

GEORGE COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2024



SHAD WHITE

STATE AUDITOR

Jeff Goodwin, CPA
Director, Financial and Compliance Audit Division

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

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

Shad White
AUDITOR

March 23, 2026

Members of the Board of Supervisors
George County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2024 financial and compliance audit report for George County. This audit was performed pursuant to *Section 7-7-211(e), Mississippi Code Annotated (1972)*. The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Respectfully submitted,

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

Shad White

GEORGE COUNTY
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GEORGE COUNTY

FINANCIAL SECTION

GEORGE COUNTY

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

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
George County, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of George 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 report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of George 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 the George Regional Health System, a discretely presented component unit, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the George Regional Health System is based solely on the report 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 County Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 23, 2026 on our consideration of George 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 George 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 George County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

March 23, 2026

GEORGE COUNTY

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GEORGE COUNTY

FINANCIAL STATEMENTS

GEORGE COUNTY

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GEORGE COUNTY
Statement of Net Position
September 30, 2024

Exhibit 1

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit George Regional Health System
ASSETS				
Cash	\$ 22,788,353	135,931	22,924,284	33,042,292
Property tax receivable	11,356,825		11,356,825	
Accounts receivable (net of allowance for uncollectibles of \$982,752)	450,595		450,595	8,372,987
Fines receivable (net of allowance for uncollectibles of \$3,049,931)	1,012,536		1,012,536	
Loans receivable (net of allowance for uncollectibles of \$50,000)	0		0	
Lease receivable	115,663		115,663	
Intergovernmental receivables	865,104	345,146	1,210,250	
Other receivables	27,758		27,758	313,253
Inventories				2,056,447
Prepaid expenses				680,304
Due from third-party payors				523,956
Certificates of deposit				27,438,568
Other assets				6,373,852
Capital assets:				
Land and construction in progress	2,067,991	87,674	2,155,665	1,205,555
Other capital assets, net	66,545,768	4,418,519	70,964,287	25,201,407
Total Assets	105,230,593	4,987,270	110,217,863	105,208,621
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,933,869	731,852	2,665,721	
Total Deferred Outflows of Resources	1,933,869	731,852	2,665,721	0
LIABILITIES				
Claims payable	175,612	35,489	211,101	
Current maturities of long-term obligations				1,699,016
Accounts payable, trade				993,118
Accrued salaries and wages				1,411,216
Accrued payroll taxes				259,791
Accrued employee benefits				866,453
Due to third-party payors				1,986,730
Other current liabilities				900,579
Long-term obligations, less current maturities				10,163,899
Intergovernmental payables	427,138		427,138	
Accrued interest payable	24,481	8,181	32,662	
Unearned revenue	2,584,015		2,584,015	
Other payables	14,363		14,363	
Long-term liabilities				
Due within one year:				
Capital debt	825,039	155,300	980,339	
Non-capital debt	302,911		302,911	
Lease liabilities	18,963	11,568	30,531	
Due in more than one year:				
Capital debt	7,192,658	324,100	7,516,758	
Non-capital debt	440,912	79,089	520,001	
Lease liabilities	141,555	15,485	157,040	
Net pension liability	13,238,770	4,977,120	18,215,890	
Total Liabilities	25,386,417	5,606,332	30,992,749	18,280,802

GEORGE COUNTY
Statement of Net Position
September 30, 2024

Exhibit 1 - cont'd

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit George Regional Health System
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	325,061	91,109	416,170	
Deferred inflows related to leases	110,754		110,754	24,441
Deferred revenues - property taxes	11,356,825		11,356,825	
Total Deferred Inflows of Resources	<u>11,792,640</u>	<u>91,109</u>	<u>11,883,749</u>	<u>24,441</u>
NET POSITION				
Net investment in capital assets	60,435,544	3,999,740	64,435,284	14,544,047
Restricted for:				
Expendable:				
General government	334,719		334,719	
Public safety	5,113,787		5,113,787	
Public works	10,026,204		10,026,204	
Culture and recreation	245,442		245,442	
Economic development and assistance	126,000		126,000	
Unrestricted	(6,296,291)	(3,978,059)	(10,274,350)	72,359,331
Total Net Position	<u>\$ 69,985,405</u>	<u>21,681</u>	<u>70,007,086</u>	<u>86,903,378</u>

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit George Regional Health System
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 3,956,532	920,833	238,021		(2,797,678)		(2,797,678)	
Public safety	3,991,557	308,941	1,488,934	3,197,320	1,003,638		1,003,638	
Public works	5,886,282	656,144	2,894,734	332,929	(2,002,475)		(2,002,475)	
Health and welfare	1,164,231		948,966	14,849	(200,416)		(200,416)	
Culture and recreation	1,947,408			1,800,000	(147,408)		(147,408)	
Conservation of natural resources	29,521				(29,521)		(29,521)	
Economic development and assistance	383,828			50,000	(333,828)		(333,828)	
Interest on long-term debt	363,589				(363,589)		(363,589)	
Pension expense	2,118,838				(2,118,838)		(2,118,838)	
Total Governmental Activities	<u>19,841,786</u>	<u>1,885,918</u>	<u>5,570,655</u>	<u>5,395,098</u>	<u>(6,990,115)</u>		<u>(6,990,115)</u>	
Business-type activities:								
Regional Jail Fund	4,542,278	3,958,412	63,753			(520,113)	(520,113)	
Total Business-type Activities	<u>4,542,278</u>	<u>3,958,412</u>	<u>63,753</u>	<u>0</u>		<u>(520,113)</u>	<u>(520,113)</u>	
Total Primary Government	<u>\$ 24,384,064</u>	<u>5,844,330</u>	<u>5,634,408</u>	<u>5,395,098</u>	<u>(6,990,115)</u>		<u>(7,510,228)</u>	
Component unit:								
George Regional Health System	\$ 62,367,813	70,393,188	1,251,826	845,990				10,123,191
Total Component Unit	<u>\$ 62,367,813</u>	<u>70,393,188</u>	<u>1,251,826</u>	<u>845,990</u>				<u>10,123,191</u>
General revenues:								
Property taxes					\$ 10,858,457		10,858,457	
Road & bridge privilege taxes					328,208		328,208	
Grants and contributions not restricted to specific programs					387,494		387,494	2,706,374
In lieu taxes - Enviva Pellets					548,905		548,905	
Unrestricted gifts and donations					127,210	49,490	176,700	
Unrestricted interest income					795,106	3,125	798,231	
Unrestricted investment income								2,464,208
Miscellaneous					1,021,469	24,470	1,045,939	24,887
Total General Revenues					<u>14,066,849</u>	<u>77,085</u>	<u>14,143,934</u>	<u>5,195,469</u>
Changes in Net Position					<u>7,076,734</u>	<u>(443,028)</u>	<u>6,633,706</u>	<u>15,318,660</u>
Net Position - Beginning, as previously reported								
Error corrections					62,498,625	521,631	63,020,256	71,584,718
Net Position - Beginning, as restated					<u>410,046</u>	<u>(56,922)</u>	<u>353,124</u>	
					<u>62,908,671</u>	<u>464,709</u>	<u>63,373,380</u>	<u>71,584,718</u>
Net Position - Ending								
					<u>\$ 69,985,405</u>	<u>21,681</u>	<u>70,007,086</u>	<u>86,903,378</u>

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

GEORGE COUNTY
Balance Sheet - Governmental Funds
September 30, 2024

Exhibit 3

	Major Funds			Total Governmental Funds
	General Fund	American Rescue Plan Fund	Other Governmental Funds	
ASSETS				
Cash	\$ 4,857,018	2,646,629	15,284,706	22,788,353
Property tax receivable	6,329,950		5,026,875	11,356,825
Accounts receivable (net of allowance for uncollectibles of \$982,752)			450,595	450,595
Fines receivable (net of allowance for uncollectibles of \$3,049,931)	1,012,536			1,012,536
Loans receivable (net of allowance for uncollectibles of \$50,000)	0			0
Lease receivable	115,663			115,663
Intergovernmental receivables	817,049		48,055	865,104
Other receivables	14,504		13,254	27,758
Due from other funds			103,667	103,667
Total Assets	\$ 13,146,720	2,646,629	20,927,152	36,720,501
LIABILITIES				
Liabilities:				
Claims payable	\$ 62,606		113,006	175,612
Intergovernmental payables	410,921			410,921
Due to other funds	119,884			119,884
Unearned revenue		2,479,419	104,596	2,584,015
Other payables	14,363			14,363
Total Liabilities	607,774	2,479,419	217,602	3,304,795
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	6,329,950		5,026,875	11,356,825
Unavailable revenue - accounts receivable			450,595	450,595
Unavailable revenue - fines	1,012,536			1,012,536
Leases	110,754			110,754
Total Deferred Inflows of Resources	7,453,240	0	5,477,470	12,930,710
Fund balances:				
Restricted for:				
General government			334,719	334,719
Public safety		167,210	4,946,577	5,113,787
Public works			9,575,609	9,575,609
Culture and recreation			245,442	245,442
Economic development and assistance			126,000	126,000
Debt service			3,733	3,733
Unassigned	5,085,706			5,085,706
Total Fund Balances	5,085,706	167,210	15,232,080	20,484,996
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,146,720	2,646,629	20,927,152	36,720,501

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

GEORGE COUNTY
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 September 30, 2024

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 20,484,996
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 \$93,215,490 and accumulated amortization of \$48,456.	68,613,759
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,463,131
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(8,922,038)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(13,238,770)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(24,481)
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	1,933,869
Deferred inflows of resources related to pensions	<u>(325,061)</u>
Total Net Position - Governmental Activities	\$ <u>69,985,405</u>

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

GEORGE COUNTY

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

Exhibit 4

	Major Funds			Total Governmental Funds
	General Fund	American Rescue Plan Fund	Other Governmental Funds	
REVENUES				
Property taxes	\$ 6,133,608		4,724,849	10,858,457
Road and bridge privilege taxes			328,208	328,208
Licenses, commissions and other revenue	394,647		20,408	415,055
Fines and forfeitures	440,149		150	440,299
In lieu taxes - Enviva Pellets	308,022		240,883	548,905
Intergovernmental revenues	3,531,702	2,379,419	5,569,336	11,480,457
Charges for services	282,646		652,409	935,055
Interest income	164,151	89,175	541,780	795,106
Miscellaneous revenues	654,539		264,827	919,366
Total Revenues	11,909,464	2,468,594	12,342,850	26,720,908
EXPENDITURES				
Current:				
General government	5,068,818		214,688	5,283,506
Public safety	2,932,229		1,800,737	4,732,966
Public works			8,309,292	8,309,292
Health and welfare	261,818		907,792	1,169,610
Culture and recreation	8,877		1,937,336	1,946,213
Conservation of natural resources	47,108			47,108
Economic development and assistance	111,075		283,459	394,534
Debt service:				
Principal	1,102,478		1,213,735	2,316,213
Interest	81,798		304,955	386,753
Total Expenditures	9,614,201	0	14,971,994	24,586,195
Excess of Revenues over (under) Expenditures	2,295,263	2,468,594	(2,629,144)	2,134,713
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued			485,104	485,104
Leases issued	23,292			23,292
Proceeds from sale of capital assets	42,650		663,377	706,027
Transfers in	50,000		4,819,519	4,869,519
Transfers out	(3,166,336)		(1,703,183)	(4,869,519)
Total Other Financing Sources and Uses	(3,050,394)	0	4,264,817	1,214,423
Net Changes in Fund Balances	(755,131)	2,468,594	1,635,673	3,349,136
Fund Balances - Beginning, as previously reported	5,545,586	(2,301,384)	13,596,407	16,840,609
Error corrections	295,251			295,251
Fund Balances - Beginning, as restated	5,840,837	(2,301,384)	13,596,407	17,135,860
Fund Balances - Ending	\$ 5,085,706	167,210	15,232,080	20,484,996

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

GEORGE COUNTY
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2024

Exhibit 4-1

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 3,349,136
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 \$6,150,598 exceeded depreciation of \$2,325,310 and amortization of \$20,907 in the current period.	3,804,381
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$102,103 and the proceeds from the sale of \$706,027 in the current period.	(603,924)
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.	68,835
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	26,674
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 repayments of \$2,316,213 exceeded debt proceeds of \$508,396.	1,807,817
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
The amount of decrease in compensated absence liability.	12,410
The amount of decrease in accrued interest payable.	2,159
The amortization of bond premium.	21,005
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period.	(2,118,838)
Recording of contributions made during the year.	<u>707,079</u>
Change in Net Position of Governmental Activities	\$ <u><u>7,076,734</u></u>

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

GEORGE COUNTY
Statement of Net Position - Proprietary Fund
September 30, 2024

Exhibit 5

	Business-type Activities - Enterprise Fund
	<u>Regional Jail Fund</u>
ASSETS	
Current assets:	
Cash	\$ 135,931
Intergovernmental receivables	345,146
Total Current Assets	<u>481,077</u>
Noncurrent assets:	
Capital assets:	
Land	87,674
Other capital assets, net	4,418,519
Total Noncurrent Assets	<u>4,506,193</u>
Total Assets	<u>4,987,270</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	731,852
Total Deferred Outflows of Resources	<u>731,852</u>
LIABILITIES	
Current liabilities:	
Claims payable	35,489
Accrued interest payable	8,181
Capital debt:	
Leases payable	11,568
Other long-term liabilities	155,300
Total Current Liabilities	<u>210,538</u>
Noncurrent liabilities:	
Capital debt:	
Leases payable	15,485
Other long-term liabilities	324,100
Non-capital debt:	
Compensated absences payable	79,089
Net pension liability	4,977,120
Total Noncurrent Liabilities	<u>5,395,794</u>
Total Liabilities	<u>5,606,332</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	91,109
Total Deferred Inflows of Resources	<u>91,109</u>
NET POSITION	
Net investment in capital assets	3,999,740
Restricted for:	
Unrestricted	(3,978,059)
Total Net Position	<u>\$ 21,681</u>

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

GEORGE COUNTY
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
For the Year Ended September 30, 2024

Exhibit 6

	Business-type Activities - Enterprise Fund
	Regional Jail Fund
Operating Revenues	
Charges for services	\$ 3,958,412
Miscellaneous	24,470
Total Operating Revenues	<u>3,982,882</u>
Operating Expenses	
Personal services	1,810,394
Contractual services	801,269
Materials and supplies	977,327
Depreciation and amortization expense	197,607
Pension expense	745,774
Total Operating Expenses	<u>4,532,371</u>
Operating Income (Loss)	<u>(549,489)</u>
Nonoperating Revenues (Expenses)	
Interest income	3,125
Intergovernmental grants	63,753
Gifts and donations	49,490
Gain (loss) on sale of capital assets	(2,689)
Interest expense	(7,218)
Net Nonoperating Revenues (Expenses)	<u>106,461</u>
Changes in Net Position	<u>(443,028)</u>
Net Position - Beginning, as previously reported	521,631
Error corrections	(56,922)
Net Position - Beginning, as restated	<u>464,709</u>
Net Position - Ending	<u>\$ 21,681</u>

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

GEORGE COUNTY
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2024

Exhibit 7

	Business-type Activities - <u>Enterprise Fund</u>
	<u>Regional Jail Fund</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 3,943,388
Payments to suppliers	(1,776,826)
Payments to employees	(2,044,198)
Miscellaneous receipts	24,470
Net Cash Provided (Used) by Operating Activities	<u>146,834</u>
Cash Flows From Noncapital Financing Activities	
Intergovernmental grants received	63,465
Net Cash Provided (Used) by Noncapital Financing Activities	<u>63,465</u>
Cash Flows From Capital and Related Financing Activities	
Principal paid on long-term debt	(159,140)
Interest paid on debt	(19,697)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(178,837)</u>
Cash Flows From Investing Activities	
Interest on deposits	3,125
Net Cash Provided (Used) by Investing Activities	<u>3,125</u>
Net Increase (Decrease) in Cash and Cash Equivalents	34,587
Cash and Cash Equivalents at Beginning of Year	<u>101,344</u>
Cash and Cash Equivalents at End of Year	<u>\$ 135,931</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (549,489)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization expense	197,607
Changes in assets and liabilities:	
(Increase) decrease in intergovernmental receivables	(15,024)
Increase (decrease) in claims payable	1,770
Increase (decrease) in compensated absences liability	15,069
Increase (decrease) in pension liability, deferred inflows/outflows, net	496,901
Total Adjustments	<u>696,323</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 146,834</u>

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

GEORGE COUNTY
Statement of Fiduciary Net Position
September 30, 2024

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 102,914
Receivables:	
Due from other funds	<u>16,217</u>
Total Assets	<u>119,131</u>
LIABILITIES	
Intergovernmental payables	<u>16,216</u>
Total Liabilities	<u>16,216</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>102,915</u>
Total Net Position	\$ <u>102,915</u>

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

GEORGE 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	\$ <u>1,672,957</u>
Total Additions	<u>1,672,957</u>
DEDUCTIONS	
Payments of tax to other governments	<u>1,662,905</u>
Total Deductions	<u>1,662,905</u>
Net increase (decrease) in fiduciary net position	10,052
Net Position - Beginning	<u>92,863</u>
Net Position - Ending	\$ <u><u>102,915</u></u>

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

GEORGE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

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

B. Individual Component Unit Disclosures.

Blended Component Unit

Certain component units, although legally separate from the primary government, are nevertheless so intertwined with the primary government that they are, in substance, the same as the primary government. Therefore, 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.

George County Public Improvement Corporation was incorporated as a nonprofit under *Section 31-8-3, Mississippi Code of 1972 Annotated*, which allows Counties to enter into 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, acquisition, and renovation of capital facilities for the primary government and imposes a financial burden on the primary government by obligating funds to repay the debt pursuant to an agreement.

Discretely Presented Component Unit

The component unit's columns in the financial statements include the financial data of the following component unit of the County. It is reported in a separate column to emphasize that it is legally separate from the County.

The George Regional Health System ("the Hospital") consists of an acute care hospital and related outpatient facilities located in Lucedale, Mississippi. The Hospital operates in the form of a government authority governed by a Board of Trustees pursuant to *Section 41-13-15 of the Mississippi Code of 1972 Annotated*, as amended, consisting of members from George County, and is a legally separate entity. Each member of the George County Board of Supervisors appoints one member to the Hospital's Board of Trustees. Complete financial statements for the George Regional Health System can be obtained from the Chief Financial Officer at Post Office Box 607, Lucedale, Mississippi 39452.

GEORGE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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 Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

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

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

GEORGE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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.

American Rescue Plan Fund - This fund is used to account for monies from the American Rescue Plan Act of 2021 (ARPA) that are considered restricted in nature.

The County reports the following major Enterprise Fund:

Regional Jail Fund - This fund is used to account for monies from inmate housing agreement income with the Mississippi Department of Corrections for housing state prisoners.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

PROPRIETARY FUND TYPE

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

FIDUCIARY FUND TYPE

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

GEORGE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

E. Account Classifications.

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

F. Deposits.

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

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

G. Receivables.

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

H. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

I. Capital Assets.

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

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. George County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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

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

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

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

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

J. Deferred Outflows/Inflows of Resources.

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

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

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

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

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

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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

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

Deferred inflows related to leases/leases - Deferred inflows of resources measured at the initial value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods.

K. Leases.

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

The County uses the historical federal prime borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known. The rate used to calculate the present value of lease payments of 16th section real property was 4.00% in accordance with *Section 29-3-113, Mississippi Code of 1972 Annotated*.

L. Long-term Liabilities.

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

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

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

M. 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.

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

N. 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.

O. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

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

GEORGE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

Fund Balance Flow Assumption:

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

P. Property Tax Revenues:

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

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

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

Q. 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.

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.

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(2) Adjustments and Restatements of Beginning Balances.

Correction of Errors in Previously Issued Financial Statements

An adjustment in the amount of \$114,795 was made to correctly report beginning capital asset balances, net of depreciation and amortization, in Governmental Activities.

An adjustment in the amount of \$295,251 was made to correctly report beginning intergovernmental payable balances in Governmental Activities and the General Fund.

An adjustment in the amount of \$(57,200) was made to correctly report beginning capital asset balances, net of depreciation, in Business-type Activities and the Regional Jail Fund.

An adjustment in the amount of \$278 was made to correctly report beginning lease liability balances in Business-type Activities and the Regional Jail Fund.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2024, error corrections resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances			
	Funds		Government-Wide	
	General Fund	Regional Jail Fund	Governmental Activities	Business-type Activities
9/30/2023, as previously reported	\$ 5,545,586	521,631	62,498,625	521,631
Error corrections	295,251	(56,922)	410,046	(56,922)
9/30/2023, as adjusted or restated	\$ 5,840,837	464,709	62,908,671	464,709

(3) Deposits

The carrying amount of the County's total deposits with financial institutions at September 30, 2024, was \$23,027,198, and the bank balance was \$23,573,119. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by *Section 27-105-5, Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2024:

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
Other Governmental Funds	General Fund	\$ 103,667
Custodial Funds	General Fund	16,217
Total		\$ 119,884

The receivables represent the tax revenue 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. Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 50,000
Other Governmental Funds	General Fund	3,166,336
Other Governmental Funds	Other Governmental Funds	1,653,183
Total		\$ 4,869,519

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

(5) Intergovernmental Receivables.

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

Description	Amount
Governmental Activities:	
Legislative tax credit	\$ 181,977
Emergency management performance grant reimbursement	25,097
Department of Human Services - welfare reimbursement	9,653
Presidentially declared disaster - Hurricane Zeta grant reimbursement	600,322
Mississippi Department of Agriculture grant reimbursement	48,055
Total Governmental Activities	\$ 865,104
Business-type Activities:	
Mississippi Department of Corrections - housing prisoners reimbursement	\$ 303,489
City of Lucedale - housing prisoners reimbursement	2,550
Jackson County - housing prisoners reimbursement	9,852
Greene County - housing prisoners reimbursement	29,255
Total Business-type Activities	\$ 345,146

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(6) Loans Receivable.

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

Description	Date of Loan	Interest Rate	Maturity Date	Receivable Balance
George Regional Health System*	10/26/1992	0.00%	Unknown	\$ 50,000
Less: Allowance for doubtful accounts				<u>(50,000)</u>
Total, net of allowance for doubtful accounts				<u>\$ 0</u>

*The George Regional Health System loan receivable was determined to be uncollectible in fiscal year 1996.

(7) Capital Assets.

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

Governmental activities:

	Balance Oct. 1, 2023	Additions	Deletions	Adjustments*	Balance Sept. 30, 2024
<u>Non-depreciable capital assets:</u>					
Land	\$ 2,067,991				2,067,991
Total non-depreciable capital assets	<u>2,067,991</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,067,991</u>
<u>Depreciable capital assets:</u>					
Infrastructure	125,707,815	2,350,008			128,057,823
Buildings	11,768,546	1,351,203			13,119,749
Improvements other than buildings	134,280			130,000	264,280
Mobile equipment	15,346,571	2,217,469	869,288	75,600	16,770,352
Furniture and equipment	1,201,879	208,626	34,319	16,875	1,393,061
Total depreciable capital assets	<u>154,159,091</u>	<u>6,127,306</u>	<u>903,607</u>	<u>222,475</u>	<u>159,605,265</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	74,579,290	1,148,642			75,727,932
Buildings	3,571,757	245,238			3,816,995
Improvements other than buildings	77,578	9,242		72,800	159,620
Mobile equipment	12,008,751	829,978	272,135	30,410	12,597,004
Furniture and equipment	843,707	92,210	27,548	5,570	913,939
Total accumulated depreciation	<u>91,081,083</u>	<u>2,325,310</u>	<u>299,683</u>	<u>108,780</u>	<u>93,215,490</u>
Total depreciable capital assets, net	<u>63,078,008</u>	<u>3,801,996</u>	<u>603,924</u>	<u>113,695</u>	<u>66,389,775</u>
Governmental activities capital assets, net	<u>\$ 65,145,999</u>	<u>3,801,996</u>	<u>603,924</u>	<u>113,695</u>	<u>68,457,766</u>
Lease assets, net (Note 8)					<u>155,993</u>
Total capital assets, net, as reported in the statement of net position					<u>\$ 68,613,759</u>

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Business-type activities:

	Balance Oct. 1, 2023	Additions	Deletions	Adjustments*	Balance Sept. 30, 2024
Non-depreciable capital assets:					
Land	\$ 87,674				87,674
Total non-depreciable capital assets	<u>87,674</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>87,674</u>
Depreciable capital assets:					
Buildings	7,415,772				7,415,772
Improvements other than buildings	187,766			(130,000)	57,766
Mobile equipment	101,829	49,490	14,896		136,423
Furniture and equipment	237,010		11,989		225,021
Total depreciable capital assets	<u>7,942,377</u>	<u>49,490</u>	<u>26,885</u>	<u>(130,000)</u>	<u>7,834,982</u>
Less accumulated depreciation for:					
Buildings	3,055,239	148,319			3,203,558
Improvements other than buildings	77,424	2,312		(72,800)	6,936
Mobile equipment	91,645	8,909	13,406		87,148
Furniture and equipment	129,187	23,409	10,790		141,806
Total accumulated depreciation	<u>3,353,495</u>	<u>182,949</u>	<u>24,196</u>	<u>(72,800)</u>	<u>3,439,448</u>
Total depreciable capital assets, net	<u>4,588,882</u>	<u>(133,459)</u>	<u>2,689</u>	<u>(57,200)</u>	<u>4,395,534</u>
Business-type activities capital assets, net	<u>\$ 4,676,556</u>	<u>(133,459)</u>	<u>2,689</u>	<u>(57,200)</u>	<u>4,483,208</u>
Lease assets, net (Note 8)					<u>22,985</u>
Total capital assets, net, as reported in the statement of net position					<u>\$ 4,506,193</u>

*The adjustments above are to account for the transfer of an asset from governmental activities to business-type activities and to correct prior year errors in capital asset records.

Depreciation expense was charged to the following functions:

	Amount
Governmental activities:	
General government	\$ 279,909
Public safety	388,136
Public works	1,655,493
Culture and recreation	1,195
Economic development and assistance	577
Total governmental activities depreciation expense	<u>\$ 2,325,310</u>
Business-type activities:	
Regional jail	<u>\$ 182,949</u>

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Component Unit:

The George Regional Health System capital asset balances as of September 30, 2024, are as follows:

	Balance Oct. 1, 2023	Additions	Deletions	Balance Sept. 30, 2024
<u>Non-depreciable capital assets:</u>				
Land	\$ 694,082			694,082
Construction in progress	131,932	439,714	60,173	511,473
Total non-depreciable capital assets	<u>826,014</u>	<u>439,714</u>	<u>60,173</u>	<u>1,205,555</u>
<u>Depreciable capital assets:</u>				
Land Improvements	157,270			157,270
Buildings	35,810,664	26,596		35,837,260
Fixed equipment	2,643,269	527,189	12,325	3,158,133
Major moveable equipment	21,187,144	345,047	8,888	21,523,303
Total depreciable capital assets	<u>59,798,347</u>	<u>898,832</u>	<u>21,213</u>	<u>60,675,966</u>
<u>Less accumulated depreciation for:</u>				
Land Improvements	233,289	1,335		234,624
Buildings	12,764,800	1,677,247		14,442,047
Fixed equipment	2,080,942	255,801	10,625	2,326,118
Major moveable equipment	17,575,947	895,844	21	18,471,770
Total accumulated depreciation	<u>32,654,978</u>	<u>2,830,227</u>	<u>10,646</u>	<u>35,474,559</u>
Total depreciable capital assets, net	<u>27,143,369</u>	<u>(1,931,395)</u>	<u>10,567</u>	<u>25,201,407</u>
Component unit capital assets, net	<u>\$ 27,969,383</u>	<u>(1,491,681)</u>	<u>70,740</u>	<u>26,406,962</u>

(8) Intangible Right-to-Use Leases.

A summary of lease asset activity during the year ended September 30, 2024 is as follows:

Governmental Activities:

	Balance Oct. 1, 2023	Additions	Adjustments*	Balance Sept. 30, 2024
<u>Lease assets:</u>				
Land	\$ 131,505			131,505
Furniture and equipment	48,552	23,292	1,100	72,944
Total lease assets	<u>180,057</u>	<u>23,292</u>	<u>1,100</u>	<u>204,449</u>
<u>Less accumulated amortization for:</u>				
Lease assets:				
Land	11,248	5,624		16,872
Furniture and equipment	16,301	15,283		31,584
Total accumulated amortization	<u>27,549</u>	<u>20,907</u>	<u>0</u>	<u>48,456</u>
Total governmental activities lease assets, net	<u>\$ 152,508</u>	<u>2,385</u>	<u>1,100</u>	<u>155,993</u>

*Adjustment is to correct prior year error in lease asset records.

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Business-type Activities:

	Balance Oct. 1, 2023	Additions	Balance Sept. 30, 2024
<u>Lease assets:</u>			
Furniture and equipment	\$ 26,363	24,132	50,495
Total lease assets	<u>26,363</u>	<u>24,132</u>	<u>50,495</u>
<u>Less accumulated amortization for:</u>			
Lease assets:			
Furniture and equipment	12,852	14,658	27,510
Total accumulated amortization	<u>12,852</u>	<u>14,658</u>	<u>27,510</u>
Total business-type activities lease assets, net	\$ <u>13,511</u>	<u>9,474</u>	<u>22,985</u>

Amortization expense was charged to the following functions:

	Amount
Governmental Activities:	
General government	\$ 17,095
Public safety	<u>3,812</u>
Total governmental activities amortization expense	\$ <u>20,907</u>
	Amount
Business-type Activities:	
Regional jail	\$ <u>14,658</u>

A summary of lease liabilities during the year ended September 30, 2024 is as follows:

	Governmental Activities:			Amounts due within one year		
	Balance 10/1/2023	Additions	Deductions	Balance 9/30/2024	within one year	
Lease liabilities	\$ <u>154,659</u>	<u>23,292</u>	<u>17,433</u>	<u>160,518</u>	<u>18,963</u>	
	Business-type Activities:			Amounts due within one year		
	Balance 10/1/2023	Additions	Deductions	Adjustments*	Balance 9/30/2024	within one year
Lease liabilities	\$ <u>11,989</u>	<u>24,132</u>	<u>8,790</u>	<u>(278)</u>	<u>27,053</u>	<u>11,568</u>

*Adjustment is to correct prior year error in lease liabilities.

Leases

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

GEORGE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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 in depreciation and amortization 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 historical federal prime borrowing rate as the discount rate for leases unless the rate that the lessor charges is known. For equipment leases in effect for the fiscal year, the historical federal prime borrowing rate ranged from 3.25% to 8.50% and was used to calculate the present value of lease payments when the rate implicit in the lease was not known. The rate used to calculate the present value of lease payments of 16th section real property was 4.00% in accordance with *Section 29-3-113, Mississippi Code of 1972 Annotated*.

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.

As Lessee:

Governmental Activities:

George County entered into a lease agreement with George County School District for the lease of 16th section land owned by George County School District for placement of electric transmission towers. The lease commenced February 7, 2008, for a term of forty years (480 months). The lease stipulated that the lessee would pay annual lease payments, in advance, of \$320. The lease also stipulated that a reappraisal of the property and a potential adjustment of said lease payments would occur on the eighth, sixteenth, twenty-fourth, and thirty-second anniversary of the commencement of the lease. An adjustment of the lease payment has not occurred since the lease's inception. The measurement of the lease is based on the present value of lease payments expected to be paid during the lease term.

George County entered into a lease agreement with George County School District for the lease of 16th section land owned by George County School District for community purposes. The lease commenced May 6, 2003, for a term of forty years (480 months). The lease stipulated that the lessee would pay annual lease payments, in advance, of \$6,466. The lease also stipulated that a reappraisal of the property and a potential adjustment of said lease payments would occur every ten years from the commencement of the lease. An adjustment of the lease payment has not occurred since the lease's inception. The measurement of the lease is based on the present value of lease payments expected to be paid during the lease term.

George County entered into a lease agreement with George County School District for the lease of 16th section land owned by George County School District for community purposes. The lease commenced November 4, 2008, for a term of forty years (480 months). The lease stipulated that the lessee would pay annual lease payments, in advance, of \$1,875. The lease also stipulated that a reappraisal of the property and a potential adjustment of said lease payments would occur on the eighth, sixteenth, twenty-fourth, and thirty-second anniversary of the commencement of the lease. An adjustment of the lease payment has not occurred since the lease's inception. The measurement of the lease is based on the present value of lease payments expected to be paid during the lease term.

George County entered into various leases of copiers with RJ Young for use in county offices. Each lease has its own fixed lease payment and term. The measurement of these copier leases is based on the present value of lease payments expected to be paid during the lease term.

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

George County entered into a postage meter lease with Pitney Bowes Global for use in the county administration office. The lease has a fixed payment of \$378 per month for 60 months. The measurement of the postage meter lease is based on the present value of lease payments expected to be paid during the lease term.

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
16th Section land lease	4.00%	40 years	2/7/2008	2/7/2048	\$ 27 *	\$ 4,754
16th Section land lease	4.00%	40 years	5/6/2003	5/6/2043	539 *	81,857
16th Section land lease	4.00%	40 years	11/4/2008	11/4/2048	156 *	28,589
Copier lease	3.50%	48 months	4/1/2022	4/1/2026	168	3,092
Copier lease	3.25%	60 months	3/20/2020	3/20/2025	178	1,060
Copier lease	3.25%	48 months	8/3/2021	8/2/2025	124	1,344
Copier lease	8.00%	48 months	4/3/2023	4/3/2027	112	3,223
Copier lease	8.25%	48 months	5/10/2023	5/10/2027	118	3,453
Postage meter lease	7.50%	60 months	12/30/2023	12/30/2027	378	12,546
Copier lease	8.50%	48 months	2/1/2024	2/13/2028	202	7,148
Copier lease	8.50%	48 months	11/20/2023	12/1/2028	310	13,452
					\$ 2,312	\$ 160,518

*Lease payment is made annually, but is shown monthly for reporting purposes.

Business-type Activities:

George County entered into various leases of copiers with RJ Young for use in the Regional Jail. Each lease has its own fixed lease payment and term. The measurement of these copier leases is based on the present value of lease payments expected to be paid during the lease term.

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
Copier lease	3.25%	48 months	11/3/2020	11/3/2024	\$ 310	\$ 2,148
Copier lease	7.75%	36 months	2/20/2023	2/20/2026	272	4,387
Copier lease	8.50%	48 months	3/7/2024	3/19/2028	374	13,833
Copier lease	7.00%	36 months	10/25/2023	11/7/2026	282	6,685
					\$ 1,238	\$ 27,053

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 18,963	7,584	11,568	1,732
2026	16,844	6,430	8,345	944
2027	15,932	5,297	4,674	384
2028	9,657	4,377	2,466	55
2029	5,875	3,932		
2030 - 2034	26,710	16,595		
2035 - 2039	32,497	10,808		
2040 - 2044	26,347	4,028		
2045 - 2049	7,693	766		
Total	\$ <u>160,518</u>	<u>59,817</u>	<u>27,053</u>	<u>3,115</u>

As Lessor:

Governmental Activities:

On May 2, 2022, George County entered into a non-cancellable lease agreement with Conexon Construct for the lease of warehouse space owned by the County for use as a drop-off storage facility. The lease stipulated that the lessee would pay \$3,000 per month in lease payments commencing June 1, 2022 for a term of 5 years (60 months). The County recognized \$32,688 in lease revenue and \$4,327 in interest income related to this lease during the fiscal year. The implicit interest rate of the lease is 4.00%.

On July 22, 2020, George County entered into a non-cancellable lease agreement with Amazon.com Services, LLC, for the lease of warehouse space owned by the County for use as a shipping/receiving facility. The lease was for a period of fifteen months commencing when the lessee took possession following remodeling work performed by the County as required by the lease. The lessee had the option to extend the lease for four additional five-year terms. On September 2, 2021, the lessor and lessee agreed to the first amendment to the lease agreement. The first amendment extended the lease term for two years commencing September 1, 2021. The lease payment during the term was \$4,164 per month. The lessee was given three, five-year options to extend the lease. The first amendment to the lease was later amended to change the lease term to April 1, 2022 through March 31, 2024. On August 16, 2023, the second amendment to the lease agreement was signed. The second amendment extends the term through March 30, 2025. The second amendment maintains the \$4,164 monthly lease payment. The County recognized \$47,171 in lease revenue and \$1,659 in interest income related to this lease during the fiscal year. The implicit interest rate of the lease is 3.25%.

Remaining amounts to be received associated with these leases are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 57,713	3,272
2026	34,306	1,694
2027	23,644	356
Total	\$ <u>115,663</u>	<u>5,322</u>

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Component unit:

George Regional Health System:

As Lessee:

The Hospital is a lessee for noncancellable leases of buildings, equipment and subscription-based information technology arrangements (“SBITA”). The Hospital recognizes a lease liability at the present value of payments expected to be made during the lease term. The related lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct cost and capitalized implementation costs. Subsequently, the lease liability is reduced by the principal portion of lease payments made and lease asset is amortized on a straight-line basis over its useful life.

The Hospital uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Hospital generally uses its estimated incremental borrowing rate as the discount rate for leases.

The Hospital monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

A summary of lease assets, net, included in capital assets on the accompanying financial statements at September 30 is set forth below:

	<u>2024</u>
Lease asset	\$ 7,706,821
Subscription lease asset	<u>662,418</u>
Total	8,369,239
Less accumulated depreciation	<u>(3,879,093)</u>
Capital and subscription leases, net	<u>\$ 4,490,146</u>

As Lessor:

The leases receivables and deferred inflows of resources have been measured at the present value of minimum lease payments such that each lease receivable’s initial balance equals the deferred inflows of resources. The deferred inflows of resources are being amortized into other income on a straight-line basis over their respective lease terms, which range from one to 50 years. The lease receivables are being accounted for using the effective interest method, with each payment including a portion of principal and interest income.

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(9) 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 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.

(10) Long-term Debt.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
General Obligation Hospital Construction Bonds, Series 2017	\$ 1,915,000	1.75-2.50%	09/2032
Special Obligation Bonds, MDB, Series 2014A	<u>5,335,000</u>	3.00-5.00%	09/2034
Total General Obligation Bonds	<u>\$ 7,250,000</u>		
B. Financed Purchases:			
District 2 - John Deere 6110M tractor	\$ 72,536	2.41%	10/2026
District 1 - (2) John Deere 5105M tractors	158,908	5.78%	01/2028
District 3 - (2) John Deere 5105M tractors	158,908	5.78%	01/2028
District 4 - (2) John Deere 5120M tractors	<u>167,288</u>	5.78%	01/2028
Total Financed Purchases	<u>\$ 557,640</u>		
C. Other Loans:			
Negotiable Note Series 2021	<u>\$ 608,792</u>	0.98%	09/2026
Business-type Activities:			
A. General Obligation Bonds:			
General Obligation Refunding Bond, Series 2019	<u>\$ 479,400</u>	4.00-4.50%	12/2026

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Pledge of Future Revenues - The County has pledged future Federal Emergency Management Agency (FEMA) grant revenue from project worksheets (PW) 00325 and 00444 to repay the \$2,082,188 Amended and Restated Taxable Grant Anticipation Note, Series 2022 (GAN) originally issued on February 24, 2022. Proceeds from the GAN were used to repay the balance of the Limited Tax Obligation Note, Series 2021. The Limited Tax Obligation Note, Series 2021 in the amount not to exceed \$7,000,000 was issued to defray the cost of debris removal and other costs caused by Hurricane Zeta until grant reimbursement is received by the County. The GAN is not a general obligation of the County and, therefore, is not secured by the full faith and credit of the County. The GAN is payable primarily from income derived from FEMA grant reimbursements for PW 00325 and PW 00444 and is payable through February 2024. Annual principal and interest payments on the GAN are expected to require 100 percent of FEMA PW 00325 and PW 00444 revenue. As of September 30, 2024, the GAN was paid in full.

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

Governmental Activities:

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>		<u>Financed Purchases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 660,000	248,306	144,034	30,180
2026	680,000	230,186	151,428	22,787
2027	700,000	211,436	130,220	15,243
2028	730,000	187,261	131,958	7,832
2029	760,000	161,880		
2030 - 2034	<u>3,720,000</u>	<u>363,750</u>		
Total	\$ <u>7,250,000</u>	<u>1,402,819</u>	<u>557,640</u>	<u>76,042</u>

<u>Year Ending September 30</u>	<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 302,911	4,482
2026	<u>305,881</u>	<u>1,499</u>
Total	\$ <u>608,792</u>	<u>5,981</u>

Business-Type Activities:

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 155,300	22,229
2026	158,200	17,558
2027	<u>165,900</u>	<u>12,729</u>
Total	\$ <u>479,400</u>	<u>52,516</u>

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2024, the amount of outstanding debt was equal to 3.45 percent (3.45%) 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	Reductions	Balance Sept. 30, 2024	Amount due within one year
Governmental Activities:					
Compensated absences	\$ 147,441		12,410	135,031	
General obligation bonds	7,885,000		635,000	7,250,000	660,000
Add:					
Premiums	231,062		21,005	210,057	21,005
Financed purchases	651,271	485,104	578,735	557,640	144,034
Obligations under leases	154,659	23,292	17,433	160,518	18,963
Other loans	1,693,837		1,085,045	608,792	302,911
Total	\$ 10,763,270	508,396	2,349,628	8,922,038	1,146,913

	Balance Oct. 1, 2023	Additions	Reductions	Adjustments*	Balance Sept. 30, 2024	Amount due within one year
Business-type Activities:						
Compensated absences	\$ 64,020	15,069			79,089	
General obligation bonds	626,400		147,000		479,400	155,300
Obligations under leases	11,989	24,132	8,790	(278)	27,053	11,568
Other loans	3,350		3,350			
Total	\$ 705,759	39,201	159,140	(278)	585,542	166,868

*Adjustment is to correct prior year error in lease liabilities.

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Road Construction & Maintenance Fund, Solid Waste Fund, and for business-type activities, the Regional Jail Fund.

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Component Unit:

George Regional Health System:

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

Component Unit:	Balance Oct. 1, 2023	Additions	Reductions	Balance Sept. 30, 2024	Amount due within one year
Notes payable	\$ 7,906,774		656,774	7,250,000	660,000
Capital and subscription lease obligations	5,102,101	472,340	961,526	4,612,915	1,039,016
Total	<u>\$ 13,008,875</u>	<u>472,340</u>	<u>1,618,300</u>	<u>11,862,915</u>	<u>1,699,016</u>

(11) Defined Benefit Pension Plan.

General Information about the Pension Plan

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

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

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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 \$955,952, \$887,654 and \$896,235, 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 County reported a liability of \$18,215,890 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 0.070149 percent, which was based on a measurement date of June 30, 2024. This was an increase of 0.001823 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 \$2,864,612. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 974,993	
Net difference between projected and actual earnings on pension plan investments	59,539	
Changes of assumptions	1,098,967	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	267,372	416,170
County contributions subsequent to the measurement date	<u>264,850</u>	
Total	<u>\$ 2,665,721</u>	<u>416,170</u>

\$264,850 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	\$ 929,979
2026	1,131,294
2027	71,407
2028	<u>(147,979)</u>
Total	<u>\$ 1,984,701</u>

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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

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

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

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

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

<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
Total	<u>100.00 %</u>	

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00 percent) and that employer contributions will be phased in to 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, 19.90 percent for FYE 2029 and beyond). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
County's proportionate share of the net pension liability	\$ 23,610,444	18,215,890	13,800,855

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

(12) Contingencies.

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

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

(13) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of \$(6,296,291) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$195,899 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 \$1,737,970 balance of the deferred outflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next three years. The \$325,061 balance of the deferred inflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next four years.

GEORGE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

The governmental activities' unrestricted net position amount of \$(6,296,291) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$110,754 balance of deferred inflows of resources related to leases at September 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next three years.

The business-type activities' unrestricted net position amount of \$(3,978,059) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$68,951 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 \$662,901 balance of the deferred outflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next three years. The \$91,109 balance of the deferred inflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next four years.

(14) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Region 14 Singing River Mental Health/Mental Retardation Center operates in a district composed of the Counties of George and Jackson. The George County Board of Supervisors appoints one of the two members of the board of commissioners. The County appropriated \$53,000 for support of the center in fiscal year 2024.

Southern Mississippi Planning and Development District operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The George County Board of Supervisors appoints one of the 27 members of the board of directors. The County appropriated \$9,043 for support of the district in the fiscal year 2024.

Mississippi Gulf Coast Community College operates in a district composed of the Counties of George, Harrison, Jackson and Stone. The college's board of trustees is composed of 23 members; three each appointed by George and Stone Counties; eight each appointed by Harrison and Jackson Counties, and one appointed at large. The County appropriated \$735,179 for maintenance and support of the college in fiscal year 2024.

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

Regional Railroad Authority of East Mississippi was created in September 2009, jointly, with George County, Clarke County, Greene County, Jackson County, Lauderdale County and Wayne County to compliment and support the existing railroads presently operating in East Mississippi. Each County appoints five commissioners to the Board of Commissioners of the Authority. Additionally, each municipality in any of these Counties through which a railroad runs shall appoint one commissioner. The Counties generally provide no financial support to the organization.

(15) Tax Abatements.

As of September 30, 2024, George County provides tax exempt status to a pellet manufacturing company subject to the requirements of GASB Statement No. 77. This company is exempt from ad valorem taxes, including ad valorem taxes for school district purposes. This exemption is authorized under *Section 27-31-104* of the *Mississippi Code of 1972 Annotated*. This exemption encourages businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2024 totaled \$800,282.

GEORGE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(16) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the Statement of Net Position date, require disclosure in the accompanying notes. Management of George County evaluated the activity of the County through March 23, 2026, and determined that the following subsequent events have occurred requiring 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>
02/18/2025	5.22%	\$ 163,638	Financed purchase	Ad valorem taxes
02/18/2025	5.22%	163,638	Financed purchase	Ad valorem taxes
02/18/2025	5.22%	171,908	Financed purchase	Ad valorem taxes
02/02/2026	4.65%	252,315	Financed purchase	Ad valorem taxes
02/02/2026	4.65%	168,210	Financed purchase	Ad valorem taxes
02/02/2026	4.65%	177,010	Financed purchase	Ad valorem taxes

Subsequent to September 30, 2024, the County entered into the following equipment leases and subscription-based information technology arrangements:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
12/02/2024	7.75%	\$ 154/month	Copier lease	Ad valorem taxes
02/21/2025	7.50%	117/month	Copier lease	Ad valorem taxes
02/21/2025	7.50%	52/month	Copier lease	Ad valorem taxes
04/23/2025	7.50%	366/month	Software subscription	Ad valorem taxes
04/23/2025	7.50%	178/month	Software subscription	Ad valorem taxes
07/17/2025	7.50%	133/month	Copier lease	Ad valorem taxes
09/02/2025	7.50%	245/month	Copier lease	Ad valorem taxes
09/02/2025	7.50%	127/month	Copier lease	Ad valorem taxes
09/02/2025	7.50%	153/month	Copier lease	Ad valorem taxes

GEORGE COUNTY

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GEORGE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

GEORGE COUNTY

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GEORGE 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	\$ 6,304,275	6,442,990	6,442,990	
Licenses, commissions and other revenue	281,500	394,509	394,509	
Fines and forfeitures	350,200	429,048	429,048	
Intergovernmental revenues	375,900	4,699,455	4,699,455	
Charges for services	315,000	294,973	294,973	
Interest income	20,700	116,980	116,980	
Miscellaneous revenues	166,700	400,806	400,806	
Total Revenues	<u>7,814,275</u>	<u>12,778,761</u>	<u>12,778,761</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	5,725,050	4,865,158	4,865,158	
Public safety	3,034,950	2,805,155	2,805,155	
Health and welfare	261,000	261,286	261,286	
Culture and recreation	36,000	8,918	8,918	
Conservation of natural resources	61,700	47,634	47,634	
Economic development and assistance	123,425	111,072	111,072	
Debt service:				
Principal		1,085,045	1,085,045	
Interest		73,745	73,745	
Total Expenditures	<u>9,242,125</u>	<u>9,258,013</u>	<u>9,258,013</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(1,427,850)</u>	<u>3,520,748</u>	<u>3,520,748</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets		62,350	62,350	
Compensation for loss of capital assets		3,555	3,555	
Transfers in	35,000	321,229	321,229	
Transfers out	(349,075)	(3,401,336)	(3,401,336)	
Total Other Financing Sources and Uses	<u>(314,075)</u>	<u>(3,014,202)</u>	<u>(3,014,202)</u>	<u>0</u>
Net Change in Fund Balance	(1,741,925)	506,546	506,546	0
Fund Balances - Beginning	<u>1,741,925</u>	<u>2,889,245</u>	<u>2,889,245</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 0</u>	<u>3,395,791</u>	<u>3,395,791</u>	<u>0</u>

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

GEORGE COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 American Rescue Plan Fund
 For the Year Ended September 30, 2024
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income		89,175	89,175	
Total Revenues	0	89,175	89,175	0
EXPENDITURES				
Current:				
Public safety	2,543,000			
Total Expenditures	2,543,000	0	0	0
Excess of Revenues over (under) Expenditures	(2,543,000)	89,175	89,175	0
Net Change in Fund Balance	(2,543,000)	89,175	89,175	0
Fund Balances - Beginning	2,543,000	2,557,454	2,557,454	0
Fund Balances - Ending	\$ 0	2,646,629	2,646,629	0

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

GEORGE 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

	<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)	0.070149%	0.068326%	0.070923%	0.071484%	0.068671%	0.067481%	0.070200%	0.071715%	0.069044%	0.070113%
County's proportionate share of the net pension liability (asset)	\$ 18,215,890	17,184,891	14,598,534	10,565,649	13,293,908	11,874,582	11,676,346	11,921,468	12,332,983	10,838,087
Covered payroll	\$ 5,375,671	5,064,808	4,882,570	4,752,969	4,572,621	4,394,862	4,483,447	4,600,590	4,416,895	4,385,485
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	338.86%	339.30%	298.99%	222.30%	290.73%	270.19%	260.43%	259.13%	279.22%	247.14%
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.

GEORGE COUNTY
Schedule of County Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2024
UNAUDITED

	<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>
Contractually required contribution	\$ 955,952	887,654	896,235	825,916	803,355	713,399	704,655	706,905	692,493	690,714
Contributions in relation to the contractually required contribution	<u>955,952</u>	<u>887,654</u>	<u>896,235</u>	<u>825,916</u>	<u>803,355</u>	<u>713,399</u>	<u>704,655</u>	<u>706,905</u>	<u>692,493</u>	<u>690,714</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 5,450,125	5,101,460	5,150,773	4,746,644	4,616,985	4,417,331	4,474,000	4,488,288	4,396,782	4,385,485
Contributions as a percentage of covered payroll	17.54% **	17.40%	17.40%	17.40%	17.40%	16.15%	15.75%	15.75%	15.75%	15.75%

* This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented in 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.

GEORGE COUNTY

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 and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	<u>Governmental Fund Types</u>	
	<u>General Fund</u>	<u>American Rescue Plan Fund</u>
Budget (Cash Basis)	\$ 506,546	89,175
Increase (Decrease)		
Net adjustments for revenue accruals	(1,140,489)	2,379,419
Net adjustments for expenditure accruals	<u>(121,188)</u>	<u>0</u>
GAAP Basis	<u>\$ (755,131)</u>	<u>2,468,594</u>

GEORGE COUNTY

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 assumptions was reduced from 3.75% to 3.25%.

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

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

2019

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

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

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

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

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

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

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

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

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

GEORGE COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2024 UNAUDITED

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

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

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

2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2023

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

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

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

GEORGE COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2024
UNAUDITED

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. Methods 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

GEORGE COUNTY

SUPPLEMENTARY INFORMATION

GEORGE COUNTY

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service Passed-through the Mississippi State Treasurer's Office Forest service schools and roads cluster:			
Schools and roads - grants to states	10.665	Unknown	\$ <u>50,795</u>
Total Forest service schools and roads cluster			<u>50,795</u>
Total U.S. Department of Agriculture			<u>50,795</u>
U.S. Department of Transportation Passed-through the Mississippi Department of Public Safety Alcohol open container requirements			
	20.607	154AL-2024-ST-12-01	<u>7,428</u>
Total U.S. Department of Transportation			<u>7,428</u>
U.S. Department of the Treasury			
COVID-19 Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	<u>2,379,419</u>
Total U.S. Department of the Treasury			<u>2,379,419</u>
U.S. Department of Homeland Security Passed-through the Mississippi Emergency Management Agency COVID-19 Disaster grants - public assistance (Presidentially declared disasters)			
	97.036	FEMA-4576-DR-MS	<u>600,322</u>
Emergency management performance grants	97.042	EMA-2024-EP-APP-00016	<u>25,097</u>
Total U.S. Department of Homeland Security			<u>625,419</u>
Total Expenditures of Federal Awards			<u>\$ 3,063,061</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of George 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 George County, it is not intended to and does not present the financial position, changes in net position, or cash flows of George County.

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

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

Note D - Schools and Roads - Grants to States

Of the federal expenditures presented in the Schedule, George County provided federal awards totaling \$25,398 to subrecipients during the year ended September 30, 2024.

Note E - Disaster Grants - public assistance (Presidentially declared disasters) - ALN 97.036

After a Presidentialy declared disaster, FEMA provides Disaster grants - public assistance (Presidentially declared disasters) (ALN 97.036) to reimburse eligible costs associated with repair, replacement, or restoration of disaster damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. In fiscal year 2024, FEMA approved \$600,322 in eligible expenditures related to event 4576-DR-MS that were incurred in the prior two fiscal years. These approved eligible expenditures are included on the SEFA for the year ended September 30, 2024.

* Denotes major federal award program

GEORGE COUNTY
 Reconciliation of Operating Costs of Solid Waste
 For the Year Ended September 30, 2024

Operating Expenditures, Cash Basis:

Salaries	\$	411,468
Expendable Commodities:		
Gasoline and petroleum products		105,427
Repair parts		94,026
Office, field and shop supplies		12,298
Tires		45,785
Professional fees, legal advertising and other fees		555,047
Telephone and utilities		4,346
Postage and box rent		8,481
Mobile equipment		<u>291,400</u>
Solid Waste Cash Basis Operating Expenditures		1,528,278
Full Cost Expenses:		
Indirect administrative costs		13,446
Depreciation on equipment		<u>146,231</u>
Solid Waste Full Cost Operating Expenses	\$	<u>1,687,955</u>

GEORGE COUNTY

OTHER INFORMATION

GEORGE COUNTY

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

Name	Position	Company	Bond
Frankie Massey	Supervisor District 1	Western Surety Company	\$100,000
Kelly Wayne Wright	Supervisor District 2	Western Surety Company	\$100,000
Larry D. McDonald	Supervisor District 3	Western Surety Company	\$100,000
Larry A. Havard	Supervisor District 4	Western Surety Company	\$100,000
William H. Cochran	Supervisor District 5	Western Surety Company	\$100,000
Cammie Byrd	Chancery Clerk	Western Surety Company	\$100,000
Allison Mitchell	Purchase Clerk	Western Surety Company	\$100,000
Angela Ludgood	Receiving Clerk	Western Surety Company	\$75,000
Rhonda Byrd	Assistant Receiving Clerk	Western Surety Company	\$50,000
Penny Anderson	Inventory Control Clerk	Western Surety Company	\$75,000
Glen Ecroyd	Constable	Western Surety Company	\$50,000
Jerry Havard, Jr.	Constable	Western Surety Company	\$50,000
Chad Welford	Circuit Clerk	Western Surety Company	\$100,000
Lisa Renfro	Deputy Circuit Clerk	Western Surety Company	\$50,000
Kim Davis	Deputy Circuit Clerk	Western Surety Company	\$50,000
Nancy Smith	Deputy Circuit Clerk	Western Surety Company	\$50,000
Mitchell Mixon	Sheriff	Western Surety Company	\$100,000
Marty Davis	Justice Court Judge	Western Surety Company	\$50,000
Edward Bullock	Justice Court Judge	Western Surety Company	\$50,000
Allyson C. Salter	Justice Court Clerk	Western Surety Company	\$50,000
Angela Edwards	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Lena Jordan	Tax Collector-Assessor	Western Surety Company	\$100,000
Corleen Nix	Deputy Tax Collector	Western Surety Company	\$50,000
Natasha Boydston	Deputy Tax Collector	Western Surety Company	\$50,000
Lindsay Blackwood	Deputy Tax Collector	Western Surety Company	\$50,000
Lerena Martin	Deputy Tax Collector	Western Surety Company	\$50,000
Katherine Hudson	Deputy Tax Collector	Western Surety Company	\$50,000
Cassie Watters	Deputy Tax Collector	Western Surety Company	\$50,000

GEORGE COUNTY

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GEORGE COUNTY

SPECIAL REPORTS

GEORGE COUNTY

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

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

Members of the Board of Supervisors
George County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of George 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 23, 2026. Our report includes a reference to other auditors who audited the financial statements of the George Regional Health System, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether George 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*.

George County's Response to Finding

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

Purpose of this Report

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

March 23, 2026



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

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

Members of the Board of Supervisors
George County, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

We are required to be independent of George County, Mississippi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of George 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 George 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 George County, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about George County, Mississippi's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding George 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 George 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 George County, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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



JOE E. MCKNIGHT CPA
Director, County Audit Section

March 23, 2026

GEORGE COUNTY

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

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

Members of the Board of Supervisors
George County, Mississippi

We have examined George County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated* during the year ended September 30, 2024. The Board of Supervisors of George County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of George 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.

In our opinion, George 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, Mississippi Code of 1972 Annotated*. The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination and, in our opinion, is fairly presented in relation to that examination.

This report is intended for use in evaluating George 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.

A handwritten signature in cursive script, appearing to read "Joe E. Mcknight".

JOE E. MCKNIGHT, CPA
Director, County Audit Section

March 23, 2026

GEORGE COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder
For the Year Ended September 30, 2024

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
10/16/2023	Garbage truck/chassis	\$ 291,400	Burroughs Diesel	\$ 287,900	PACMAC body does not meet specifications that were in sealed/reverse bid.

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

Schedule 2

Our tests did not identify any emergency purchases.

GEORGE COUNTY
Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2024

Schedule 3

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



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

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
George County, Mississippi

In planning and performing our audit of the financial statements of George County, Mississippi for the year ended September 30, 2024, we considered George 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 George 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 23, 2026, on the financial statements of George County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with *Section 7-7-211, Mississippi Code of 1972 Annotated*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity, 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.

A handwritten signature in cursive script, appearing to read "Joe E. Mcknight".

JOE E. MCKNIGHT, CPA
Director, County Audit Section

March 23, 2026

GEORGE COUNTY

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GEORGE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GEORGE COUNTY

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GEORGE 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 weakness identified? Yes
 - b. Significant deficiency identified? None Reported
- 3. Noncompliance material to the financial statements noted? No

Federal Awards:

- 4. Internal control over major federal program:
 - a. Material weakness identified? No
 - b. Significant deficiency identified? None Reported
- 5. Type of auditor's report issued on compliance for major federal programs: 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:
 - a. ALN 21.027, COVID-19 Coronavirus state and local fiscal recovery funds
- 8. Dollar threshold used to distinguish between type A and type B programs: \$750,000
- 9. Auditee qualified as low-risk auditee? No
- 10. Prior fiscal year audit findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? Yes

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

2024-001. The County did not complete the federal grant activity schedule.

Repeat Finding Yes

Criteria An effective system of internal control over federal grants should include properly identifying all federal programs and the related expenditures.

Condition As reported in the prior two years' audit reports, the County did not complete the federal grant activity schedule for the fiscal year ended September 30, 2024.

Cause This was caused by a lack of internal controls over federal grants.

GEORGE COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Effect	The failure to complete a federal grant activity schedule increases the possibility of not reporting all federal disbursements and could affect the requirement to have a Single Audit.
Recommendation	The Board of Supervisors should implement controls to ensure the federal grant activity schedule is prepared each year.
Views of Responsible Official(s)	See Auditee's Corrective Action Plan.

Section 3: Federal Award Findings and Questioned Costs

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

GEORGE COUNTY

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

GEORGE COUNTY

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George County Board of Supervisors

LARRY McDONALD, DISTRICT THREE
LARRY HAVARD, DISTRICT FOUR
ROBERT P. SHEPHERD, ATTORNEY
Cammie BRANNAN BYRD, CLERK OF BOARD



FRANKIE MASSEY, DISTRICT ONE
KELLY WRIGHT, DISTRICT TWO
HENRY COCHRAN, DISTRICT FIVE
ALISON MITCHELL, PURCHASE CLERK

329 Ratliff Street
Lucedale, Mississippi 39452
601-947-7506

CORRECTIVE ACTION PLAN

January 21, 2026

Office of the State Auditor
P.O. Box 956
Jackson, MS 39205

Gentlemen:

George County respectfully submits the following corrective action plan for the year ended September 30, 2024.

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

SECTION 2: FINANCIAL STATEMENT FINDINGS

2024-001. Corrective Action Planned: The Board of Supervisors will implement controls to ensure the federal grant activity schedule is prepared each year. The Board will appoint a person to implement internal controls over federal grants that will include properly identifying all federal programs and the related expenditures.

Anticipated Completion Date: 9/30/2026

Name of Contact Person Responsible for Corrective Action: Cammie Byrd,
Chancery Clerk

SECTION 3: FEDERAL AWARD FINDINGS

There are no current year findings and questioned costs related to federal awards.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank Massey", written over a horizontal line.

President, Board of Supervisors

George County Board of Supervisors

LARRY McDONALD, DISTRICT THREE
LARRY HAVARD, DISTRICT FOUR
ROBERT P. SHEPHERD, ATTORNEY
Cammie Brannan Byrd, Clerk of Board



FRANKIE MASSEY, DISTRICT ONE
KELLY WRIGHT, DISTRICT TWO
HENRY COCHRAN, DISTRICT FIVE
ALISON MITCHELL, PURCHASE CLERK

329 Ratliff Street
Lucedale, Mississippi 39452
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

January 21, 2026

Office of the State Auditor
P.O. Box 956
Jackson, MS 39205

Gentlemen,

George County respectfully submits the following Summary Schedule of Prior Audit Findings for the year ended September 30, 2024.

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

SECTION 2: FINANCIAL STATEMENT FINDINGS

2022-001. The County did not complete the federal grant activity schedule.

NOT CORRECTED. Repeated as 2023-001 and 2024-001.

2023-002. The Justice Court Clerk should ensure effective controls over fines receivable.

FULLY CORRECTED.

SECTION 3: FEDERAL AWARD FINDINGS

There were no prior year findings and questioned costs related to federal awards.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank Massey", written over a horizontal line.

President, Board of Supervisors