

LAUDERDALE COUNTY, MISSISSIPPI

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



SHAD WHITE

STATE AUDITOR

Jeff Goodwin, CPA
Director, Financial and Compliance Audit Division

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR**

Shad White
AUDITOR

April 8, 2025

Members of the Board of Supervisors
Lauderdale County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2023 financial and compliance audit report for Lauderdale County. This audit was performed pursuant to *Section 7-7-211(e), Mississippi Code Annotated (1972)*. The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

I appreciate the cooperation and courtesy extended by the officials and employees of Lauderdale County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Lauderdale County. If I or this office can be of any further assistance, please contact me or Joe McKnight of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shad White", is written over a horizontal line.

Shad White

LAUDERDALE COUNTY

TABLE OF CONTENTS

FINANCIAL SECTION	1
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	7
Statement of Net Position	9
Statement of Activities	11
Balance Sheet - Governmental Funds	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	15
Statement of Net Position - Proprietary Fund	18
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund.....	19
Statement of Cash Flows - Proprietary Fund	20
Statement of Fiduciary Net Position	21
Statement of Changes in Fiduciary Net Position	22
Notes to Financial Statements	23
REQUIRED SUPPLEMENTARY INFORMATION	49
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – General Fund	51
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – ARPA \$10M General Fund	52
Schedule of the County's Proportionate Share of the Net Pension Liability	53
Schedule of County Contributions.....	54
Schedule of the Metro Ambulance's Proportionate Share of the Net Pension Liability	55
Schedule of Metro Ambulance's Contributions	56
Notes to the Required Supplementary Information	57
SUPPLEMENTARY INFORMATION.....	61
Schedule of Expenditures of Federal Awards	63
OTHER INFORMATION	65
Schedule of Surety Bonds for County Officials	67
SPECIAL REPORTS	69
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	71
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance	73
Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required By <i>Section 31-7-115,</i> <i>Mississippi Code of 1972 Annotated</i>)	77
Limited Internal Control and Compliance Review Management Report.....	85
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	91
AUDITEE'S CORRECTIVE ACTION PLAN AND AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	97

LAUDERDALE COUNTY

FINANCIAL SECTION

LAUDERDALE COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR**

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Lauderdale County, Mississippi

Report on the Audit of the Financial Statements

Adverse and Unmodified 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 Lauderdale County, Mississippi, (the County) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Adverse Opinion on Aggregate Discretely Presented Component Units

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

Unmodified Opinions on Governmental Activities, Business-type Activities, Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Lauderdale 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 principle generally accepted in the United States of America.

We did not audit the financial statements of the Metro Ambulance Enterprise Fund, a blended component unit, which represents 100 percent of the assets, net position, and revenues of the major enterprise fund and the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Metro Ambulance Enterprise Fund, a blended component unit, is based solely on the report of the other auditors.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in

accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified opinions.

Matter Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

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

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 Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions, the Schedule of Metro Ambulance's Proportionate Share of the Net Pension Liability, and the Schedule of Metro Ambulance's 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 and other auditors 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.

Omission of Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lauderdale 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 relates 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 April 8, 2025 on our consideration of Lauderdale 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 Lauderdale 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 Lauderdale County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 8, 2025

LAUDERDALE COUNTY

FINANCIAL STATEMENTS

LAUDERDALE COUNTY

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LAUDERDALE COUNTY
Statement of Net Position
September 30, 2023

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash	\$ 54,612,194	830,912	55,443,106
Property tax receivable	32,454,844		32,454,844
Accounts receivable (net of allowance for uncollectibles of \$865,451)	434,652	894,832	1,329,484
Fines receivable (net of allowance for uncollectibles of \$7,707,084)	620,833		620,833
Lease receivable	504,241		504,241
Intergovernmental receivables	2,733,598		2,733,598
Other receivables	314,549		314,549
Internal balances	(1,762)	1,762	
Inventories and prepaid items		76,402	76,402
Right-of-use lease asset		56,355	56,355
Capital assets:			
Land and construction in progress	60,923,689		60,923,689
Other capital assets, net	101,287,760	503,884	101,791,644
Total Assets	253,884,598	2,364,147	256,248,745
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	11,402,464	3,036,145	14,438,609
Deferred amount on refunding	504,928		504,928
Total Deferred Outflows of Resources	11,907,392	3,036,145	14,943,537
LIABILITIES			
Claims payable	5,276,912		5,276,912
Intergovernmental payables	3,489,394		3,489,394
Accrued interest payable	697,215		697,215
Unearned revenue	9,338,162	283,385	9,621,547
Amounts held in custody for others	657,390		657,390
Other payables	488,182	146,274	634,456
Long-term liabilities			
Due within one year:			
Capital debt	5,552,776		5,552,776
Non-capital debt	217,845		217,845
Lease liabilities		17,727	17,727
Due in more than one year:			
Capital debt	73,283,927		73,283,927
Non-capital debt	1,018,968	157,465	1,176,433
Net pension liability	50,364,512	10,513,252	60,877,764
Lease liabilities		38,764	38,764
Total Liabilities	150,385,283	11,156,867	161,542,150
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions		1,135,437	1,135,437
Deferred inflows related to leases	491,936		491,936
Deferred revenues - property taxes	32,454,844		32,454,844
Total Deferred Inflows of Resources	32,946,780	1,135,437	34,082,217

LAUDERDALE COUNTY
Statement of Net Position
September 30, 2023

Exhibit 1 - Cont'd

	Primary Government		Total
	Governmental Activities	Business-type Activities	
NET POSITION			
Net investment in capital assets	83,879,674	447,393	84,327,067
Restricted for:			
Expendable:			
General government	11,159,417		11,159,417
Public safety	1,135,906		1,135,906
Public works	10,233,599		10,233,599
Culture and recreation	359,024		359,024
Economic development and assistance	676,789		676,789
Debt service	6,394,668		6,394,668
Unrestricted	<u>(31,379,150)</u>	<u>(7,339,405)</u>	<u>(38,718,555)</u>
Total Net Position	<u>\$ 82,459,927</u>	<u>(6,892,012)</u>	<u>75,567,915</u>

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 14,467,723	5,230,845	603,003	9,998	(8,623,877)		(8,623,877)
Public safety	14,926,974	1,169,512	1,573,579	100,000	(12,083,883)		(12,083,883)
Public works	16,471,677	1,374,816	3,907,866	7,996,787	(3,192,208)		(3,192,208)
Health and welfare	622,367		163,243		(459,124)		(459,124)
Culture and recreation	588,004		48,800		(539,204)		(539,204)
Conservation of natural resources	123,713				(123,713)		(123,713)
Economic development and assistance	2,960,140		1,827,713	91,488	(1,040,939)		(1,040,939)
Interest on long-term debt	2,615,905				(2,615,905)		(2,615,905)
Fiscal agents' fees	17,550				(17,550)		(17,550)
Pension expense	7,423,801				(7,423,801)		(7,423,801)
Total Governmental Activities	<u>60,217,854</u>	<u>7,775,173</u>	<u>8,124,204</u>	<u>8,198,273</u>	<u>(36,120,204)</u>		<u>(36,120,204)</u>
Business-type activities:							
Metro Ambulance	10,107,124	8,541,206				(1,565,918)	(1,565,918)
Total Business-type Activities	<u>10,107,124</u>	<u>8,541,206</u>	<u>0</u>	<u>0</u>		<u>(1,565,918)</u>	<u>(1,565,918)</u>
Total Primary Government	<u>\$ 70,324,978</u>	<u>16,316,379</u>	<u>8,124,204</u>	<u>8,198,273</u>	<u>(36,120,204)</u>	<u>(1,565,918)</u>	<u>(37,686,122)</u>
General revenues:							
Property taxes					\$ 32,677,391	38,521	32,715,912
In lieu taxes - Silicon Ranch					320,086		320,086
Road & bridge privilege taxes					834,200		834,200
Grants and contributions not restricted to specific programs					1,451,536		1,451,536
Unrestricted interest income					1,254,959	733	1,255,692
Miscellaneous					1,499,881	187,804	1,687,685
Total General Revenues					<u>38,038,053</u>	<u>227,058</u>	<u>38,265,111</u>
Changes in Net Position					1,917,849	(1,338,860)	578,989
Net Position - Beginning					<u>80,542,078</u>	<u>(5,553,152)</u>	<u>74,988,926</u>
Net Position - Ending					<u>\$ 82,459,927</u>	<u>(6,892,012)</u>	<u>75,567,915</u>

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

LAUDERDALE COUNTY
Balance Sheet - Governmental Funds
September 30, 2023

Exhibit 3

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	ARPA \$10M General Fund	Combined GO Debt Fund	Series 2022 S/O Bond Fund		
ASSETS						
Cash and cash equivalents	\$ 12,558,047	5,356,774	6,584,778	10,237,809	19,874,786	54,612,194
Property tax receivable	17,984,052		6,332,220		8,138,572	32,454,844
Accounts receivable (net of allowance for uncollectibles of \$865,451)					434,652	434,652
Fines receivable (net of allowance for uncollectibles of \$7,707,084)	620,833					620,833
Lease receivable					504,241	504,241
Intergovernmental receivable	784,485				1,949,113	2,733,598
Other receivables	291,076				23,473	314,549
Due from other funds	1,600,000	414,988	308,245		519,921	2,843,154
Advances to other funds	835,325					835,325
Total Assets	\$ 34,673,818	5,771,762	13,225,243	10,237,809	31,444,758	95,353,390
LIABILITIES						
Liabilities:						
Claims payable	\$ 1,095,630	554,306		1,703,810	1,923,166	5,276,912
Intergovernmental payables	3,361,527					3,361,527
Due to other funds	1,368,508				1,604,275	2,972,783
Advances from other funds					835,325	835,325
Unearned revenue		5,217,456			4,120,706	9,338,162
Amounts held in custody for others	657,390					657,390
Other payables	488,182					488,182
Total Liabilities	6,971,237	5,771,762	0	1,703,810	8,483,472	22,930,281
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	17,984,052		6,332,220		8,138,572	32,454,844
Leases					491,936	491,936
Unavailable revenue - accounts receivable					434,652	434,652
Unavailable revenue - fines	620,833					620,833
Total Deferred Inflows of Resources	18,604,885	0	6,332,220	0	9,065,160	34,002,265

LAUDERDALE COUNTY
 Balance Sheet - Governmental Funds
 September 30, 2023

Exhibit 3 - Cont'd

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	ARPA \$10M General Fund	Combined GO Debt Fund	Series 2022 S/O Bond Fund		
Fund balances:						
Nonspendable:						
Advances	835,325					835,325
Restricted for:						
General government				8,533,999	2,625,418	11,159,417
Public safety					1,135,906	1,135,906
Public works					9,798,947	9,798,947
Culture and recreation					359,024	359,024
Economic development and assistance					676,789	676,789
Debt service			6,893,023		198,860	7,091,883
Committed to:						
Public safety					92,907	92,907
Assigned to:						
Public safety					81,142	81,142
Unassigned	8,262,371				(1,072,867)	7,189,504
Total Fund Balances	<u>9,097,696</u>	<u>0</u>	<u>6,893,023</u>	<u>8,533,999</u>	<u>13,896,126</u>	<u>38,420,844</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 34,673,818</u>	<u>5,771,762</u>	<u>13,225,243</u>	<u>10,237,809</u>	<u>31,444,758</u>	<u>95,353,390</u>

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

LAUDERDALE COUNTY

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2023

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 38,420,844
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 \$113,469,898.	162,211,449
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,055,485
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(80,073,516)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(50,364,512)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(697,215)
Deferred amount on refunding	504,928
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	<u>11,402,464</u>
Total Net Position - Governmental Activities	<u>\$ 82,459,927</u>

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

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

Exhibit 4

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	ARPA \$10M General Fund	Combined GO Debt Fund	Series 2022 S/O Bond Fund		
REVENUES						
Property taxes	\$ 17,903,974		6,456,248		8,317,169	32,677,391
In lieu taxes - Silicon Ranch	320,086					320,086
Road and bridge privilege taxes					834,200	834,200
Licenses, commissions, and other revenue	1,237,964		478		154,377	1,392,819
Fines and forfeitures	1,019,965				164,931	1,184,896
Intergovernmental revenues	1,883,500	5,134,714	53,837		10,701,962	17,774,013
Charges for services	2,650,741				2,197,985	4,848,726
Interest income	523,546		91,386	239,283	400,744	1,254,959
Miscellaneous revenues	825,479				593,260	1,418,739
Total Revenues	26,365,255	5,134,714	6,601,949	239,283	23,364,628	61,705,829
EXPENDITURES						
Current:						
General government	13,209,788	86,442		16,258,566	2,308,774	31,863,570
Public safety	12,178,017	331,317			3,569,056	16,078,390
Public works		3,489,731			17,116,968	20,606,699
Health and welfare	592,344				23,672	616,016
Culture and recreation	171,863	187,236			1,151,284	1,510,383
Conservation of natural resources	122,041					122,041
Economic development and assistance	125,495				2,264,578	2,390,073
Debt service:						
Principal	332,183				6,394,542	6,726,725
Interest	9,263				2,568,468	2,577,731
Fiscal agents' fees					17,550	17,550
Total Expenditures	26,740,994	4,094,726	0	16,258,566	35,414,892	82,509,178
 Excess of Revenues over (under) Expenditures	 (375,739)	 1,039,988	 6,601,949	 (16,019,283)	 (12,050,264)	 (20,803,349)

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

Exhibit 4 - Cont'd

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	ARPA \$10M General Fund	Combined GO Debt Fund	Series 2022 S/O Bond Fund		
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	16,210				149,531	165,741
Transfers in	313,269			7,110	12,394,934	12,715,313
Transfers out	(1,502,328)	(1,039,988)	(8,336,431)		(1,836,566)	(12,715,313)
Total Other Financing Sources and Uses	(1,172,849)	(1,039,988)	(8,336,431)	7,110	10,707,899	165,741
Net Changes in Fund Balances	(1,548,588)	0	(1,734,482)	(16,012,173)	(1,342,365)	(20,637,608)
Fund Balances - Beginning	10,646,284	0	8,627,505	24,546,172	15,238,491	59,058,452
Fund Balances - Ending	\$ 9,097,696	0	6,893,023	8,533,999	13,896,126	38,420,844

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

LAUDERDALE COUNTY

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

Exhibit 4-1

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (20,637,608)
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 \$25,059,920 exceeded depreciation of \$4,565,744 in the current period.	20,494,176
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 \$81,142 and the proceeds from the sale of \$165,741 in the current period.	(84,599)
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.	332,830
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	15,902
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 of debt repayments of \$6,726,725.	6,726,725
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
The amount of increase in compensated absences liability.	(1,248)
The amount of increase in accrued interest payable.	(65,738)
The amortization of general obligation bond premium.	201,401
The amortization of refunding bond premium.	39,974
The amortization of deferred refunding charges.	(213,811)
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	(7,423,801)
Recording of contributions made during the year	<u>2,533,646</u>
Change in Net Position of Governmental Activities	\$ <u>1,917,849</u>

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

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

Exhibit 5

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Metro Ambulance</u>
ASSETS	
Current assets:	
Cash	\$ 830,912
Accounts receivable	894,832
Due from other funds	1,762
Inventories and prepaid items	76,402
Right-of-use lease asset	56,355
Total Current Assets	<u>1,860,263</u>
Noncurrent assets:	
Other capital assets, net	503,884
Total Noncurrent Assets	<u>503,884</u>
Total Assets	<u>2,364,147</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	3,036,145
Total Deferred Outflows of Resources	<u>3,036,145</u>
 LIABILITIES	
Current liabilities:	
Unearned revenue	283,385
Other payables	146,274
Lease liabilities	17,727
Total Current Liabilities	<u>447,386</u>
Noncurrent liabilities:	
Capital debt:	
Lease liabilities	38,764
Non-capital debt:	
Compensated absences payable	157,465
Net pension liability	10,513,252
Total Noncurrent Liabilities	<u>10,709,481</u>
Total Liabilities	<u>11,156,867</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	1,135,437
Total Deferred Inflows of Resources	<u>1,135,437</u>
 NET POSITION	
Net investment in capital assets	447,393
Unrestricted	(7,339,405)
Total Net Position	<u>\$ (6,892,012)</u>

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

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

Exhibit 6

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Metro Ambulance</u>
Operating Revenues	
Charges for services	\$ 8,541,206
Total Operating Revenues	<u>8,541,206</u>
Operating Expenses	
Personal services	4,739,155
Contractual services	422,461
Materials and supplies	2,381,155
Depreciation expense	191,810
Indirect administrative cost	594,702
Miscellaneous	64,625
Pension expense	1,708,107
Total Operating Expenses	<u>10,102,015</u>
Operating Income (Loss)	<u>(1,560,809)</u>
Nonoperating Revenues (Expenses)	
Property taxes	38,521
Interest income	733
Loss on sale of capital assets	(4,803)
Interest expense	(306)
Other income (expenses)	187,804
Net Nonoperating Revenue (Expenses)	<u>221,949</u>
Changes in Net Position	(1,338,860)
Net Position - Beginning	<u>(5,553,152)</u>
Net Position - Ending	<u>\$ (6,892,012)</u>

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

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

Exhibit 7

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Metro Ambulance</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 8,749,895
Payments to suppliers	(2,862,454)
Payments to employees	(5,852,242)
Net Cash Provided (Used) by Operating Activities	<u>35,199</u>
Cash Flows From Noncapital Financing Activities	
Other grants received	318
Intergovernmental grants received	90,000
Cash received from property taxes	38,521
Cash received from (paid to) other funds:	
Operating transfers out	(1,762)
Loans from other funds	476
Interfund loan repayments	3
Interest expense	(306)
Other noncapital financing activities	102,286
Net Cash Provided (Used) by Noncapital Financing Activities	<u>229,536</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	(20,338)
Loss on disposal of asset	(4,803)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(25,141)</u>
Cash Flows From Investing Activities	
Interest and dividends on investments	733
Net Cash Provided (Used) by Investing Activities	<u>733</u>
Net Increase (Decrease) in Cash and Cash Equivalents	240,327
Cash and Cash Equivalents at Beginning of Year	<u>590,585</u>
Cash and Cash Equivalents at End of Year	<u>\$ 830,912</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (1,560,809)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	191,810
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	136,930
(Increase) decrease in other receivables	95
(Increase) decrease in inventories and prepaid items	71,664
Increase (decrease) in right-of-use lease asset	(56,355)
Increase (decrease) in other payables	3,286
Increase (decrease) in lease liabilities	56,491
Increase (decrease) in unearned revenue	7,232
Increase (decrease) in compensated absences liability	(3,062)
Increase (decrease) in net pension liability, deferred outflows/inflows (net)	1,187,917
Total Adjustments	<u>1,596,008</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 35,199</u>

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

LAUDERDALE COUNTY
Statement of Fiduciary Net Position
September 30, 2023

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 78,919
Receivables:	
Due from other funds	<u>127,867</u>
Total Assets	<u><u>206,786</u></u>
LIABILITIES	
Intergovernmental payables	<u>127,867</u>
Total Liabilities	<u><u>127,867</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	78,919
Total Net Position	\$ <u><u>78,919</u></u>

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

LAUDERDALE 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	\$ 1,515,600
Licenses and fees collected for State	116
In lieu taxes - Silicon Ranch	13,348
Other taxes and fees collected for other governments	699,648
Total Additions	<u>2,228,712</u>
DEDUCTIONS	
Payments of tax to other governments	1,515,600
Payments of licenses and fees collected for State	19,583
Payments of in lieu taxes - Silicon Ranch	13,348
Payments of other taxes and fees	699,648
Total Deductions	<u>2,248,179</u>
Net increase (decrease) in fiduciary net position	(19,467)
Net Position - Beginning	<u>98,386</u>
Net Position - Ending	<u>\$ 78,919</u>

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

LAUDERDALE COUNTY

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Lauderdale 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 Lauderdale County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

Management has chosen to omit from these financial statements the following component units which have significant operational or financial relationship(s) with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary for reporting in accordance with accounting principles generally accepted in the United States of America.

- Meridian-Lauderdale County Public Library
- Lauderdale County Tourism Commission

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

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

B. Individual Component Unit Disclosures.

Blended Component Unit

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, this component unit is reported as if it is part of the primary government. The following component unit's balances and transactions are blended with the balances and transactions of the primary government.

Section 41-59-61 of the Mississippi Code of 1972 Annotated created the Lauderdale County Emergency Medical Service District (Metro Ambulance) which provides emergency medical and patient transporting service in the Lauderdale County area. The Board of Supervisors serves as the board of Metro Ambulance. Metro Ambulance is reported as an enterprise fund in the County's financial statements.

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.

LAUDERDALE 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 blended component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

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 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

LAUDERDALE COUNTY

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

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.

ARPA \$10M General Fund - This fund is used to account for \$10,000,000 of the American Rescue Plan Act of 2021 (ARPA) monies that were set aside by the Board of Supervisors to spend on "provision of government services" during the period of performance.

Combined GO Debt Fund - This fund is used to account for specific debt service revenue resources and debt service payments that are restricted by individual instrument purpose.

Series 2022 S/O Bond Fund - This fund is used to account for resources accumulated and used for the payment of long-term debt principal, interest and related costs of borrowing for road, bridge and building projects.

The County reports the following major Enterprise Fund:

Metro Ambulance Fund - This fund is used to account for monies from specific revenues of emergency medical and patient transporting services in the Lauderdale County area.

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.

PROPRIETARY FUND TYPE

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the County has decided that periodic determination of 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.

LAUDERDALE COUNTY

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

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 interfund 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. Interfund 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. Inventories and Prepaid Items.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in/first-out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items, such as prepaid insurance, are not reported for Governmental Fund Types since the costs of such items are accounted for as expenditures in the period of acquisition.

J. 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

LAUDERDALE 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

K. 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 amount on refunding - For current refunding's and advance refunding's resulting in defeasance of debt reported by governmental activities, business type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred outflows related to pensions - This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County and the Metro Ambulance Enterprise Fund, a blended component unit of the County, participate. See Note 9 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 be recognized as an inflow of resources (revenue) until that time.

LAUDERDALE COUNTY

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

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.

Unavailable revenue – accounts receivable - When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until 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 and Metro Ambulance Enterprise Fund, a blended component unit of the County, participate. See Note 9 for additional details.

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

L. 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.

M. Long-term Liabilities.

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

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable 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.

In the fund financial statements, Governmental Fund Types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

LAUDERDALE 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. 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.

P. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

LAUDERDALE COUNTY

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

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.

Committed fund balance includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the County's highest level of decision-making authority. This formal action is an order of the Board of Supervisors as approved in the board minutes.

Assigned fund balance includes amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the County Administrator pursuant to authorization established by the County.

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.

Q. 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.

LAUDERDALE 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 collectibility criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

R. 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.

S. 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) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2023, was \$55,522,025, and the bank balance was \$58,255,365. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by *Section 27-105-5, Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

(3) Interfund Transactions and Balances.

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

LAUDERDALE COUNTY

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

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 1,600,000
ARPA \$10M General Fund	General Fund	414,988
Combined GO Debt Fund	General Fund	308,245
Other Governmental Funds	General Fund	515,646
Other Governmental Funds	Other Governmental Funds	4,275
Metro Ambulance Fund	General Fund	1,762
Custodial Funds	General Fund	127,867
Total		\$ 2,972,783

The majority of the receivables represent the tax revenue collected in September, 2023, but not settled until October, 2023. All other receivables were to account for state grants. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 835,325

The purpose of the advances was to provide operating loans for cash flow and grant reimbursements. None of the advances are expected to be repaid within one year from the date of the financial statements.

C. Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	ARPA \$10M General Fund	\$ 301,500
General Fund	Other Governmental Funds	11,769
Series 2022 S/O Bond Fund	Other Governmental Funds	7,110
Other Governmental Funds	General Fund	1,502,328
Other Governmental Funds	ARPA \$10M General Fund	738,488
Other Governmental Funds	Combined GO Debt Fund	8,336,431
Other Governmental Funds	Other Governmental Funds	1,817,687
Total		\$ 12,715,313

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

(4) Intergovernmental Receivables.

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

LAUDERDALE COUNTY

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

Description	Amount
Governmental Activities:	
Legislative tax credit	\$ 599,364
Reimbursement for housing prisoners	25,714
ERBR - Dale Drive reimbursement	1,089,764
NAS Meridian Wildlife fence reimbursement	602,354
Various reimbursement grants	<u>416,402</u>
 Total Governmental Activities	 <u>\$ 2,733,598</u>

(5) Capital Assets.

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

Governmental activities:

	Balance Oct. 1, 2022	Additions	Deletions	Adjustments*	Balance Sept. 30, 2023
<u>Non-depreciable capital assets:</u>					
Land	\$ 23,372,028				23,372,028
Construction in progress	<u>32,622,435</u>	<u>20,751,913</u>		<u>(15,822,687)</u>	<u>37,551,661</u>
Total non-depreciable capital assets	<u>55,994,463</u>	<u>20,751,913</u>	<u>0</u>	<u>(15,822,687)</u>	<u>60,923,689</u>
<u>Depreciable capital assets:</u>					
Infrastructure	119,986,153			3,608,842	123,594,995
Buildings	39,008,372			10,658,662	49,667,034
Improvements other than buildings	10,418,494			1,367,947	11,786,441
Mobile equipment	20,841,917	2,782,235	820,712		22,803,440
Furniture and equipment	<u>5,217,997</u>	<u>1,525,772</u>	<u>25,257</u>	<u>187,236</u>	<u>6,905,748</u>
Total depreciable capital assets	<u>195,472,933</u>	<u>4,308,007</u>	<u>845,969</u>	<u>15,822,687</u>	<u>214,757,658</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	71,769,979	1,325,052			73,095,031
Buildings	14,754,038	975,253			15,729,291
Improvements other than buildings	4,051,352	423,206			4,474,558
Mobile equipment	15,136,946	1,163,223	738,639		15,561,530
Furniture and equipment	<u>3,953,209</u>	<u>679,010</u>	<u>22,731</u>		<u>4,609,488</u>
Total accumulated depreciation	<u>109,665,524</u>	<u>4,565,744</u>	<u>761,370</u>	<u>0</u>	<u>113,469,898</u>
Total depreciable capital assets, net	<u>85,807,409</u>	<u>(257,737)</u>	<u>84,599</u>	<u>15,822,687</u>	<u>101,287,760</u>
Governmental activities capital assets, net	<u>\$ 141,801,872</u>	<u>20,494,176</u>	<u>84,599</u>	<u>0</u>	<u>162,211,449</u>

LAUDERDALE COUNTY

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

Business-type activities:

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023
<u>Depreciable capital assets:</u>				
Furniture, fixtures and equipment	\$ 1,480,982	20,338	297,046	1,204,274
Leasehold improvements	381,749			381,749
Ambulances	1,657,227		72,121	1,585,106
	<u>3,519,958</u>	<u>20,338</u>	<u>369,167</u>	<u>3,171,129</u>
<u>Less accumulated depreciation for:</u>				
Furniture, fixtures and equipment	1,028,897	137,958	296,518	870,337
Leasehold improvements	253,671	12,222		265,893
Ambulances	1,557,231	41,630	67,846	1,531,015
	<u>2,839,799</u>	<u>191,810</u>	<u>364,364</u>	<u>2,667,245</u>
Total depreciable capital assets, net	<u>680,159</u>	<u>(171,472)</u>	<u>4,803</u>	<u>503,884</u>
Business-type activities capital assets, net	<u>\$ 680,159</u>	<u>(171,472)</u>	<u>4,803</u>	<u>503,884</u>

*Adjustments above are for the reclassification of completed construction in progress.

Depreciation expense was charged to the following functions:

	<u>Amount</u>
Governmental activities:	
General government	\$ 1,119,892
Public safety	672,242
Public works	1,997,702
Health and welfare	23,785
Culture and recreation	167,389
Conservation of natural resources	1,672
Economic development and assistance	<u>583,062</u>
Total governmental activities depreciation expense	<u>\$ 4,565,744</u>
	<u>Amount</u>
Business-type activities:	
Metro Ambulance	<u>\$ 191,810</u>

LAUDERDALE COUNTY

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

Commitments with respect to unfinished capital projects at September 30, 2023, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Sowashee Creek Walking Trail	\$ 44,082	11/30/2023
Courthouse Government Complex (Split)	3,250,891	04/30/2024
Byrd-Doerner Road	52,537	12/31/2023
L C Maintenance Shop Facility Hwy 39	1,137,096	12/31/2023
West Lauderdale Ballfields Walking Trail	13,196	12/31/2023
Dale Drive	848,359	07/31/2024

(6) Intangible Right-to-Use Lease Assets.

Leases

As Lessee:

Business-type Activities:

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, Metro Ambulance recognizes a right-of-use (ROU) asset and operating lease liability for certain lease obligations. ROU assets and operating lease liabilities (if any) are reflected in the accompanying statement of net position. Metro Ambulance's operating lease relate to real estate. Metro Ambulance has no finance leases. Short-term leases (i.e. leases with an initial term of twelve months or less that do not contain a purchase option that is likely to be exercised) are not recorded in the statement of net position. ROU assets represent Metro Ambulance's right to use an underlying asset for the lease term, and operating lease liabilities represent Metro Ambulance's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of the future lease payments over the lease term. Metro Ambulance's leases do not have an implicit rate, so Metro Ambulance uses a risk-free rate, a practical expedient alternative available to private companies. The risk-free rate is the rate of a U.S. Treasury instrument with a maturity comparable to the lease term and is reevaluated upon lease payments made, if any, less lease incentives, if any. Metro Ambulance's lease terms may include options to extend or terminate the lease when it is reasonably certain that Metro Ambulance will exercise that option. This accounting methodology is applied to Metro Ambulance real estate leases.

Metro Ambulance leases its facilities from the Lauderdale County Board of Supervisors. As of September 30, 2023, the statement of net position includes ROU asset of \$56,355 and operating lease liability of \$56,491.

The future minimum lease commitments of non-cancellable operating leases with terms greater than one year are as follows as of September 30, 2023:

LAUDERDALE COUNTY

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

Fiscal Year Ending September 30	Payments
2024	\$ 18,000
2025	18,000
2026	18,000
2027	3,000
Future minimum lease commitments	57,000
Less: imputed interest	509
Present value of operating lease liabilities	\$ 56,491

As Lessor:

Governmental Activities:

On February 5, 2007, in Lauderdale County, Tower Automotive Products Company, Inc. entered into a non-cancellable lease agreement with Lauderdale County Economic Development District for the lease of 43 acres of land owned by Lauderdale County Economic Development District for the purpose of heavy and light industrial uses as well as warehousing. The lease stipulated that the lessee would pay \$32,128 per month in rent payments which is comprised of a \$31,250 monthly rent with the balance of the payment being an additional consideration to the landlord for granting the right for payments to be made monthly as opposed to annually. The payments commenced on February 1, 2007 for a term of 15 years. On June 2, 2014, a fourth amendment extended the term for an additional three (3) years through January 31, 2025. The County is to receive \$32,128 in rent monthly with an interest rate of 2.73%. Total income received was \$385,536 for the year ended September 30, 2023.

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

Year Ending September 30	Principal	Interest
2024	\$ 376,457	9,079
2025	127,784	728
Total	\$ 504,241	9,807

(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. 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.

LAUDERDALE COUNTY

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

The County is exposed to risk of loss relating to employee health, accident and dental coverage. Beginning in 2018 and pursuant to *Section 25-15-101, Mississippi Code of 1972 Annotated*, the County established a risk management fund to account for and finance its self-funded insurance plan.

Under the plan, amounts payable to the risk management fund are based on actuarial estimates. Lauderdale County pays the premium on a single coverage policy for its employees. Employees desiring additional and/or dependent coverage pay the additional premium through a payroll deduction. Premium payments to the risk management fund are determined on an actuarial basis. The County has minimum uninsured risk retention for the County, to the extent that actual claims submitted exceed the predetermined premium. The County has implemented the following plans to minimize this potential loss:

The County has purchased reinsurance, which functions on two separate stop loss coverages: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant’s claim exceeds \$100,000. Excluding claims for any person who has already met the specific coverage, the aggregate liability for a month is calculated by multiplying the attachment factor of 619.27, which is 125 percent (125%) of expected claims, by the number of employees for that month. Then a rolling year-to-date amount is the aggregate liability.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At September 30, 2023, the amount of these liabilities was \$0. An analysis of claims activities is presented below:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2021 - 2022	\$ 9,200	2,541,402	(2,511,529)	39,073
2022 - 2023	\$ 39,073	3,298,412	(3,337,485)	0

LAUDERDALE COUNTY

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

(8) Long-term Debt.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Series 2013 B - GO Refunding Taxable	\$ 4,945,000	0.47/3.31%	02/2026
Series 2015 - Road, Bridge, Equip & Rec Bonds	2,320,000	3.00/4.00%	11/2035
Series 2015 B - Road, Bridge, Equip & Rec Bonds	7,825,000	2.50/3.50%	11/2035
Series 2017 - General Obligation Refunding	3,590,000	2.00/4.00%	04/2027
Series 2020 - Road, Bridge & Building Bonds	8,335,000	2.00/2.25%	05/2035
Series 2021 - Government Complex	20,995,000	4.00/5.00%	03/2041
Series 2022 - Government Complex	<u>26,883,000</u>	2.98%	05/2042
Total General Obligation Bonds	<u>\$ 74,893,000</u>		
B. Financed Purchases:			
Toshiba E-Studio 6516	<u>\$ 6,128</u>	1.50%	12/2024
C. Other Loans:			
MDA CAP Loan - Certainteed Upgrades	\$ 123,568	3.00%	05/2025
BWI Rail Loan	295,555	0.00%	11/2034
Motorola MSWIN Radios	<u>559,195</u>	1.31%	10/2026
Total Other Loans	<u>\$ 978,318</u>		

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

Year Ending September 30	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2024	\$ 5,482,000	2,423,923	4,893	131
2025	5,694,000	2,243,450	1,235	3
2026	5,912,000	2,053,442		
2027	4,346,000	1,880,042		
2028	3,521,000	1,743,809		
2029 - 2033	19,621,000	6,848,734		
2034 - 2038	18,664,000	3,553,537		
2039 - 2043	<u>11,653,000</u>	<u>812,815</u>		
Total	<u>\$ 74,893,000</u>	<u>21,559,752</u>	<u>6,128</u>	<u>134</u>

LAUDERDALE COUNTY

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

<u>Year Ending September 30</u>	<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 283,728	9,368
2025	253,171	4,395
2026	210,458	1,527
2027	42,073	17
2028	26,667	
2029 - 2033	133,333	
2034 - 2038	28,888	
Total	\$ <u>978,318</u>	<u>15,307</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 10.37 percent (10.37%) 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:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amount due</u>
	<u>Oct. 1, 2022</u>			<u>Sept. 30, 2023</u>	<u>within one</u>
					<u>year</u>
Governmental Activities:					
Compensated absences	\$ 614,586	1,248		615,834	
General obligation bonds	81,045,000		6,152,000	74,893,000	5,482,000
Add:					
Premiums	3,821,611		241,375	3,580,236	
Financed purchases	301,528		295,400	6,128	4,893
Other loans	1,257,643		279,325	978,318	283,728
Total	\$ <u>87,040,368</u>	<u>1,248</u>	<u>6,968,100</u>	<u>80,073,516</u>	<u>5,770,621</u>

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
	<u>Oct. 1, 2022</u>			<u>Sept. 30, 2023</u>
Business-type Activities:				
Compensated absences	\$ <u>160,527</u>	<u>0</u>	<u>3,062</u>	<u>157,465</u>

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Road Maintenance Fund, and Metro Ambulance Fund.

LAUDERDALE COUNTY

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

Commitments – In December 2009, Lauderdale County entered into an agreement with the City of Meridian to provide additional security and payments of 35 percent of the total debt of the Crossroads construction project. In September 2019, the City of Meridian refunded the Tax Increment Financing Bonds, Series 2009 for the Meridian Crossroads Project and issued Series 2019 bonds for \$1,971,000. Per the interlocal agreement between the City and Lauderdale County, the County is responsible for 35 percent of the principal or \$689,850. The interest rate for the Series 2019 bonds is 2.20 percent. The debt will be serviced by revenues generated by the tax increment payment of \$143,150 that was paid for the year ended September 30, 2023.

In January 2019, Lauderdale County entered into an agreement with the City of Meridian to pledge the incremental increase in ad valorem tax revenue and payments in lieu of taxes, if applicable, generated by the Phase II Development of the Crossroads Infrastructure Improvements. The City shall issue its bonds in one or more series in the aggregate principal amount not to exceed \$3,100,000. The County's pro rata share of the annual debt service on the Bonds shall be limited to 75 percent of the incremental increase in county ad valorem tax revenue generated by the Phase II Development. In July 2021, the City of Meridian approved to only issue \$900,000 in Series 2021 bonds. The interest rate for the Series 2021 bonds is 2.95 percent. The debt will be serviced by revenues generated by the tax increment payment of \$16,280 that was paid for the year ended September 30, 2023.

(9) Defined Benefit Pension Plan.

General Information about the Pension Plan

Plan Description. Lauderdale 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 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.

LAUDERDALE COUNTY

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

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 \$2,533,646, \$2,328,164 and \$2,173,760, respectively, equal to the required contributions for each year. Metro Ambulance's contributions (employer share only) to PERS for the years ending September 30, 2023, 2022 and 2021 were \$539,296, \$487,500 and \$494,646, 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 \$50,364,512 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 0.200246 percent, which was based on a measurement date of June 30, 2023. This was an increase of 0.009347 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 \$7,423,801. At September 30, 2023, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 1,245,779
Net difference between projected and actual earnings on pension plan investments	1,979,130
Changes of assumptions	5,868,302
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	1,727,903
County contributions subsequent to the measurement date	581,350
Total	\$ 11,402,464

\$581,350 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 related to pensions will be recognized in pension expense as follows:

LAUDERDALE COUNTY

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

Year ending September 30	Amount
2024	\$ 4,128,529
2025	2,802,670
2026	3,874,941
2027	14,974
Total	\$ 10,821,114

Business-type Activities - Metro Ambulance

At September 30, 2023, Metro Ambulance reported a liability of \$10,513,252 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. Metro Ambulance's proportion of the net pension liability was based on a projection of Metro Ambulance's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2023, Metro Ambulance's proportion was .042%.

For the year ended September 30, 2023, Metro Ambulance recognized pension expense of \$1,708,107. At September 30, 2023, Metro Ambulance 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	\$ 202,835	
Net difference between projected and actual earnings on pension plan investments	12,504	
Changes of assumptions	2,747,474	1,135,437
Metro's contributions subsequent to the measurement date	73,332	
Total	\$ 3,036,145	1,135,437

\$73,332 reported as deferred outflows of resources related to pensions resulting from Metro Ambulance's 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:

Year ending September 30	Amount
2024	\$ 673,334
2025	403,105
2026	747,811
2027	3,126
Total	\$ 1,827,376

LAUDERDALE COUNTY

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

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

<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

LAUDERDALE COUNTY

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

plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
County's proportionate share of the net pension liability	\$ 64,946,316	50,364,512	38,398,522
Metro Ambulance's proportionate share of the net pension liability	\$ 13,557,105	10,513,252	8,015,432

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

(10) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balances at September 30, 2023:

<u>Fund</u>	<u>Deficit Amount</u>
Access Grant - Help America Vote Act & Help MS Vote Fund	\$ (30,010)
City/County Drug Task Force Fund	(12,515)
Occupant Protection Grant Fund	(915)
SCAAP Grant Fund	(492)
Sheriff Mental Health Grant Fund	(3,837)
West Lauderdale Park Walking Trail Fund	(172,953)
Sowashee Walking Trail Fund	(193,366)
MS Municipal & County Water Infrastructure Fund	(29,500)
Justice Court Collections Fund	(113)
NAS Meridian Wildlife Fence Fund	(14,133)
MDOT Traffic Safety Grant Fund	(18,171)
Lauderdale County Government Complex Fund	(596,862)

(11) 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.

LAUDERDALE COUNTY

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

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

(12) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of \$(31,379,150) 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 \$581,350 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net liability in the year ended September 30, 2024. The \$10,821,114 balance of the deferred outflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next four years.

The governmental activities' net investment in capital assets net position of \$83,879,674 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. \$213,811 of the \$504,928 balance of deferred outflows of resources at September 30, 2023, will be recognized as an expense and will decrease the net investment in capital assets net position over the next five years.

The governmental activities' unrestricted net position amount of \$(31,379,150) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$491,936 balance of deferred inflows of resources related to leases at September 30, 2023, will be recognized as revenue and will increase the unrestricted net position over the next two years.

The business-type activities' unrestricted net position amount of \$(7,339,405) 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 \$73,332 resulting from Metro Ambulance's 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 \$2,962,813 balance of the deferred outflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next four years. The \$1,135,437 balance of the deferred inflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next three years.

(13) Joint Venture.

The County participates in the following joint venture:

Lauderdale County is participant with the City of Meridian in a joint venture, authorized by *Section 57-31-1, Mississippi Code of 1972 Annotated*, to operate the East Mississippi Business Development Corporation. The joint venture was created to encourage, foster and facilitate economic development in the County. The board is made up of citizens and corporate members, who are not appointed by the County or the City. The County's appropriation to the joint venture was \$100,000 in fiscal year 2023. Complete financial statements for the East Mississippi Business Development Corporation can be obtained from P.O. Box 790, Meridian, MS 39302.

(14) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Central Mississippi Emergency Medical Services District operates in a district composed of the Counties of Attala, Clarke, Copiah, Holmes, Lauderdale, Leake, Madison, Neshoba, Rankin, Scott, Smith, Warren and Yazoo. The Lauderdale County Board of Supervisors appoints two of the 26 members of the board. The County provided no financial support in fiscal year 2023.

LAUDERDALE COUNTY

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

East Central Mississippi Planning and Development District operates in a district composed of the Counties of Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith. The Lauderdale County Board of Supervisors appoints one of the 15 members of the board of directors. The County provided no financial support in fiscal year 2023.

East Mississippi Community College operates in a district composed of the Counties of Clay, Kemper, Lauderdale, Lowndes, Noxubee and Oktibbeha. The Lauderdale County Board of Supervisors appoints two of the 12 members of the board of directors. The County appropriated \$272,892 for financial support in fiscal year 2023.

The Multi-County Community Service Agency operates in a district composed of the Counties of Clarke, Jasper, Kemper, Lauderdale, Newton and Wayne. The agency was created to administer programs conducted by community action agencies, limited purpose agencies and related programs authorized by federal law. The Lauderdale County Board of Supervisors appoints three of the 24 members of the board of directors. Most of the funding is derived from federal funds. The County provided no financial support in fiscal year 2023.

Region Ten Mental Health-Mental Retardation Commission operates in a district composed of the Counties of Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith. The Lauderdale County Board of Supervisors appoints one of the nine members of the board of directors. The County appropriated \$139,354 for financial support in fiscal year 2023.

Mid-Mississippi Development District operates in a district composed of the Counties of Clarke, Jasper, Lauderdale, Newton, Scott and Smith. The district was created to encourage, foster, and facilitate economic development in member counties. The district's board of trustees is composed of 30 members, five each from the six-member counties. The County provided no financial support in fiscal year 2023.

(15) Tax Abatements.

As of September 30, 2023, Lauderdale County provides tax exempt status to 10 manufacturing companies, one healthcare facility, two distribution centers, two hotels, one energy company, and two nonprofit organizations subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for levies involving the school, the mandatory mill and community college tax levies. These exemptions are authorized under *Sections 27-31-101 and 27-31-105 of the Mississippi Code of 1972 Annotated*. These exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2023 totaled \$1,111,305.

(16) 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 Lauderdale County evaluated the activity of the County through April 8, 2025, and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

LAUDERDALE COUNTY

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

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

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
02/01/2024	4.88%	\$ 236,226	Financed purchase	Ad valorem taxes
04/18/2024	4.85%	1,832,690	Other loan	Legislative funds
11/18/2024	5.37%	205,150	Financed purchase	Ad valorem taxes
01/21/2025	4.47%	585,690	Financed purchase	Ad valorem taxes

LAUDERDALE COUNTY

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LAUDERDALE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

LAUDERDALE COUNTY

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LAUDERDALE 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	\$ 17,417,010	17,009,880	17,009,880	
Licenses, commissions and other revenue	565,200	585,727	585,727	
Fines and forfeitures	828,000	956,315	956,315	
In Lieu taxes - Silicon Ranch	320,086	320,086	320,086	
Intergovernmental revenues	1,649,164	1,847,497	1,847,497	
Charges for services	2,718,938	2,658,397	2,658,397	
Interest income	125,998	478,415	478,415	
Miscellaneous revenues	559,591	1,223,378	1,223,378	
Total Revenues	<u>24,183,987</u>	<u>25,079,695</u>	<u>25,079,695</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	11,213,381	12,732,221	12,732,221	
Public safety	11,350,337	11,486,433	11,486,433	
Health and welfare	691,102	579,763	579,763	
Culture and recreation		171,863	171,863	
Conservation of natural resources	116,963	107,733	107,733	
Economic development and assistance	48,200	25,495	25,495	
Debt service:				
Principal	298,054	332,421	332,421	
Interest	8,833	9,024	9,024	
Total Expenditures	<u>23,726,870</u>	<u>25,444,953</u>	<u>25,444,953</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>457,117</u>	<u>(365,258)</u>	<u>(365,258)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets		17,153	17,153	
Compensation for loss of capital assets	10,000	64,861	64,861	
Transfers in	1,059,027	1,725,910	1,725,910	
Transfers out	(1,570,726)	(3,197,323)	(3,197,323)	
Total Other Financing Sources and Uses	<u>(501,699)</u>	<u>(1,389,399)</u>	<u>(1,389,399)</u>	<u>0</u>
Net Change in Fund Balance	(44,582)	(1,754,657)	(1,754,657)	0
Fund Balances - Beginning	<u>10,954,338</u>	<u>10,599,780</u>	<u>10,599,780</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 10,909,756</u>	<u>8,845,123</u>	<u>8,845,123</u>	<u>0</u>

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

LAUDERDALE COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 ARPA \$10M General Fund
 For the Year Ended September 30, 2023
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	0	0	0	0
EXPENDITURES				
Current:				
General government	2,100,000	86,442	86,442	
Public safety	400,000	302,149	302,149	
Public works	6,764,644	2,973,778	2,973,778	
Culture and recreation	172,411	187,236	187,236	
Total Expenditures	<u>9,437,055</u>	<u>3,549,605</u>	<u>3,549,605</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(9,437,055)</u>	<u>(3,549,605)</u>	<u>(3,549,605)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(507,679)	(1,039,988)	(1,039,988)	
Total Other Financing Sources and Uses	<u>(507,679)</u>	<u>(1,039,988)</u>	<u>(1,039,988)</u>	<u>0</u>
Net Change in Fund Balance	(9,944,734)	(4,589,593)	(4,589,593)	0
Fund Balances - Beginning	<u>9,946,367</u>	<u>9,946,367</u>	<u>9,946,367</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 1,633</u>	<u>5,356,774</u>	<u>5,356,774</u>	<u>0</u>

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

LAUDERDALE 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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.200246%	0.190899%	0.186611%	0.184689%	0.187676%	0.192181%	0.182297%	0.173116%	0.174217%
County's proportionate share of the net pension liability (asset) \$	50,364,512	39,293,881	27,581,955	35,753,549	33,015,909	31,965,352	30,303,964	30,922,849	26,930,485
Covered payroll \$	14,829,764	13,140,093	12,424,627	12,292,036	12,224,798	12,274,821	11,899,557	11,461,550	11,023,486
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	339.62%	299.04%	221.99%	290.87%	270.07%	260.41%	254.66%	269.80%	244.30%
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 the Required Supplementary Information are an integral part of this schedule.

LAUDERDALE COUNTY
Schedule of County Contributions
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>
Contractually required contribution	\$ 2,533,646	2,328,164	2,173,760	2,148,905	1,976,759	1,931,505	1,874,890	1,805,194	1,736,801
Contributions in relation to the contractually required contribution	<u>2,533,646</u>	<u>2,328,164</u>	<u>2,173,760</u>	<u>2,148,905</u>	<u>1,976,759</u>	<u>1,931,505</u>	<u>1,874,890</u>	<u>1,805,194</u>	<u>1,736,801</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 14,561,182	13,380,253	12,492,874	12,350,027	12,224,855	12,263,525	11,899,557	11,461,550	11,023,486
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.

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

LAUDERDALE COUNTY

Schedule of the Metro Ambulance's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

For the Year Ended September 30, 2023

UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Metro Ambulance's proportion of the net pension liability (asset)	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Metro Ambulance's proportion of the total net pension liability	\$ 25,151,320	20,661,581	21,398,731	19,059,898	18,090,367	17,758,464	17,266,597	16,799,005	16,145,834
Metro Ambulance's proportion of the plan net position	<u>14,638,068</u>	<u>12,386,958</u>	<u>15,072,705</u>	<u>11,238,928</u>	<u>11,141,608</u>	<u>10,992,743</u>	<u>10,617,239</u>	<u>9,654,006</u>	<u>9,962,623</u>
Metro Ambulance's proportionate share of the net pension liability (asset)	<u>10,513,252</u>	<u>8,274,623</u>	<u>6,326,026</u>	<u>7,820,970</u>	<u>6,948,759</u>	<u>6,765,721</u>	<u>6,649,358</u>	<u>7,144,999</u>	<u>6,183,211</u>
Metro Ambulance's covered payroll	\$ 3,099,402	2,801,721	2,832,446	2,689,316	2,653,003	2,597,968	2,599,162	2,636,089	2,656,057
Metro Ambulance's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	339.20%	295.34%	223.34%	290.82%	261.92%	260.42%	255.83%	271.05%	232.80%
Plan fiduciary net position as a percentage of the total pension liability	58.20%	59.95%	70.44%	58.97%	61.59%	61.90%	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, Metro Ambulance 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.

LAUDERDALE COUNTY
Schedule of Metro Ambulance's Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 539,296	487,500	494,646	467,941	430,038	409,180	409,368	415,184	418,329
Contributions in relation to the contractually required contribution	<u>539,296</u>	<u>487,500</u>	<u>494,646</u>	<u>467,941</u>	<u>430,038</u>	<u>409,180</u>	<u>409,368</u>	<u>415,184</u>	<u>418,329</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Metro Ambulance's covered payroll	\$ 3,099,402	2,801,721	2,832,446	2,689,316	2,653,003	2,597,968	2,599,162	2,636,089	2,656,057
Contributions as a percentage of covered payroll	17.40%	17.40%	17.46%	17.40%	16.21%	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, Metro Ambulance 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.

LAUDERDALE 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, Tax Assessor, and Tax 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 the 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 the major Special Revenue Fund:

	Governmental Fund Types	
	General Fund	ARPA \$10M General Fund
Budget (Cash Basis)	\$ (1,754,657)	(4,589,593)
Increase (Decrease)		
Net adjustments for revenue accruals	(192,885)	5,134,714
Net adjustments for expenditure accruals	398,954	(545,121)
	\$ (1,548,588)	0

LAUDERDALE COUNTY

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

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

The wage inflation assumptions 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.

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%.

LAUDERDALE COUNTY

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

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

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

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

2021

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

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

For females, 84% of 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 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%.

LAUDERDALE COUNTY

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

For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.
The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.
The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

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

LAUDERDALE COUNTY

SUPPLEMENTARY INFORMATION

LAUDERDALE COUNTY

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

Federal Grantor / Pass-through Grantor / Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice - Office of Justice Programs/ Bulletproof vest partnership program (Direct Award)	16.607	N/A	\$ <u>2,214</u>
Passed-through the Mississippi Department of Public Safety Edward Byrne memorial justice assistance grant program	16.738	2019-SB-B9-1744	3,494
Edward Byrne memorial justice assistance grant program	16.738	2020-SB-B9-1744	24,457
Edward Byrne memorial justice assistance grant program	16.738	2021-SB-B9-1744	<u>9,615</u>
Subtotal			<u>37,566</u>
U.S. Department of Justice - Criminal Division Equitable sharing program (Direct Award)	16.922	N/A	<u>10</u>
Total U.S. Department of Justice			<u>39,790</u>
U.S. Department of Transportation - Office of Highway Safety/ Passed-through the Mississippi Department of Public Safety Highway safety cluster: State and community highway safety	20.600	OP-2023-OP-13-81	<u>30,606</u>
National priority safety programs	20.616	M5X-2023-MD-13-81	<u>146,306</u>
Total highway safety cluster			<u>176,912</u>
Total U.S. Department of Transportation			<u>176,912</u>
U.S. Department of the Treasury Passed-through the Supreme Court of Mississippi Coronavirus relief fund	21.019	Unknown	<u>135,740</u>
U.S. Department of the Treasury Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	<u>5,012,126</u>
Total U.S. Department of the Treasury			<u>5,147,866</u>
U.S. Department of Health and Human Services/ Passed-through the Mississippi Department of Mental Health Substance abuse and mental health services - projects of regional and national significance	93.243	68H0-MH4R-LCSO	41,685
Substance abuse and mental health services - projects of regional and national significance	93.243	68I0-MH4R-LCSO	<u>2,878</u>
Subtotal			<u>44,563</u>
Total U.S. Department of Health and Human Services			<u>44,563</u>

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

Federal Grantor / Pass-through Grantor / Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security Passed-through the Mississippi Emergency Management Agency Emergency management performance grants	97.042	Unknown	<u>55,250</u>
Homeland security grant program	97.607	22LE038	25,000
Homeland security grant program	97.607	22LE038B	<u>23,665</u>
Subtotal			<u>48,665</u>
Total U.S. Department of Homeland Security			<u>103,915</u>
Total Expenditures of Federal Awards			<u>\$ 5,513,046</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 Lauderdale 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 Lauderdale County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Lauderdale County.

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

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

* Denotes major federal award program

LAUDERDALE COUNTY

OTHER INFORMATION

LAUDERDALE COUNTY

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

Name	Position	Company	Bond
Jonathan Wells	Supervisor District 1	Travelers Casualty and Surety Company	\$100,000
Wayman Newell	Supervisor District 2	Travelers Casualty and Surety Company	\$100,000
Josh Todd	Supervisor District 3	Travelers Casualty and Surety Company	\$100,000
Joe Norwood	Supervisor District 4	Travelers Casualty and Surety Company	\$100,000
Kyle Rutledge	Supervisor District 5	Travelers Casualty and Surety Company	\$100,000
Christopher Lafferty	County Administrator	Travelers Casualty and Surety Company	\$100,000
Carolyn Mooney	Chancery Clerk	EMC Insurance	\$100,000
Stephanie T. Jackson	Purchasing Clerk	Travelers Casualty and Surety Company	\$100,000
Christy Jackson	Assistant Purchase Clerk	Travelers Casualty and Surety Company	\$50,000
Blessa Marie Jordan	Assistant Purchase Clerk	Travelers Casualty and Surety Company	\$50,000
Evelyn Cole Ward	Receiving Clerk	EMC Insurance	\$75,000
Blanket Bond	Assistant Receiving Clerks (12)	Travelers Casualty and Surety Company	\$50,000
Kim Poe	Inventory Control Clerk	Western Surety Company	\$75,000
Calvin Rushing Mayatt	Road Manager	Travelers Casualty and Surety Company	\$50,000
Ondray Harris, Jr.	Constable	Western Surety Company	\$50,000
Mike Myers	Constable	EMC Insurance	\$50,000
Tommie Coker	Constable	Travelers Casualty and Surety Company	\$50,000
Lee Roberts	Constable	Travelers Casualty and Surety Company	\$50,000
Donna Jill Johnson	Circuit Clerk	EMC Insurance	\$100,000
Blanket Bond	Deputy Circuit Clerks (5)	EMC Insurance	\$50,000
William Sollie	Sheriff	EMC Insurance	\$100,000
Ondray Harris, Sr.	Justice Court Judge	Western Surety Company	\$50,000
Richard Roberts	Justice Court Judge	Western Surety Company	\$50,000
Noble C. "Buck" Roberts	Justice Court Judge	Travelers Casualty and Surety Company	\$50,000
Raymond O. Grogan	Justice Court Judge	Travelers Casualty and Surety Company	\$50,000
Nikita Wilkins	Justice Court Clerk	Western Surety Company	\$50,000
Gloria Simpson	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Audra Thomas	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Loretta W. Webb	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Alesia Ann Baylor	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Linda Joyce Jernigan	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Blanket Bond	Deputy Justice Court Clerks (9)	Travelers Casualty and Surety Company	\$50,000
Doris Spidle	Tax Collector	EMC Insurance	\$100,000
James Rainey	Tax Assessor	RLI Insurance	\$50,000
Blanket Bond	Deputy Tax Assessors (10)	EMC Insurance	\$10,000
Blanket Bond	Deputy Tax Collectors (10)	EMC Insurance	\$50,000

LAUDERDALE COUNTY

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LAUDERDALE COUNTY

SPECIAL REPORTS

LAUDERDALE COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR**

**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
Lauderdale 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lauderdale 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 April 8, 2025. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Our report includes a reference to other auditors who audited the financial statements of Metro Ambulance Enterprise Fund, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lauderdale County, Mississippi's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lauderdale County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001, 2023-002 and 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lauderdale 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001.

We also noted certain matters, which we have reported to the management of Lauderdale County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated April 8, 2025, included within this document.

Lauderdale County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Lauderdale County, Mississippi's responses to the findings identified in our audit and described in the accompanying Auditee's Corrective Action Plan. Lauderdale County, Mississippi's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results 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.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 8, 2025



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR**

**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
Lauderdale County, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Lauderdale 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 Lauderdale County, Mississippi's major federal program for the year ended September 30, 2023. Lauderdale 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, Lauderdale 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 program 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 Lauderdale 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 Lauderdale 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 Lauderdale 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 Lauderdale 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 Lauderdale County, Mississippi's compliance with the requirements of the 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 Lauderdale 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 Lauderdale 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 Lauderdale 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.



JOE E. MCKNIGHT CPA
Director, County Audit Section

April 8, 2025

LAUDERDALE COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR**

**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
Lauderdale County, Mississippi

We have examined Lauderdale 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 Lauderdale 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 Lauderdale County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

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

Assistant Receiving Clerks.

1. The Assistant Receiving Clerks should be bonded individually.

Repeat Finding Yes

Criteria *Section 31-7-124, Mississippi Code of 1972 Annotated*, requires each Assistant Receiving Clerk to execute a bond for \$50,000, to be payable, conditioned and approved as provided by law.

Condition As reported in the prior nine years' audit reports, the Assistant Receiving Clerks were issued under a blanket bond rather than individual bonds.

Cause The County did not comply with state laws.

Effect Failure to issue individual bonds for each Assistant Receiving Clerk could result in the loss or misappropriation of public funds.

Recommendation The Assistant Receiving Clerks' blanket bond should be cancelled, and a new bond should be issued for each clerk.

Views of Responsible Official(s) Lauderdale County acknowledges the findings and will explore options.

Inventory Control Clerk.

2. The Inventory Control Clerk should maintain an inventory control system.

Repeat Finding No

Criteria *Section 31-7-107, Mississippi Code of 1972 Annotated*, requires the Inventory Control Clerk to maintain an inventory control system. An effective system of internal control over capital assets should include that certain data elements be captured in the capital asset records for all capital assets. Required data elements include a description of assets, cost, location, acquisition date, disposition date, method of disposition, and other relevant information. The presence of these data elements in capital asset records helps identify and distinguish county assets from one another, thereby safeguarding county assets from loss or misappropriation. This information is also very important to the financial reporting process.

Condition During our test work, we noted the following deficiencies in the capital asset records:

- a. Thirty-nine (39) assets totaling \$932,643 were added to the inventory control system without proper approval from the Board of Supervisors.
- b. Twelve (12) assets totaling \$62,044 net of depreciation were removed from the inventory control system without proper approval from the Board of Supervisors.

Cause The Inventory Control Clerk lacked the necessary internal control procedures required to ensure that all items were recorded, properly valued, and properly classified in the County's capital asset records.

Effect Failure to properly maintain the inventory control system could result in the reporting of inaccurate amounts and increases the possibility of the loss or misappropriation of public funds.

Recommendation The Inventory Control Clerk should implement appropriate control procedures to ensure that all assets are recorded, properly valued, and properly classified in the County's capital asset records. The information in the County's capital asset records should be reconciled by all department heads through an annual inventory to ensure records are accurate and complete.

Views of Responsible Official(s) Lauderdale County will comply.

Purchase Clerk.

3. Sole Source purchases should be authorized and documented in the Board of Supervisors' minutes.

Repeat Finding Yes

Criteria *Section 31-7-13(m), Mississippi Code of 1972 Annotated*, requires the Board of Supervisors to authorize and document purchases made noncompetitively from a sole source on its minutes.

Condition As reported in the prior year's audit report, the Board of Supervisors did not document the approval of a sole source purchase on its minutes.

Cause The County did not follow state purchasing laws.

Effect The failure to obtain proper approval and to document in the Board of Supervisors' minutes could result in unauthorized purchases.

Recommendation The Board of Supervisors should approve and document in its minutes all purchases made noncompetitively from a sole source.

Views of Responsible Official(s)

Lauderdale County acknowledges the finding and will ensure correct documentation for sole sources when applicable. It is worth noting that Lamar Advertising is the only advertising company that serves the areas in question resulting in a better use of county resources. It is not in the best interest of the citizens of Lauderdale County to have three separate vendors in three areas. This would lead to higher prices, inconsistent service, increased legal fees from contract review, etc.

4. Two competitive written bids should be obtained for purchases over \$5,000.

Repeat Finding No

Criteria *Section 31-7-13(b), Mississippi Code of 1972 Annotated*, requires purchases which involve an expenditure of more than \$5,000 but not more than \$75,000, exclusive of freight and shipping charges may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least two competitive written bids have been obtained.

Condition During our testwork, three instances were noted where two competitive written bids were not obtained for a purchase.

Cause The Purchase Clerk did not comply with state laws.

Effect Failure to obtain bids could result in overpayment for goods or services.

Recommendation The Purchase Clerk should ensure that bids are obtained prior to purchasing any items with a cost between \$5,000 and \$75,000, as required by law.

Views of Responsible Official(s)

Lauderdale County will advertise for proposals for a single vendor for election ballots.

5. The Purchase Clerk should comply with all requirements of the central purchasing system.

Repeat Finding No

Criteria	<i>Section 31-7-103, Mississippi Code of 1972 Annotated</i> , requires a purchase requisition, purchase order, and receiving report for all purchases, except for those items enumerated by the Office of the State Auditor under the authority of <i>Section 31-7-113, Mississippi Code of 1972 Annotated</i> , and except for purchases of not more than \$2,000.
Condition	During testwork, we noted two instances in which purchasing documentation was not available with the claim. Purchasing documentation includes the purchase requisition, purchase orders, receiving reports, invoices and quotes (if applicable).
Cause	The Purchase Clerk failed to comply with state purchasing laws.
Effect	Failure to complete and retain purchasing documents could result in unauthorized purchases and misuse of public funds.
Recommendation	The Purchase Clerk should ensure that purchasing documents are present and completed with sufficient detail and specific amounts, as required, prior to ordering the respective commodity.
Views of Responsible Official(s)	Lauderdale County will work to strengthen our controls to ensure compliance with state law in having the required documentation going forward.

Receiving Clerk.

6. The Receiving Clerk should be bonded as required by state statute.

Repeat Finding	Yes
Criteria	<i>Section 31-7-124, Mississippi Code of 1972 Annotated</i> , requires the Receiving Clerk to execute a bond for \$75,000 to be payable, conditioned and approved as provided by law. In addition, <i>Section 25-1-15(2), Mississippi Code of 1972 Annotated</i> , requires a new bond every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.
Condition	As reported in the prior five years' audit reports, the Receiving Clerk was not bonded for the fiscal year 2023.
Cause	The County did not comply with state statutes.
Effect	Failure to comply with state statutes would limit the amount available for recovery if a loss occurred over multiple terms.
Recommendation	The County should issue a new bond with an expiration date for the Receiving Clerk and file it in the Chancery Clerk's Office, as required by state statute.
Views of Responsible Official(s)	Lauderdale County acknowledges the findings and will explore options.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Lauderdale 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.

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

This report is intended for use in evaluating Lauderdale 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.



JOE E. MCKNIGHT, CPA
Director, County Audit Section
April 8, 2025

LAUDERDALE 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.

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
10/14/2022	Bridge repair	\$ 7,500	Southern Landworks, LLC	After it had been inspected, the bridge located at Center Grove Rd. was determined to need emergency repairs to its timber piling. It was necessary for the bridge to be repaired as soon as possible.
12/15/2022	Roof repair	75,000	Norman Roofing, Inc.	There was a storm on 12/14/2022 that caused roof damage at the Autokinton building.

LAUDERDALE 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>
11/11/2022	Pole camera with software recording service	\$ 19,200	Advance Covert Technology
7/6/2023	Billboard advertising	35,569	The Lamar Company



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR**

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Lauderdale County, Mississippi

In planning and performing our audit of the financial statements of Lauderdale County, Mississippi for the year ended September 30, 2023, we considered Lauderdale 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 Lauderdale 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 April 8, 2025, on the financial statements of Lauderdale 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 and Justice Court Judges.

1. All Justice Court Judges should be bonded as required by state statute.

Repeat Finding Yes

Criteria *Section 9-11-7, Mississippi Code of 1972 Annotated*, requires that each Justice Court Judge shall give bond with sufficient surety, to be payable, conditioned and approved as provided by law and in the same manner as other county officers, in a penalty not less than \$50,000.

Condition As reported in the prior year's audit report, we noted that two of the Justice Court Judges were not adequately bonded during fiscal year 2023.

Cause The County did not comply with state laws.

Effect Failure to comply with state statutes would limit the amount available for recovery if a loss occurred.

Recommendation The County should implement procedures to ensure all the Justice Court Judges are bonded as required by state statute.

Views of Responsible Official(s) Lauderdale County acknowledges the finding and will explore options.

Board of Supervisors / Deputy Justice Court Clerks.

2. Deputy Justice Clerks should be bonded as required by state statute.

Repeat Finding Yes

Criteria *Section 9-11-29(2), Mississippi Code of 1972 Annotated*, requires every person appointed as clerk and deputy clerk of the Justice Court to execute a bond for \$50,000 to be payable, conditioned and approved as provided by law. In addition, *Section 25-1-15(2), Mississippi Code of 1972 Annotated*, requires a new bond every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.

Condition As reported in the prior year's audit report, the Deputy Justice Court Clerks were bonded for an indefinite time period under a blanket bond for \$50,000.

Cause The County did not comply with state laws.

Effect Failure to comply with state statutes would limit the amount available for recovery if a loss occurred over multiple terms.

Recommendation The County should cancel the indefinite blanket bond and obtain individual bonds for each Deputy Justice Court Clerk in the amount of \$50,000 for a period of time concurrent with the normal election cycle of the County.

Views of Responsible Official(s) Lauderdale County acknowledges the finding and will explore options.

Board of Supervisors and Deputy Circuit Clerks.

3. Deputy Circuit Clerks should be bonded individually.

Repeat Finding Yes

Criteria *Section 9-7-123(2), Mississippi Code of 1972 Annotated*, requires each deputy clerk of the Circuit Court to execute a bond for not less than \$50,000 nor more than \$100,000 to be payable, conditioned and approved as provided by law.

Condition As reported in the prior nine years' audit reports, the Deputy Circuit Clerks were issued bond under a blanket bond rather than individual bonds.

Cause The County did not comply with state laws.

Effect Failure to issue individual bonds for each Deputy Circuit Clerk could result in the loss or misappropriation of public funds.

Recommendation The Deputy Circuit Clerk's blanket bond should be cancelled, and a new bond should be issued for each clerk, as required by law.

Views of Responsible Official(s)

Lauderdale County acknowledges the finding and will explore options.

Board of Supervisors and Payroll Clerk.

4. Required forms for re-employment should be completed for PERS retirees after retirement.

Repeat Finding No

Criteria *Section 25-11-127(4)(a), Mississippi Code of 1972 Annotated*, requires retirees to receive no more than one-half of the salary in effect for the position at the time of employment in a fiscal year. Furthermore, counties hiring PERS service retirees are required to file PERS Form 4B "Certificate/Acknowledgement of Re-employment of Retiree" with the PERS office within five (5) days from the day of employment of the retiree.

Condition During the audit, we noted four (4) PERS Form 4Bs were not completed for retired service employees.

Cause Controls were not in place to ensure compliance with state laws.

Effect By not completing the required PERS Form 4Bs, the County is not in compliance with state legal requirements.

Recommendation The County should complete the required PERS Form 4Bs and maintain evidence of the filing dates of the retiree forms.

Views of Responsible Official(s)

We will comply.

Board of Supervisors and Tax Assessor.

5. Deputy Tax Assessors should be bonded individually.

Repeat Finding Yes

Criteria *Section 27-1-3, Mississippi Code of 1972 Annotated*, requires each Deputy Tax Assessor to execute a bond for \$10,000 to be payable, conditioned and approved as provided by law.

Condition As reported in the prior nine years' audit reports, the Deputy Tax Assessors were issued bond under a blanket bond rather than individual bonds.

Cause The County did not comply with state laws.

Effect Failure to issue individual bonds for each Deputy Tax Assessor could result in the loss or misappropriation of public funds.

Recommendation The Deputy Tax Assessors' blanket bond should be cancelled, and a new bond should be issued for each clerk, as required by law.

Views of Responsible Official(s)

Lauderdale County acknowledges the findings and will explore options.

Board of Supervisors and Tax Collector.

6. Deputy Tax Collectors should be bonded individually.

Repeat Finding Yes

Criteria *Section 27-1-9(a), Mississippi Code of 1972 Annotated*, requires each Deputy Tax Collector to execute a bond for \$50,000 to be payable, conditioned and approved as provided by law.

Condition As reported in the prior nine years' audit reports, the Deputy Tax Collectors were issued bond under a blanket bond rather than individual bonds.

Cause The County did not comply with state statutes.

Effect Failure to issue individual bonds for each Deputy Tax Collector could result in the loss or misappropriation of public funds.

Recommendation The Deputy Tax Collectors' blanket bond should be cancelled, and a new bond should be issued for each clerk, as required by law.

Views of Responsible Official(s) Lauderdale County acknowledges the finding and will explore options.

Circuit Clerk.

7. The Circuit Clerk's Office should make timely deposits and settlements.

Repeat Finding Yes

Criteria An effective system of internal control over cash should include strong financial accountability and safeguarding of assets and revenue.

Condition As reported in the prior five years' audit reports, we noted a weakness in which civil and criminal receipts were not being deposited and settled timely.

Cause This weakness is due to inadequate internal controls surrounding the collection, depositing, and recording of revenue collected in the Circuit Clerk's office.

Effect The failure to develop adequate internal controls in the Circuit Clerk's office regarding the collecting, disbursing, and recording of funds could result in the misappropriation of public funds.

Recommendation The Circuit Clerk should implement internal controls to ensure that daily deposits are being made and settlements are made timely.

Views of Responsible Official(s) We expect to fix this issue in fiscal year 2024.

Purchase Clerk.

8. Credit card charges were not properly documented for authorization.

Repeat Finding Yes

Criteria *Section 19-3-68, Mississippi Code of 1972 Annotated*, specifies the requirements governing the use of a county credit card for travel. The Chancery Clerk or Purchase Clerk shall maintain complete records of all credit card numbers and all receipts and other documentation relating to the use of such credit cards. The Supervisors and county employees shall furnish receipts for the use of such credit cards each month to the Chancery Clerk or Purchase Clerk, who shall submit a written report monthly to the Board of Supervisors. The report shall include an itemized list of all expenditures and use of the

credit card for the month, and such expenditures may be allowed for payment by the county in the same manner as other items in the claims docket.

Condition As reported in the prior year's audit report, travel charges to the credit card were not in complete compliance with *Section 19-3-68*. There were no written reports itemizing expenditures made on the credit card authorized by the Board of Supervisors.

Cause The County did not follow state laws.

Effect Failure to enforce these requirements could result in the misuse of the credit card for unauthorized and unallowable expenditures.

Recommendation The Chancery Clerk or Purchase Clerk should ensure that a monthly report itemizing the expenditures and use of the credit card is submitted to the Board of Supervisors, as required by law.

Views of Responsible Official(s) Due to the short time in between the FY22 and FY23 audit, Lauderdale County did not have any credit card activity. Lauderdale County will start including the correct documentation in the board minutes.

Lauderdale 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.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 8, 2025

LAUDERDALE COUNTY

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LAUDERDALE COUNTY

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

LAUDERDALE COUNTY

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

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LAUDERDALE COUNTY

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

Section 1: Summary of Auditor's Results

Financial Statements:

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

Governmental activities	Unmodified
Business-type activities	Unmodified
Aggregate discretely presented component units	Adverse
General Fund	Unmodified
ARPA \$10M General Fund	Unmodified
Combined GO Debt Fund	Unmodified
Series 2022 S/O Bond Fund	Unmodified
Aggregate remaining fund information	Unmodified
Metro Ambulance Fund	Unmodified

2. Internal control over financial reporting:
 - a. Material weaknesses identified? Yes
 - b. Significant deficiency identified? None Reported

3. Noncompliance material to the financial statements noted? Yes

Federal Awards:

4. Internal control over major federal program:
 - a. Material weakness identified? No
 - b. Significant deficiency identified? None Reported

5. Type of auditor's report issued on compliance for major federal program: 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 program:
 - 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 findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? Yes

LAUDERDALE COUNTY

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

Section 2: Financial Statement Findings

Board of Supervisors.

**Material Weakness
Material Noncompliance**

2023-001.	<u>Controls over repayment of interfund advances should be strengthened.</u>
Repeat Finding	Yes
Criteria	The Mississippi code is silent regarding the authority of the County to make interfund loans.
Condition	As reported in the prior year's audit report, the County has interfund loans outstanding that are over a year old. These interfund loans totaled \$835,325 as of September 30, 2023.
Cause	Deficiency of controls requiring the repayment of interfund loans.
Effect	Failure to repay these loans constitutes an illegal diversion of legally restricted funds.
Recommendation	For any interfund loan made, the Board of Supervisors should approve and record in the board minutes the reason for the loan, when the loan will be repaid and the source of funds for repayment. The Board of Supervisors should ensure that these old interfund loans are repaid by approving and recording in the board minutes a repayment schedule and complying with the repayment schedule.
Views of Responsible Official(s)	See Auditee's Corrective Action Plan.

Material Weakness

2023-002.	<u>Internal controls over the payroll function should be strengthened.</u>
Repeat Finding	Yes
Criteria	An effective system of internal control over the county payroll function should include proper segregation of duties.
Condition	As reported in the prior year's audit report, during our tests of the payroll system, it was noted that the Payroll Clerk had the authorization to setup new employees, change pay rates, enter time, set up direct deposit information, and process payroll checks.
Cause	The County lacks the necessary controls over the payroll function.
Effect	Failure to have proper segregation of duties, erroneous payments could be made without being detected resulting in the loss or misappropriation of public funds.
Recommendation	The Board of Supervisors should ensure that personnel processing payroll checks do not also have authority to setup new employees, change pay rates, enter time, and set up direct deposit information.
Views of Responsible Official(s)	See Auditee's Corrective Action Plan.

LAUDERDALE COUNTY

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

Inventory Control Clerk.

Material Weakness

2023-003. The Inventory Control Clerk should maintain an inventory control system.

Repeat Finding No

Criteria An effective system of internal control over capital assets should include that certain data elements be captured in the capital asset records for all capital assets. Required data elements include a description of assets, cost, location, acquisition date, disposition date, method of disposition, and other relevant information. The presence of these data elements in capital asset records helps identify and distinguish county assets from one another, thereby safeguarding county assets from loss or misappropriation. This information is also very important to the financial reporting process.

Condition During our test work, we noted the following deficiencies in the capital asset records:

- a. Thirty-nine (39) assets totaling \$932,643 were added to the inventory control system without proper approval from the Board of Supervisors.
- b. Twelve (12) assets totaling \$62,044 net of depreciation were removed from the inventory control system without proper approval from the Board of Supervisors.

Cause The Inventory Control Clerk lacked the necessary internal control procedures required to ensure that all items were recorded, properly valued, and properly classified in the County's capital asset records.

Effect Failure to properly maintain the inventory control system could result in the reporting of inaccurate amounts and increases the possibility of the loss or misappropriation of public funds.

Recommendation The Inventory Control Clerk should implement appropriate control procedures to ensure that all assets are recorded, properly valued, and properly classified in the County's capital asset records. The information in the County's capital asset records should be reconciled by all department heads through an annual inventory to ensure records are accurate and complete.

Views of Responsible Official(s) See Auditee's Corrective Action Plan.

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.

LAUDERDALE COUNTY

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LAUDERDALE COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN
AND
AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

LAUDERDALE COUNTY

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BOARD OF SUPERVISORS

JUSTIN J. ANDERS, DISTRICT 1
CRAIG HOUSTON, DISTRICT 2
JOSH TODD, DISTRICT 3
JOE NORWOOD, DISTRICT 4
KYLER RUTLEDGE, DISTRICT 5



CAROLYN MOONEY
Chancery Clerk

CHRIS LAFFERTY
County Administrator

LEE THIAGGARD
Board Attorney

612 22nd Avenue South Meridian, MS 39301
Telephone: 601-482-9746
www.lauderdalecounty.org

CORRECTIVE ACTION PLAN

December 31, 2024

Office of the State Auditor
501 N. West Street, Suite 801
Jackson, Mississippi 39201

Lauderdale County respectfully submits the following corrective action plan for the year ended September 30, 2023.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section 1: Summary of Auditor's Results does not include findings and is not addressed.

SECTION 2: FINANCIAL STATEMENT FINDINGS

2023-001. Corrective Action Planned: When asking the board to approve an advance, the language as seen in the minutes includes "Advances will be repaid when grant funds are received." For some grants that we have continued to receive year after year, it will say "Advance will be repaid when this grant is no longer received." Until grant funds are received, no cash is available to repay the advance. Every month on the Friday before the second board meeting, cash balances are reviewed looking for grant reimbursements and taking into consideration what's on the claims docket. If some of the advance can be repaid or if more needs to be advanced, the requests are added to the agenda for the Board to approve.

Anticipated Completion Date: Ongoing

Name of Contact Person Responsible for Corrective Action: Chris Lafferty

2023-002. Corrective Action Planned: Multiple attempts have been made to hire an additional employee for the payroll department without success. We have assigned our Inventory Control Clerk the additional duty of verifying payroll. We will continue to search for an employee to ensure compliance.

Anticipated Completion Date: Fiscal Year 2024

Name of Contact Person Responsible for Corrective Action: Chris Lafferty

2023-003. Corrective Action Planned: Lauderdale County will comply.
Anticipated Completion Date: Ongoing
Name of Contact Person Responsible for Corrective Action: Chris Lafferty

SECTION 3: FEDERAL AWARD FINDINGS

There are no findings or questioned costs related to federal awards.

Sincerely,



President, Lauderdale County Board of Supervisors

BOARD OF SUPERVISORS

JUSTIN "JJ" ANDERS, DISTRICT 1
CRAIG HOUSTON, DISTRICT 2
JOSH TODD, DISTRICT 3
JOE NORWOOD, DISTRICT 4
KYLE RUTLEDGE, DISTRICT 5



CAROLYN MOONEY
Chancery Clerk

CHRIS LAFFERTY
County Administrator

LEE THAGGARD
Board Attorney

612 22nd Avenue South Meridian, MS 39301
Telephone: 601-482-9746
www.lauderdalecounty.org

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended September 30, 2023

December 31, 2024

Office of the State Auditor
501 N. West Street, Suite 801
Jackson, Mississippi 39201

To whom it may concern:

The Lauderdale County Board of Supervisors submits the following Summary Schedule of Prior Audit Findings for the year ended September 30, 2023.

The findings from the prior year's Schedule of Findings and Questioned Costs are discussed below. The findings are numbered with the numbers assigned in the first year of issuance. Section 1: Summary of Auditor's Results, does not include findings and is not addressed.

Section 2: Financial Statement Findings

2022-001, Controls over repayment of interfund advances should be strengthened.

NOT CORRECTED. Repeated as 2023-001.

2022-002, Internal controls over the payroll function should be strengthened.

NOT CORRECTED. Repeated as 2023-002.

Section 3: Federal Award Findings

2022-003.

The County should establish controls to ensure subrecipients are sufficiently monitored.

FULLY CORRECTED.

Signed: 

President of Lauderdale County Board of Supervisors