be allocated is unknown; therefore, \$500,000 is insured and an unknown portion of the \$19,595,197 is uninsured by Fidelity.

(4) Interfund Transactions and Balances.

The following is a summary of inter-fund balances at September 30, 2023:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Garbage Collection Fund	\$ 40,235
Countywide Road Maintenance Fund	General Fund	127,989
Bridge and Culvert Fund	General Fund	80,835
Other Governmental Funds	General Fund	72,566
Custodial Funds	General Fund	13,549
	Total	<u>\$ 335,174</u>

The receivable in the General Fund represents the calculated indirect costs for the fiscal year. The receivables also represent the tax revenue collected in September 2023, but not settled until October 2023. All inter-fund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Garbage Collection Fund	\$ <u>148,341</u>

The amount payable to the General Fund represents unpaid indirect costs.

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 1,534,662
Other Governmental Funds	Countywide Road Maintenance Fund	32,905
Other Governmental Funds	Other Governmental Funds	145,251
Garbage Collection Fund	CSFRP Fund	500,000
	Total	<u>\$ 2,212,818</u>

The principal purpose of inter-fund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. All inter-fund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2023, consisted of the following:

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Notes to Financial Statements
For the Year Ended September 30, 2023

Description	Amount
Governmental Activities:	
Legislative tax credit	\$ 577,520
Reimbursement - Youth Court	9,247
Reimbursement - Drug court	116,426
Reimbursement - DHS	11,191
Total Governmental Activities	\$ <u>714,384</u>

Description	Amount
Business-type Activities:	
Garbage fees	\$ <u>143,352</u>
Total Business-type Activities	\$ <u>143,352</u>

(6) Capital Assets.

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

Governmental Activities	Balance				Balance
	Oct. 1, 2022	Additions	Deletions	Adjustments	
Non-depreciable capital assets:					
Land	5,171,172	203,421			5,374,593
Construction in progress	510,360	2,508,713		(1,295,402)	1,723,671
Total non-depreciable capital assets	5,681,532	2,712,134	-	(1,295,402)	7,098,264
Depreciable capital assets:					
Infrastructure	107,651,770	530,360			108,182,130
Buildings	44,108,129			785,041	44,893,170
Improvements other than buildings	2,665,858				2,665,858
Mobile equipment	12,930,876	2,315,534	381,944	(1,483,687)	13,380,779
Furniture & equipment	2,016,240	223,191	95,898	(2,057)	2,141,476
Intangible right to use equipment	43,932				43,932
Total depreciable capital assets	169,416,805	3,069,085	477,842	(700,703)	171,307,345
Less accumulated depreciation for:					
Infrastructure	52,765,590	1,528,917			54,294,507
Buildings	13,733,549	861,069		(708,315)	13,886,303
Improvements other than buildings	2,047,749	45,830			2,093,579
Mobile equipment	8,873,702	851,504	246,264	(197,428)	9,281,514
Furniture & equipment	1,830,972	88,260	92,322	(1,230)	1,825,680
Intangible right to use equipment	16,625	8,533		781	25,939
Total accumulated depreciation	79,268,187	3,384,113	338,586	(906,192)	81,407,522
Depreciable capital assets, net	90,148,618	(315,028)	139,256	205,489	89,899,823
Governmental activities capital assets, net	95,830,150	2,397,106	139,256	(1,089,913)	96,998,087

*Adjustments are to correct prior years errors in the capital assets records.

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Notes to Financial Statements
For the Year Ended September 30, 2023

Business-type	Balance				Balance
	Oct. 1, 2022	Additions	Deletions	Adjustments	Sept. 30, 2023
Non-depreciable capital assets:					
Buildings	288,220				288,220
Mobile equipment	2,543,813	32,798	262,369	(231,711)	2,082,531
Total depreciable capital assets	2,832,033	32,798	262,369	(231,711)	2,370,751
Less accumulated depreciation for:					
Buildings	46,115	5,764			51,879
Mobile equipment	1,259,509	254,903	212,479	(62,100)	1,239,833
Total accumulated depreciation	1,305,624	260,667	212,479	(62,100)	1,291,712
Depreciable capital assets, net	1,526,409	(227,869)	49,890	(169,611)	1,079,039
Business-type activities capital assets, net	1,526,409	(227,869)	49,890	(169,611)	1,079,039

*Adjustments are to correct prior years errors in the capital assets records.

Total capital assets, net, excluding intangible right to use assets	96,980,094
Intangible right to use assets, net	17,993
Total capital assets, net, as reported on the statement of net position	96,998,087

Depreciation expense was charged to the following functions:

Governmental Activities		Business-type Activities	
General Government	\$ 907,431		
Public Safety	422,348	Solid waste	\$ <u>260,667</u>
Public Works	2,038,633		
Health and Welfare	15,701		
Total	\$ <u>3,384,113</u>		

Commitments with respect to unfinished capital projects at September 30, 2023, consisted of ongoing county and state aid road projects.

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
New SO Building	\$ 11,169,000	12/1/2025
Firing range	20,000	3/1/2024
Building and grounds new building	16,502	10/31/2023
Courthouse Renovation project	2,413,786	5/1/2025
Addition to central fire	300,000	12/1/2024

(7) 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.

LAFAYETTE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

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

(8) Leases.

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

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

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

The County, acting as lessee, has entered into an agreement with Quadient Leasing for the lease of a postage machine. The lease stipulated that the lessee would pay for approximately \$330.00 per month in lease payments commencing for a term of 63 months. For this lease, the County has recognized an intangible right to use asset. The lease is initially measured at the present value of payments expected to be made. The discount rate used for this lease was 4.99% which was the Federal Prime Borrowing Rate at the lease inception.

The County, acting as lessee, has entered into an agreement with Pitney Bowes for the lease of a postage machine. The lease stipulated that the lessee would pay for approximately \$173.92 per month in lease payments commencing for a term of 60 months. For this lease, the County has recognized an intangible right to use asset. The lease is initially measured at the present value of payments expected to be made. The discount rate used for this lease was 3.25% which was the Federal Prime Borrowing Rate at the lease inception.

The County, acting as lessee, has entered into an agreement with Quadient Leasing for the lease of a postage machine. The lease stipulated that the lessee would pay for approximately \$158.00 per month in lease payments commencing for a term of 63 months. For this lease, the County has recognized an intangible right to use asset. The lease is initially measured at the present value of payments expected to be made. The discount rate used for this lease was 3.25% which was the Federal Prime Borrowing Rate at the lease inception.

The County, acting as lessee, has entered into an agreement with Pitney Bowes for the lease of a postage machine. The lease stipulated that the lessee would pay for approximately \$69.46 per month in lease payments commencing for a term of 60 months. For this lease, the County has recognized an intangible right to use asset. The lease is initially measured at the present value of payments expected to be made.

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Notes to Financial Statements
For the Year Ended September 30, 2023

The discount rate used for this lease was 5.5% which was the Federal Prime Borrowing Rate at the lease inception.

The County, acting as lessee, has entered into an agreement with Sharpe for the lease of a copier. The lease stipulated that the lessee would pay for approximately \$70.11 per month in lease payments commencing for a term of 48 months. For this lease, the County has recognized an intangible right to use asset. The lease is initially measured at the present value of payments expected to be made. The discount rate used for this lease was 3.25% which was the Federal Prime Borrowing Rate at the lease inception.

As Lessee:

Lease Assets

	Balance 10/1/2022	Additions	Amortization	Adjustments	Balance 9/30/2023
Intangible right to use equipment	8,705		3,607		5,098
Intangible right to use equipment	5,958		1,759		4,199
Intangible right to use equipment	7,927		1,663		6,264
Intangible right to use equipment	2,063		738	(781)	544
Intangible right to use equipment	2,654		766		1,888
Total	\$ 27,307	-	8,533	(781)	17,993

See Note 6 for further details regarding intangible right-to-use assets, which represents leased assets.

Lease Liabilities

	Balance 10/1/2022	Additions	Principal Payments	Balance 9/30/2022
Postage machine	\$ 8,148		3,492	4,656
Postage machine	5,788		1,769	4,019
Postage machine	7,834		1,741	6,093
Postage machine	1,218		679	539
Copier	2,634		790	1,844
Total	\$ 25,622	-	8,471	17,151

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
Postage machine	4.99%	63 Months	11/17/2019	1/7/2025	\$ 330	\$ 4,656
Postage machine	3.25%	60 Months	10/9/2020	9/9/2025	174	4,019
Postage machine	3.25%	63 Months	12/15/2021	3/15/2027	158	6,093
Postage machine	5.50%	60 Months	6/30/2019	6/29/2024	69	539
Copier	3.25%	48 Months	2/1/2022	1/31/2026	70	1,844
					<u>801</u>	<u>17,151</u>

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

Year Ending September 30	Principal	Interest
2024	\$ 8,491	551
2025	5,785	206
2026	2,004	64
2027	871	10
	<u>\$ 17,151</u>	<u>831</u>

As Lessor:

On September 1, 2004, Lafayette County Economic Development District, an economic development district created pursuant to 19-5-99 MS Code Ann., entered into a lease agreement with Olin corporation for the lease of an industrial plant facility consisting of buildings and improvements located on the Project Site. The lease stipulated that the lessee would pay approximately \$5,000 annually in lease payments commencing January 1, 2006 for a term of 18 years. The County is to receive \$5,000 in lease payments annually with an implicit interest rate of 4.50%. The County leases the following property as of September 30, 2023:

Remaining amounts to be received associated with this lease is as follows:

Year Ending September 30	Principal	Interest
2024	\$ 4,785	215
Total	<u>4,785</u>	<u>215</u>

(9) Long-term Debt.

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

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Notes to Financial Statements
For the Year Ended September 30, 2023

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
Governmental Activities:			
A. General Obligation Bonds:			
General Obligation Bonds, Series 2017	\$ 15,370,000	3.00%	06/2037
General Obligation Bonds, Series 2017	<u>20,000,000</u>	3.39%	06/2043
Total General Obligation Bonds	<u>\$ 35,370,000</u>		
B. Other Loans:			
MDA Cap Loan	\$ 3,140,093	3.00%	01/2032
Fire Station #2 Construction Loan	<u>103,734</u>	2.50%	01/2026
Total Other Loans	<u>\$ 3,243,827</u>		

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

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,845,000	1,449,444
2025	1,920,000	1,365,894
2026	1,985,000	1,278,894
2027	2,065,000	1,188,944
2028	2,145,000	1,095,344
2029-2033	11,975,000	3,977,370
2034-2038	8,890,000	1,774,027
2039-2043	<u>4,545,000</u>	<u>559,400</u>
Total	<u>\$ 35,370,000</u>	<u>12,689,317</u>

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Year Ending September 30	Other Loans	
	Principal	Interest
2024	\$ 352,297	96,247
2025	362,686	85,850
2026	344,121	75,435
2027	337,753	65,542
2028	347,885	55,409
2029-2032	1,499,085	114,093
Total	\$ <u>3,243,827</u>	<u>492,576</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2023, the amount of outstanding debt was equal to 4.33% of the latest property assessments.

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

Governmental Activities:

	Balance Oct. 1, 2022	Additions	Reductions	Balance Sept. 30, 2023	Amount due within one year
Compensated absences	\$ 1,112,663		75,668	1,036,995	-
General obligation bonds	16,210,000	20,000,000	840,000	35,370,000	1,845,000
Add:				-	
Premiums	738,411	1,900,953	147,791	2,491,573	
Leases Payable	25,622		8,471	17,151	8,491
Other loans	3,589,361		345,534	3,243,827	352,297
Total	\$ <u>21,676,057</u>	<u>21,900,953</u>	<u>1,417,464</u>	<u>42,159,546</u>	<u>2,205,788</u>

Business-type Activities:

	Balance Oct. 1, 2022	Additions	Reductions	Balance Sept. 30, 2023	Amount due within one year
Compensated absences	\$ 107,724	8,555	-	116,279	-
Total	\$ <u>107,724</u>	<u>8,555</u>	<u>-</u>	<u>116,279</u>	<u>-</u>

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, the Countywide Road Maintenance Fund, the Bridge and Culvert Fund, the Fire Department Fund, the Enhanced 911 Fund and the Garbage Collection Fund.

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

(10) Other Postemployment Benefits.

Plan Description

The Lafayette County Board of Supervisors administers the County’s health insurance plan, which is authorized by Sections 25-15-101 et seq., Miss. Code Ann.(1972). The County’s health insurance plan may be amended by the Lafayette County Board of Supervisors. The County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County’s health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan.

Funding Policy

Benefits of the Plan are provided through a fully-insured medical program with Blue Cross Blue Shield. Contributions by participating retired employees, at rates determined by Lafayette County, are required for continued participation. The employer has not contributed any amounts to finance future benefits under the Plan for either current or future retirees.

Employees hired prior to July 1, 2011 become eligible for benefits under the plan upon attainment of 25 years of service at any age, or at age 60 and vested (employees are vested with 4 years of service). It is assumed that coverage will cease for each eligible retiree and spouse upon attainment of the retiree’s age 65.

Employees hired on or after July 1, 2011 become eligible for benefits under the plan upon attainment of 30 years of service at any age, or at age 60 and vested (employees are vested with 8 years of service). It is assumed that coverage will cease for each eligible retiree and spouse upon attainment of the retiree’s age 65.

The benefits provided are identical to the medical benefits provided to active employees under the Lafayette County medical plan.

Per Section 25-15-103, Miss. Code Ann.(1972), any retired employee electing to purchase retiree health insurance must pay the full cost of the insurance premium monthly to the County.

Employees covered by benefit terms

At September 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>259</u>
Total	<u><u>271</u></u>

Total OPEB Liability

The County’s total OPEB liability of \$1,315,226 was measured as of September 30, 2023, and was determined by an actuarial valuation as of October 1, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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Notes to Financial Statements
For the Year Ended September 30, 2023

Salary increases	3%, average, including inflation
Discount rate	4.87%
Healthcare cost trend rates	6.25% for 2023, then 7.00% in 2024 graded down to 5.60% over 3 years. After the transition period, medical trend follows the Getzen Model to an ultimate rate of 4.04% in 2025.
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees

Figures or results are based on the October 1, 2023 actuarial valuation with measurement dates of September 30, 2023 and September 30, 2024.

The discount rate of 4.87% is based upon the S&P Municipal 20-Year High Grade Index as of September 30, 2023.

Mortality rates were based on the SOA PubG.H Mortality Healthy with Scale MP-2021 for the actives and healthy annuitants and SOA PubG.H Mortality Disabled with Scale MP-2021 for disabled participants.

For current retirees, actual spouse coverage information was used. For future retirees, it is assumed that 20% will cover a spouse. Actual spouse ages were used for current and future retirees where possible. If information was missing, it is assumed that males are 3 years older than female spouses.

Fully insured premium rates adjusted to fiscal year 2024 were spread over the entire population of actives and retirees with aging factors. The annual claims costs per person is \$14,400 for a male, age 65.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 09/30/22	\$ 3,158,937
Changes for the year:	
Service cost	357,080
Interest	84,073
Experience losses (gains)	(1,100,641)
Changes of assumptions	(1,128,010)
Benefits paid	(56,213)
Net changes	(1,843,711)
Balance at 09/30/23	\$ 1,315,226

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 1,426,845	\$ 1,315,226	\$ 1,213,331

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

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Notes to Financial Statements
For the Year Ended September 30, 2023

	1% <u>Decrease</u>	Current <u>Discount Rate</u>	1% <u>Increase</u>
Total OPEB Liability	\$ 1,172,074	\$ 1,315,226	\$ 1,485,157

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2023, the County recognized OPEB expense of \$147,492. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 172,244	\$ 978,348
Changes of assumptions or other inputs	-	1,451,124
Total	<u>\$ 172,244</u>	<u>\$ 2,429,472</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30:	
2024	\$ (293,661)
2025	(293,661)
2026	(293,661)
2027	(293,661)
2028	(293,661)
Thereafter	(788,923)

(11) Defined Benefit Pension Plan.

General Information about the Pension Plan

Plan Description. Lafayette 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 *Mississippi Code of 1972 Annotated Section 25-11-1 et seq.* and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

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

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Notes to Financial Statements
For the Year Ended September 30, 2023

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

Contributions. At September 30, 2023, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2023 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2023, 2022 and 2021 were \$2,483,401, \$2,217,973, and \$1,986,128, respectively, equal to the required contributions for each year.

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

At September 30, 2023, the County reported a liability of \$47,345,851 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2023 net pension liability was .188244 percent, which was based on a measurement date of June 30, 2023. This was an increase of .009095 percent from its proportionate share used to calculate the September 30, 2022 net pension liability, which was based on a measurement date of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of \$5,389,176 in the governmental activities and \$345,061 in the business-type activities for a total pension expense of \$5,734,237. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,168,170	2,542,771
Net difference between projected and actual earnings on pension plan investments	6,469,204	
Changes of assumptions	5,495,305	
Changes in the proportion and differences between actual contributions and proportionate share of contributions	4,629,960	101,474
Contributions subsequent to the measurement date	629,130	
	<u>\$ 18,391,769</u>	<u>2,644,245</u>

\$629,130 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Year ending September 30:	Amount
2024	\$ 4,883,770
2025	6,197,274
2026	4,023,273
2027	14,077
Total	\$ <u>15,118,394</u>

Actuarial Assumptions. The total pension liability as of June 30, 2023 was determined by an actuarial valuation prepared as of June 30, 2022, and by the new actuarial assumptions adopted by the Board subsequent to June 30, 2022 valuation based on the experience investigation for the four year-period ending June 30, 2023. The following actuarial assumptions are applied to all periods in the measurement:

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

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

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

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

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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

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

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

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Proportionate share of the net pension liability	\$ 61,053,675	47,345,851	36,097,058

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

(12) Contingencies.

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

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.

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

(13) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$15,398,668) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$591,272 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. The \$16,693,763 balance of the deferred outflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next 4 years. The \$2,485,126 deferred inflows of resources related to pensions at September 30, 2023, will be recognized as revenue and increase the unrestricted net position over the next 3 years.

The governmental activities' unrestricted net position amount of (\$15,398,668) includes, the effect of deferring the recognition of expenses resulting from a deferred outflow from other postemployment benefits (OPEB). The \$172,244 balance of deferred outflows of resources related to OPEB, at September 30, 2023, will be recognized as an expense and will decrease the unrestricted net position over the next 7 years.

The governmental activities' unrestricted net position amount of (\$15,398,668) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from other postemployment benefits (OPEB). The \$2,429,472 balance of deferred inflows of resources related to OPEB, at September 30, 2023, will be recognized as an revenue and will increase the unrestricted net position over the next 7 years.

The governmental activities' unrestricted net position amount of (\$15,398,668) includes the effect of deferring the recognition of revenue resulting from Leases receivable. The \$3,466 balance of deferred inflows of resources related to Leases receivable, at September 30, 2023, will be recognized as an revenue and will increase the unrestricted net position over the next year.

The business-type activities' restricted net position amount of (\$1,290,053) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$37,858 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. The \$1,068,876 balance of the deferred outflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next 4 years. The \$159,119 of deferred inflows of resources related to pensions at September 30, 2023, will be recognized in revenue over the next 3 years.

The business-type activities' restricted net position amount of (\$1,290,053) includes the effect of deferring the recognition of revenue resulting from advance payments on user fees. The \$167,900 of deferred inflows of resources related to the advance payments at September 30, 2023, will be recognized as revenue and will increase the restricted net position over the next year.

(14) Joint Ventures.

The County participates in the following joint ventures:

Lafayette County is a participant with the City of Oxford in a joint venture, authorized by Section 19-5-99, Miss. Code Ann. (1972), to operate the Lafayette-Oxford Development Association. The joint venture was created to foster, encourage and facilitate economic development in the County and is governed by a twenty-member board. One member each is appointed by the Lafayette County Board of Supervisors, the City of Oxford, the University of Mississippi, Chamber of Commerce and the business community. By contractual agreement, the County's appropriation from the General Fund this year to the joint venture amounted to \$157,000. Complete financial statements for the Lafayette-Oxford Development Association can be obtained from 299 Jackson Avenue, Oxford, MS 38655.

Lafayette County is a participant with DeSoto, Panola, Tate and Tunica counties in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the First Regional Library. The joint venture was created to provide free library service to the citizens of the respective counties. First Regional

LAFAYETTE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

Library is governed by a five-member board. Each participating County's Board of Supervisors appoints one member. The County appropriated \$514,880 this year to the joint venture. Complete financial statements for the First Regional Library can be obtained from the main office in Hernando or the Chancery Clerk's Office in DeSoto County.

(15) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Northwest Mississippi Community College operates in a district composed of the counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica and Yalobusha. The Lafayette County Board of Supervisors appoints two of the twenty three members of the College Board of Trustees. The County appropriated \$1,950,872 for the maintenance and support of the College in fiscal year 2023.

Communicare operates in a district composed of the counties of Calhoun, DeSoto, Lafayette, Marshall, Panola, Tate and Yalobusha. The Lafayette County Board of Supervisors appoints one of the seven members of the board of commissioners. The County appropriated \$89,500 for the maintenance and support of Communicare for the fiscal year 2023.

Three Rivers Planning and Development District (the District) operates in a district comprised of the counties of Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Monroe and Union. The Lafayette County Board of Supervisors appoints five of the forty members of the board of directors. The County appropriated \$33,755 for support of the District in fiscal year 2023.

Three Rivers Solid Waste Management Authority operates in a district comprised of the counties of Calhoun, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union and the cities of Aberdeen, Amory, Fulton, New Albany, Oxford, Pontotoc and Tupelo. The Lafayette County Board of Supervisors appoints one of the fourteen members of the Board of Directors. Each governmental entity is billed based on solid waste volume collected.

Northeast Mississippi Emergency Medical Services serves the counties of Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Marshall, Pontotoc, Tishomingo and Union. The Lafayette County Board of Supervisors appoints four of the thirty six members of the Board of Directors. The County appropriated \$14,828 for support in fiscal year 2023.

(16) Tax Abatements.

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

The Lafayette County Board of Supervisors negotiates property tax abatements on an individual basis. Three abatements are for 10 years, four are for five years, one for nine years and one forever. The County had tax abatement agreements with five entities as of September 30, 2023.

The county had three types of abatements. The payments in lieu of taxes is the only type of abatement that provides for the abatement of school tax levies. None of the types of tax abatements provide for the abatement of state taxes.

Section 27-31-100, 27-31-101 and 27-31-105, Miss. Code (Ann.)1972

All allowable property tax levies.

LAFAYETTE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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

All companies have tax abatements under the aforementioned statutes.

<u>Category</u>	<u>% of taxes Abated during the Fiscal Year</u>	<u>Amount of taxes Abated during the Fiscal Year</u>
Economic development projects	49.68%	\$159,074

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

(17) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the Statement of Net Position date, require disclosure in the accompanying notes. Management of Lafayette County evaluated the activity of the County through February 28, 2025 and determined that there are no additional adjustments and/or disclosures required.

LAFAYETTE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 15,159,553	15,159,553	15,770,761	611,208
Licenses, commissions and other revenue	1,192,800	1,192,800	1,301,317	108,517
Fines and forfeitures	367,500	367,500	519,191	151,691
Intergovernmental revenues	796,700	796,700	847,039	50,339
Charges for services	1,625,000	2,083,284	2,337,510	254,226
Interest income	100,400	100,400	299,355	198,955
Miscellaneous revenues	836,000	836,000	1,078,290	242,290
Total Revenues	<u>20,077,953</u>	<u>20,536,237</u>	<u>22,153,463</u>	<u>1,617,226</u>
EXPENDITURES				
Current:				
General government	10,077,805	9,685,499	8,571,287	1,114,212
Public safety	13,392,810	13,101,939	11,839,699	1,262,240
Public works	286,275	295,166	295,164	2
Health and welfare	627,625	630,797	299,715	331,082
Culture and recreation	324,409	401,509	205,392	196,117
Conservation of natural resources	129,300	129,300	111,536	17,764
Economic development and assistance	63,755	63,755	38,755	25,000
Debt service:				
Principal	300,089	300,089	300,089	0
Interest	103,206	103,206	103,205	1
Total Expenditures	<u>25,305,274</u>	<u>24,711,260</u>	<u>21,764,842</u>	<u>2,946,418</u>
Excess of Revenues over (under) Expenditures	<u>(5,227,321)</u>	<u>(4,175,023)</u>	<u>388,621</u>	<u>4,563,644</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,227,051	777,051	732,051	(45,000)
Transfers out	(2,190,431)	(2,998,764)	(2,266,713)	732,051
Total Other Financing Sources and Uses	<u>36,620</u>	<u>(2,221,713)</u>	<u>(1,534,662)</u>	<u>687,051</u>
Net Change in Fund Balance	(5,190,701)	(6,396,736)	(1,146,041)	5,250,695
Fund Balances - Beginning	<u>15,912,689</u>	<u>15,912,689</u>	<u>19,747,519</u>	<u>3,834,830</u>
Fund Balances - Ending	<u>\$ 10,721,988</u>	<u>9,515,953</u>	<u>18,601,478</u>	<u>9,085,525</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses, Commissions and Other Revenues	\$ 12,000	12,000		(12,000)
Interest income	2,000	2,000	7,105	5,105
Miscellaneous				-
Total Revenues	<u>14,000</u>	<u>14,000</u>	<u>7,105</u>	<u>(6,895)</u>
EXPENDITURES				
Current:				
General government	<u>12,000</u>	<u>12,000</u>		(12,000)
Total Expenditures	<u>12,000</u>	<u>12,000</u>	-	<u>(12,000)</u>
Excess of Revenues over (under) Expenditures	<u>2,000</u>	<u>2,000</u>	<u>7,105</u>	<u>(18,895)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Transfers out	<u>(567,529)</u>	<u>(567,529)</u>	-	<u>567,529</u>
Total Other Financing Sources and Uses	<u>(567,529)</u>	<u>(567,529)</u>	-	<u>567,529</u>
Net Change in Fund Balance	(565,529)	(565,529)	7,105	548,634
Fund Balances - Beginning	<u>1,069,766</u>	<u>1,069,766</u>	<u>1,643,494</u>	<u>573,728</u>
Fund Balances - Ending	<u>\$ 504,237</u>	<u>504,237</u>	<u>1,650,599</u>	<u>1,122,362</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	-	659,359	659,359
Interest income	30,000	30,000	63,130	33,130
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>722,489</u>	<u>692,489</u>
EXPENDITURES				
Current:				
General Government	-	1,900,000	196,139	1,703,861
Public safety	-	2,380,000	261,763	2,118,237
Public works	3,837,051	5,117,051	301,700	4,815,351
Total Expenditures	<u>3,837,051</u>	<u>9,397,051</u>	<u>759,602</u>	<u>8,637,449</u>
Excess of Revenues over (under) Expenditures	<u>(3,807,051)</u>	<u>(9,367,051)</u>	<u>(37,113)</u>	<u>9,329,938</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,660,000)	(1,100,000)	(500,000)	600,000
Total Other Financing Sources and Uses	<u>(6,660,000)</u>	<u>(1,100,000)</u>	<u>(500,000)</u>	<u>600,000</u>
Net Change in Fund Balance	(10,467,051)	(10,467,051)	(537,113)	9,929,938
Fund Balances - Beginning	10,512,051	10,512,051	10,516,632	4,581
Fund Balances - Ending	<u>\$ 45,000</u>	<u>45,000</u>	<u>9,979,519</u>	<u>9,934,519</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 2,709,575	2,709,575	2,852,859	143,284
Road and bridge privilege taxes	600,000	600,000	648,023	48,023
Intergovernmental revenues	750,000	750,000	1,007,933	257,933
Interest income	10,000	10,000	12,400	2,400
Miscellaneous revenues	10,000	10,000	139,239	129,239
Total Revenues	<u>4,079,575</u>	<u>4,079,575</u>	<u>4,660,454</u>	<u>580,879</u>
EXPENDITURES				
Current:				
Public works	<u>4,908,226</u>	<u>4,908,226</u>	<u>4,580,321</u>	<u>327,905</u>
Total Expenditures	<u>4,908,226</u>	<u>4,908,226</u>	<u>4,580,321</u>	<u>327,905</u>
Excess of Revenues over (under) Expenditures	<u>(828,651)</u>	<u>(828,651)</u>	<u>80,133</u>	<u>908,784</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	<u>(32,905)</u>	<u>(32,905)</u>	<u>(32,905)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>67,095</u>	<u>67,095</u>	<u>(32,905)</u>	<u>(100,000)</u>
Net Change in Fund Balance	(761,556)	(761,556)	47,228	808,784
Fund Balances - Beginning	<u>2,590,872</u>	<u>2,590,872</u>	<u>2,950,496</u>	<u>359,624</u>
Fund Balances - Ending	<u>\$ 1,829,316</u>	<u>1,829,316</u>	<u>2,997,724</u>	<u>1,168,408</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 3,116,380	3,116,380	3,246,954	130,574
Intergovernmental revenues	1,798,624	1,798,624	1,842,505	43,881
Interest income	8,000	8,000	23,690	15,690
Miscellaneous revenues	80,000	80,000	-	(80,000)
Total Revenues	<u>5,003,004</u>	<u>5,003,004</u>	<u>5,113,149</u>	<u>110,145</u>
EXPENDITURES				
Current:				
Public works	5,025,365	5,025,365	4,565,741	459,624
Total Expenditures	<u>5,025,365</u>	<u>5,025,365</u>	<u>4,565,741</u>	<u>459,624</u>
Excess of Revenues over (under) Expenditures	<u>(22,361)</u>	<u>(22,361)</u>	<u>547,408</u>	<u>569,769</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000,000	-	-	-
Total Other Financing Sources and Uses	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	977,639	(22,361)	547,408	569,769
Fund Balances - Beginning	<u>4,322,282</u>	<u>4,322,282</u>	<u>4,488,400</u>	<u>166,118</u>
Fund Balances - Ending	<u>\$ 5,299,921</u>	<u>4,299,921</u>	<u>5,035,808</u>	<u>735,887</u>

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

LAFAYETTE COUNTY

Schedule of the County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

For the Year Ended September 30, 2023

UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.188244%	0.179149%	0.169043%	0.160016%	0.154851%	0.144042%	0.133787%	0.126966%	0.125327%
County's proportionate share of the net pension liability (asset)	\$ 47,345,851	36,875,384	24,985,294	30,977,238	27,241,346	23,958,464	22,239,940	22,679,299	19,373,083
County's covered payroll	\$ 14,272,425	12,746,975	11,414,540	10,728,836	10,350,479	9,342,324	8,745,880	8,156,565	7,900,387
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	331.73%	289.29%	218.89%	288.73%	263.19%	256.45%	254.29%	278.05%	245.22%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

The Accompanying Notes to Required Supplementary Information are an Integral Part of This Schedule.

LAFAYETTE COUNTY
Schedule of the County Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2023
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,483,401	2,217,973	1,986,128	1,866,817	1,673,546	1,471,416	1,377,476	1,273,972	1,244,311
Contributions in relation to the contractually required contribution	<u>2,483,401</u>	<u>2,217,973</u>	<u>1,986,128</u>	<u>1,866,817</u>	<u>1,673,546</u>	<u>1,471,416</u>	<u>1,377,476</u>	<u>1,273,972</u>	<u>1,244,311</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 14,272,425	12,746,975	11,414,540	10,728,836	10,350,479	9,342,324	8,745,880	8,088,711	7,900,387
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	16.17%	15.75%	15.75%	15.75%	15.75%

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

Note A - The 2019 contributions as a percentage of covered payroll will be an average of the former contribution rate of 15.75% and the current contribution rate of 17.40%.

The Accompanying Notes to Required Supplementary Information are an Integral Part of This Schedule.

LAFAYETTE COUNTY

Schedule of the County's Changes in Total Other Post Employment Benefits Liability

Last 10 Fiscal Years*

For the Year Ended September 30, 2023

UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability					
Service Cost	\$ 357,080	348,609	\$ 328,963	\$ 322,071	\$ 306,734
Interest	84,073	74,941	67,661	60,922	54,074
Differences between expected and actual experience	(1,100,641)		258,365	-	-
Changes of assumptions	(1,128,010)		(672,671)	-	-
Benefit Payments/Refunds	(56,213)	(79,690)	(75,002)	(56,135)	(52,709)
Net change in Total OPEB Liability	\$ (1,843,711)	343,860	\$ (92,684)	\$ 326,858	\$ 308,099
Total OPEB Liability - Beginning	\$ 3,158,937	2,815,077	\$ 2,907,761	\$ 2,580,903	\$ 2,272,804
Total OPEB Liability - Ending	\$ 1,315,226	3,158,937	\$ 2,815,077	\$ 2,907,761	\$ 2,580,903
Covered employee - payroll	\$ 13,309,017	11,527,381	\$ 11,191,632	\$ 9,908,300	\$ 9,619,709
Total OPEB Liability as a percentage of covered employee - payroll	9.9%	27.4%	25.2%	29.3%	26.8%

* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2017, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

LAFAYETTE COUNTY

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

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff 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 revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	<u>Governmental Fund Types</u>				
	General Fund	Hospital Proceeds Fund	CSFRP Fund	Countywide Road Maintenance Fund	Bridge and Culvert Fund
Budget (Cash basis)	\$ (1,146,041)	7,105	(537,113)	47,228	547,408
Increase (Decrease)					
Net adjustments for revenue accruals	(81,344)		600,087	12,472	13,684
Net adjustments for expenditure accruals	(264,794)		(30,656)	160,047	(219,436)
GAAP Basis	<u>\$ (1,492,179)</u>	<u>7,105</u>	<u>32,318</u>	<u>219,747</u>	<u>341,656</u>

Pension Schedules

A. Changes of assumptions.

LAFAYETTE COUNTY

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

2015

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

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

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

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

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

2016

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

2017

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

The wage inflation assumptions was reduced from 3.75% to 3.25%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

2019

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

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

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

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

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

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

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

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

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

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

LAFAYETTE COUNTY

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

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

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

2021

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

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

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

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

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

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

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

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

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:

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

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

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

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

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

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

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

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

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

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

2023

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

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

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

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

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

LAFAYETTE COUNTY

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

The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years. The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

B. Changes in benefit provisions.

2016

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

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

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

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

OPEB Schedules

A. Changes of Assumptions.

2019

None.

2020

None.

2021

The medical trend was updated to 6.25% grading uniformly to 5.50% over 3 years and following the Getzen model thereafter.

Mortality improvement was updated to scale MP-2021.

The active spouse marriage assumption was change to 50%.

The discount rate was changed to 2.43%.

B. Changes in benefit provisions.

LAFAYETTE COUNTY

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

2019

None.

2020

None.

2021

None.

C. Actuarial methods and assumptions.

2019

Actuarial valuation method	Entry age normal
Discount method	2.14% per annum
Salary increases	3.00% per annum
Expected long-term rate of return on plan assets	Not applicable
Plan participation	90% of future eligible retirees are assumed to elect medical coverage upon retirement
Dependent coverage	For current and future retirees, actual spouse coverage information was used. Actual spouse ages were used
Age variance	Medical claims were adjusted by both age and gender based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013
Administrative expenses	Assumed to be included in the medical claim cost
Retiree contributions	Assumed to increase at the health care cost trend rate. Retirees are required to contribute 100% of the total fully insured premium rate

2021

Actuarial valuation method	Entry age normal
Discount method	2.43% per annum
Salary increases	3.00% per annum
Expected long-term rate of return on plan assets	Not applicable
Plan participation	90% of future eligible retirees are assumed to elect medical coverage upon retirement
Dependent coverage	For current retirees, actual spouse coverage information was used. For future retirees, it is assumed that 50% will cover a spouse. Actual spouse ages were used for current and future retirees where possible. If information was missing, it is assumed that males are 3 years older than female spouses.
Age variance	Medical claims were adjusted by both age and gender based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013
Administrative expenses	Assumed to be included in the medical claim cost
Retiree contributions	Assumed to increase at the health care cost trend rate. Retirees are required to contribute 100% of the total

LAFAYETTE COUNTY

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

fully insured premium rate

2023

Actuarial valuation method	Entry age normal
Discount method	4.87% per annum
Salary increases	3.00% per annum
Expected long-term rate of return on plan assets	Not applicable
Plan participation	90% of future eligible retirees are assumed to elect medical coverage upon retirement
Dependent coverage	For current retirees, actual spouse coverage information was used. For future retirees, it is assumed that 20% will cover a spouse. Actual spouse ages were used for current and future retirees where possible. If information was missing, it is assumed that males are 3 years older than female spouses.
Age variance	Medical claims were adjusted by both age and gender based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013
Administrative expenses	Assumed to be included in the medical claim cost
Retiree contributions	Assumed to increase at the health care cost trend rate. Retirees are required to contribute 100% of the total fully insured premium rate

LAFAYETTE COUNTY

SUPPLEMENTARY INFORMATION

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal ALN	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture Passed-through the Mississippi Office of the State Treasurer Forest Service Schools and Roads Cluster: Schools and Roads - Grants to States	10.665	N/A	\$ <u>80,561</u>
U.S. Department of Treasury COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (Direct Award)*	21.027	N/A	<u>1,259,602</u>
U.S. Election Assistance Commission Passed-through the Mississippi Office of the Secretary of State Election Security Grant	94.004	MVAM2023	<u>88,750</u>
U.S. Department of Homeland Security Passed-through the Mississippi Emergency Management Agency Disaster Grant-Public Assistance	97.036	4528-DR-MS	<u>27,315</u>
Total Expenditures of Federal Awards			\$ <u>1,456,228</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

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

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note C - Indirect Cost Rate

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

Note D - ALN 10.665, Schools and roads - grants to states

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$40,280 to subrecipients during the year ended September 30, 2023

Note E

After a Presidentially declared disaster, FEMA provides Disaster grants public assistance (Presidentially declared disasters)(ALN 97.036) to reimburse eligible costs associated with repair, replacement or restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. In fiscal year 2023, FEMA approved \$27,315 of federal expenditures related to event 4528-DR-MS. These expenditures were incurred prior to the year ended September 30, 2023. These approved eligible expenditures are included on the SEFA for the year ended September 30, 2023.

LAFAYETTE COUNTY

OTHER INFORMATION

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

Name	Position	Company	Bond
Brent Larson	Supervisor District 1	Western Surety	100,000
Larry J. Gillespie, II	Supervisor District 2	Western Surety	100,000
David Rikard	Supervisor District 3	Western Surety	100,000
Chad McLarty	Supervisor District 4	Western Surety	100,000
Mike Roberts	Supervisor District 5	Western Surety	100,000
Sherry Wall	Chancery Clerk	Western Surety	100,000
Lisa Carwyle	County Administrator	Western Surety	100,000
Sylvia Baker	Tax Collector/Assessor	Western Surety	100,000
Alta Byrd	Deputy Tax Assessor	Western Surety	10,000
Cynthia Jackson	Deputy Tax Assessor	Western Surety	10,000
Stephanie Mills	Deputy Tax Assessor	Western Surety	10,000
Kristy Bishop Hollowell	Deputy Tax Collector	Western Surety	50,000
Sophia Sawin	Deputy Tax Collector	Western Surety	50,000
Mary McCain	Deputy Tax Collector	Western Surety	50,000
Shelia B. Kelly	Deputy Tax Collector	Western Surety	50,000
Spenser Rhea Russell	Deputy Tax Collector	Western Surety	50,000
Kelly Presley Smith	Deputy Tax Collector	Western Surety	50,000
Kori Cupps	Deputy Tax Collector	Western Surety	50,000
Jasmine Rucker	Deputy Tax Collector	Western Surety	50,000
Lane Martin	Deputy Tax Collector	Western Surety	10,000
Stephaine Mills	Deputy Tax Collector	Western Surety	10,000
Jeffrey Busby	Circuit Clerk	Western Surety	100,000
Chyna Madonna Sinervo	Deputy Circuit Clerk	Western Surety	50,000
Caryn Beth Rasberry	Deputy Circuit Clerk	Western Surety	50,000
Lasonja Pettis	Deputy Circuit Clerk	Western Surety	50,000
Katreena Thompson	Deputy Circuit Clerk	Western Surety	50,000
Katrina Colston	Deputy Circuit Clerk	Western Surety	50,000
Barbara Dunn	Deputy Circuit Clerk	Western Surety	50,000
Lauren Byrd	Deputy Circuit Clerk	Western Surety	50,000
Teresa Blair	Deputy Circuit Clerk	Western Surety	50,000
Joseph B. East	Sheriff	Western Surety	100,000
Lisa Carwyle	Purchase Clerk	Western Surety	100,000
Jamie Rose	Assistant Purchase Clerk	Western Surety	50,000
Anne Marie Conerly	Assistant Purchase Clerk	Western Surety	50,000
Anthony Hudson	Receiving Clerk	Western Surety	75,000
Alicia Watts	Assistant Receiving Clerk	Western Surety	50,000
Ashley Russell	Assistant Receiving Clerk	Western Surety	50,000
Carrie Reynolds Taylor	Assistant Receiving Clerk	Western Surety	50,000
Fonda Kannada	Assistant Receiving Clerk	Western Surety	50,000
Mary Ann Pettis	Assistant Receiving Clerk	Western Surety	50,000
Stacie Vanlandingham	Assistant Receiving Clerk	Western Surety	50,000
Lisa Carwyle	Inventory Control Clerk	Western Surety	100,000
Anne Marie Conerly	Assistant Inventory Clerk	Western Surety	50,000
Joseph Bynum	Road Manager	Western Surety	50,000
Kenneth Drewrey	Constable	Western Surety	50,000
Gregory Pettis	Constable	Western Surety	50,000
Jack E. Theobald, II	Constable	Western Surety	50,000
Christopher Smith	Constable	Western Surety	50,000
Mickey Avent	Justice Court Judge	Western Surety	50,000
Carolyn Bell	Justice Court Judge	Western Surety	50,000
Johnny Wayne McLarty	Justice Court Judge	Travelers Casualty & Surety	50,000
Sherrita Harris	Justice Court Clerk	Western Surety	50,000
Angel Boles	Deputy Justice Court Clerk	Western Surety	50,000
Eulana Beavers	Deputy Justice Court Clerk	Western Surety	50,000
Laci Frye	Deputy Justice Court Clerk	Western Surety	50,000
Courtney Hickinbottom	Deputy Justice Court Clerk	Western Surety	50,000
Mary Pettis	Deputy Justice Court Clerk	Western Surety	50,000

LAFAYETTE 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
Lafayette County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lafayette County, Mississippi (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 28, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lafayette County, Mississippi's internal control over financial reporting (internal control) as a basis for designing 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 Lafayette County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lafayette County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of

noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Lafayette County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated February 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
February 28, 2025



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

Members of the Board of Supervisors
Lafayette County, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Lafayette County, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Lafayette County, Mississippi's major federal program for the year ended September 30, 2023. Lafayette County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on the Major Federal Program

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

We are required to be independent of Lafayette County, Mississippi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Lafayette County, Mississippi's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lafayette County Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lafayette County, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Lafayette County, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
February 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, *MISSISSIPPI CODE OF 1972 ANNOTATED*)

Members of the Board of Supervisors
Lafayette County, Mississippi

We have examined Lafayette County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, *Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with bid requirements of Section 31-7-13, *Mississippi Code of 1972 Annotated* during the year ended September 30, 2023. The Board of Supervisors of Lafayette 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 Lafayette County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

In our opinion, Lafayette County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2023.

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

This report is intended for use in evaluating Lafayette 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
February 28, 2025

LAFAYETTE COUNTY
Schedule of Purchases From Other Than the Lowest Bidder
For the Year Ended September 30, 2023

Schedule 1

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

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

Schedule 2

Our tests did not identify any emergency purchases.

LAFAYETTE COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively from a Sole Source

For the Year Ended September 30, 2023

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
10/18/2022	Cardiac monitors	162,444.78	Zoll
10/18/2022	CPR devices	86,083.35	Stryker Medical
10/18/2022	Airtag Video	6,757.70	Mercury Medical
10/31/2022	Virtual training simulation	33,850.00	Inveris Training Solutions
4/5/2023	Poll scanners and tabulators	88,750.00	Election Systems & Software
9/29/2023	Automated arm for garbage truck	53,157.00	Sansom Equipment



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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
 Lafayette County, Mississippi

In planning and performing our audit of the financial statements of Lafayette County, Mississippi for the year ended September 30, 2023, we considered Lafayette 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 Lafayette 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 February 28, 2025, on the financial statements of Lafayette 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, *Mississippi Code of 1972 Annotated*, 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 and Employees should ensure compliance with state law over surety bonding requirements.

Repeat Finding Yes; 2021-2; 2022-1

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.”

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

- One (1) deputy tax collector, one (1) deputy tax assessor, one (1) deputy justice court clerk, and one (1) deputy circuit court clerk were not bonded for the entire period

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 The County has implemented a checklist with the payroll clerk to ensure a bond application is completed for any position requiring a bond and submitted to the Chancery Clerk and County Administrator.

Inventory Clerk

2. The Inventory Clerk Should Ensure that the Annual Inventory is Completed and Filed with the Clerk of the Board.

Repeat Finding Yes; 2021-3; 2022-2

Criteria *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."

Condition During the course of our test work, we noted that the annual inventory had not been conducted.

Cause The Inventory Clerk did not provide a report of the annual inventory to the Clerk of the Board.

Effect 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.

Recommendation 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.

Response The inventory clerk has performed annual inventory in the past but will make sure a copy is provided to the Clerk of the Board and filed with the Office of the State Auditor.

Jail Administrator

3.	<u>No bank reconciliation of the Inmate Account</u>
Repeat Finding	Yes; 2021-4; 2022-3
Criteria	An effective system of internal controls requires bank reconciliations to be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
Condition	During the course of our test work we found that bank reconciliations had not been prepared for the Inmate Account.
Cause	An effective system of internal controls has not been properly implemented to include reconciliations of the account.
Effect	Not completing the bank reconciliation results in a weakness in the system of internal controls over cash.
Recommendation	The management of the Lafayette County Detention Center 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.
Response	As of January 2024, the jail has opened a new bank account for the inmate account and is reconciling it monthly. The accounting staff at the jail is working to reconcile what is possible to account for the old bank account.

Lafayette 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, 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
February 28, 2025

LAFAYETTE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

LAFAYETTE COUNTY

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

Section 1: Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

- | | | |
|-----|---|---------------|
| 4. | Internal control over major federal programs: | |
| | a. Material weakness identified? | No |
| | b. Significant deficiency identified? | None reported |
| 5. | Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 6. | Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. | Identification of major federal programs: | |
| | a. ALN 21.027, Coronavirus State and Local Fiscal Recovery Funds | |
| 8. | Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. | Auditee qualified as low-risk auditee? | No |
| 10. | Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.516(b)? | 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*.

Section 3: Federal Award Findings and Questioned Costs

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