

WAYNE COUNTY, MISSISSIPPI

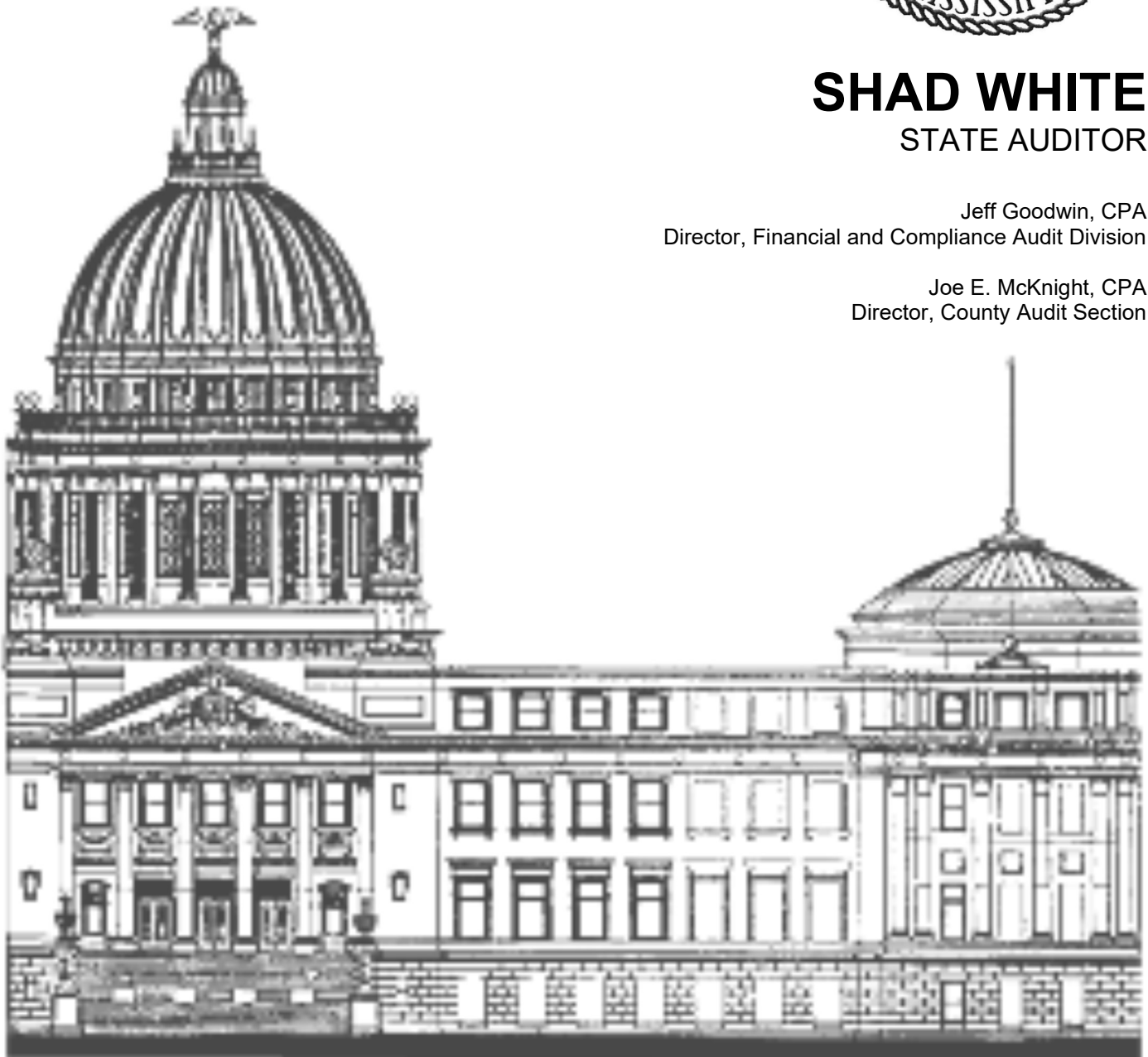
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2023



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 3, 2025

Members of the Board of Supervisors
Wayne County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2023 financial and compliance audit report for Wayne 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 Wayne County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Wayne 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

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WAYNE COUNTY

FINANCIAL SECTION

WAYNE 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
Wayne County, Mississippi

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne 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 cash basis financial position of the aggregate discretely presented component units of Wayne County, Mississippi, as of September 30, 2023, or the changes in cash basis financial position for the year then ended in accordance with accounting principles applicable to the County's cash basis of accounting.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne County, Mississippi, as of September 30, 2023, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

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.

Matters 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 applicable to the County's cash basis of accounting require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component units on the aggregate discretely presented component units has not been determined.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, as described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Schedules, Schedule of Interfund Loans and Advances, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, Schedule of Surety Bonds for County Officials and corresponding notes 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 3, 2025 on our consideration of Wayne 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 Wayne 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 Wayne County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 3, 2025

WAYNE COUNTY

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WAYNE COUNTY

FINANCIAL STATEMENTS

WAYNE COUNTY

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WAYNE COUNTY
Statement of Net Position - Cash Basis
September 30, 2023

Exhibit 1

	<u>Primary Government</u> Governmental Activities
ASSETS	
Cash	\$ 10,573,503
Total Assets	<u>10,573,503</u>
NET POSITION	
Restricted:	
Expendable:	
General government	559,951
Public safety	637,882
Public works	5,057,659
Culture and recreation	26,237
Economic development and assistance	125,335
Debt service	1,660,384
Unrestricted	<u>2,506,055</u>
Total Net Position	<u>\$ 10,573,503</u>

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

WAYNE COUNTY
Statement of Activities - Cash Basis
For the Year Ended September 30, 2023

Exhibit 2

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 8,226,265	333,290	150,893		(7,742,082)
Public safety	4,269,791	634,007	392,129		(3,243,655)
Public works	11,670,845	623,038	3,191,143	298,860	(7,557,804)
Health and welfare	365,154		120,394		(244,760)
Culture and recreation	16,810				(16,810)
Education	141,217		141,217		0
Conservation of natural resources	55,577				(55,577)
Economic development and assistance	238,892				(238,892)
Debt service:					
Principal	2,643,147				(2,643,147)
Interest	518,839				(518,839)
Total Governmental Activities	\$ 28,146,537	1,590,335	3,995,776	298,860	(22,261,566)
General receipts:					
Property taxes				\$	6,954,017
Road and bridge privilege taxes					275,555
Grants and contributions not restricted to specific programs					2,561,340
Unrestricted interest income					386,881
Miscellaneous					943,400
Proceeds from debt issuance					1,457,119
Sale of county property					773,984
Total General Receipts and Other Cash Sources					13,352,296
Changes in Net Position					(8,909,270)
Net Position - Beginning					19,482,773
Net Position - Ending				\$	10,573,503

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

WAYNE COUNTY

Statement of Cash Basis Assets and Fund Balances

Governmental Funds

September 30, 2023

Exhibit 3

	<u>Major Funds</u>					
	General Fund	District One Road Maintenance Fund	2020 Bond A Construction Fund	2021 Use Tax Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 2,506,055	1,303,890		703,229	6,060,329	10,573,503
Total Assets	<u>\$ 2,506,055</u>	<u>1,303,890</u>	<u>0</u>	<u>703,229</u>	<u>6,060,329</u>	<u>10,573,503</u>
FUND BALANCES						
Restricted for:						
General government	\$				559,951	559,951
Public safety					637,882	637,882
Public works		1,303,890		703,229	3,050,540	5,057,659
Culture and recreation					26,237	26,237
Economic development and assistance					125,335	125,335
Debt service					1,660,384	1,660,384
Unassigned	2,506,055					2,506,055
Total Fund Balances	<u>\$ 2,506,055</u>	<u>1,303,890</u>	<u>0</u>	<u>703,229</u>	<u>6,060,329</u>	<u>10,573,503</u>

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

WAYNE COUNTY

Exhibit 4

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances -
 Governmental Funds
 For the Year Ended September 30, 2023

	Major Funds					
	General Fund	District One Road Maintenance Fund	2020 Bond A Construction Fund	2021 Use Tax Construction Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property taxes	\$ 4,339,057	276,788			2,338,172	6,954,017
Road and bridge privilege taxes		55,111			220,444	275,555
Licenses, commissions and other receipts	191,035				74,531	265,566
Fines and forfeitures	124,837				4,575	129,412
Intergovernmental receipts	2,785,356	436,157		500,000	3,134,463	6,855,976
Charges for services	169,593				1,025,764	1,195,357
Interest income	80,286	19,072	20,442	97,884	169,197	386,881
Miscellaneous receipts	508,024	94,564			340,812	943,400
Total Receipts	8,198,188	881,692	20,442	597,884	7,307,958	17,006,164
DISBURSEMENTS						
General government	4,420,717		3,655,480		150,068	8,226,265
Public safety	2,598,413				1,671,378	4,269,791
Public works		1,351,946		4,477,338	5,841,561	11,670,845
Health and welfare	365,154					365,154
Culture and recreation	10,000				6,810	16,810
Education					141,217	141,217
Conservation of natural resources	55,577					55,577
Economic development and assistance	73,319				165,573	238,892
Debt service:						
Principal		870,853			1,772,294	2,643,147
Interest		23,493			495,346	518,839
Total Disbursements	7,523,180	2,246,292	3,655,480	4,477,338	10,244,247	28,146,537
Excess (Deficiency) of Receipts over (under) Disbursements	675,008	(1,364,600)	(3,635,038)	(3,879,454)	(2,936,289)	(11,140,373)
OTHER CASH SOURCES (USES)						
Proceeds from long-term debt issuance		794,262			662,857	1,457,119
Sale of county property		761,106			12,878	773,984
Transfers in	2,175,817	160,126	2,343,757	1,133,501	2,932,131	8,745,332
Transfers out	(3,919,321)			(25,173)	(4,800,838)	(8,745,332)
Total Other Cash Sources and Uses	(1,743,504)	1,715,494	2,343,757	1,108,328	(1,192,972)	2,231,103
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	(1,068,496)	350,894	(1,291,281)	(2,771,126)	(4,129,261)	(8,909,270)
Cash Basis Fund Balances - Beginning	3,574,551	952,996	1,291,281	3,474,355	10,189,590	19,482,773
Cash Basis Fund Balances - Ending	\$ 2,506,055	1,303,890	0	703,229	6,060,329	10,573,503

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

WAYNE COUNTY
Statement of Fiduciary Net Position - Cash Basis
September 30, 2023

Exhibit 5

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ <u>37,914</u>
Total Assets	\$ <u><u>37,914</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	\$ <u>37,914</u>
Total Net Position	\$ <u><u>37,914</u></u>

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

WAYNE COUNTY
Statement of Changes in Fiduciary Net Position - Cash Basis
For the Year Ended September 30, 2023

Exhibit 6

	<u>Custodial Funds</u>
CASH ADDITIONS	
Tax collections for other governments	\$ 922,757
Licenses and fees collected for State	<u>237,469</u>
Total Additions	<u>1,160,226</u>
CASH DEDUCTIONS	
Payments of tax to other governments	922,757
Payments of licenses and fees to State	<u>233,939</u>
Total Deductions	<u>1,156,696</u>
Net increase (decrease) in fiduciary net position	3,530
Net Position - Beginning	<u>34,384</u>
Net Position - Ending	\$ <u><u>37,914</u></u>

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

WAYNE COUNTY

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Wayne County, Mississippi (the County), is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. The financial statements of the County are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require Wayne County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

Management has chosen to omit from these financial statements the following component units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary for reporting in accordance with accounting principles applicable to the County's cash basis of accounting.

- Wayne County Economic Development District
- Wayne General Hospital

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

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

B. Individual Component Unit Disclosures.

Blended Component Units

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

The Wayne County Volunteer Fire Department, Inc. was organized under *Section 19-5-151, Mississippi Code of 1972 Annotated*, and is a legally separate entity. The Fire Department provides fire protection and other emergency services to all areas of the county outside the cities of Waynesboro and State Line. A majority of the Department's funding is supplied by the County. The Fire Department is included as a special revenue fund in the County's financial statements.

WAYNE COUNTY

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

The Emergency Management District of Wayne County was created by Wayne County and the City of Waynesboro under the authority of *Section 33-15-17, Mississippi Code of 1972 Annotated*, to provide emergency management and communication services and facilities (E-911), including emergency radio and telephone dispatching service, in a manner which best fills the needs of all local communities. The President of the Board of Supervisors and the Wayne County Sheriff serve as two of the five members of the governing board of the District. The County is legally entitled to and can access the District's resources and the County is obligated for the debt of the District. The Emergency Management District of Wayne County is included in the County's financial statements as a special revenue fund.

C. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental receipts and other nonexchange receipts.

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

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

The Government-wide, Governmental Funds and Fiduciary Funds financial statements are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only

WAYNE COUNTY

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

cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. The cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

The County reports the following major Governmental Funds:

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

District One Road Maintenance Fund - This fund is used to account for monies from specific sources that are restricted for road maintenance in District One of the County.

2020 Bond A Construction Fund - This fund is used to account for monies from the issuance of long-term debt used for the payment of long-term debt principal, interest and related costs of borrowing used for construction of a new Justice Court building.

2021 Use Tax Construction Fund - This fund is used to account for monies received from use tax that are restricted for road and bridge construction and maintenance.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

FIDUCIARY FUND TYPE

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

E. Account Classifications.

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

F. Deposits.

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.

WAYNE COUNTY

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

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

G. Equity Classifications.

Government-wide Financial Statements:

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

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

Fund Balance Flow Assumption:

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

WAYNE COUNTY

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

H. Property Tax Receipts.

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

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

I. 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. These financial statements do not reflect SBITAs in accordance with GASB 96 as these financial statements were prepared using the cash basis of accounting.

(2) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2023, was \$10,611,417, and the bank balance was \$11,018,518. 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.

WAYNE COUNTY

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

(3) Interfund Transfers.

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

Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 2,175,817
District One Road Maintenance Fund	Other Governmental Funds	160,126
2020 Bond A Construction Fund	General Fund	2,343,757
2021 Use Tax Construction Fund	General Fund	311,301
2021 Use Tax Construction Fund	Other Governmental Funds	822,200
Other Governmental Funds	General Fund	1,264,263
Other Governmental Funds	2021 Use Tax Construction Fund	25,173
Other Governmental Funds	Other Governmental Funds	1,642,695
Total		\$ 8,745,332

The principal purpose of interfund transfers was to repay interfund loans and to provide funds for debt service and grant matches. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(4) Claims and Judgments.

Risk Financing.

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

(5) Contingencies.

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

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

WAYNE COUNTY

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

(6) Joint Venture.

The County participates in the following joint venture:

Wayne County is a participant with the City of Waynesboro in a joint venture authorized by *Section 39-3-8, Mississippi Code of 1972 Annotated*, to operate the Waynesboro-Wayne County Library System. The Library was created to provide free public library service to citizens of the respective county and city. The Library is governed by a ten-member board, one from each county and city district. The County and City are obligated by contract to levy not more than a four-mill and three-mill tax, respectively, as provided by *Sections 39-3-5(1) and 39-3-7(1), Mississippi Code of 1972 Annotated*, respectively, for the ongoing financial support of the Library. By contractual agreement, the County's contribution to the joint venture this year amounted to \$146,583. Complete financial statements for the Library can be obtained from the Waynesboro-Wayne County Library, 1103A Mississippi Drive, Waynesboro, Mississippi 39367.

(7) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southern Mississippi Planning and Development District operates in a district composed of the counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The Wayne County Board of Supervisors appoints one of the 27 members of the board of directors. The County contributed \$37,567 for support of the district in fiscal year 2023, a small percentage of the district's total revenue.

Pine Belt Mental Health Care Resources operates in a district composed of the Counties of Amite, Covington, Forrest, Franklin, Greene, Hancock, Harrison, Jefferson Davis, Jones, Lamar, Lawrence, Marion, Pearl River, Perry, Stone, Walthall and Wayne. The Wayne County Board of Supervisors appoints one of the 18 members of the board of commissioners. The County contributed \$47,500 for support of the entity in fiscal year 2023.

Jones County Junior College operates in an area composed of the Counties of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne. The college is governed by a 20-member board of trustees. Each county appoints two of the college's trustees, except Jones County, which appoints six. The County contributed \$612,871 for the maintenance and support of the college in fiscal year 2023.

Mississippi Regional Housing Authority VIII operates in an area composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The governing body is a 15-member board of commissioners, one appointed by the Board of Supervisors of each of the member counties and one appointed at-large. The counties generally provide no financial support to the organization.

Multi-County Community Service Agency is a human resources agency created to administer programs conducted by community action agencies, limited purpose agencies and related programs authorized by federal law. Its nine members are as follows: Clarke, Jasper, Kemper, Lauderdale, Neshoba, Newton, Scott, Smith and Wayne counties. Each member appoints three of the 27 board members. The County contributed \$15,000 for support of the agency in fiscal year 2023.

The Regional Railroad Authority of East Mississippi was created in September 2009 by Clarke, George, Greene and Wayne counties; Lauderdale County's membership was effective a month later. The Authority was created to preserve, develop and maintain rail service in the member counties. Each member county appoints five commissioners to the Board of Commissioners, while any municipality in each of these counties through which such railroad(s) run appoints one commissioner. The County contributed \$22,805 for support of the Authority in fiscal year 2023.

WAYNE COUNTY

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

(8) Defined Benefit Pension Plan.

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

Funding Policy. At September 30, 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 rate at September 30, 2023 was 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2023, 2022 and 2021 were \$885,896, \$826,442 and \$769,480, respectively, equal to the required contributions for each year.

These financial statements do not reflect pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources in accordance with GASB 67, 68 and 71 as these financial statements were prepared using the cash basis of accounting.

(9) Tax Abatements.

As of September 30, 2023, Wayne County provides tax-exempt status subject to the requirements of GASB Statement No. 77 to five manufacturing facilities, two processing plants and four public utilities. These companies are exempt from all property taxes and personal property taxes except for levies involving the schools, the mandatory mill, and community college tax levies. These exemptions are authorized by *Sections 27-31-101, 27-31-102, and 27-31-105, Mississippi Code of 1972 Annotated*. These exemptions encourage businesses to locate or expand operations in the County and create jobs. The taxes abated for fiscal year 2023 totaled \$224,160.

WAYNE COUNTY

SUPPLEMENTARY INFORMATION

WAYNE COUNTY

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service Passed-through the Mississippi State Treasurer's Office Forest service schools and roads cluster:			
Schools and roads - grants to states	10.665	N/A	\$ 282,434
Total Forest service schools and roads cluster			<u>282,434</u>
Total U.S. Department of Agriculture			<u>282,434</u>
U.S. Department of Transportation Passed-through the Mississippi Emergency Management Agency Interagency hazardous materials public sector training and planning grants	20.703	Unknown	<u>13,808</u>
Total U.S. Department of Transportation			<u>13,808</u>
U.S. Department of the Treasury Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	<u>3,920,311</u>
COVID-19 Local assistance and tribal consistency fund (Direct Award)	21.032	N/A	<u>722,268</u>
Total U.S. Department of the Treasury			<u>4,642,579</u>
U.S. Department of Homeland Security Passed-through the Mississippi Emergency Management Agency Disaster grants - public assistance (Presidentially declared disasters)	97.036	Unknown	125,568
Disaster grants - public assistance (Presidentially declared disasters)	97.036	Unknown	<u>31,790</u>
Subtotal			<u>157,358</u>
Emergency management performance grants	97.042	Unknown	<u>22,263</u>
Total U.S. Department of Homeland Security			<u>179,621</u>
Total Expenditures of Federal Awards			\$ <u><u>5,118,442</u></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 Wayne 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 Wayne County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Wayne County.

Note B - Summary of Significant Accounting Policies

Expenditures on the Schedule are reported on the cash 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 credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

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

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

Of the federal expenditures presented in the Schedule, Wayne County provided federal awards totaling \$141,217 to subrecipients during the year ended September 30, 2023.

* Denotes major federal award program

WAYNE COUNTY
Schedule of Operating Costs of Solid Waste
For the Year Ended September 30, 2023

Operating Disbursements, Cash Basis:

Salaries	\$	702,636
Expendable Commodities:		
Gasoline and petroleum products		113,290
Repair parts		43,625
Clothing		576
Hauling and landfill fees		195,179
Maintenance		27,914
Contractual services		26,516
Supplies		<u>1,788</u>
Solid Waste Operating Costs Disbursements	\$	<u><u>1,111,524</u></u>

WAYNE COUNTY

OTHER INFORMATION

WAYNE COUNTY

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WAYNE 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)
RECEIPTS				
Property taxes	\$ 4,268,289	4,339,057	4,339,057	
Licenses, commissions and other receipts	189,700	183,669	191,035	7,366
Fines and forfeitures	169,590	126,001	124,837	(1,164)
Intergovernmental receipts	914,920	1,733,790	2,785,356	1,051,566
Charges for services	80,000	85,814	169,593	83,779
Interest income	8,086	79,961	80,286	325
Miscellaneous receipts	327,506	1,315,717	508,024	(807,693)
Total Receipts	<u>5,958,091</u>	<u>7,864,009</u>	<u>8,198,188</u>	<u>334,179</u>
DISBURSEMENTS				
Current:				
General government	3,717,119	4,490,605	4,420,717	69,888
Public safety	2,627,659	2,598,413	2,598,413	
Health and welfare	355,510	365,154	365,154	
Culture and recreation	10,000	10,000	10,000	
Conservation of natural resources	71,900	55,577	55,577	
Economic development and assistance	61,067	73,319	73,319	
Total Disbursements	<u>6,843,255</u>	<u>7,593,068</u>	<u>7,523,180</u>	<u>69,888</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(885,164)</u>	<u>270,941</u>	<u>675,008</u>	<u>404,067</u>
OTHER CASH SOURCES (USES)				
Transfers in		2,175,817	2,175,817	
Transfers out		(3,608,020)	(3,919,321)	(311,301)
Total Other Cash Sources and Uses	<u>0</u>	<u>(1,432,203)</u>	<u>(1,743,504)</u>	<u>(311,301)</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>(885,164)</u>	<u>(1,161,262)</u>	<u>(1,068,496)</u>	<u>92,766</u>
Cash Basis Fund Balances - Beginning	<u>2,604,122</u>		<u>3,574,551</u>	<u>3,574,551</u>
Cash Basis Fund Balances - Ending	<u>\$ 1,718,958</u>	<u>(1,161,262)</u>	<u>2,506,055</u>	<u>3,667,317</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 362,092	276,788	276,788	
Road and bridge privilege taxes		55,111	55,111	
Intergovernmental receipts	144,300	436,157	436,157	
Interest income	1,500	19,072	19,072	
Miscellaneous receipts	3,000	94,562	94,564	2
Total Receipts	510,892	881,690	881,692	2
DISBURSEMENTS				
Current:				
Public works	1,200,554	557,684	1,351,946	(794,262)
Debt service:				
Principal	83,430	282,210	870,853	(588,643)
Interest	8,355	22,483	23,493	(1,010)
Total Disbursements	1,292,339	862,377	2,246,292	(1,383,915)
Excess (Deficiency) of Receipts over (under) Disbursements	(781,447)	19,313	(1,364,600)	(1,383,913)
OTHER CASH SOURCES (USES)				
Proceeds from debt issuance			794,262	794,262
Proceeds from sale of county property		171,453	761,106	589,653
Transfers in		160,126	160,126	
Total Other Cash Sources and Uses	0	331,579	1,715,494	1,383,915
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	(781,447)	350,892	350,894	2
Cash Basis Fund Balances - Beginning	900,500	0	952,996	952,996
Cash Basis Fund Balances - Ending	\$ 119,053	350,892	1,303,890	952,998

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

WAYNE COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 2021 Use Tax Construction Fund
 For the Year Ended September 30, 2023
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental receipts	\$	1,633,500	500,000	(1,133,500)
Interest income		97,884	97,884	
Total Receipts	<u>0</u>	<u>1,731,384</u>	<u>597,884</u>	<u>(1,133,500)</u>
DISBURSEMENTS				
Current:				
Public works	3,548,686	4,477,338	4,477,338	
Total Disbursements	<u>3,548,686</u>	<u>4,477,338</u>	<u>4,477,338</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(3,548,686)</u>	<u>(2,745,954)</u>	<u>(3,879,454)</u>	<u>(1,133,500)</u>
OTHER CASH SOURCES (USES)				
Transfers in			1,133,501	1,133,501
Transfers out		(25,173)	(25,173)	
Total Other Cash Sources and Uses	<u>0</u>	<u>(25,173)</u>	<u>1,108,328</u>	<u>1,133,501</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>(3,548,686)</u>	<u>(2,771,127)</u>	<u>(2,771,126)</u>	<u>1</u>
Cash Basis Fund Balances - Beginning	<u>3,548,686</u>		<u>3,474,355</u>	<u>3,474,355</u>
Cash Basis Fund Balances - Ending	\$ <u>0</u>	<u>(2,771,127)</u>	<u>703,229</u>	<u>3,474,356</u>

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

WAYNE COUNTY
Schedule of Interfund Loans and Advances
For the Year Ended September 30, 2023
UNAUDITED

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

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Balance at Sept. 30, 2023
2021 Use Tax Construction Fund	General Fund	\$ 311,301
2021 Use Tax Construction Fund	Other Governmental Funds	<u>822,200</u>
Total		\$ <u>1,133,501</u>

The amounts due represent various receipts posted to incorrect funds that are due to be repaid within one year.

B. Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Balance at Sept. 30, 2023
General Fund	Other Governmental Funds	\$ 325,825
District One Road Maintenance Fund	General Fund	9,862
District One Road Maintenance Fund	Other Governmental Funds	18,101
Other Governmental Funds	General Fund	96,542
Other Governmental Funds	Other Governmental Funds	124,766
Custodial Funds	Other Governmental Funds	<u>20,049</u>
Total		\$ <u>595,145</u>

The amounts due represent various receipts posted to incorrect funds that were not repaid within one year.

WAYNE COUNTY
Schedule of Capital Assets
For the Year Ended September 30, 2023
UNAUDITED

Governmental activities:

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023
Land	\$ 2,038,596			2,038,596
Construction in progress	3,633,276	15,550		3,648,826
Infrastructure	136,309,620			136,309,620
Buildings	9,379,925			9,379,925
Improvements other than buildings	1,094,481			1,094,481
Mobile equipment	13,299,151	2,805,184	1,542,796	14,561,539
Furniture and equipment	2,303,811	53,295	61,302	2,295,804
Total capital assets	\$ <u>168,058,860</u>	<u>2,874,029</u>	<u>1,604,098</u>	<u>169,328,791</u>

These financial statements do not reflect leases in accordance with GASB 87 or SBITAs in accordance with GASB 96 as these financial statements were prepared using the cash basis of accounting.

WAYNE COUNTY
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2023
UNAUDITED

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

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2022	Issued	Principal Payments	Balance Sept. 30, 2023
Governmental Activities:							
A. General Obligation Bonds:							
General obligation industrial development bonds 2013	12/19/2013	12/2022	4.00-5.25%	\$ 420,382		420,382	
General obligation industrial development bonds - 2020 refunding	9/10/2020	12/2033	2.48%	4,208,000		62,000	4,146,000
General obligation bond 2020-A	10/1/2020	10/2040	3.00%	1,710,000		75,000	1,635,000
General obligation bond 2020-B	10/1/2020	10/2040	3.00%	830,000		35,000	795,000
B. Special Obligation Bonds:							
Special Obligation Bond, Series 2021	9/30/2021	10/2031	2.00-3.00%	4,570,000		450,000	4,120,000
C. Financed Purchases:							
District 1 - Caterpillar 299D2 XHP skid steer	4/4/2019	05/2023	4.95%	56,104		56,104	
District 2 - Caterpillar mini excavator	5/18/2018	11/2022	4.55%	26,450		26,450	
District 2 - Caterpillar 430F2 backhoe Loader	10/11/2017	10/2022	3.19%	60,031		60,031	
District 2 - Caterpillar 299D2 XHP skid steer	10/29/2018	09/2023	5.05%	39,265		39,265	
Fire Department - 120 Kenwood portable radios	5/1/2019	05/2024	4.03%	71,613		35,099	36,514
District 1 - Caterpillar 306 mini excavator	7/23/2020	11/2022	3.09%	54,731		54,731	
District 2 - 2014 Caterpillar 930K loader (refinanced)	12/10/2019	12/2023	3.60%	31,215		24,747	6,468
District 5 - Caterpillar backhoe loader (refinanced)	2/13/2020	02/2023	3.49%	9,294		9,294	
District 5 - John Deere 544K loader (refinanced)	5/12/2020	05/2023	2.79%	22,600		22,600	
District 5 - Caterpillar motor grader	2/13/2020	02/2025	3.24%	210,705		28,944	181,761
District 1 - 2022 Kenworth dump truck	5/29/2021	08/2023	1.62%	81,206		81,206	
District 3 - New Komatsu motor grader	6/26/2021	05/2024	1.65%	205,510		31,998	173,512
District 4 - John Deere tractor	4/29/2021	03/2023	1.55%	35,134		35,134	
Countywide - Komatsu wheel loader	1/1/2021	01/2025	2.05%	183,818		28,670	155,148
Countywide - Komatsu excavator	5/2/2022	05/2025	2.41%	201,076		25,194	175,882
District 1 - John Deere tractor	1/6/2022	01/2025	1.54%	48,691		20,653	28,038
District 1 - Kenworth dump truck	4/7/2022	03/2023	2.41%	197,829		197,829	
District 1 - 2023 Kenworth truck	8/19/2022	03/2023	3.37%	207,871		207,871	
District 2 - Kubota tractor	7/1/2022	07/2026	3.29%	159,737		39,727	120,010

WAYNE COUNTY
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2023
UNAUDITED

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

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2022	Issued	Principal Payments	Balance Sept. 30, 2023
Governmental Activities:							
C. Financed Purchases (cont'd):							
District 5 - Refinanced 2022 Western Star truck	4/26/2022	04/2025	1.98%	110,619		42,143	68,476
District 3 - Refinanced 2022 Western Star truck	4/26/2022	04/2025	1.98%	110,619		42,143	68,476
District 3 - Refinanced 2021 Western Star truck	7/18/2022	07/2025	3.18%	114,954		39,382	75,572
District 5 - Refinanced 2021 Western Star truck	7/28/2022	07/2025	3.18%	114,954		39,382	75,572
District 3 - 2023 Sany SMG200C-8 motor grader	7/19/2022	07/2027	3.38%	244,434		33,584	210,850
Sanitation - Dennis Eagle garbage truck	3/25/2022	03/2025	1.65%	153,022		13,146	139,876
E911 - E911 equipment	9/30/2022	09/2032	2.83%	1,074,470		94,485	979,985
District 1 - 2022 Caterpillar 309 mini excavator	12/29/2022	12/2025	4.65%		132,762	18,949	113,813
District 1 - 2024 Kenworth T880 dump truck	3/23/2023	03/2026	4.88%		220,500	220,500	
District 2 - 2023 Land Pride cutter	9/12/2023	09/2026	5.66%		24,650		24,650
District 5 - 2022 Kubota M5-111 HDC tractor and LA1854 loader	10/26/2022	10/2026	4.44%		61,382	13,121	48,261
District 1 - Two 2024 Kenworth T880 dump trucks	7/17/2023	07/2028	4.96%		441,000	13,010	427,990
District 5 - 2023 Kubota M6 tractor and Terrain King boom mower	7/12/2023	07/2028	4.96%		182,125	5,373	176,752
Fire Department - New Rosenbauer fire truck	8/10/2023	08/2029	5.06%		394,700		394,700
Total				\$ 15,564,334	1,457,119	2,643,147	14,378,306

These financial statements do not reflect leases in accordance with GASB 87 or SBITAs in accordance with GASB 96 as these financial statements were prepared using the cash basis of accounting.

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

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

Name	Position	Company	Bond
Hal R. Hayes	Supervisor District 1	RLI Insurance Company	\$100,000
Marvin Chapman	Supervisor District 2	RLI Insurance Company	\$100,000
Jerry Hutto	Supervisor District 3	RLI Insurance Company	\$100,000
Gary Malone	Supervisor District 4	RLI Insurance Company	\$100,000
Henry Cooley	Supervisor District 5	RLI Insurance Company	\$100,000
Geary Jackson	Chancery Clerk	RLI Insurance Company	\$100,000
Holley Henderson Lewis	Purchase Clerk	Western Surety Company	\$100,000
Kristen Harrison	Assistant Purchase Clerk	Travelers Casualty and Surety Company	\$50,000
Melissa Davis	Receiving Clerk	Western Surety Company	\$75,000
Brenda B. Mills	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Christopher S. McIlwain	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Jeremy S. Anderson	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
John P. Donald	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Johnny W Lee	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Martin D. Stevison	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Janet Bishop	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Mack Arthur Chambers	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Kristen Harrison	Inventory Control Clerk	Western Surety Company	\$75,000
Alan Scott Frost	Constable	RLI Insurance Company	\$50,000
Stephen Ainsworth	Constable	RLI Insurance Company	\$50,000
Kathryn Revette	Circuit Clerk	RLI Insurance Company	\$100,000
Evelyn Stone	Deputy Circuit Clerk	RLI Insurance Company	\$50,000
Brittnay Perry Holifield	Deputy Circuit Clerk	RLI Insurance Company	\$50,000
Christen Cooley	Deputy Circuit Clerk	RLI Insurance Company	\$50,000
Jody Ashley	Sheriff	Western Surety Company	\$100,000
Charles Chapman	Justice Court Judge	Western Surety Company	\$50,000
Ralph Smith	Justice Court Judge	RLI Insurance Company	\$50,000
Larita Michelle McCann	Justice Court Clerk	RLI Insurance Company	\$50,000
Jimmie Ashley Pitts	Deputy Justice Court Clerk	RLI Insurance Company	\$50,000
Georgia M. Vaughn	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Wanda Worsham	Deputy Justice Court Clerk	RLI Insurance Company	\$50,000
Amber Hope McLain	Deputy Justice Court Clerk	RLI Insurance Company	\$50,000
Debbie Richards	Tax Assessor-Collector	RLI Insurance Company	\$100,000
Rose M. Trisler	Deputy Tax Assessor	RLI Insurance Company	\$10,000
Maranda K. Nelson	Deputy Tax Assessor	RLI Insurance Company	\$10,000
Katie Johnson	Deputy Tax Collector	RLI Insurance Company	\$50,000
Candace R. Cooley	Deputy Tax Collector	RLI Insurance Company	\$50,000
Priscilla A. Pittman	Deputy Tax Collector	RLI Insurance Company	\$50,000
Melinda P. Taylor	Deputy Tax Collector	RLI Insurance Company	\$50,000
Brendie R. West	Deputy Tax Collector	RLI Insurance Company	\$50,000
Maranda K. Nelson	Deputy Tax Collector	RLI Insurance Company	\$50,000
Amber Brewer	Deputy Tax Collector	RLI Insurance Company	\$50,000

WAYNE COUNTY

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

(1) Budgetary Comparison Information.

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Excess of Actual Disbursements Over Budget in an Individual Fund.

The following fund had an excess of actual disbursements over budget for the year ended September 30, 2023:

<u>Fund</u>	<u>Excess</u>
District One Road Maintenance Fund	\$ 1,383,915

The fund listed above is in violation of *Section 19-11-17, Mississippi Code of 1972 Annotated*. However, the County has no obligation associated with these violations.

(2) Long-term Debt Information:

- A. Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2023, the amount of outstanding debt was equal to 3.71 percent (3.71%) of the latest property assessments.

WAYNE COUNTY

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

B. Subsequent Events.

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>
10/2023	5.49%	\$ 178,850	Financed purchase	Ad valorem taxes
02/2024	4.75%	434,397	Financed purchase	Ad valorem taxes
02/2024	4.75%	434,397	Financed purchase	Ad valorem taxes
04/2024	4.95%	77,524	Financed purchase	Ad valorem taxes
04/2024	4.94%	125,200	Financed purchase	Ad valorem taxes
06/2024	4.88%	100,000	Financed purchase	Ad valorem taxes
02/2025	4.34%	299,900	Financed purchase	Ad valorem taxes
03/2025	4.58%	139,500	Financed purchase	Ad valorem taxes

WAYNE COUNTY

SPECIAL REPORTS

WAYNE 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
Wayne County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne 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 3, 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 applicable to the County's cash basis of accounting to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wayne 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 Wayne 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 did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne 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 Wayne County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules dated April 3, 2025, included within this document.

Wayne County's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on Wayne County, Mississippi's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Wayne County, Mississippi's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 3, 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
Wayne County, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Wayne 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 Wayne County, Mississippi's major federal program for the year ended September 30, 2023. Wayne 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, Wayne 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 Wayne 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 Wayne 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 Wayne 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 Wayne 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 Wayne 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 Wayne 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 Wayne 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 Wayne 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.

A handwritten signature in black ink, appearing to read "Joe E. Mcknight".

JOE E. MCKNIGHT CPA
Director, County Audit Section

April 3, 2025

WAYNE 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
(AS REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE OF 1972 ANNOTATED)

Members of the Board of Supervisors
Wayne County, Mississippi

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

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

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

Inventory Control Clerk.

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

Repeat Finding Yes

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 requires that certain data elements be captured in capital asset records for

all capital assets. Required data elements include description of assets, cost, locations, acquisition dates, disposition dates, methods of disposition, and other relevant information. The presence of these data elements in capital assets records helps identify and distinguish county assets from one another, thereby safeguarding county assets from loss or misappropriation.

Condition	As reported in the prior three years' audit reports, we noted control procedures were inadequate for maintaining adequate subsidiary records documenting the County's capital assets
Cause	The Inventory Control Clerk lacked the necessary control procedures to accurately maintain an inventory control system and adequate subsidiary records.
Effect	The failure to maintain an accurate inventory control system could result in the reporting of inaccurate amounts and increases in the possibility of the loss or misappropriation of public funds.
Recommendation	The Inventory Control Clerk should implement procedures to maintain accurate inventory records documenting the existence, completeness, and valuation of capital assets.
Views of Responsible Official(s)	Plan of action in 2024 to get a better inventory control system in place.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Wayne 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 of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

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

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 3, 2025

WAYNE 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.

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
3/28/2023	Fiber optic line replacement	\$ 5,289	Benecom Technologies	An 18-wheeler pulled the exposed line from a pothole. The fiber optic line provides internet for the entire Justice Court Building.
6/30/2023	New air conditioning unit	12,505	John's Heat & Air	Old air conditioner in jail was not repairable.
8/18/2023	Repairs to Jones Anderson Bridge	72,000	Michael Jordan Construction	Public safety issue.

WAYNE COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2023

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

WAYNE COUNTY

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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
Wayne County, Mississippi

In planning and performing our audit of the cash basis financial statements of Wayne County, Mississippi (the County) for the year ended September 30, 2023, we considered Wayne 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 Wayne 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 3, 2025, on the financial statements of Wayne County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the 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.

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

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JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 3, 2025

WAYNE COUNTY

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WAYNE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

WAYNE COUNTY

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WAYNE COUNTY

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

Section 1: Summary of Auditor's Results

Financial Statements:

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

Governmental activities	Unmodified
Aggregate discretely presented component units	Adverse
General Fund	Unmodified
District One Road Maintenance Fund	Unmodified
2020 Bond A Construction Fund	Unmodified
2021 Use Tax Construction Fund	Unmodified
Aggregate remaining fund information	Unmodified
2. Internal control over financial reporting:
 - a. Material weakness 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 findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
7. Identification of major federal program:

ALN 21.027, Coronavirus state and local fiscal recovery funds
8. Dollar threshold used to distinguish between type A and type B programs: \$750,000
9. Auditee qualified as low-risk auditee? No
10. Prior fiscal year audit finding 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

WAYNE 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 three years' audit reports, the County has interfund loans outstanding that are over one year old. The loans were not repaid as of September 30, 2023.
Cause	The County lacked the necessary controls to ensure that interfund loans were repaid within one year.
Effect	Failure of the Board of Supervisors to ensure repayment of these loans is 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 the funds for repayment. The Board of Supervisors should ensure these old loans are repaid by approving and recording in the minutes a repayment schedule and complying with the repayment schedule.
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.

WAYNE COUNTY

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

WAYNE COUNTY

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WAYNE COUNTY BOARD OF SUPERVISORS

**WAYNE COUNTY COURTHOUSE
609 AZALEA DRIVE
WAYNESBORO, MISSISSIPPI 39367
Telephone: (601) 735-3414
Fax: (601) 735-6230**

*HAL HAYES, District 1
HENRY COOLEY, District 5
ANDREW CHAPMAN, District 4*

OFFICERS
*KEITH CLAY, President, District 3
JOE DYESS, Vice-President, District 2
JEREMY CARR, Chancery Clerk*

*WALT MONTGOMERY, Attorney
1600 Azalea Dr. Waynesboro, MS 39367
Telephone: (601) 410-9511*

CORRECTIVE ACTION PLAN

November 25, 2024

Mr. Shad White
Office of the State Auditor
PO Box 956
Jackson, Mississippi 39205

Gentlemen:

The Wayne County Board of Supervisors 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 2: FINANCIAL STATEMENT FINDINGS

2023-001. Corrective Action Planned: We have repaid some interfund loans and have made arrangements to repay the rest.

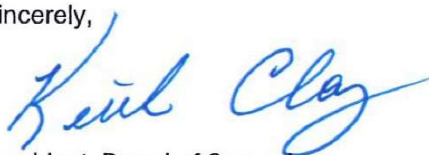
Anticipated Completion Date: September 30, 2024

Name of Contact Person
Responsible for Corrective
Action: Kristen Harrison, Comptroller

SECTION 3: FEDERAL AWARD FINDINGS

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

Sincerely,



President, Board of Supervisors

WAYNE COUNTY

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WAYNE COUNTY BOARD OF SUPERVISORS

**WAYNE COUNTY COURTHOUSE
609 AZALEA DRIVE
WAYNESBORO, MISSISSIPPI 39367
Telephone: (601) 735-3414
Fax: (601) 735-6230**

*HAL HAYES, District 1
HENRY COOLEY, District 5
ANDREW CHAPMAN, District 3*

OFFICERS
*KEITH CLAY, President, District 4
JOE DYESS, Vice-President, District 2
JEREMY CARR, Chancery Clerk*

*WALT MONTGOMERY, Attorney
1600 Azalea Dr. Waynesboro, MS 39367
Telephone: (601) 410-9511*

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

November 25, 2024

Mr. Shad White
Office of the State Auditor
PO Box 956
Jackson, Mississippi 39205

Gentlemen:

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

The finding from the prior year's Schedule of Findings and Responses is discussed below. The finding is numbered with the number 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

2020-002. Controls over the repayment of interfund advances should be strengthened

NOT CORRECTED. Repeated as 2021-002, 2022-001 and 2023-001.

Sincerely,



President, Board of Supervisors