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ADAMS COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2024



ADAMS COUNTY
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ADAMS COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Adams County, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams County, Mississippi, (the County) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams County, Mississippi, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Adams County Airport Commission and Natchez-Adams Port Commission which are discretely presented component units and represent 51% and 49%, respectively, of the assets, 71% and 29%, respectively, of the net position, and 38% and 62% of the revenues of the aggregate discretely presented component units as of September 30, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Adams County Airport Commission and Natchez-Adams County Port Commission is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Omission of Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Adams County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2026, on our consideration of Adams 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 Adams 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 Adams County, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

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

March 4, 2026

ADAMS COUNTY

FINANCIAL STATEMENTS

ADAMS COUNTY
Statement of Net Position
September 30, 2024

Exhibit 1

	Primary Government	Component Units		
	Governmental Activities	Adams County Airport Comm.	Natchez-Adams Port Comm.	Total
Assets				
Cash	\$ 13,237,366	\$ 22,096	696,885	718,981
Accrued interest receivable	53,748		4,185	4,185
Property tax receivable	14,386,091			-
Accounts receivable	-	59,254	404,374	463,628
Fines receivable, net of allowance for uncollectibles of \$3,084,660	588,180			-
Accounts receivable, net of allowance for uncollectibles of \$3,470,669	252,865			-
Loans receivable, net	-			-
Lease receivable	1,696,195		312,064	312,064
Intergovernmental receivables	1,311,705			-
Other receivables	-			-
Prepaid expenses	-	8,321	21,525	29,846
Inventories, at cost	-	38,839		38,839
Intangible assets	-	82,973		82,973
Land and construction in progress	11,810,512	6,240,716	54,173	6,294,889
Other capital assets, net	58,345,267	4,992,043	9,535,531	14,527,574
Total Assets	101,681,929	11,444,242	11,028,737	22,472,979
Deferred Outflows of Resources				
Deferred outflows related to pension	4,387,267	129,103	396,901	526,004
Total Deferred Outflows of Resources	4,387,267	129,103	396,901	526,004
Liabilities				
Claims payable	864,193			-
Amounts held in custody for others	460,605			-
Intergovernmental payables	1,252,873			-
Accrued interest payable	149,793			-
Accounts payable	-	45,692	95,354	141,046
Accrued payroll and payroll taxes	-		22,347	22,347
Unearned revenue	2,876,122			-
Long-term liabilities				-
Due within one year:				-
Leases Payable	42,140		511,223	511,223
Capital related debt	2,948,742		2,105,240	2,105,240
Due in more than one year:				-
Leases Payable	83,527		1,527,278	1,527,278
Capital related debt	18,516,295		66,856	66,856
Non-capital debt	654,697	33,830		33,830
Net pension liability	29,317,224	955,264	2,518,840	3,474,104
Total Liabilities	57,166,211	1,034,786	6,847,138	7,881,924
Deferred Inflows of Resources				
Deferred inflows related to pension	2,174,354	-	174,374	174,374
Deferred inflows related to leases	1,459,585	-	-	-
Deferred revenues - property tax	14,386,091			-
Total deferred inflows of resources	18,020,030	-	174,374	174,374
Net Position				
Net investment in capital assets	48,565,075	11,232,760	5,615,206	16,847,966
Restricted:				
Expendable:				
General government	712,374			-
Public safety	915,878			-
Public works	3,392,612			-
Culture and recreation	320,523			-
Conservation of natural resources	14,043			-
Economic development	89,932			-
Debt Service	31,799			-
Unemployment	35,848			-
Insurance premiums	249,994			-
Unrestricted	(23,445,123)	(694,201)	(1,211,080)	(1,905,281)
Total Net Position	\$ 30,882,955	\$ 10,538,559	4,404,126	14,942,685

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

ADAMS COUNTY
Statement of Activities
For the Year Ended September 30, 2024

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and	Component Units		
		Charges for Services	Grants and Contributions	Capital Grants and Contributions	Changes in Net Position Primary Government Governmental Activities	Adams Co Airport Comm.	Natchez- Adams Port Comm.	Total Component Units
Primary government:								
Governmental activities:								
General government	\$ 12,214,962	4,200,352	2,162,077		(5,852,533)			
Public safety	8,764,690	1,626,868	800,696		(6,337,126)			
Public works	7,480,581	1,874,821	2,846,149	107,117	(2,652,494)			
Health and welfare	401,917		76,014		(325,903)			
Culture and recreation	2,668,398		37,115		(2,631,283)			
Conservation of natural resources	541,526		325,931		(215,595)			
Economic development and assistance	1,444,633				(1,444,633)			
Interest on long-term debt	875,065				(875,065)			
Pension expense	3,564,170				(3,564,170)			
Total Governmental Activities	<u>37,955,942</u>	<u>7,702,041</u>	<u>6,247,982</u>	<u>107,117</u>	<u>(23,898,802)</u>			
Total Primary Government	\$ <u>37,955,942</u>	<u>7,702,041</u>	<u>6,247,982</u>	<u>107,117</u>	<u>(23,898,802)</u>			
Component Units:								
Adams County Airport Commission	\$ 1,614,579	796,935		711,048		<u>(106,596)</u>		(106,596)
Natchez-Adams Port Commission	3,346,962	2,789,972					<u>(556,990)</u>	(556,990)
Total Component Units	\$ <u>4,961,541</u>	<u>3,586,907</u>	<u>-</u>	<u>711,048</u>				<u>(663,586)</u>
General revenues:								
Property taxes				\$ 18,295,138				-
Road & bridge privilege taxes				1,133,076				-
Grants and contributions not restricted to specific programs				1,089,849		201,667		201,667
Unrestricted investment income				322,803		1,311	3,409	4,720
Miscellaneous				2,444,672				-
Total General Revenues				<u>23,285,538</u>		<u>202,978</u>	<u>3,409</u>	<u>206,387</u>
Changes in Net Position					<u>(613,264)</u>	<u>96,382</u>	<u>(553,581)</u>	<u>(457,199)</u>
Net Position - Beginning, as previously reported					<u>31,496,219</u>	<u>10,442,177</u>	<u>5,089,970</u>	<u>15,532,147</u>
Error Correction					-	-	(132,263)	(132,263)
Net Position - Beginning, as restated					<u>31,496,219</u>	<u>10,442,177</u>	<u>4,957,707</u>	<u>15,399,884</u>
Net Position - Ending	\$				<u>30,882,955</u>	<u>10,538,559</u>	<u>4,404,126</u>	<u>14,942,685</u>

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

ADAMS COUNTY
Balance Sheet – Governmental Funds
September 30, 2024

Exhibit 3

	Major Funds				
	General Fund	Fiscal Recovery Fund	Cash Reserves Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 4,315,249	3,093,992	427,830	5,115,459	12,952,530
Accrued interest receivable	25,988	27,760			53,748
Property tax receivable	10,030,455			4,355,636	14,386,091
Fines receivable, net of allowance for uncollectibles of \$3,084,660	588,180				588,180
Accounts receivable, net of allowance for uncollectibles of \$3,470,669				252,865	252,865
Loans receivable, net				-	-
Lease receivable				1,696,195	1,696,195
Intergovernmental receivables	1,247,801			63,904	1,311,705
Due from other funds				363,287	363,287
Advances to other funds	230,447			88,854	319,301
Total Assets	<u>16,438,120</u>	<u>3,121,752</u>	<u>427,830</u>	<u>11,936,200</u>	<u>31,923,902</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Claims payable	179,556			684,637	864,193
Intergovernmental payables	1,210,079				1,210,079
Due to other funds	406,081				406,081
Advances from other funds	90,324	156,870		37,265	284,459
Amounts held in custody for others	460,605				460,605
Unearned revenue	-	2,876,122			2,876,122
Total Liabilities	<u>2,346,645</u>	<u>3,032,992</u>	<u>-</u>	<u>721,902</u>	<u>6,101,539</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	10,030,455			4,355,636	14,386,091
Unavailable revenue - garbage fees				252,865	252,865
Unavailable revenue - fines	588,180				588,180
Leases				1,459,585	1,459,585
Total Deferred Inflows of Resources	<u>10,618,635</u>	<u>-</u>	<u>-</u>	<u>6,068,086</u>	<u>16,686,721</u>
FUND BALANCES					
Nonspendable:					
Advances	230,447				230,447
Restricted for:					
General government		88,760		623,614	712,374
Public safety				915,878	915,878
Public works			427,830	2,964,782	3,392,612
Culture and recreation				320,523	320,523
Conservation of natural resources				14,043	14,043
Economic development				89,932	89,932
Debt service				181,592	181,592
Unemployment compensation				35,848	35,848
Unassigned	3,242,393				3,242,393
Total Fund Balances	<u>3,472,840</u>	<u>88,760</u>	<u>427,830</u>	<u>5,146,212</u>	<u>9,135,642</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,438,120</u>	<u>3,121,752</u>	<u>427,830</u>	<u>11,936,200</u>	<u>31,923,902</u>

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

ADAMS COUNTY**Exhibit 3-1****Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2024**

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 9,135,642
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$74,078,640, and amortization of \$126,222	70,155,779
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Accounts Receivable, net	252,865
Fines Receivable, net	588,180
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(22,245,401)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(149,793)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(29,317,224)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	4,387,267
Deferred inflows of resources related to pensions	(2,174,354)
Internal Service Funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	249,994
Total Net Position - Governmental Activities	\$ <u><u>30,882,955</u></u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds
For the Year Ended September 30, 2024

	Major Funds			Formerly	Formerly	Other Governmental Funds	Total Governmental Funds
	General Fund	Fiscal Recovery Fund	Cash Reserves Fund	MDB GO Bond Recreation Project Fund	MDB GO Bond Road Project Fund		
REVENUES							
Property taxes	\$ 13,158,431					5,136,707	18,295,138
Road and bridge privilege taxes						1,133,076	1,133,076
Licenses, commissions and other revenue	391,732					87,994	479,726
Fines and forfeitures	318,161					266,876	585,037
Intergovernmental revenues	2,759,218	225,741				4,459,989	7,444,948
Charges for services	667,635					2,377,193	3,044,828
Interest income	204,509	40,014				76,946	321,469
Miscellaneous revenues	1,189,194					1,072,778	2,261,972
Total Revenues	18,688,880	265,755	-	-	-	14,611,559	33,566,194
EXPENDITURES							
Current:							
General government	7,845,745					899,334	8,745,079
Public safety	6,910,308					2,131,200	9,041,508
Public works		225,741				6,699,564	6,925,305
Health and welfare	359,843						359,843
Culture and recreation	245,336					2,422,792	2,668,128
Conservation of natural resources	146,458					395,068	541,526
Economic development and assistance	259,865					1,184,768	1,444,633
Debt service:							
Principal	497,849					2,645,157	3,143,006
Interest	36,067					745,927	781,994
Total Expenditures	16,301,471	225,741	-	-	-	17,123,810	33,651,022
Excess of Revenues over (under) Expenditures	2,387,409	40,014	-	-	-	(2,512,251)	(84,828)
OTHER FINANCING SOURCES (USES)							
Long-term capital debt issued	-	-				950,842	950,842
Proceeds from sale of capital assets	1,484	-				188,415	189,899
Transfers in	1,988,918	-	795,110			1,900,353	4,684,381
Transfers out	(1,787,958)	-	(1,500,000)			(1,846,423)	(5,134,381)
Total Other Financing Sources and Uses	202,444	-	(704,890)	-	-	1,193,187	690,741
Net Changes in Fund Balances	2,589,853	40,014	(704,890)	-	-	(1,319,064)	605,913
Fund Balances - Beginning, as previously reported	882,987	48,746	1,132,720	2,105,267	909,077	3,450,932	8,529,729
Change within financial reporting entity							
From major fund to nonmajor fund	-	-	-	(2,105,267)	(909,077)	3,014,344	-
Fund Balances - Beginning, as restated	882,987	48,746	1,132,720	-	-	6,465,276	8,529,729
Fund Balances - Ending	\$ 3,472,840	88,760	427,830	-	-	5,146,212	9,135,642

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

ADAMS COUNTY**Exhibit 4-1****Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended September 30, 2024**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 605,913
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$534,244 was exceeded by depreciation of \$2,064,528 and amortization of \$42,074 in the current period.	(1,572,358)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, while in the governmental funds, the proceeds from the sale of capital assets increases financial resources. Thus, the change in net position differs from the change in fund balance by the amount of the net gain of \$182,700 and the proceeds from the sale of capital assets of \$189,899 in the current period.	(7,199)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(13,907)
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is increased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	139,292
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$950,842 was exceeded by debt repayments of \$3,143,006.	2,192,164
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Change in compensated absences	(71,304)
Change in accrued interest payable	(10,485)
Amortization of bond premium	8,913
Amortization of refunding charges on long-term debt	(91,499)
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(3,564,170)
Recognition of contributions made for the current year	1,486,552
An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities	284,824
Change in Net Position of Governmental Activities	<u>\$ (613,264)</u>

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

ADAMS COUNTY
Statement of Net Position – Proprietary Fund
September 30, 2024

Exhibit 5

	<u>Internal Service Fund</u>
ASSETS	
Current assets:	
Cash	\$ 284,836
Advances to other funds	<u>10,000</u>
Total Assets	<u>294,836</u>
LIABILITIES	
Current liabilities:	
Advances from other funds	<u>44,842</u>
Total Liabilities	<u>44,842</u>
NET POSITION	
Restricted for claim payments	<u>249,994</u>
Total Net Position	<u>\$ 249,994</u>

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

ADAMS COUNTY**Exhibit 6****Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund
For the Year Ended September 30, 2024**

	<u>Internal Service Fund</u>
Operating Revenues	
Premiums	\$ 3,467,065
Total Operating Revenues	<u>3,467,065</u>
Operating Expenses	
Claims payments	<u>3,633,575</u>
Total Operating Expenses	<u>3,633,575</u>
Operating Income (Loss)	<u>(166,510)</u>
Nonoperating Revenues (Expenses)	
Interest income	<u>1,334</u>
Net Nonoperating Revenue (Expenses)	<u>1,334</u>
Transfers in	<u>450,000</u>
Change in Net Position	<u>284,824</u>
Net Position - Beginning	<u>(34,830)</u>
Net Position - Ending	<u>\$ 249,994</u>

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

ADAMS COUNTY
Statement of Cash Flows – Proprietary Fund
For the Year Ended September 30, 2024

Exhibit 7

	<u>Internal Service Fund</u>
Cash Flows From Operating Activities	
Receipts for premiums	\$ 3,467,065
Other operating cash payments	<u>(3,633,575)</u>
Net Cash Provided (Used) by Operating Activities	<u>(166,510)</u>
Cash Flows From Noncapital Financing Activities	
Cash received from other funds:	
Operating transfers in	<u>450,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>450,000</u>
Cash Flows From Investing Activities	
Interest on deposits	<u>1,334</u>
Net Cash Provided (Used) by Investing Activities	<u>1,334</u>
Net Increase (Decrease) in Cash and Cash Equivalents	284,824
Cash and Cash Equivalents at Beginning of Year	<u>12</u>
Cash and Cash Equivalents at End of Year	<u>\$ 284,836</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (Loss)	\$ (166,510)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Increase (decrease) in claims payable	<u>-</u>
Total Adjustments	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (166,510)</u>

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

ADAMS COUNTY
Statement of Fiduciary Net Position
September 30, 2024

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 441,273
Due from other funds	<u>42,794</u>
Total Assets	<u><u>484,067</u></u>
LIABILITIES	
Intergovernmental payables	<u>42,794</u>
Total Liabilities	\$ <u><u>42,794</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>441,273</u>
Total Net Position	\$ <u><u>441,273</u></u>

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

ADAMS COUNTY
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2024

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 919,389
Other taxes and fees collected for other governments	62,811,937
Licenses and fees collected for State	<u>372,594</u>
Total Additions	<u><u>64,103,920</u></u>
DEDUCTIONS	
Payments of tax to other governments	1,006,486
Payments of other taxes and fees to other governments	62,540,731
Payments of licenses and fees to State	<u>225,027</u>
Total Deductions	<u><u>\$ 63,772,244</u></u>
Net increase (decrease) in fiduciary net position	331,676
Net Position - Beginning of year	<u>109,597</u>
Net Position - End of year	<u><u>\$ 441,273</u></u>

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

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

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

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor
- Tax 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 unit's balances and transactions are blended with the balances and transactions of the primary government. Adams County has one blended component unit – Adams County Public Improvement Corporation.

Adams County Public Improvement Corporation was incorporated as a nonprofit under Section 31-8-3, Miss. Code Ann. (1972) that allows counties to enter into lease agreements with any corporation. The Corporation's three-member Board of Directors is appointed by the Board of Supervisors. The Corporation produces a financial benefit through its ability to finance the construction of capital facilities for the primary government by obligating funds to repay debt pursuant to a lease agreement.

Discretely Presented Component Units

The component units' columns in the financial statements include the financial data of the following component units of the County. They are reported in separate columns to emphasize that they are legally separate from the County. The majority of the members of the governing bodies of these component units were appointed by the County Board of Supervisors.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

The County reports the following discretely presented component units. Complete financial statements for these component units can be obtained through the Adams County Board of Supervisors.

- Adams County Airport Commission
- Natchez-Adams County Port Commission

The Adams County Airport Commission (the Airport) was established by a joint resolution and ordinance of the Board of Supervisors of Adams County, Mississippi, the Mayor and the Board of Aldermen of the City of Natchez, Mississippi, pursuant to Section 61-3-5 of the Mississippi Code of 1972, annotated and recompiled. Pursuant to the provisions of the joint resolution and ordinance of May 1998, the Adams County Board of Supervisors created the Adams County Airport Commission. Adams County provides the annual funding for the Airport; therefore, it is treated as a component unit of the County for reporting purposes. The Airport has a year end of September 30.

The Natchez-Adams County Port Commission (the Port) is located along the Mississippi River in the City of Natchez in Adams County, Mississippi. The Port is governed by a Board of Commissioners which are appointed by the Adams County Board of Supervisors. The Port has a year end of September 30.

Certified public accounting firms other than the primary government's auditor audited the financial statements for each discretely presented component unit listed above and provided these to the County as the primary government.

Financial information may be obtained from the Adams County Chancery Clerk's office at 115 S. Wall Street, Natchez, MS 39120.

C. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information concerning the County as a whole. The statements include all non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. Internal service fund balances have been eliminated against the expenses and program revenue. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

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

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

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major Governmental Funds:

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

Fiscal Recovery Fund – This fund is used to account for monies from The American Rescue Plan Act of 2021 that are to aid in the recovery of the effects associated with the COVID-19 pandemic.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Cash Reserves Fund – This fund is used for the accumulation of cash reserves from multiple sources to be used for various projects within the county.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures 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 expenditures 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 expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUND TYPE

Internal Service Fund – This fund is used to account for those operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The County’s internal service fund reports on the self-insurance programs for employee medical benefits.

FIDUCIARY FUND TYPE

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

E. Account Classifications.

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

F. Deposits and Investments.

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

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

G. Receivables.

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

H. Inter-fund Transactions and Balances.

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

I. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital asset costs, other than infrastructure, have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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

* The estimated useful life is the term of the lease agreement which is five (5) years. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized.

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

J. Deferred Outflows/Inflows of Resources.

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

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

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

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

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

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

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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

K. Pensions.

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

L. Leases.

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

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

M. Long-term Liabilities.

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

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

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

N. Equity Classifications.

Government-wide Financial Statements:

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

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

Government fund balance is classified as non-spendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

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

Restricted fund balance includes amounts that have constraints placed upon the use of the resources 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 expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

amounts, and then unassigned amounts.

O. Property Tax Revenues.

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

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

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

P. Intergovernmental Revenues in Governmental Funds.

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

Q. Compensated Absences.

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

R. Changes in Accounting Standards.

GASB 100, *Accounting Changes and Error Corrections*, was implemented during the 2024 fiscal year. This Statement is an amendment of GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance*. The purpose of the standard is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 2 – ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES.

Correction of an Error in Previously Issued Financial Statements

Component Unit – Natchez Adams Port Commission

Various tools are available to assist in calculating the net pension liability and related deferrals. In deciding two years ago to change the tool being utilized to one that was issued by the Mississippi State Auditor’s Office, some information was inadvertently omitted that would have impacted the deferred outflows and, subsequently, the net pension liability. In making those input corrections in the current year, an impact to net assets and net pension liability was recorded for \$132,263. There was no impact on current year operations.

NOTE 3 – DEPOSITS.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2024, was \$13,678,639 and the bank balance was \$14,758,760. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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.

NOTE 4 – INTER-FUND TRANSACTIONS AND BALANCES.

The following is a summary of inter-fund balances at September 30, 2024:

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
Other Governmental Funds	General Fund	\$ 363,287
Custodial Funds	General Fund	42,794
Total		\$ 406,081

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

The receivables presented that are payable from General Fund represent the tax revenues collected in September 2024 but not settled until October 2024. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fiscal Recovery Fund	156,870
General Fund	Other Governmental Funds	28,735
General Fund	Internal Service Fund	44,842
Other Governmental Funds	General Fund	80,324
Other Governmental Funds	Other Governmental Funds	8,530
Internal Service Fund	General Fund	10,000
Total		<u>\$ 329,301</u>

Advances to other funds have generally been made to provide cash to funds to help fund operations. The \$156,870 receivable presented in General Fund is for LATCF Funds due from Fiscal Recovery Fund.

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 488,918
General Fund	Cash Reserves	1,500,000
Cash Reserves	General Fund	795,110
Other Governmental Funds	General Fund	542,848
Other Governmental Funds	Other Governmental Funds	1,357,505
Internal Service Fund	General Fund	450,000
Total		<u>\$ 5,134,381</u>

Transfers are for the following: 1) County matching on grants, 2) transfer of one mill funds, excess tax bids, and grand gulf fund for unrestricted operations, and 3) miscellaneous fund operations where cash was short.

NOTE 5 – INTERGOVERNMENTAL RECEIVABLES.

Intergovernmental receivables at September 30, 2024, consisted of the following:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Governmental Activities:	Amount
Legislative Tag Credit	\$ 222,490
Welfare Reimbursement	6,103
MDA Grant Reimbursement	1,019,208
Family Drug Court Grants	6,168
Youth Drug Court	6,878
Adult Drug Court Reimbursement	23,368
Mental Health Treatment	25,690
Drug Screening	1,800
Total Governmental Activities	\$ 1,311,705

NOTE 6 – LOANS RECEIVABLE.

Loans receivable balances at September 30, 2024, are as follows:

Description	Date of Loan	Interest Rate	Maturity Date	Receivable Balance
Natchez-Adams County Port Commission	Nov-1997	5.20%	*11-17	\$ 2,087,000
Less: Allowance for uncollectibles				(2,087,000)
Total loans receivable				\$ 0

* Loan to Natchez-Adams County Port Commission has been evaluated, and has been considered uncollectible by Management of Adams County. An allowance for uncollectibles has been established denoting the uncollectibility of this loan.

NOTE 7– CAPITAL ASSETS.

The following is a summary of capital assets activity for the year ended September 30, 2024:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Governmental activities:

	Balance Oct. 1, 2023	Additions	Deletions	Adjustments	Balance Sept. 30, 2024
Non-depreciable capital assets:					
Land	\$ 11,810,512				11,810,512
Total non-depreciable capital assets	11,810,512	-	-	-	11,810,512
Depreciable capital assets:					
Infrastructure	97,866,679	107,117			97,973,796
Buildings	19,393,193				19,393,193
Improvements other than buildings	1,366,707				1,366,707
Mobile equipment	10,930,266	427,127	71,989		11,285,404
Furniture and equipment	2,320,658				2,320,658
Total depreciable capital assets	131,877,503	534,244	71,989	-	132,339,758
Less accumulated depreciation for:					
Infrastructure	55,973,215	886,725			56,859,940
Buildings	7,031,771	319,457			7,351,228
Improvements other than buildings	581,869	32,537			614,406
Mobile equipment	6,449,281	791,468	64,790		7,175,959
Furniture and equipment	2,042,766	34,341			2,077,107
Total accumulated depreciation	72,078,902	2,064,528	64,790	-	74,078,640
Total depreciable capital assets, net	59,798,601	(1,530,284)	7,199	-	58,261,118
Governmental activities Capital assets, net	\$ 71,609,113	(1,530,284)	7,199	-	70,071,630
Lease Assets, net (Note 9)					84,149
Total capital assets, net, as reported in the statement of net position					\$ 70,155,779

Depreciation expense was charged to the following functions:

Governmental Activities:	Amount
General government	\$ 372,680
Public safety	443,353
Public works	1,248,495
Total governmental activities depreciation expense	\$ 2,064,528

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Capital Assets - Component Units:

Adams County Airport Commission

	Balance Oct. 1, 2023	Additions	Deletions	Adjustments	Balance Sept. 30, 2024
Non-depreciable capital assets:					
Land	\$ 268,655				268,655
Construction in progress	5,972,061				5,972,061
Total non-depreciable capital assets	<u>6,240,716</u>	-	-	-	<u>6,240,716</u>
Depreciable capital assets:					
Buildings and improvements	15,117,055	740,475			15,857,530
Equipment and fixtures	486,045	8,810			494,855
Total depreciable capital assets	<u>15,603,100</u>	<u>749,285</u>	-	-	<u>16,352,385</u>
Less accumulated depreciation for:					
Buildings and improvements	10,707,479	303,030			11,010,509
Equipment and fixtures	318,272	31,561			349,833
Total accumulated depreciation	<u>11,025,751</u>	<u>334,591</u>	-	-	<u>11,360,342</u>
Total depreciable capital assets, net	4,577,349	414,694	-	-	4,992,043
Component unit capital assets, net	<u>\$ 10,818,065</u>	<u>414,694</u>	<u>-</u>	<u>-</u>	<u>11,232,759</u>

Natchez-Adams County Port Commission

Non-depreciable capital assets:					
Land	\$ 54,173				54,173
Construction in progress	-				-
Total non-depreciable capital assets	<u>54,173</u>	-	-	-	<u>54,173</u>
Depreciable capital assets:					
Buildings and improvements	13,592,531				13,592,531
Equipment and fixtures	5,510,351				5,510,351
Total depreciable capital assets	<u>19,102,882</u>	-	-	-	<u>19,102,882</u>
Less accumulated depreciation for:					
Buildings and improvements	7,000,917	490,272			7,491,189
Equipment and fixtures	3,583,258	295,306			3,878,564
Total accumulated depreciation	<u>10,584,175</u>	<u>785,578</u>	-	-	<u>11,369,753</u>
Total depreciable capital assets, net	8,518,707	(785,578)	-	-	7,733,129
Component unit capital assets, net	<u>\$ 8,572,880</u>	<u>(785,578)</u>	<u>-</u>	<u>-</u>	<u>7,787,302</u>

Lease Assets, net (Note 9) 1,802,402

Total capital assets, net, as reported in the statement of net position \$ 9,589,704

NOTE 8 – 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, 2024, to

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

January 1, 2025. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

The County is exposed to risk of loss relating to employee health, accident, and dental coverage. Pursuant to *Section 25-15-101, Mississippi Code of 1972 Annotated*, the County established a risk management fund to account for and finance its uninsured risk of loss.

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

The County has purchased reinsurance, which functions as stop-loss coverage. This coverage is purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$50,000.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At September 30, 2024, the amount of these liabilities was \$0. An analysis of claims activities is presented below:

The following table provides changes in the balances of claims liabilities for fiscal years 2023 and 2024:

		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2022-2023	\$	225,803	2,446,841	2,672,644	-
2023-2024	\$	-	3,633,575	3,633,575	-

NOTE 9 – LEASES.

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

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

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

The County, acting as lessee, has entered into an agreement with Geronimo Hardwood Timber, LLC for the lease of a DHS Building for office and meeting space. The lease stipulated that the lessee would pay approximately \$4,000 per month in lease payments commencing for a term of five years. For this lease, the County has recognized an intangible right to use asset. This lease is initially measured at the present value of payments expected to be made. The discount rate used for this lease was 5.50% which was the Federal Prime Borrowing Rate at the lease inception.

As Lessee:

<u>Lease Assets</u>	Balance <u>10/1/2023</u>	<u>Additions</u>	<u>Amortization</u>	Balance <u>9/30/2024</u>
<u>Lease Assets:</u>				
DHS Building	\$ 210,371	-	-	210,371
<u>Less accumulated amortization for:</u>				
<u>Lease Assets:</u>				
DHS Building	\$ 84,148	-	42,074	126,222
Total lease assets, net	\$ 126,223	-	42,074	84,149

Lease Liabilities

	Balance <u>10/1/2023</u>	<u>Additions</u>	<u>Principal Payments</u>	Balance <u>9/30/2024</u>
DHS Building	\$ 165,557	-	39,890	125,667
Total	\$ 165,557	-	39,890	125,667

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
DHS Building	5.50%	5 Years	8/1/2022	7/1/2027	\$ 4,000	\$ 125,667

The following is a schedule by years of the total payments due as of September 30, 2024:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	42,140	5,860
2026	44,517	3,483
2027	39,010	990
Total	<u>\$ 125,667</u>	<u>\$ 10,333</u>

As Lessor:

On September 27, 2013, Adams County entered into a lease agreement with the Natchez Adams County Port Commission for the lease of a building owned by the County for the purpose of a port warehouse. The lease stipulated that the lessee would pay approximately \$169,638 semi-annually (\$339,276 annually) in lease payments commencing October 1, 2013 for a term of 16.5 years. The County is to receive \$339,276 in lease payments annually with an implicit interest rate of 3.25%.

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2025	286,458	52,818
2026	295,843	43,433
2027	305,536	33,740
2028	315,547	23,729
2029	325,886	13,390
2030	166,925	2,713
Total	<u>1,696,195</u>	<u>169,823</u>

Component Unit – Natchez Adams Port Commission

The Port has entered into various leasing agreements for buildings and equipment that were evaluated under GASB Statement No. 87 Leases to determine if reclassification was required in order to be in accordance with generally accepted accounting principles. Leases as both lessee and lessor were considered. The results of those evaluations are below.

Component Unit – Natchez Adams Port Commission As Lessee:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

The Port leases certain real property from the primary government for uses in its operations. The lease is dated September 27, 2013, and the terms include two annual payments of \$169,367.78, payable each April 1 and October 1, with the final payment due on October 1, 2029. No interest rate was denoted in the lease. While the terms of the lease include an option to purchase the building, the Port has not indicated an intent to exercise that option.

Natchez Adams County Port Commission Lease Assets

<u>Lease Assets</u>	<u>Balance</u> <u>10/1/2023</u>	<u>Additions</u>	<u>Amortization</u>	<u>Balance</u> <u>9/30/2024</u>
<u>Lease Assets:</u>				
Port Warehouse	\$ 2,883,842	-	-	2,883,842
 <u>Less accumulated amortization for:</u>				
<u>Lease Assets:</u>				
Port Warehouse	\$ 720,960	-	360,480	1,081,440
 Total lease assets, net	 \$ 2,162,882	 -	 360,480	 1,802,402

Natchez Adams County Port Commission Lease Liabilities

	<u>Balance</u> <u>10/1/2023</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>9/30/2024</u>
Port Warehouse	\$ 2,205,291	-	339,737	1,865,554
Total	\$ 2,205,291	-	339,737	1,865,554

<u>Description</u>	<u>Discount</u> <u>Rate</u>	<u>Term</u>	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Annual</u> <u>Payment</u>	<u>Amount</u> <u>Outstanding</u>
Port Warehouse	0.00%	16.5 Years	9/27/2013	10/1/2029	\$ 339,276	\$ 1,865,554

The following is a schedule by years of the total payments due as of September 30, 2024:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Year Ending September 30,	Natchez-Adams Port Commission	
	Principal	Interest
2025	\$ 339,275	\$ -
2026	339,275	-
2027	339,275	-
2028	339,275	-
2029	339,275	-
2030-2032	169,179	-
Total	<u>\$ 1,865,554</u>	<u>\$ -</u>

Component Unit – Natchez Adams Port Commission As Lessor:

The Port has agreed to lease a portion of the North Dock to a customer for their exclusive use to move their products to and from the Port for shipment. In a lease dated March 2, 2015, that right was granted for a period of ten years, with the possibility of two subsequent ten year extensions. The lease requires an annual payment of \$300,000 initially, to be recomputed every twenty-four months with the Consumer Price Index for the Southeastern United States issued by the Bureau of Labor and Statistics, but not to exceed 2% for each biennial period. During the lease term to date, the Port has only raised the base rate once, to \$306,000. For the purposes of the projected deferred inflows below, the actual terms of the lease were used, with an implicit rate of 2% since none was stated in the lease itself. Leases revenues recognized, including interest, for the fiscal year ended September 30, 2024, were \$343,894. The amounts due to be received over the remaining term of the initial lease are as follows:

Year Ending September 30	Principal	Interest
2025	312,064	6,296
Total	<u>312,064</u>	<u>6,296</u>

NOTE 10 – LONG TERM DEBT

Debt outstanding as of September 30, 2024, consisted of the following:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
2017 Refunding Bonds	5,330,000	4.50%	08/2033
Port Improvement Bonds	1,105,000	4.50%	07/2028
Capital Improvement Bonds, Series 2018	2,345,000	2.50-3.50%	03/2033
GO Recreation Bonds, Series 2022	2,570,000	3.80%	07/2033
GO Road & Bridge Bonds, Series 2022	<u>6,190,000</u>	2.98%	02/2032
Total General Obligation Bonds	<u>\$ 17,540,000</u>		
B. Financed Purchases:			
(1) Dodge Ram 1500 & (1) Cargo Van	11,044	2.32%	05/2025
(1) Backhoe, (1) Wheel Loader & (1) Excavator	268,030	2.29%	07/2025
(5) Dodge Durangos & (1) Chev Silverado for SO	42,155	2.29%	08/2025
(1) JD Motor Grader, (1) Cat Wheel Loader & (1) JD Backhoe	372,890	2.34%	11/2025
(7) Sheriff's Office Vehicles	116,531	2.15%	03/2026
(1) 2021 Caterpillar 930M Wheel Loader	151,826	2.29%	11/2026
(1) Caterpillar 430 Backhoe	83,098	2.65%	06/2027
(4) 2023 Kenworth T480 Dump Trucks	561,477	2.70%	09/2026
(1) 2022 F-250, (1) 2021 Kubota M5 Tractor & (1) 2023 T350	303,392	4.75%	02/2028
(10) 2023 Dodge Ram 1500 Pickup Trucks	397,110	5.19%	08/2028
(2) 2023 Tractors with Boom and Cutter	222,754	4.99%	08/2028
(1) 2023 Cat 307 Mini Excavator	113,300	5.42%	10/2028
(1) 2024 Cat D4 Bulldozer	<u>272,342</u>	4.54%	02/2028
Total Financed Purchases	<u>\$ 2,915,949</u>		
C. Other Loans:			
Revolving Loan - Freight Rail Service Projects	\$ 360,432	0.00%	09/2032
Light Structure System	<u>565,200</u>	4.88%	07/2031
Total Other Loans	<u>\$ 925,632</u>		

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Governmental Activities:

Year Ending September 30:	General Obligation Bonds		Other Loans		Financed Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,985,000	622,137	118,120	27,939	845,622	112,152
2026	2,055,000	551,615	121,562	24,497	1,196,910	83,159
2027	2,130,000	478,351	125,174	20,885	457,970	43,395
2028	2,215,000	402,089	128,964	17,095	390,333	17,137
2029	1,980,000	322,713	132,942	13,117	25,114	1,361
2030-2033	7,175,000	590,412	298,870	13,501	-	-
Total	\$ 17,540,000	2,967,317	925,632	117,034	2,915,949	257,204

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 counties issue bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2024, the amount of outstanding debt was equal to 4.67% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2024:

	Balance Oct. 1, 2023	Additions	Deletions	Adjustments	Balance Sept. 30, 2024	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 583,393	71,304			654,697	-
General obligation bonds	19,605,000		2,065,000		17,540,000	1,985,000
Premiums	92,369		8,913		83,456	
Financed Purchases	3,519,826	385,642	989,519		2,915,949	845,622
Other loans	409,029	565,200	48,597		925,632	118,120
Total	\$ 24,209,617	1,022,146	3,112,029	-	22,119,734	2,948,742
Deferred amount on refunding	91,499		91,499		-	

Compensated absences will be paid by the funds from which the employees' salaries are paid which are generally the General Fund, Road Maintenance Fund, County Wide Bridge and Culvert Fund and Solid Waste Fund.

Component Units:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Natchez-Adams County Port Commission:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Loans Payable:			
Improvements to the Adams County Port	\$ 2,062,000	5.20	11-2017
Total	\$ 2,062,000		

Natchez-Adams County Port Commission:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Lease Payable:			
John Deere Financial - Equipment Purchase	\$ 110,096	5.43	09-2027
Total	\$ 110,096		

Port Commission Loan Disclosure:

With respect to the Mississippi Development Bank Port Improvement Bonds and to the past maturity date, the Port has a commitment to repay the bonds if revenues are available. In years where revenues are unavailable, Adams County, repays the bonds. The Port then has the liability to repay the county. In the year ended September 30, 2024, the Port transferred \$0 to the county to assist in defraying the principal and interest payments on these bonds. Adams County reports a corresponding receivable. Even though the original maturity date has passed, the loans payable to Adams County still exists.

Natchez-Adams County Port Commission:

	<u>Balance Oct. 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2024</u>	<u>Amount due within one year</u>
Loans Payable	\$ 2,062,000	-	-	2,062,000	2,062,000
Total	\$ 2,062,000	-	-	2,062,000	2,062,000

Natchez-Adams County Port Commission:

	<u>Balance Oct. 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2024</u>	<u>Amount due within one year</u>
Lease Payable	\$ 154,881		44,785	110,096	43,240
Total	\$ 154,881	-	44,785	110,096	43,240

Adams County Airport Commission:

The \$33,830 of long-term liabilities of the Adams County Airport Commission is solely for accrued compensated absences. The change between the 2023 and 2024 fiscal years was a decrease of \$29,335. None of the balance is considered to be current.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 11 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2024, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2024 was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2024, 2023, and 2022 were \$1,486,552, \$1,573,028, and \$1,524,290, respectively, equal to the required contributions for each year.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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

At September 30, 2024, the County reported a liability of \$29,317,224 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2024 net pension liability was 0.1129 percent, which was based on a measurement date of June 30, 2024. This was a decrease of 0.0088 percent from its proportionate share used to calculate the September 30, 2023 net pension liability, which was based on a measurement date of June 30, 2023.

For the year ended September 30, 2024, the County recognized pension expense of \$3,564,170. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,610,139	-
Net difference between projected and actual earnings on pension plan investments	308,192	-
Changes of assumptions	1,957,444	-
Changes in the proportion and differences between County contributions and proportionate share of contributions	159,099	2,174,354
County Contributions subsequent to the measurement date	352,393	-
	<u>\$ 4,387,267</u>	<u>2,174,354</u>

The \$352,393 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
2025	\$ 726,354
2026	1,687,822
2027	(315,496)
2028	(238,160)
Total	<u>\$ 1,860,520</u>

Actuarial Assumptions. The total pension liability as of June 30, 2024 was determined by an actuarial valuation prepared as of June 30, 2023, by the investment experience for the fiscal year ending June 30, 2024. The following actuarial assumptions are applied to all periods in the measurement:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Inflation percentage	2.40%
Salary increases, including inflation	2.65 - 17.90%
Investment rate of return net of pension plan investment expense, including inflation	7.00%

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	25.00 %	5.15 %
International Equity	20.00	5.00
Global Equity	12.00	5.15
Fixed Income	18.00	2.75
Real Estate	10.00	3.50
Private Equity	10.00	6.25
Infrastructure	2.00	3.85
Private Credit	2.00	4.90
Cash Equivalents	1.00	0.50
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be phased in to 19.90 percent over five fiscal years (17.90 percent for FYE 2025, 18.40 percent for FYE 2026, 18.90 percent for FYE 2027, 19.40 percent for FYE 2028, and 19.90 percent for FYE 2029 and beyond). Based on

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

		Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$	37,999,389	22,211,529

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

COMPONENT UNITS

Adams County Airport Commission

Plan Description. The Adams County Airport Commission contributes to the Public Employees’ Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined benefit pension plan.

Contributions. The Airport’s contributions (employer share only) to PERS for the years ending September 30, 2024, 2023 and 2022 were \$55,622, \$47,058, and \$37,198, respectively, equal to the required contributions for each year.

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

At September 30, 2024, the Airport reported a liability of \$955,264 for its proportionate share of the net pension liability. The Airport’s proportionate share used to calculate the September 30, 2024 net pension liability was 0.003679 percent, which was based on a measurement date of June 30, 2024. This was an increase of 0.000254 percent from its proportionate share used to calculate the September 30, 2023 net pension liability, which was based on a measurement date of June 30, 2023.

For the year ended September 30, 2024, the Airport recognized pension expense of \$139,836. At September 30, 2024, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 51,695	-
Net difference between projected and actual earnings on pension plan investments	3,184	-
Changes of assumptions	59,511	-
Changes in the proportion and differences between Airport contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	14,713	-
	<u>\$ 129,103</u>	<u>-</u>

The \$14,713 reported as deferred outflows of resources related to pensions resulting from Airport contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
2025	\$ 31,613
2026	31,613
2027	31,613
2028	19,551
Total	<u>\$ 114,390</u>

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate share of the net pension liability	\$ 1,238,262	955,264	723,793

Natchez-Adams County Port Commission

Plan Description. The Natchez-Adams County Port Commission contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined benefit pension plan.

Contributions. The Port's contributions (employer share only) to PERS for the years ending September 30, 2024, 2023 and 2022 were \$134,998, \$122,366, and \$121,929, respectively, equal to the required contributions for each year.

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

At September 30, 2024, the Port reported a liability of \$2,518,840 for its proportionate share of the net pension liability. The Port's proportionate share used to calculate the September 30, 2024 net pension liability was 0.009693 percent, which was based on a measurement date of June 30, 2024. This was an

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

increase of 0.00004 percent from its proportionate share used to calculate the September 30, 2023 net pension liability, which was based on a measurement date of June 30, 2023.

For the year ended September 30, 2024, the Port recognized pension expense of \$346,915. At September 30, 2024, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 136,976	-
Net difference between projected and actual earnings on pension plan investments	100,750	174,374
Changes of assumptions	14,890	
Changes in the proportion and differences between Port contributions and proportionate share of contributions	100,606	-
Contributions subsequent to the measurement date	43,679	-
	\$ 396,901	174,374

The \$43,679 reported as deferred outflows of resources related to pensions resulting from Port contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2025	\$ 126,838
2026	153,878
2027	34,972
2028	(136,840)
Total	\$ 178,848

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 3,264,784	2,518,840	1,908,342

NOTE 12 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS.

The following funds reported deficits in fund balances at September 30, 2024:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Fund	Deficit Amount
Governmental Activities	
Special Levy Reappraisal Escrow	\$ 13,092
Waste Collection and Disposal Fund	14,310
Belwood Levee 2	81,519
Total	\$ 108,921

NOTE 13 – CONTINGENCIES.

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

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.

NOTE 14 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' unrestricted net position deficit amount of \$(23,445,123) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$352,393 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. The \$4,034,874 balance of the deferred outflow of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next three years. The \$2,174,354 balance of the deferred inflow of resources related to pension at September 30, 2024, will be recognized in pension expense over the next four years.

The governmental activities' unrestricted net position amount of \$(23,445,123) includes the effect of recognition of deferring the recognition of revenue resulting from leases receivable. The \$1,459,585 balance of deferred inflows of resources at September 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next six years.

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

Copiah-Lincoln Community College operates in a district composed of the Counties of Adams, Copiah, Franklin, Jefferson, Lawrence, Lincoln, and Simpson. The Adams County Board of Supervisors appoints five

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

of the 27 members of the board of trustees. The County appropriated \$1,006,486 for maintenance and support of the college in fiscal year 2024.

Southwest Mississippi Planning and Development District operates in a district composed of the counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The Adams County Board of Supervisors appoints four of the 40 members of the district board of directors. The County appropriated \$71,865 for support of the district in fiscal year 2024.

River Ridge Behavioral Health Services operates in a district composed of the Counties of Adams, Claiborne, Jefferson, Warren, Wilkinson, and Yazoo. The Adams County Board of Supervisors appoints two of the twelve members of the board of commissioners. The County appropriated \$89,962 for support of the district in fiscal year 2024.

Southwest Mississippi Development Corporation operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The entity is governed by members appointed by each county’s lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the County’s Board of Supervisors. The member counties provide only modest financial support for the Corporation.

NOTE 16 - TAX ABATEMENT

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

The Adams County Board of Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the County. The County had tax abatement agreements with ten entities as of September 30, 2024.

The County had abatements under the following statutes, which do not provide for the abatement of school or state tax levies: 27-31-101, 27-31-102, and 27-31-105, Miss. Code (Ann.) 1972. All allowable property tax levies are as follows:

Category	Fiscal Year 2024	
	% of Taxes Abated	Amount of Taxes Abated
Economic development projects	100	\$ 2,126,859

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

NOTE 17 – SUBSEQUENT EVENTS.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Adams County evaluated the activity of the County through March 4, 2026 (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred that require disclosure in the notes to the financial statements.

Subsequent to September 30, 2024, 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>
6/16/2025	2.00	249,000	Other Loan (CAP Loan)	Ad valorem taxes
7/7/2025	4.69	576,988	Financed Purchase	Ad valorem taxes

ADAMS COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

ADAMS COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2024
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 13,118,017	13,118,017	13,118,017	-
Licenses, commissions and other revenue	360,712	360,712	360,712	-
Fines and forfeitures	316,640	316,640	316,640	-
Intergovernmental revenues	1,733,907	1,733,907	1,733,907	-
Charges for services	667,634	667,634	667,634	-
Interest income	179,959	179,959	179,959	-
Miscellaneous revenues	1,189,194	1,189,194	1,189,194	-
Total Revenues	17,566,063	17,566,063	17,566,063	-
EXPENDITURES				
General government	7,837,616	7,837,616	7,837,616	-
Public safety	6,931,016	6,931,016	6,931,016	-
Health and welfare	407,807	407,807	407,807	-
Culture and recreation	245,079	245,079	245,079	-
Conservation of natural resources	169,320	169,320	169,320	-
Economic development and assistance	267,865	267,865	267,865	-
Debt service	429,484	429,484	429,484	-
Total Expenditures	16,288,187	16,288,187	16,288,187	-
Excess of Revenues over (under) Expenditures	1,277,876	1,277,876	1,277,876	-
OTHER FINANCING SOURCES (USES)				
Sources	2,216,053	2,216,053	2,216,053	-
Uses	(2,018,516)	(2,018,516)	(2,018,516)	-
Total Other Financing Sources and Uses	197,537	197,537	197,537	-
Net Change in Fund Balance	1,475,413	1,475,413	1,475,413	-
Fund Balance - Beginning	1,396,899	1,396,899	1,396,899	-
Fund Balance - Ending	\$ 2,872,312	2,872,312	2,872,312	-

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

ADAMS COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
Fiscal Recovery Fund
For the Year Ended September 30, 2024
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	225,741	225,741	225,741	-
Interest income	12,254	12,254	12,254	-
Total Revenues	<u>237,995</u>	<u>237,995</u>	<u>237,995</u>	-
EXPENDITURES				
Public Works	225,741	225,741	225,741	-
Total Expenditures	<u>225,741</u>	<u>225,741</u>	<u>225,741</u>	-
Excess of Revenues over (under) Expenditures	<u>12,254</u>	<u>12,254</u>	<u>12,254</u>	-
OTHER FINANCING SOURCES (USES)				
Sources	-	-	-	-
Uses	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	12,254	12,254	12,254	-
Fund Balance - Beginning	<u>3,307,480</u>	<u>3,307,480</u>	<u>3,307,480</u>	-
Fund Balance - Ending	<u>\$ 3,319,734</u>	<u>3,319,734</u>	<u>3,319,734</u>	<u>-</u>

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

ADAMS COUNTY
Schedule of the County's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2024

UNAUDITED

Adams County	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.1129%	0.1217%	0.1279%	0.1224%	0.1219%	0.1264%	0.1294%	0.1187%	0.1137%	0.1178%
County's proportionate share of the net pension liability (asset)	\$ 29,317,224	30,609,156	26,326,474	18,091,255	23,598,423	22,236,254	21,518,573	19,727,813	20,310,016	18,201,828
County's covered payroll	\$ 8,649,824	9,021,795	8,802,295	8,208,604	8,115,161	8,229,706	8,330,952	8,582,533	7,587,328	7,377,765
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	338.93%	339.28%	299.09%	220.39%	290.79%	270.19%	258.30%	229.86%	267.68%	246.71%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%
COMPONENT UNITS										
Adams County Airport Commission										
Proportion of the net pension liability (asset)	0.003679%	0.003425%	0.002935%	0.002672%	0.002661%	0.002745%	0.002649%	0.002606%	0.002557%	0.003089%
Proportionate share of the net pension liability (asset)	\$ 955,264	855,145	604,130	394,933	515,944	482,900	440,608	460,144	460,144	477,498
Covered payroll	\$ 356,718	291,960	213,782	183,023	167,207	196,833	153,913	168,915	154,886	186,470
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	267.79%	292.90%	282.59%	215.78%	308.57%	245.33%	286.27%	272.41%	297.09%	256.07%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%
Natchez-Adams County Port Commission										
Proportion of the net pension liability (asset)	0.009693%	0.009300%	0.010586%	0.010427%	0.011769%	0.012871%	0.012561%	0.010896%	0.011349%	0.011976%
Proportionate share of the net pension liability (asset)	\$ 2,518,840	2,339,073	2,181,866	1,537,166	2,284,341	2,269,364	2,095,754	1,811,949	2,027,215	1,851,253
Covered payroll	\$ 732,266	688,868	728,776	703,197	759,034	839,831	807,466	727,328	707,779	764,800
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	343.98%	339.55%	299.39%	218.60%	300.95%	270.22%	259.55%	249.12%	286.42%	242.06%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015.

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

ADAMS COUNTY
Schedule of the County's Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2024

UNAUDITED

Adams County	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,486,552	1,573,028	1,524,290	1,422,750	1,399,981	1,335,081	1,312,126	1,226,581	1,195,004	1,161,998
Contributions in relation to the contractually required contribution	<u>1,486,552</u>	<u>1,573,028</u>	<u>1,524,290</u>	<u>1,422,750</u>	<u>1,399,981</u>	<u>1,335,081</u>	<u>1,312,126</u>	<u>1,226,581</u>	<u>1,195,004</u>	<u>1,161,998</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
County's covered payroll	\$ 8,486,936	9,040,388	8,760,282	8,176,723	8,045,859	8,248,434	8,330,959	7,787,816	7,587,327	7,377,765
Contributions as a percentage of covered payroll	17.52%	17.40%	17.40%	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%

COMPONENT UNITS

Adams County Airport Commission

Contractually required contribution	\$ 49,052	44,180	37,198	31,846	29,094	31,795	24,241	26,604	24,395	29,369
Contributions in relation to the contractually required contribution	<u>49,052</u>	<u>44,180</u>	<u>37,198</u>	<u>31,846</u>	<u>29,094</u>	<u>31,795</u>	<u>24,241</u>	<u>26,604</u>	<u>24,395</u>	<u>29,369</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 356,718	291,960	213,782	183,023	167,207	196,833	153,913	168,915	154,886	186,470
Contributions as a percentage of covered payroll	13.75%	15.13%	17.40%	17.40%	17.40%	16.15%	15.75%	15.75%	15.75%	15.75%

Natchez-Adams County Port Commission

Contractually required contribution	\$ 129,245	119,863	126,807	122,364	132,072	132,024	126,336	114,574	111,745	120,456
Contributions in relation to the contractually required contribution	<u>129,245</u>	<u>119,863</u>	<u>126,807</u>	<u>122,364</u>	<u>132,072</u>	<u>132,024</u>	<u>126,336</u>	<u>114,574</u>	<u>111,745</u>	<u>120,456</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 732,266	688,868	728,776	703,197	759,034	839,831	807,466	727,328	707,779	764,800
Contributions as a percentage of covered payroll	17.65%	17.40%	17.40%	17.40%	17.40%	15.72%	15.65%	15.75%	15.79%	15.75%

* This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015.

** The employer's rate at September 30, 2024 was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%.

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2024

UNAUDITED

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	<u>Governmental Funds</u>	
	General Fund	Fiscal Recovery Fund
Budget (Cash basis)	\$ 1,475,413	12,254
Increase (Decrease)		
Net adjustments for revenue accruals	897,166	27,760
Net adjustments for expenditure accruals	217,274	-
GAAP Basis	<u>\$ 2,589,853</u>	<u>40,014</u>

ADAMS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2024

UNAUDITED

Pension Schedules

A. Changes of assumptions.

2015

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

2016

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

2017

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2019

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.

ADAMS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2024

UNAUDITED

- For females, 115% of female rates at all ages.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2021

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of the female rates up to age 72, 100% for ages above 76.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
 - For males, 97% of male rates at all ages.
 - For females, 110% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

2023

- The investment rate of return assumption was changed from 7.55% to 7.00%.
- The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.

ADAMS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2024

UNAUDITED

- Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
- The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.
- For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.
- The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.
- The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

B. Changes in benefit provisions.

2016

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

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

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2022 valuation for the June 30, 2024 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	25.6 years
Asset valuation method	5-year smoothed market
Price Inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

ADAMS COUNTY

SUPPLEMENTARY INFORMATION

ADAMS COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed-through Mississippi State Treasurer's Office Forest service schools and roads cluster Schools and roads - grants to states	10.665	Unknown	\$ 89,324
Total Passed-through Mississippi State Treasurer's Office			<u>89,324</u>
Emergency Watershed Protection Program (Direct)	* 10.923	N/A	<u>325,931</u>
Total United States Department of Agriculture			<u>415,255</u>
U.S. Department of Housing and Urban Development			
Passed-through Mississippi Development Authority Home Investment Partnerships Program	14.239	Unknown	10,100
Total Passed-through Mississippi Development Authority			<u>10,100</u>
Total U.S. Department of Housing and Urban Development			<u>10,100</u>
U.S. Department of the Interior			
National Wildlife Refuge Fund (Direct Award)	15.659	N/A	18,723
Total U.S. Department of Interior			<u>18,723</u>
U.S. Department of Justice			
Treatment Court Discretionary Grant Program (Direct)	16.585	N/A	73,593
Passed-through Mississippi Department of Public Safety Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unknown	70,000
Total Passed-through Mississippi Department of Public Safety			<u>70,000</u>
Total U.S. Department of Justice			<u>143,593</u>
U.S. Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Direct)	* 21.027	N/A	225,741
Total U.S. Department of the Treasury			<u>225,741</u>
U.S. Department of Homeland Security			
Passed-through Mississippi Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4598-DR-MS	297,273
Emergency Management Performance Grants	97.042	Unknown	28,314
Total Passed-through Mississippi Emergency Management Agency			<u>325,587</u>
Total U.S. Department of Homeland Security			<u>325,587</u>
Total Expenditures of Federal Awards			<u>\$ 1,138,999</u>

* Denotes major federal award program

NOTES TO THE 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 Adams County under programs of the federal government for the year ended September 30, 2024. 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 Adams County it is not intended to and does not present the financial position, changes in net position or cash flows of Adams County.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) 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

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

Note D - ALN 97.036, Disaster grant - public assistance (presidentially declared disasters)

After a Presidentialy declared disaster, FEMA provides Disaster grants - public assistance (Presidentially declared disasters) reimbursements in the form of cost-shared grants that require state matching funds. In fiscal year 2024, FEMA approved an appeal of \$297,273 of federal expenditures related to event 4598-DR-MS which were incurred prior to the year ended September 30, 2024. These approved eligible expenditures are included on the SEFA for the year ended September 30, 2024.

ADAMS COUNTY

OTHER INFORMATION

ADAMS COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2024
UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Wes Middleton	Supervisor District 1	Western Surety	100,000
Kevin Wilson	Supervisor District 2	Western Surety	100,000
Angela Hutchins	Supervisor District 3	Briarfield	100,000
James Gray	Supervisor District 4	Western Surety	100,000
Warren Gaines	Supervisor District 5	Western Surety	100,000
Brandi Lewis	Chancery Clerk	FCCI Insurance	100,000
Stephanie Washington	County Administrator	Western Surety	100,000
Larry Hughes	Tax Assessor	Western Surety	50,000
Clementine Lewis	Deputy Tax Assessor	Western Surety	10,000
Myra Myers	Deputy Tax Assessor	Western Surety	10,000
Frankette Davis	Deputy Tax Assessor	Western Surety	10,000
Kimberly Emfinger	Deputy Tax Assessor	Western Surety	10,000
Terrance Bailey	Tax Collector	Western Surety	100,000
LaKeysha Green	Deputy Tax Collector	Western Surety	50,000
Linda Golden	Deputy Tax Collector	FCCI Insurance	50,000
Shirley Emery	Deputy Tax Collector	Western Surety	50,000
Javine Johnson	Deputy Tax Collector	Western Surety	50,000
Sarah M. Johnson Pollard	Deputy Tax Collector	Western Surety	50,000
Eva Givens	Circuit Clerk	Western Surety	100,000
Dianne Goodman	Deputy Circuit Clerk	FCCI Insurance	100,000
Gina Pettis	Deputy Circuit Clerk	Western Surety	100,000
JoAnn Lyles Middleton	Deputy Circuit Clerk	Western Surety	100,000
Travis L. Patten	Sheriff	Western Surety	100,000
DeNeen S. Price	Purchase Clerk	Western Surety	100,000
Claudia White	Receiving Clerk	Western Surety	75,000
Mary Ann Anderson	Asst. Receiving Clerk	Western Surety	50,000
William Neely	Asst. Receiving Clerk	RLI Surety	50,000
Brittanie Dennard	Asst. Receiving Clerk	Western Surety	50,000
Corvet McNeal	Inventory Control Clerk	Western Surety	75,000
Robert Joseph Dollar	Road Manager	Western Surety	50,000
Deselle Davis	Constable-Northern District	Western Surety	50,000
Randy Freeman	Constable-Southern District	Western Surety	50,000
Audrey Bailey Minor	Justice Court Judge-Northern	Western Surety	50,000
Danny Barber	Justice Court Judge-Southern	Western Surety	50,000
Verna Johnson	Justice Court Clerk	Western Surety	50,000
Cristetta Thomas	Deputy Justice Court Clerk	Western Surety	50,000
Tabatha Middleton	Deputy Justice Court Clerk	Western Surety	50,000
Yolanda Dean	Deputy Justice Court Clerk	Western Surety	50,000
Je'Kia Horton	Deputy Justice Court Clerk	Western Surety	50,000
Tneesha Edwards	Deputy Justice Court Clerk	Western Surety	50,000

ADAMS COUNTY

SPECIAL REPORTS

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

Members of the Board of Supervisors
Adams County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Adams County, Mississippi (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 4, 2026. Our report includes a reference to other auditors who audited the financial statements of Adams County Airport Commission and Natchez-Adams County Port Commission, as described in our report on the Adams County, Mississippi financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Adams 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 Adams 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

We noted certain matters that we reported to the management of Adams County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated March 4, 2026, included within this document.

Purpose of this Report

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
March 4, 2026

**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
Adams County, Mississippi

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Adams 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 Adams County, Mississippi's major federal programs for the year ended September 30, 2024. Adams County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Adams County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each 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 Adams 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 each major federal program. Our audit does not provide a legal determination of Adams 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 Adams 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 Adams 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 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 Adams County, Mississippi's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS and *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 Adams 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 Adams 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 Adams County, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a

federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
March 4, 2026

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

Members of the Board of Supervisors
Adams County, Mississippi

We have examined Adams County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2024. The Board of Supervisors of Adams County, Mississippi is responsible for 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 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 Adams County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

In our opinion, Adams County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2024.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC

Certified Public Accountants

Vicksburg, Mississippi

March 4, 2026

ADAMS COUNTY
Schedule of Purchases Not Made From the Lowest Bidder
For the Year Ended September 30, 2024

Schedule 1

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

ADAMS COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2024

Schedule 2

Our tests did not identify any emergency purchases.

**Schedule of Purchases Made Noncompetitively from a Sole Source
For the Year Ended September 30, 2024**

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>
10/2/2023	Stadium Lighting	260,000	Musco Sports Lighting, LLC

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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Adams County, Mississippi

In planning and performing our audit of the financial statements of Adams County, Mississippi for the year ended September 30, 2024, we considered Adams 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 Adams 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 March 4, 2026, on the financial statements of Adams County, Mississippi.

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

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

Board of Supervisors & County Administrator

1. The County did not complete the federal grant activity schedule.

Repeat Finding No

Criteria	An effective system of internal control over federal grants should include properly identifying all federal programs and the related expenditures.
Condition	The County did not complete the federal grant activity schedule for the fiscal year ended September 30 th .
Cause	This was caused by a lack of internal controls over federal grants.
Effect	The failure to complete a federal grant activity schedule increases the possibility of not reporting all federal disbursements and could affect the determination of whether or not a Single Audit is required.
Recommendation	The Board of Supervisors should implement controls to ensure the federal grant activity schedule is prepared each year.
Response	The Board of Supervisors has implemented internal controls to ensure that a federal grant activity schedule is prepared each year.

2. Public Officials should strengthen controls to ensure compliance with requirements for the apportionment and distribution of the rental car tax.

Repeat Finding No

Criteria *Section 27-65-231, Mississippi Code Annotated (1972), states that, “(1) In addition to the sales tax imposed in Section 27-65-23, Mississippi Code of 1972, there is hereby levied upon every person engaging or continuing in this state in the business of renting motor vehicles under rental agreements with a term of not more than thirty (30) continuous days each, a tax at the rate of six percent (6%) of the gross proceeds of such business derived from the rental of motor vehicles, except that motor vehicles with a gross vehicle weight exceeding ten thousand (10,000) pounds shall be excluded from the measure of this tax....*

(3) On or before February 15 of each year, the proceeds of the tax imposed by this section on business rental activities shall be paid by the State Tax Commission to the county in which such proceeds were collected. Within seven (7) days after receipt of the tax proceeds, the county shall apportion and pay such tax proceeds as follows: The situs of the rental transactions from which tax proceeds were derived shall first be determined, and then the tax proceeds collected at a situs shall be distributed among the county, municipality and school district of the situs, as appropriate, in the same proportion and in the same manner that motor vehicle ad valorem taxes would be distributed among such taxing districts (based on their respective millage rates) if collected at the same time as the receipt of such proceeds and paid by a motor vehicle owner located at the same address as the situs of the rental transaction.

(4) The governing authorities of the counties, municipalities and school districts may expend the proceeds of such tax for any lawful purposes.

(5) The revenues received by counties and municipalities under subsection (3) of this section shall be deposited in the general fund of the counties and municipalities, and the revenues received by the school districts shall be deposited in any fund designated by the school district.

(6) The revenues received by counties, municipalities and school districts under subsection (3) of this section shall be included and considered as proceeds of ad valorem taxes for the purposes of the growth limitation on ad valorem taxes under Sections 27-39-321 and 27-39-305....”

Condition During the course of the audit, we noted that the County had received a rental car tax that had not been properly apportioned to the various taxing districts based upon the situs.

Cause Public officials failed to ensure that the rental car tax payment was apportioned by situs of rental transactions per taxing district.

Effect Failure to appropriately apportion the rental car tax results in noncompliance with state law and could result in incorrect settlements to the various taxing entities.

Recommendation The Board of Supervisors should ensure that proper controls are in place to appropriately apportion the rental car tax according to the situs of rental transactions in each applicable taxing district.

Response The Board of Supervisors will ensure that proper controls are in place to allow for appropriate apportionment of the rental car tax according to the situs of rental transactions in each applicable taxing district.

3. Public Officials Should Ensure Compliance with State Law over the Publication of the Original Budget for the Fiscal Year.

Repeat Finding No

Criteria *Section 19-11-7, Mississippi Code Annotated (1972), states “(1) The county administrator of each county of the State of Mississippi shall prepare and submit to the board of supervisors....The budget, including the sheriff’s budget, containing such statement of revenues and expenses shall be published at least one (1) time during August or September but not later than September 30 of the year in a newspaper published in the county, or if no newspaper is published therein, then in a newspaper having a general circulation therein.”*

Condition During the course of the audit, auditors were unable to obtain evidence that the original budget for the fiscal year was published in the newspaper.

Cause Public officials failed to ensure that proper publication was performed within the timeframe prescribed by law.

Effect Failure to publish the County’s original budget for the fiscal year is not in compliance with State statutes and could diminish fiscal transparency for the County.

Recommendation The Board of Supervisors should ensure that compliance with publication laws is achieved through proper publication of the original budget in accordance with the timelines established by State law.

Response The Board of Supervisors will ensure compliance with publication laws is achieved through proper publication of the original budget, in accordance with state law.

Circuit Clerk

4. Public Officials Should Ensure Compliance with State Law over Filing the Annual Financial Report and Depositing Excess Funds into the County General Fund.

Repeat Finding Yes

Criteria *Section 9-1-43(1), Mississippi Code Annotated (1972), states, "All such fees received by the office of Chancery or Circuit Clerks that are in excess of the salary limitation shall be deposited by such Clerk into the county general fund on or before April 15 for the preceding calendar year."*

Section 9-1-45(1), Mississippi Code Annotated (1972), states, "Each Chancery and Circuit Clerk shall file, not later than April 15 of each year, with the State Auditor of Public Accounts a true and accurate annual report on a form to be designed and supplied to each Clerk by the State Auditor of Public Accounts immediately after January 1 of each year. The form shall include the following information: (a) revenues subject to the salary cap, including fees; (b) revenues not subject to the salary cap; and (c) expenses of office, including any salary paid to a Clerk's spouse or children. Each Chancery and Circuit Clerk shall provide any additional information requested by the Public Employees' Retirement System for the purpose of retirement calculations."

Section 9-1-45(3), Mississippi Code Annotated (1972), states, "If the Chancery or Circuit Clerk fails to provide the reports required in this section, then the State Auditor shall give by United States certified mail, return receipt requested, written notification to the Chancery or Circuit Clerk of noncompliance. If within thirty (30) days after receipt of the notice, the Chancery or Circuit Clerk, in the opinion of the State Auditor, remains in noncompliance, the State Auditor may institute civil proceedings in a court of the county in which the Clerk serves. The court, upon a hearing, shall decide the issue and if it determines that the Clerk is not in substantial compliance, shall order the Clerk to immediately and thereafter comply. Violations of any order of the court shall be punishable as for contempt. In addition, the court in its discretion may impose a civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000) upon the Clerk, for which he shall be liable in his individual capacity, for any such noncompliance that the court determines as intentional or willful."

Condition The Circuit Clerk had not deposited excess funds into the general fund by April 15th.

Cause The Circuit Clerk did not timely deposit excess funds into the general fund by the statutory deadline.

Effect Failure to file an Annual Financial Report could result in a civil court proceeding and possible civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000). Additionally, failure to deposit any amount in excess of the salary

limitation into the county general fund could result in misappropriation and/or loss of public funds.

Recommendation The Circuit Clerk should ensure that the Annual Financial Report is filed, and excess funds deposited into the general fund by April 15th.

Response Will make April reimbursement payment by April 15th.

5. The Circuit Clerk Should Ensure Compliance with State Laws over Statutorily Imposed Limits on the Salary Received as County Registrar.

Repeat Finding No

Criteria *Section 23-15-225(1)(e), Mississippi Code Annotated (1972), states, "The registrar shall be entitled to such compensation, payable monthly out of the county treasury, which the board of supervisors of the county shall allow on an annual basis in the following amounts.... (e) For counties with a total population of more than twenty-five thousand (25,000) and not more than thirty-five thousand (35,000), an amount not to exceed Nineteen Thousand Three Hundred Twenty Dollars (\$19,320.00), but not less than Nine Thousand Six Hundred Sixty Dollars (\$9,660.00)."*

Condition During the course of our test work, we noted that the Circuit Clerk received a total of \$21,927 for services as the County Registrar. This resulted in an excess of **\$2,607** paid to the Clerk.

Cause The Circuit Clerk did not use the appropriate census to determine the County's population for purposes of calculating the County Registrar statutory fees.

Effect The Circuit Clerk was overpaid as the County Registrar.

Recommendation The Circuit Clerk should make sure to use the correct decennial census for determining the amounts owed as County Registrar.

Further, it is recommended that the Circuit Clerk repay the County the **\$2,607** paid in excess.

Response Will pay the overpayment. Will ensure the proper calculations.

Justice Court Clerk
6. The Justice Court Clerk should ensure that assets are sufficient to settle all liabilities.

Repeat Finding No

Criteria An effective system of accounting should ensure that all reported account balances are properly stated, and sufficient assets are available to extinguish all liabilities.

Condition	During the course of our cash count and related reconciliation, we found that the Justice Court had insufficient funds available on the date of the cash count to settle all outstanding liabilities. We noted an unidentified shortage (\$38,907) as of August 12, 2025 .
Cause	The Justice Court Clerk has not established adequate controls over collections to ensure all amounts collected, deposited, and recorded are properly accounted for and available to settle amounts due to the appropriate entities.
Effect	Inadequate controls over collections, accounting, and the subsequent settlements could result in a shortage of funds available for the settlement of liabilities.
Recommendation	The Justice Court Clerk should develop and implement appropriate controls over collections, settlements, and accounting processes to ensure adequate monies are available for the settlement of amounts due to the appropriate entities.
Response	The Justice Court Clerk has developed and implemented additional controls over collections, settlements, and accounting processes by using a locked bank bag to secure deposits in transit to the bank, receiving training on the information system (Deputy Clerk started January 2025), completing bank reconciliation in a timely manner, and filing a claim on the insurance bond for the employee who tampered with the deposits and removed cash during January 2025 – April 2025.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

March 4, 2026

ADAMS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

ADAMS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024

Section 1: Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

- | | | |
|-----|---|---------------|
| 4. | Internal control over major programs: | |
| | a. Material weakness identified | No |
| | b. Significant deficiencies identified | None reported |
| 5. | Type of auditor's report issued on compliance for major federal program: | |
| | ALN 10.923, Emergency Watershed Protection Program | Unmodified |
| | ALN 21.027, Coronavirus State and Local Fiscal Recovery Funds | 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 10.923, Emergency Watershed Protection 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(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | Yes |

ADAMS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2024

Section 2: Financial Statement Findings

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

Section 3: Federal Award Findings and Questioned Costs

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

ADAMS COUNTY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

**BOARD OF SUPERVISORS
ADAMS COUNTY**

*Wes Middleton, DIST. 1
Kevin Wilson, DIST. 2
Angela G. Hutchins, DIST. 3
James "Ricky" Gray, DIST. 4
Warren Gaines, DIST. 5*

*314 State Street
Natchez, Mississippi 39120
Phone: (601) 442-2431
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**Adams County
Summary Schedule of Prior Year Audit Findings**

Finding Number	Finding Summary	Status	Additional Information
2023-001 (Initial Year of Finding)	The auditee did not maintain adequate supporting documentation for expenditures charged to the Emergency Watershed Protection (EWP) grant.	Corrected	Corrective action was taken.