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MARSHALL COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2024



**MARSHALL COUNTY
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MARSHALL COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Marshall County, Mississippi

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Marshall 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.

Qualified Opinion on the Governmental Activities and General Fund

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities and General Fund of Marshall County, Mississippi, as of September 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Aggregate Discretely Presented Component Units, ARPA Fund, Road Maintenance Fund, and the Aggregate Remaining Fund Information

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component units, the ARPA Fund, the Road Maintenance Fund, and the aggregate remaining fund information of Marshall County, Mississippi, as of September 30, 2024, and the respective changes in financial position 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 Marshall County Library System which is a discretely presented component unit and represents 3% of the assets, (5)% of the net position, and 15% of the revenues of the aggregate discretely presented component units as of September 30, 2024, and the respective changes in financial position thereof for the year then ended. 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 Marshall County Library System is based solely on the report of the other auditors.

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to Qualified Opinion on the Governmental Activities and General Fund

The County was unaware of the Tax Assessor's erroneous calculations of total assessed values on real property taxes. Residential properties consisting of land only were never updated to reflect the total property value after improvements were made to the land, which resulted in significantly undervalued properties and a potential financial loss to the County. This issue affects the total cash and property tax revenue presented in the Governmental Activities and General Fund on the financial statements for the year ended September 30, 2024. The amount by which this matter would affect the assets, net position/fund balances, and revenues of the Governmental Activities and General Fund has not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Omission of Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2026, on our consideration of Marshall 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 Marshall 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 Marshall County, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

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

February 10, 2026

MARSHALL COUNTY

FINANCIAL STATEMENTS

MARSHALL COUNTY
Statement of Net Position
September 30, 2024

Exhibit 1

	Primary Governmental Activities	Component Units		
		Marshall County Industrial Dev. Authority	Marshall County Library	Total Component Units
ASSETS				
Cash	\$ 37,259,252	4,070,921	71,513	4,142,434
Certificates of Deposit		220,820		220,820
Investment in Chickasaw-Marshall Joint Venture		516,688		516,688
Property tax receivable	22,131,008			-
Accounts receivable, net of allowance for uncollectibles of \$589,001	-			-
Fines receivable, net of allowance for uncollectibles of \$4,243,356	433,968			-
Intergovernmental receivables	308,617		13,154	13,154
Other receivables	7,501	40,663		40,663
Restricted Cash	-		2,527	2,527
Prepaid items	-		1,445	1,445
Capital assets:				
Land and construction in progress	38,957,277	259,000		259,000
Other capital assets, net	97,879,621	10,990	53,612	64,602
Total Assets	196,977,244	5,119,082	142,251	5,261,333
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	5,742,058		48,696	48,696
Deferred outflows related to OPEB	-		15,851	15,851
Total Deferred Outflows of Resources	5,742,058	-	64,547	64,547
LIABILITIES				
Claims payable	475,518	4,295	1,846	6,141
Intergovernmental payables	572,222			-
Accrued interest payable	452,371	2,666		2,666
Amounts held in custody for others	41,650			-
Unearned revenue	2,996,942			-
Accrued payroll			2,896	2,896
Long-term liabilities				
Due within one year:				
Capital debt	1,360,936			-
Non-capital debt	696,796	13,369		13,369
Lease Liability			3,617	3,617
Net OPEB liability	-		1,250	1,250
Due in more than one year:				
Capital debt	29,167,364			-
Non-capital debt	4,881,293	27,294		27,294
Lease Liability			482	482
Net pension liability	36,517,212		363,024	363,024
Net OPEB liability	-		26,670	26,670
Total Liabilities	77,162,304	47,624	399,785	447,409
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	10,719		29,196	29,196
Deferred inflows related to OPEB	-		14,513	14,513
Deferred revenues- property tax	22,131,008			
Total Deferred Inflows of Resources	22,141,727	-	43,709	43,709
NET POSITION				
Net investment in capital assets	106,308,598	269,990	49,513	319,503
Restricted:				
General government	2,108,762			-
Public safety	2,706,542			-
Public works	14,414,489			-
Culture and recreation	48,196			-
Economic development	125,261			-
Debt service	216,142			-
Unemployment			2,527	2,527
Unrestricted	(22,512,719)	4,801,468	(288,736)	4,512,732
Total Net Position	\$ 103,415,271	5,071,458	(236,696)	4,834,762

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

MARSHALL 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			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units		
					Marshall County Industrial Dev. Authority	Marshall County Library	Total Component Units	
Primary government:								
Governmental activities:								
General government	\$ 9,894,734	1,867,458	3,962,097		(4,065,179)			
Public safety	8,358,038	420,996	495,495		(7,441,547)			
Public works	15,391,764	1,207,547	2,999,763	2,983,637	(8,200,817)			
Health and welfare	2,679,919		134,966		(2,544,953)			
Culture and recreation	762,163				(762,163)			
Conservation of natural resources	111,521				(111,521)			
Economic development and assistance	2,942,773		662,937	20,067,160	17,787,324			
Interest expense	1,824,768				(1,824,768)			
Pension expense	6,050,126				(6,050,126)			
Total Primary Government	\$ 48,015,806	3,496,001	8,255,258	23,050,797	(13,213,750)			
Component Units:								
Marshall County Ind. Dev. Authority	\$ 1,251,446	264,903		1,429,646		443,103		443,103
Marshall County Library	396,581	15,359	380,388				(834)	(834)
Total Component Units	\$ 1,648,027	280,262	380,388	1,429,646				442,269
General revenues:								
Property taxes					\$ 28,154,571			-
Road & bridge privilege taxes					585,575			-
Grants and contributions not restricted to specific programs					1,654,670	380,079		380,079
In lieu taxes - property taxes					3,179,113			-
Unrestricted interest/investment income					1,449,609	79,241	25	79,266
Miscellaneous					681,254	4,527	145	4,672
Total General Revenues					35,704,792	463,847	170	464,017
Changes in Net Position					22,491,042	906,950	(664)	906,286
Net Position - Beginning					80,924,229	4,164,508	(236,032)	3,928,476
Net Position - Ending					\$ 103,415,271	5,071,458	(236,696)	4,834,762

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

MARSHALL COUNTY
Balance Sheet – Governmental Funds
September 30, 2024

Exhibit 3

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>ARPA Fund</u>	<u>Road Maintenance Fund</u>	<u>Other Governmental Funds</u>	
ASSETS					
Cash and investments	\$ 14,213,180	3,150,860	5,314,814	14,580,398	37,259,252
Property tax receivable	14,549,732		6,380,987	1,200,289	22,131,008
Fines receivable (net of allowance for uncollectibles of \$4,243,356)	433,968				433,968
Accounts receivable (net of allowance for uncollectibles of \$589,001)				-	-
Intergovernmental receivables	308,617				308,617
Other receivables	7,501				7,501
Due from other funds			142,196	12,256	154,452
Total Assets	<u>29,512,998</u>	<u>3,150,860</u>	<u>11,837,997</u>	<u>15,792,943</u>	<u>60,294,798</u>
LIABILITIES					
Claims payable	343,699		99,332	32,487	475,518
Intergovernmental payables	560,814				560,814
Due to other funds	165,860				165,860
Amounts held in custody for others	41,650				41,650
Unearned Revenue		2,996,942			2,996,942
Total Liabilities	<u>1,112,023</u>	<u>2,996,942</u>	<u>99,332</u>	<u>32,487</u>	<u>4,240,784</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	14,549,732	-	6,380,987	1,200,289	22,131,008
Unavailable revenue-fines	433,968				433,968
Total Deferred Inflows of Resources	<u>14,983,700</u>	<u>-</u>	<u>6,380,987</u>	<u>1,200,289</u>	<u>22,564,976</u>
FUND BALANCE					
Restricted for:					
General government		153,918		1,954,844	2,108,762
Public safety				2,706,542	2,706,542
Public works			5,357,678	9,056,811	14,414,489
Culture and recreation				48,196	48,196
Economic development				125,261	125,261
Debt service				668,513	668,513
Unassigned	13,417,275				13,417,275
Total Fund Balances	<u>13,417,275</u>	<u>153,918</u>	<u>5,357,678</u>	<u>14,560,167</u>	<u>33,489,038</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 29,512,998</u>	<u>3,150,860</u>	<u>11,837,997</u>	<u>15,792,943</u>	<u>60,294,798</u>

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

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

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 33,489,038
Amounts reported for governmental services 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 \$101,326,285.	136,836,898
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	433,968
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(36,106,389)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(452,371)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(36,517,212)
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	5,742,058
Deferred inflows of resources related to pensions	(10,719)
Total Net Position - Governmental Activities	\$ <u>103,415,271</u>

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

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

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	ARPA Fund	Road Maintenance Fund		
REVENUES					
Property taxes	\$ 18,766,966		8,025,615	1,361,990	28,154,571
Road and bridge privilege taxes			585,575		585,575
Licenses, commissions and other revenue	1,202,619			12,165	1,214,784
Fines and forfeitures	679,830			7,498	687,328
In lieu taxes - property tax	3,179,113				3,179,113
Intergovernmental revenues	20,852,088	3,858,504	2,586,794	5,663,339	32,960,725
Charges for services	42,365			1,591,743	1,634,108
Interest income	632,578	110,673	268,805	437,553	1,449,609
Miscellaneous revenues	363,228		1,600	316,426	681,254
Total Revenues	<u>45,718,787</u>	<u>3,969,177</u>	<u>11,468,389</u>	<u>9,390,714</u>	<u>70,547,067</u>
EXPENDITURES					
Current:					
General government	10,363,780	105,503		24,402	10,493,685
Public safety	8,946,623			2,448,825	11,395,448
Public works	1,924,212		12,895,208	5,444,633	20,264,053
Health and welfare	2,699,447				2,699,447
Culture and recreation	605,303			216,372	821,675
Conservation of natural resources	117,649				117,649
Economic development and assistance	19,664,753			2,113,096	21,777,849
Debt service:					
Principal	628,043		270,986	648,593	1,547,622
Interest	233,778		39,906	1,559,242	1,832,926
Total Expenditures	<u>45,183,588</u>	<u>105,503</u>	<u>13,206,100</u>	<u>12,455,163</u>	<u>70,950,354</u>
Excess of Revenues over (under) Expenditures	<u>535,199</u>	<u>3,863,674</u>	<u>(1,737,711)</u>	<u>(3,064,449)</u>	<u>(403,287)</u>
OTHER FINANCING SOURCES (USES)					
Long-term capital debt issued	180,797		638,252		819,049
Proceeds from sale of capital assets	2,983		9,076		12,059
Transfers in	4,677,093			2,591,042	7,268,135
Transfers out	(2,582,027)	(3,753,001)		(933,107)	(7,268,135)
Total Other Financing Sources and Uses	<u>2,278,846</u>	<u>(3,753,001)</u>	<u>647,328</u>	<u>1,657,935</u>	<u>831,108</u>
Net Changes in Fund Balances	<u>2,814,045</u>	<u>110,673</u>	<u>(1,090,383)</u>	<u>(1,406,514)</u>	<u>427,821</u>
Fund Balances - Beginning	<u>10,603,230</u>	<u>43,245</u>	<u>6,448,061</u>	<u>15,966,681</u>	<u>33,061,217</u>
Fund Balances - Ending	\$ <u>13,417,275</u>	<u>153,918</u>	<u>5,357,678</u>	<u>14,560,167</u>	<u>33,489,038</u>

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

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

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 427,821
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 outlay of \$29,144,588 exceeded depreciation of \$3,432,992 in the current period.	25,711,596
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, while in the governmental funds, the proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of \$260,405, and the proceeds from the sale of capital assets of \$12,059 in the current period.	(272,464)
Fine revenue recognized on the modified accrual basis in the funds during the current year is decreased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(40,219)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount of debt repayments of \$1,547,622 exceeded debt proceeds of \$819,049.	728,573
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Change in compensated absences	825
Change in accrued interest payable	8,158
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(6,050,126)
Recognition of contributions made for the current year	1,976,878
Change in Net Position of Governmental Activities	<u>\$ 22,491,042</u>

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

MARSHALL COUNTY
Statement of Fiduciary Net Position
September 30, 2024

Exhibit 5

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 76,784
Due from other funds	<u>11,408</u>
Total Assets	<u><u>88,192</u></u>
LIABILITIES	
Intergovernmental payables	<u>11,408</u>
Total Liabilities	\$ <u><u>11,408</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>76,784</u>
Total Net Position	\$ <u><u>76,784</u></u>

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

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

Exhibit 6

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 1,299,996
Licenses and fees collected for State	<u>1,072,767</u>
Total Additions	<u><u>2,372,763</u></u>
DEDUCTIONS	
Payments of tax to other governments	1,299,996
Payments of licenses and fees to State	<u>995,983</u>
Total Deductions	<u><u>\$ 2,295,979</u></u>
Net increase (decrease) in fiduciary net position	76,784
Net Position - Beginning of year	<u>-</u>
Net Position - End of year	<u><u>\$ 76,784</u></u>

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

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

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

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

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

B. Individual Component Unit Disclosures.

Blended Component 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. Marshall County has one blended component unit – Marshall County Economic Development District.

Marshall County Economic Development District was created and established under Section 19-5-99 Miss. Code Ann. (1972). The District's nine-member Board of Directors is at all times the current nine (9) members of the Marshall County Industrial Development Authority Board appointed by the Board of Supervisors. The District provides for the continued economic development of the County by attracting new industries and expansion of existing industries. The component unit exists exclusively, or almost exclusively, for the benefit of the primary government.

Discretely Presented Component Units

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

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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

- Marshall County Industrial Development Authority
- Marshall County Library System

The Marshall County Industrial Development Authority was organized in 1984, as authorized by the Legislature of the State of Mississippi, for the purpose of promoting economic development within Marshall County and the municipalities located there. The Legislature also authorized Marshall County and the municipalities of the county to levy an ad valorem tax to provide operating funds for the Industrial Development Authority. The Industrial Development Authority is a component unit of Marshall County, Mississippi. The Industrial Development Authority has a year end of September 30.

The Marshall County Library System operates libraries in Marshall County in Northwest Mississippi, under authority granted to it by the board of supervisors in said county. The County appoints all System board members. The County provides funding for System programs through annual appropriations. The Library is a component unit of Marshall County, Mississippi. The Library has a year end of September 30.

Certified public accounting firms other than the primary government's auditor audited the financial statements for the Marshall County Library System listed above and provided these to the County as the primary government.

Financial information may be obtained from the Marshall County Administrator's office at 128 E. Van Dorn Avenue, Holly Springs, MS 38635.

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 non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Net Position presents the financial condition of the governmental activities of the County at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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 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, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Funds are organized into governmental and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column as Other Governmental Funds.

D. Measurement Focus and Basis of Accounting.

The Government-wide 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.

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.

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

Road Maintenance Fund – This fund is used to account for monies from specific revenue sources that are restricted for road maintenance.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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

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

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

FIDUCIARY FUND TYPE

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

E. Account Classifications.

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

F. Deposits and Investments.

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

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

G. Receivables.

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

H. Inter-fund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

I. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the governmental-activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements. Depreciation is calculated on the straight-line basis for all assets, except land. It is the practice of the County that no depreciation is taken on purchases of capital assets during the acquisition year. A full year's depreciation is taken for all sales or other dispositions of capital assets during the year. The schedule on the following page details those thresholds and estimated useful lives.

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

Deferred outflows related to OPEB – This amount represents the Marshall County Library's proportionate share of the deferred outflows of resources reported by the OPEB plan in which the Library participates.

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

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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 non-exchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

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

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 7 for additional details.

Deferred inflows related to OPEB – This amount represents the Marshall County Library’s proportionate share of the deferred inflows of resources reported by the OPEB plan in which the Library participates.

K. Pensions.

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

L. Leases.

Component Unit – Marshall County Library System

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 Marshall County Library System, a component unit of the County, uses the estimated incremental borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known.

M. Long-term liabilities.

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

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

N. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

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

Fund Balance Flow Assumption:

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

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned or 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.

O. Property Tax Revenues.

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

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

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

P. Intergovernmental Revenues in Governmental Funds.

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

Q. Compensated Absences.

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

R. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State and School Employees' Life and Health Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan.

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

For this purpose, benefit payments are recorded when the OPEB benefits come due. Investments are reported at fair value as determined by the state.

S. 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.

NOTE 2 – DEPOSITS

Deposits:

The carrying amount of the County's total deposits with financial institutions as of September 30, 2024, was \$37,336,036, and the bank balance was \$39,294,070. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

NOTE 3- INTER-FUND TRANSACTIONS AND BALANCES.

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

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
Road Maintenance Fund	General Fund	\$ 142,196
Other Governmental Funds	General Fund	12,256
Custodial Funds	General Fund	11,408
Total		\$ 165,860

The receivables represent 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:

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 924,092
General Fund	ARPA Fund	3,753,001
Other Governmental Funds	General Fund	2,582,027
Other Governmental Funds	Other Governmental Funds	9,015
Total		<u>\$ 7,268,135</u>

The purposes of interfund transfers were to cover operating expenses, cover grant matching requirements, and to transfer one mill tax levy. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES.

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

Governmental Activities:

<u>Description</u>	<u>Amount</u>
Legislative Tax Credit	\$ 277,691
Emergency Management Performance Grants	30,926
Total	<u>\$ 308,617</u>

NOTE 5 - CAPITAL ASSETS.

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

<u>Governmental Activities:</u>	<u>Balance</u>				<u>Balance</u>
	<u>Oct. 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments *</u>	<u>Sept. 30, 2024</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 17,742,839	19,009,635			36,752,474
Construction in progress	12,505,088	6,735,254		(17,035,539)	2,204,803
Total non-depreciable capital assets	<u>30,247,927</u>	<u>25,744,889</u>	<u>-</u>	<u>(17,035,539)</u>	<u>38,957,277</u>
<u>Depreciable capital assets:</u>					
Infrastructure	135,850,595			10,714,820	146,565,415
Buildings	25,986,414	621,916		6,320,719	32,929,049
Improvements other than buildings	1,407,868				1,407,868
Mobile equipment	14,554,341	2,634,290	1,423,529		15,765,102
Furniture and equipment	2,472,134	143,493	77,155		2,538,472
Total depreciable capital assets	<u>180,271,352</u>	<u>3,399,699</u>	<u>1,500,684</u>	<u>17,035,539</u>	<u>199,205,906</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	80,483,432	1,371,382			81,854,814
Buildings	7,625,283	609,719			8,235,002
Improvements other than buildings	217,589	56,318			273,907
Mobile equipment	9,351,610	1,216,573	1,160,526		9,407,657
Furniture and equipment	1,443,599	179,000	67,694		1,554,905
Total accumulated depreciation	<u>99,121,513</u>	<u>3,432,992</u>	<u>1,228,220</u>	<u>-</u>	<u>101,326,285</u>
Total depreciable capital assets, net	<u>81,149,839</u>	<u>(33,293)</u>	<u>272,464</u>	<u>17,035,539</u>	<u>97,879,621</u>
Total capital assets, net	<u>\$ 111,397,766</u>	<u>25,711,596</u>	<u>272,464</u>	<u>-</u>	<u>136,836,898</u>

Adjustments were to reflect completed construction in progress.

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Marshall County depreciation expense was charged to the following functions:

Governmental Activities:	Amount
General government	\$ 902,801
Public safety	699,691
Public works	1,802,150
Culture & recreation	26,571
Economic development	1,779
Total	<u>\$ 3,432,992</u>

Commitments with respect to unfinished capital projects as of September 30, 2024, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Eddie Dixon Fire & EMS Center	\$ 1,995,771	Sept 2025

Capital Assets – Component Units:

Capital Assets - Component Units

Marshall County Library System

	Balance Oct. 1, 2023	Additions	Deletions	Adjustments	Balance Sept. 30, 2024
Depreciable Capital Assets:					
Library materials	\$ 265,360	12,964			278,324
Furniture and equipment	6,844				6,844
Computers and technology	51,996				51,996
Intangible right to use assets	24,490		6,021		18,469
Total depreciable capital assets	<u>348,690</u>	<u>12,964</u>	<u>6,021</u>	<u>-</u>	<u>355,633</u>
Less accumulated depreciation for:					
Library materials	222,293	17,843			240,136
Furniture and equipment	6,074	220			6,294
Computers and technology	33,418	5,551			38,969
Intangible right to use assets	18,347	4,296	6,021		16,622
Total accumulated depreciation	<u>280,132</u>	<u>27,910</u>	<u>6,021</u>	<u>-</u>	<u>302,021</u>
Total capital assets, net	<u>\$ 68,558</u>	<u>(14,946)</u>	<u>-</u>	<u>-</u>	<u>53,612</u>

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Marshall County Industrial Dev. Authority	Balance				Balance
	Oct. 1, 2023	Additions	Deletions	Adjustments	Sept. 30, 2024
Non-depreciable capital assets:					
Land	\$ 259,000				259,000
Total non-depreciable capital assets	<u>259,000</u>	-	-	-	<u>259,000</u>
Depreciable Capital Assets:					
Furniture and equipment	\$ 10,004				10,004
Computers and technology	14,860				14,860
Mobile equipment	19,750				19,750
Total depreciable capital assets	<u>44,614</u>	-	-	-	<u>44,614</u>
Less accumulated depreciation for:					
Furniture and equipment	6,759	649			7,408
Computers and technology	14,860				14,860
Mobile equipment	9,381	1,975			11,356
Total accumulated depreciation	<u>31,000</u>	<u>2,624</u>	-	-	<u>33,624</u>
Total depreciable capital assets, net	<u>13,614</u>	<u>(2,624)</u>	-	-	<u>10,990</u>
Total capital assets, net	<u>\$ 272,614</u>	<u>(2,624)</u>	-	-	<u>269,990</u>

NOTE 6 – CLAIMS AND JUDGEMENTS

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.

NOTE 7 - DEFINED BENEFIT PENSION PLAN.

General Information about the Pension Plan

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political

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

Contributions. As of 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 as of September 30, 2024, was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2024, 2023 and 2022 were \$1,976,878, 1,799,970, and \$1,674,739 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 \$36,517,212 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 0.140627 percent, which was based on a measurement date of June 30, 2024. This was an increase of .002444 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 \$6,050,126. As of September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MARSHALL COUNTY
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,955,452	-
Net difference between projected and actual earnings on pension plan investments	176,825	-
Changes of assumptions	2,222,559	-
Changes in the proportion and differences between contributions and proportionate share of contributions	844,836	10,719
Contributions subsequent to the measurement date	542,386	-
Total	<u>\$ 5,742,058</u>	<u>10,719</u>

The \$542,386 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:

Year ending September 30:	Amount
2025	\$ 2,330,328
2026	3,034,879
2027	120,395
2028	(296,649)
Total	<u>\$ 5,188,953</u>

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

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

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return

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by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation.

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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
	100.00 %	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be phased in to 19.90 percent over five fiscal years (17.90 percent for FYE 2025, 18.40 percent for FYE 2026, 18.90 percent for FYE 2027, 19.40 percent for FYE 2028, 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 (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's Proportionate share of the net pension liability	\$ 47,331,621	36,517,212	27,666,437

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

COMPONENT UNITS

Marshall County Library System

MARSHALL COUNTY
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Plan Description. The Marshall County Library System contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

Contributions. The System's contributions (employer share only) to PERS for the years ending September 30, 2024, 2023 and 2022 were \$19,509, \$19,388, and \$19,698, 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 System reported a liability of \$363,024 for its proportionate share of the net pension liability. At June 30, 2024, the System's proportion was 0.001398 percent, which was a decrease of 0.000041 percent from its proportion measured as of June 30, 2023. For the year ended September 30, 2024, the System recognized pension expense of \$34,608. At September 30, 2024, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,532	-
Net difference between projected and actual earnings on pension plan investments	1,203	-
Changes of assumptions	22,486	-
Changes in the proportion and differences between contributions and proportionate share of contributions	-	29,196
Contributions subsequent to the measurement date	5,475	-
Total	<u>\$ 48,696</u>	<u>29,196</u>

\$5,475 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2025	\$ 716
2026	17,513
2027	(1,255)
2028	(2,949)
Total	<u>\$ 14,025</u>

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Library's Proportionate share of the net pension liability	\$ 470,533	363,024	275,037

MARSHALL COUNTY
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NOTE 8 – Other Postemployment Benefits (OPEB)
Component Unit – Marshall County Library System

General Information about the OPEB Plan.

Plan description.

State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by Section 25-15-3 et seq., Mississippi Code Ann. (1972), which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of the law governing the Plan. The Plan is self-insured and is financed through premiums collected from employers, employees, retirees, and COBRA participants. The Plan provides for Other Postemployment Benefits (OPEB) as a multiple employer defined benefit OPEB plan. The OPEB Plan issues a publicly available financial report that may be obtained at <http://knowyourbenefits.dfa.ms.gov/>.

Benefits provided.

The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare Eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

Contributions.

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. The Library System's contributions to the OPEB plan for the year ended September 30, 2024, were \$1,250 which was equal to the required contributions for the year.

MARSHALL COUNTY
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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At September 30, 2024, the Library System reported a liability of \$27,920 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the Library System's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2024, the Library System's proportion was 0.00499664 percent. This was a decrease of 0.000287 percent from the proportionate share as of the measurement date of June 30, 2023.

For the year ended September 30, 2024, the Library System recognized OPEB expense (revenue) of (\$1,781). At September 30, 2024, the Library System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,768	4,947
Net difference between projected and actual earnings on OPEB plan investments	1	
Changes of assumptions	1,101	2,131
Changes in the proportion and differences between System contributions and proportionate share of contributions	7,731	7,435
System contributions subsequent to the measurement date	1,250	
Total	<u>\$ 15,851</u>	<u>14,513</u>

\$1,250 reported by the System as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year ending September 30:	Amount
2025	\$ (1,824)
2026	(1,121)
2027	1,847
2028	1,007
2029	179
Total	<u>\$ 88</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following key actuarial assumptions and other inputs:

MARSHALL COUNTY
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Inflation	2.40%
Salary Increases, including wage inflation	2.65% - 17.90%
Municipal Bond Index Rate	
Measurement Date	3.94%
Prior Measurement Date	3.66%
Year FNP is projected to be depleted	
Measurement Date	2024
Prior Measurement Date	2023
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Measurement Date	3.94%
Prior Measurement Date	3.66%
Healthcare cost trend rates Pre-Medicare	6.00% for 2025 decreasing to an ultimate rate of 4.50% by 2029

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

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of the last actuarial experience study for the period July 1, 2018 to June 30, 2022, dated April 21, 2023.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2024 valuation were based on a review of recent plan experience done concurrently with the June 30, 2024, valuation.

The long-term expected rate of return on OPEB plan investments is reviewed as part of the GASB 74 valuation process. Since there were very little assets in a trust fund on the Measurement Date, there is no long-term expected return determination. The plan has assumed the Municipal Bond Index of 3.94% as of the Measurement Date.

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2024, was 3.94 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.66% to 3.94%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2024, the trust has \$1,104,394. The fiduciary net position is projected to be depleted immediately; therefore,

MARSHALL COUNTY
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the Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2023, and the June 30, 2024 TOLs. The SEIR for 2023 is 3.66%, and for 2024 is 3.94%.

Sensitivity of the Library System's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Library System's proportionate share of the net OPEB liability, as well as what the Library System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.94 percent) or 1-percentage-point higher (4.94 percent) than the current discount rate:

	1% Decrease (2.94%)	Discount Rate (3.94%)	1% Increase (4.94%)
Library's Proportionate share of the net OPEB liability	\$ 30,437	27,920	25,724

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

	1% Decrease	Healthcare Cost Trend Rate - Current	1% Increase
Library's Proportionate share of the net OPEB liability	\$ 26,079	27,920	29,973

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial report that can be found at <http://knowyourbenefits.dfa.ms.gov/>.

NOTE 9 - LEASES.

Component Unit - Marshall County Library System

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

At lease commencement, the System 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, less 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 lease expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The System generally uses its estimated incremental borrowing rate as of the discount rate for leases unless the rate that the lessor charges is known.

MARSHALL COUNTY
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The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a System 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 System and the lessor have unilateral option to terminate (or it both parties have agreed to extend) are excluded from the lease term.

Component Unit - Marshall County Library System

Lease Liabilities

	Balance			Balance
	<u>Oct. 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Sept. 30, 2024</u>
Lexmark Copier at Byhalia	\$ 444		444	0
Avaya Telephone System	2,013		1,182	831
Toshiba Copier at Holly Springs	5,887		2,619	3,268
Total	<u>\$ 8,344</u>	<u>0</u>	<u>4,245</u>	<u>4,099</u>

The System entered into a lease agreement with Memphis Communications Corporations for the lease of a Lexmark copier. The lease stipulated that the lease would pay approximately \$112 per month in lease payments commencing November 15, 2018 for a term of 63 months.

The System entered into a lease agreement with Avatel for the lease of a telephone system. The lease stipulated that the lease would pay approximately \$106 per month in lease payments commencing June 22, 2020 for a term of 5 years.

The System entered into a lease agreement with Memphis Communications Corporations for the lease of a Toshiba copier. The lease stipulated that the lease would pay approximately \$243 per month in lease payments commencing September 14, 2020 for a term of 63 months.

<u>Description</u>	<u>Discount Rate</u>	<u>Term</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Monthly Payment</u>	<u>Amount Outstanding</u>
Avaya Telephone System	6.25%	5 Yrs	5/22/2020	5/22/2025	\$ 106.24	\$ 831
Toshiba Copier at Holly Springs	6.25%	63 Mo	8/14/2020	11/14/2025	242.71	3,268

The following is a schedule by years of the total payments due as of September 30, 2022:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 3,617	145
2026	482	4
Total	<u>4,099</u>	<u>149</u>

NOTE 10 - LONG TERM DEBT.

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

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Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. General Obligation Bonds:			
Public Improvement & Refunding GO Bonds Series 2022	\$ 9,960,000	3.45%	05/2042
S.O. Bond, Series 2022	17,210,000	6.50%	12/2042
Total General Obligation Bonds	<u>\$ 27,170,000</u>		
B. Financed Purchases:			
Document System	5,618	6.34%	08/2028
County Office Complex Building	64,728	4.75%	12/2026
Workforce Development Center (Land)	192,452	4.20%	03/2029
(3) 2023 Dodge Durangos	112,844	5.59%	04/2028
(2) Dodge Durango Police	59,105	5.78%	06/2028
(3) Ford F150 Truck XLT Super Crew 4x4s	103,735	5.59%	05/2027
(1) 2023 Dodge Ram, Durango & Explorer	151,544	5.96%	10/2028
Motorola E-911 System	597,013	5.59%	07/2028
(1) Caterpillar 420 Backhoe	56,012	3.34%	05/2026
(1) LeeBoy 8520B Asphalt Paver	105,807	3.53%	05/2026
(1) Komatsu D39PX-24 Crawler Dozer	85,924	3.90%	07/2027
(4) Cat 420 Cab Backhoe Loaders	290,610	3.90%	07/2027
Thompson Cat Soil Cement Machine	591,808	5.78%	04/2029
Total Financed Purchases	<u>\$ 2,417,200</u>		
C. Other Loans:			
MDA Lighthouse Plastics CAP Loan	\$ 250,138	3.00%	*
NMCC Settlement	200,000	0.00%	03/2026
TVA	1,433,334	variable	04/2034
MDA Roxul Project	3,021,045	3.00%	06/2036
MDA Fire Truck CAP Loan	941,100	2.00%	03/2032
Total Other Loans	<u>\$ 5,845,617</u>		

* Loan is past maturity date, and has been considered as uncollectible by Mississippi Development Authority. However, due to state statute, it is still reported as a liability on the County's financial statements.

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

Year Ending September 30:	General Obligation Bonds		Other Loans		Financed Purchases	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 600,000	1,456,095	816,901	108,741	640,831	108,837
2026	625,000	1,429,113	575,587	99,917	648,971	77,009
2027	650,000	1,400,973	484,652	90,852	550,789	46,213
2028	680,000	1,371,503	493,964	81,540	378,935	20,390
2029	715,000	1,340,541	503,532	71,972	197,674	12,416
2030-2034	4,100,000	6,176,584	2,295,468	215,989	-	0
2035-2039	5,165,000	5,118,028	675,513	26,319	-	-
2040-2044	14,635,000	2,791,325	-	-	-	-
Total	<u>\$ 27,170,000</u>	<u>21,084,162</u>	<u>5,845,617</u>	<u>695,330</u>	<u>2,417,200</u>	<u>264,865</u>

MARSHALL COUNTY
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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 4.92% 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	Adjustments	Balance Sept. 30, 2024	Amount due within one year
Compensated absences	\$ 674,397	-	825	-	673,572	
General obligation bonds	27,565,000	-	395,000	-	27,170,000	600,000
Financed purchases	2,192,599	819,049	594,448	-	2,417,200	640,831
Other loans	6,403,791	-	558,174	-	5,845,617	816,901
Total	\$ 36,835,787	819,049	1,548,447	-	36,106,389	2,057,732

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Countywide Road Maintenance Fund, Bridge and Culvert Fund, and Other Governmental Funds.

COMPONENT UNITS:

Marshall County Industrial Development Authority

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. Notes Payable			
Airport note	\$ 40,663	3.25	09/27
Total Notes Payable	\$ 40,663		

Annual debt service requirements to maturity for the following Marshall County Industrial Development Authority debt reported in the Statement of Net Position are as follows:

Marshall County Industrial Development Authority

Year Ending	Notes Payable	
September 30:	Principal	Interest
2025	\$ 13,369	1,399
2026	13,810	958
2027	13,484	502
Total	\$ 40,663	2,859

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

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Marshall County Industrial Development Authority

	Balance Oct. 1, 2023	Additions	Reductions	Adjustments	Balance Sept. 30, 2024	Amount due within one year
Notes payable	\$ 53,605		12,942		40,663	13,369
Total	\$ 53,605	-	12,942	0	40,663	13,369

NOTE 11 - CONTINGENCIES.

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

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

NOTE 12 – EFFECT OF DEFERRED AMOUNTS ON NET POSITION

The governmental activities' unrestricted net position amount of (\$22,512,719) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$542,386 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 \$5,199,672 balance of the deferred outflow of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next four years. The \$10,719 balance of the deferred inflow of resources related to pension at September 30, 2024, will be recognized in pension expense over the next three years.

Component Unit – Marshall County Library System:

The unrestricted net position amount of (\$288,736) includes the effect of deferring the recognition of expenses resulting from deferred outflows and deferred inflows from pensions. A portion of the deferred outflow of resources related to pension in the amount of \$5,475 resulting from System 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 \$14,025 balance of the net deferred outflow of resources related to pensions at September 30, 2024, will be recognized as expense, and will decrease the unrestricted net position over the next four years.

The unrestricted net position amount also includes the effect of deferring the recognition of expenses resulting from deferred outflows and deferred inflows from OPEB. A portion of the deferred outflow of resources related to pension in the amount of \$1,250 resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2025. The \$88 balance of the net deferred outflow of resources related to OPEB at September 30, 2024, will be recognized as revenue, and will increase the unrestricted net position over

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

the next five years.

NOTE 13 – JOINT VENTURES

The county participates in the following joint venture:

Marshall County is a participant with the City of Holly Springs in a joint venture, authorized by Section 61-3-5, Miss. Code Ann. (1972), to operate the Marshall County-Holly Springs Airport Authority. The joint venture was created to provide a governing authority for the airport facilities in Marshall County and is governed by a five-member board of commissioners. The board of commissioners is appointed as follows: Marshall County, two; City of Holly Springs, two; joint, one. The county appropriated \$31,600 to the joint venture in fiscal year 2024.

NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

Communicare operates in a district composed of the Counties of Calhoun, Lafayette, Marshall, Panola, Tate and Yalobusha. The Marshall County Board of Supervisors appoints one of the six members of the board of commissioners. The county appropriated \$50,000 for Communicare in fiscal year 2024.

Northwest Mississippi Community College operates in a district composed of the Counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica and Yalobusha. The Marshall County Board of Supervisors appoints two of the 23 members of the college board of trustees. The county appropriated \$1,299,996 for maintenance and support of the college in fiscal year 2024.

Northeast Mississippi Planning and Development District is composed of the Counties of Alcorn, Benton, Marshall, Prentiss, Tippah, and Tishomingo. The Marshall County Board of Supervisors appoints four of the 24 members of the board of directors. The county appropriated \$95,000 for support of Northeast Mississippi Planning and Development District in fiscal year 2024.

NOTE 15 – TAX ABATEMENT

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

The Marshall County Board of Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the County. The County had tax abatement agreements with twenty-one (21) entities as of September 30, 2024.

The County had abatements under the following statute, which does not provide for the abatement of school or state tax levies: 27-31-105, Miss. Code (Ann.) 1972. All allowable property tax levies:

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2024

Category	Fiscal Year 2024	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacement	100.00%	\$ 8,669,634

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

NOTE 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 Marshall County evaluated the activity of the County through February 10, 2026 (the date the financial statements were available to be issued) and determined that the following events occurred that requires disclosure.

Subsequent to September 30, 2024, the county issued the following debt obligations:

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
12/12/2024	5.22%	150,783	Financed Purchase	Ad valorem taxes
3/21/2025	5.22%	52,998	Financed Purchase	Ad valorem taxes
3/21/2025	5.03%	1,236,675	Financed Purchase	Ad valorem taxes
5/5/2025	5.03%	314,557	Financed Purchase	Ad valorem taxes
11/3/2025	4.84%	164,802	Financed Purchase	Ad valorem taxes

MARSHALL COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

UNAUDITED

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 17,368,191	18,786,762	18,786,762	-
Licenses, commissions and other revenue	1,135,485	1,214,464	1,214,464	-
Fines and forfeitures	386,600	692,004	692,004	-
In lieu taxes - property tax	-	3,179,113	3,179,113	-
Intergovernmental revenues	8,813,116	2,013,403	2,013,403	-
Charges for services	42,500	42,365	42,365	-
Interest income	66,103	621,412	621,412	-
Miscellaneous revenues	57,500	363,828	363,828	-
Total Revenues	<u>27,869,495</u>	<u>26,913,351</u>	<u>26,913,351</u>	<u>-</u>
EXPENDITURES				
General government	12,754,001	10,356,602	10,356,602	-
Public safety	8,617,746	8,938,329	8,938,329	-
Public works	1,844,774	1,774,776	1,774,776	-
Health and welfare	4,349,711	2,700,915	2,700,915	-
Culture and recreation	333,186	605,743	605,743	-
Conservation of natural resources	156,195	118,928	118,928	-
Economic development and assistance	893,414	856,144	856,144	-
Debt service:				
Principal paid	500,000	628,043	628,043	-
Interest and other costs	-	233,778	233,778	-
Total Expenditures	<u>29,449,027</u>	<u>26,213,258</u>	<u>26,213,258</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(1,579,532)</u>	<u>700,093</u>	<u>700,093</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	2,983	2,983	-
Proceeds from debt	-	180,797	180,797	-
Transfer-in	-	5,023,009	5,023,009	-
Transfer-out	-	(2,927,943)	(2,927,943)	-
Total Other Financing Sources and Uses	<u>-</u>	<u>2,278,846</u>	<u>2,278,846</u>	<u>-</u>
Net Change in Fund Balance	<u>(1,579,532)</u>	<u>2,978,939</u>	<u>2,978,939</u>	<u>-</u>
Fund Balance - Beginning	<u>106,531</u>	<u>10,422,455</u>	<u>10,422,455</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (1,473,001)</u>	<u>13,401,394</u>	<u>13,401,394</u>	<u>-</u>

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

MARSHALL COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
Road Maintenance Fund
For the Year Ended September 30, 2024

UNAUDITED

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Property taxes	\$ 7,532,044	8,069,524	8,069,524	-
Road and bridge privilege taxes	504,163	541,609	541,609	-
Licenses, commissions and other revenue	-	-	-	-
Intergovernmental revenues	1,715,000	2,586,794	2,586,794	-
Interest income	25,000	268,804	268,804	-
Miscellaneous revenues	49,600	1,600	1,600	-
Total Revenues	<u>9,825,807</u>	<u>11,468,331</u>	<u>11,468,331</u>	<u>-</u>
EXPENDITURES				
Public works	9,445,280	13,366,302	13,366,302	-
Debt service:				
Principal	-	270,986	270,986	-
Interest	-	39,906	39,906	-
Total Expenditures	<u>9,445,280</u>	<u>13,677,194</u>	<u>13,677,194</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>380,527</u>	<u>(2,208,863)</u>	<u>(2,208,863)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	9,076	9,076	-
Proceeds of debt	-	638,252	638,252	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>647,328</u>	<u>647,328</u>	<u>-</u>
Net Change in Fund Balance	<u>380,527</u>	<u>(1,561,535)</u>	<u>(1,561,535)</u>	<u>-</u>
Fund Balance - Beginning	<u>4,661,747</u>	<u>6,944,144</u>	<u>6,944,144</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 5,042,274</u>	<u>5,382,609</u>	<u>5,382,609</u>	<u>-</u>

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

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

UNAUDITED

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Interest income	\$ 15,000	110,674	110,674	-
Total Revenues	15,000	110,674	110,674	-
EXPENDITURES				
General government	6,891,916	105,503	105,503	-
Total Expenditures	6,891,916	105,503	105,503	-
Excess of Revenues over (under) Expenditures	(6,876,916)	5,171	5,171	-
OTHER FINANCING SOURCES (USES)				
Transfer out		(3,753,001)	(3,753,001)	-
Total Other Financing Sources (Uses)	-	(3,753,001)	(3,753,001)	-
Net Change in Fund Balance	(6,876,916)	(3,747,830)	(3,747,830)	-
Fund Balance - Beginning	3,439,702	6,898,691	6,898,691	-
Fund Balance - Ending	\$ (3,437,214)	3,150,861	3,150,861	-

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

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

UNAUDITED

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Marshall County										
Proportion of the net pension liability (asset)	0.140627%	0.138183%	0.135964%	0.128525%	0.119859%	0.118148%	0.113575%	0.107956%	0.103580%	0.104444%
Proportionate share of the net pension liability (asset)	\$ 36,517,212	34,754,849	27,986,334	18,996,551	23,203,305	20,784,560	18,890,897	17,945,951	18,501,974	16,144,983
Covered payroll	\$ 10,776,592	10,243,157	9,360,207	8,545,584	7,981,122	7,694,687	7,251,815	6,925,414	6,626,219	6,525,083
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%	270.12%	260.50%	259.13%	279.22%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.98%	61.59%	62.54%	61.49%	57.47%	61.70%
COMPONENT UNITS										
Marshall County Library System										
Proportion of the net pension liability (asset)	0.001398%	0.001439%	0.001704%	0.001706%	0.001730%	0.001642%	0.001451%	0.002000%	0.002000%	0.002000%
Proportionate share of the net pension liability (asset)	\$ 363,024	361,927	350,745	252,154	334,908	288,860	241,344	332,468	357,250	309,161
Covered payroll	\$ 107,153	106,638	117,322	113,402	115,195	106,923	92,679	112,292	110,070	105,771
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	338.79%	339.40%	298.96%	222.35%	290.73%	270.16%	260.41%	296.07%	324.57%	292.29%
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.

MARSHALL COUNTY
Schedule of Pension 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>
Marshall County										
Contractually required contribution	\$ 1,976,878	1,799,970	1,674,739	1,503,855	1,402,363	1,269,941	1,151,402	1,107,293	1,050,218	1,036,636
Contributions in relation to the contractually required contribution	<u>1,976,878</u>	<u>1,799,970</u>	<u>1,674,739</u>	<u>1,503,855</u>	<u>1,402,363</u>	<u>1,269,941</u>	<u>1,151,402</u>	<u>1,107,293</u>	<u>1,050,218</u>	<u>1,036,636</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 11,274,297	10,344,649	9,624,933	8,642,839	8,059,543	7,854,577	7,310,465	7,029,412	6,668,038	6,581,806
Contributions as a percentage of covered payroll	17.53%	17.40%	17.40%	17.40%	17.40%	16.17%	15.75%	15.75%	15.75%	15.75%
COMPONENT UNITS										
Marshall County Library System										
Contractually required contribution	\$ 19,509	19,388	19,698	19,154	20,231	17,655	16,249	15,619	17,833	16,300
Contributions in relation to the contractually required contribution	<u>19,509</u>	<u>19,388</u>	<u>19,698</u>	<u>19,154</u>	<u>20,231</u>	<u>17,655</u>	<u>16,249</u>	<u>15,619</u>	<u>17,833</u>	<u>16,300</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 111,242	111,425	113,203	110,083	116,278	109,220	103,170	99,170	113,224	103,492
Contributions as a percentage of covered payroll	17.54%	17.40%	17.40%	17.40%	17.40%	16.16%	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 for the fiscal year ended September 30, 2015.

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

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

MARSHALL COUNTY
Schedule of Proportionate Share of Net OPEB Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2024

UNAUDITED

COMPONENT UNIT

Marshall County Library System

	2024	2023	2022	2021	2020	2019	2018
Proportion of the net OPEB liability	0.00499664%	0.00528365%	0.00556712%	0.00365964%	0.005402285%	0.00541229%	0.00538792%
Proportionate share of the net OPEB liability	\$ 27,920	29,238	27,428	23,556	42,045	45,926	41,591
Covered-employee payroll	\$ 270,913	281,198	273,566	173,987	260,383	247,852	245,308
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	10.31%	10.40%	10.03%	13.54%	16.15%	18.53%	16.95%
Plan fiduciary net position as a percentage of the total OPEB liability	0.20%	0.19%	0.21%	0.16%	0.13%	0.12%	0.13%

* The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

MARSHALL COUNTY
Schedule of OPEB Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2024

UNAUDITED

COMPONENT UNIT

Marshall County Library System

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 1,250	1,300	1,120	1,118	1,677	1,802	1,637
Contributions in relation to the actuarially determined contributions	<u>1,250</u>	<u>1,300</u>	<u>1,120</u>	<u>1,118</u>	<u>1,677</u>	<u>1,802</u>	<u>1,637</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 270,913	281,198	273,566	173,987	260,383	243,692	238,156
Contributions as a percentage of covered-employee payroll	0.46%	0.46%	0.41%	0.64%	0.64%	0.74%	0.69%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until, a full 10 year trend is compiled, the County has only presented information for the years in which information is available. Prior year information is based on historical amounts reported in prior year audit reports.

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

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

BUDGETARY COMPARISON SCHEDULES

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	Governmental Fund Types		
	General Fund	Road Maintenance Fund	ARPA Fund
Budget (Cash Basis)	\$ 2,978,939	(1,561,535)	(3,747,830)
Increase (Decrease)			
Net adjustments for revenue accruals	18,459,520	58	3,858,503
Net adjustments for expenditure accruals	(18,624,414)	471,094	
GAAP Basis	<u>\$ 2,814,045</u>	<u>(1,090,383)</u>	<u>110,673</u>

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

PENSION SCHEDULES

A. Changes of assumptions.

2023

The investment rate of return assumption was changed from 7.55% to 7.00%.
The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.
Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.
For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.
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.

2021

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

- For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
- For females, 84% of the female rates up to age 72, 100% for ages above 76.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

- For males, 134% of male rates at all ages.
- For females, 121% of female rates at all ages.

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

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

- For males, 97% of male rates at all ages.
- For females, 110% of female rates at all ages.

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

- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to

MARSHALL COUNTY
Notes to the Required Supplementary Information
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4%.

2019

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

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

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

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

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

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

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

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

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

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

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%.

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 were reduced from 3.75% to 3.25%

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2016

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

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.

MARSHALL COUNTY
Notes to the Required Supplementary Information
For the Year Ended September 30, 2024
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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.

B. Changes in benefit provisions.

2016

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

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

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

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

OPEB Schedules

(1) **Changes of assumptions**

2017: The discount rate was changed from 3.01% for the prior Measurement Date to 3.56% for the current Measurement Date.

2018: The discount rate was changed from 3.56% for the prior Measurement Date to 3.89% for the current Measurement Date.

MARSHALL COUNTY
Notes to the Required Supplementary Information
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2019: The discount rate was changed from 3.89% for the prior Measurement Date to 3.50% for the current Measurement Date. In addition, the following changes were made in the actuarial assumptions due to the PERS experience study for the four-year period ending June 30, 2018:

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

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

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

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

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

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

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

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

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

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

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

2020: The discount rate was changed from 3.50% for the prior Measurement Date to 2.19% for the current Measurement Date.

2021: The discount rate was changed from 2.19% for the prior Measurement Date to 2.13% for the current Measurement Date.

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

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

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

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

The expectation of disabled mortality was changed to PubG.H-2010 Disabled Retiree 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 changed to PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:

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

MARSHALL COUNTY
Notes to the Required Supplementary Information
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UNAUDITED

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

2022: The discount rate was changed from 2.13% for the prior Measurement Date to 3.37% for the current Measurement Date.

2023: The discount rate was changed from 3.37% for the prior Measurement Date to 3.66% for the current Measurement Date. Withdrawal rates, disability rates, service retirement rates, and salary merit rates were adjusted to reflect actual experience more closely.

2024: The discount rate was changed from 3.66% for the prior Measurement Date to 3.94% for the current Measurement Date.

(2) **Changes in benefit provisions**

2017: None

2018: None

2019: None

2020: The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for the Select coverage and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

2021: The schedule of monthly retiree contributions was increased as of January 1, 2022. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

2022: The schedule of monthly retiree contributions was increased as of January 1, 2023.

2023: The schedule of monthly retiree contributions was increased as of January 1, 2024.

2024: The schedule of monthly retiree contributions was increased as of January 1, 2025. The base coverage deductible for families was changed to \$3,300 per calendar year.

(3) **Methods and assumptions used in calculations of Actuarially Determined Contributions.**

The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2023, actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2024:

Actuarial cost method

Entry age

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

Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.40%
Salary increases, including wage inflation	2.65% to 17.90%
Initial health care cost trend rates	
Medicare Supplement Claims	6.50%
Pre-Medicare	
Ultimate health care cost trend rates	
Medicare Supplement Claims	4.50%
Pre-Medicare	
Year of ultimate trend rates	
Medicare Supplement Claims	2029
Pre-Medicare	
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.66%

MARSHALL COUNTY

SUPPLEMENTARY INFORMATION

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

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying	Federal Expenditures
U.S. Department of Agriculture			
Passed-through the Mississippi Office of the State Treasurer			
Forest Service Schools and Roads Cluster			
School and Roads-grants to states	10.665	Unknown	\$ 56,396
Total Passed-through the Mississippi Office of the State Treasurer			<u>56,396</u>
Total U.S. Department of Agriculture			<u>56,396</u>
U.S. Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (Direct) *	21.027	N/A	3,858,504
COVID-19 Local Assistance and Tribal Consistency Fund (Direct)	21.032	N/A	345,916
Total U.S. Department of the Treasury			<u>4,204,420</u>
U.S. Department of the Interior			
Payments in Lieu of Taxes (Direct)	15.226	N/A	20,077
Total U.S. Department of the Interior			<u>20,077</u>
Appalachian Regional Commission (ARC)			
Passed-through the Mississippi Development Authority			
Appalachian Area Development	23.002	MS-20830	327,470
Total Passed-through the Mississippi Development Authority			<u>327,470</u>
Total Appalachian Regional Commission (ARC)			<u>327,470</u>
Delta Regional Authority (DRA)			
States' Economic Development Assistance Program (Direct)	90.201	N/A	442,163
Total Delta Regional Authority (DRA)			<u>442,163</u>
U.S. Department of Homeland Security			
Passed-through the Mississippi Emergency Management Agency			
Emergency Management Performance Grants	97.042	Unknown	30,926
Total Passed-through the Mississippi Emergency Management Agency			<u>30,926</u>
Total U.S. Department of Homeland Security			<u>30,926</u>
			\$ 5,081,452

* Denotes Major Federal Award Program

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Marshall 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 Marshall County it is not intended to and does not present the financial position, changes in net position or cash flows of Marshall County.

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

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

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

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$28,198 to subrecipients during the year ended September 30, 2024.

MARSHALL COUNTY

OTHER INFORMATION

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

Name	Position	Surety Company	Amount
Charles Terry	Supervisor District 1	Western Surety Company	\$ 100,000
Johnny Walker	Supervisor District 2	Western Surety Company	100,000
Keith Taylor	Supervisor District 3	Western Surety Company	100,000
George Zinn, III	Supervisor District 4	Western Surety Company	100,000
Neil Bennett	Supervisor District 5	Western Surety Company	100,000
Nicole Phelps	Chancery Clerk	Western Surety Company	100,000
Timothy Powell	County Administrator	Western Surety Company	100,000
Juanita Dillard	Tax Assessor	Liberty Mutual Surety	100,000
John Dehart	Deputy Tax Assessor	Liberty Mutual Surety	10,000
Casey Hillmer	Deputy Tax Assessor	Liberty Mutual Surety	10,000
Kelvin Dowdy	Deputy Tax Assessor	Liberty Mutual Surety	10,000
Perry Smith	Deputy Tax Assessor	Liberty Mutual Surety	10,000
Susan Campbell	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Gary Schum	Deputy Tax Assessor	Liberty Mutual Surety	10,000
Belen Manjarrez	Deputy Tax Assessor	Liberty Mutual Surety	10,000
Rosalyn DeBerry	Tax Collector	Western Surety Company	100,000
Verneda Taylor	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Cameron Rhea	Deputy Tax Collector	Liberty Mutual Surety	50,000
Sybrennia DeBerry	Deputy Tax Collector	Liberty Mutual Surety	50,000
Jan Pipkin	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Laura Pipkin	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Melanie Alexander	Deputy Tax Collector	Liberty Mutual Surety	50,000
Heather Shaw	Deputy Tax Collector	Liberty Mutual Surety	50,000
Christine Lesueur	Deputy Tax Collector	Liberty Mutual Surety	50,000
Neely Campbell	Deputy Tax Collector	Liberty Mutual Surety	50,000
Kurtisha Polk	Deputy Tax Collector	Liberty Mutual Surety	50,000
Datrice Pegues	Deputy Tax Collector	Liberty Mutual Surety	50,000
Shameilla Mitchell	Deputy Tax Collector	Liberty Mutual Surety	50,000
Monessa Harris	Deputy Tax Collector	Liberty Mutual Surety	50,000
Monet Bell Autry	Circuit Clerk	Western Surety Company	100,000
Ora Hubbard	Deputy Circuit Clerk	Liberty Mutual Surety	50,000
Rebecca Calhoun	Deputy Circuit Clerk	Liberty Mutual Surety	50,000
Katrina Washington	Deputy Circuit Clerk	Liberty Mutual Surety	50,000
Kenneth Dickerson	Sheriff	Liberty Mutual Surety	100,000
Renea Childress	Purchase Clerk	Liberty Mutual Surety	100,000
Donna Cooper	Assistant Purchase Clerk	Liberty Mutual Surety	50,000
Terica Wicks	Receiving Clerk	Liberty Mutual Surety	75,000
Randy Edwards	Assistant Receiving Clerk	Liberty Mutual Surety	50,000
Glen Skelton	Assistant Receiving Clerk	Liberty Mutual Surety	50,000
Yolanda Jones	Assistant Receiving Clerk	Travelers Casualty & Surety	50,000
Donna Cooper	Inventory Control Clerk	Liberty Mutual Surety	75,000
Mario Jeffries	Road Manager	Western Surety Company	50,000
Marion Jackson	Constable	Liberty Mutual Surety	50,000
Thomas Crouch	Constable	Liberty Mutual Surety	50,000
Flora Mae Garrison	Justice Court Judge	Liberty Mutual Surety	100,000
Cathy Brittenum	Justice Court Judge	Liberty Mutual Surety	100,000
Heather Childress	Justice Court Clerk	Liberty Mutual Surety	50,000
Molly Ann McLarty	Deputy Justice Court Clerk	Liberty Mutual Surety	50,000
Penny Culver	Deputy Justice Court Clerk	Liberty Mutual Surety	50,000
Sandy Buford	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000
Tina Lester	Deputy Justice Court Clerk	Liberty Mutual Surety	50,000
Brandy Davis	Deputy Justice Court Clerk	Liberty Mutual Surety	50,000
April Crouch	Deputy Justice Court Clerk	Liberty Mutual Surety	50,000
Laura Pipkin	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000

MARSHALL COUNTY

SPECIAL REPORTS

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

Members of the Board of Supervisors
Marshall County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Marshall 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 February 10, 2026.

Our report includes a reference to other auditors who audited the financial statements of the Marshall County Library System, as described in our report on Marshall County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and on compliance and other matters that are reported separately by those auditors. Our report includes a qualified opinion on Governmental Activities and General Fund due to the potential financial loss regarding significantly undervalued properties by the Tax Assessor.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marshall County, Mississippi's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marshall 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 Marshall County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters which we have reported to the management of Marshall County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated February 10, 2026, included within this document.

Marshall County's Response to Finding

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

Purpose of this Report

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

February 10, 2026

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

Members of the Board of Supervisors
Marshall County, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Marshall 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 Marshall County, Mississippi's major federal program for the year ended September 30, 2024. Marshall 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, Marshall County, Mississippi complied, in all material respects, with the types of 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 Marshall County, Mississippi's 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 Marshall 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 Marshall 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 Marshall 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 Marshall County, Mississippi's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Marshall 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 Marshall 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 Marshall 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 combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

February 10, 2026

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

Members of the Board of Supervisors
Marshall County, Mississippi

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

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

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

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

February 10, 2026

MARSHALL COUNTY

Schedule 1

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

<u>Date</u>	<u>Item</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for accepting other than Lowest Bid</u>
4/1/2024	Vibratory Compactor	157,381	CAT	129,799	Experience better and Investment (Resell)

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
1/16/2024	Anti-freeze/wiper blades	176	O'Reily Auto Parts	Ice Storm
1/17/2024	Booster cable	38	O'Reily Auto Parts	Ice Storm
1/17/2024	Coolant hose	107	O'Reily Auto Parts	Ice Storm
1/18/2024	Cable	23	O'Reily Auto Parts	Ice Storm
1/22/2024	Ice Melt	13,635	Woods Farm Supply	Ice Storm

MARSHALL 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.

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GOVERNMENT AUDIT QUALITY CENTER
PRIVATE COMPANIES PRACTICE SECTION

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Marshall County, Mississippi

In planning and performing our audit of the financial statements of Marshall County, Mississippi for the year ended September 30, 2024, we considered Marshall 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 Marshall County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated February 10, 2026, on the financial statements of Marshall County, Mississippi.

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

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

Board of Supervisors, Tax Assessor, Tax Collector

1. Public Officials and Employees should ensure compliance with state law over surety bonding requirements.

Repeat Finding No

Criteria	<i>Section 25-1-15, Mississippi Code Annotated (1972), states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."</i>
Condition	<p>During the course of our testing we noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> • Two (2) deputy tax assessors were not bonded • One (1) deputy tax collector was not bonded • One (1) assistant receiving clerk was not bonded for the entire fiscal year
Cause	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
Effect	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred.
Recommendation	We recommend that public officials implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.
Response	We will comply.

Board of Supervisors

2. Public Officials Should Ensure Compliance with State Law over the Recording of the Final Amended Budget for the Fiscal Year.

Repeat Finding Yes

Criteria *Section 7-7-211(b), Mississippi Code Annotated (1972), states, "The department [of audit] shall have the power and it shall be its duty...To provide best practices, for all public offices of regional and local subdivisions of the state, systems of accounting, budgeting and reporting financial facts relating to said offices in conformity with legal requirements and with generally accepted accounting principles or other accounting principles as promulgated by nationally recognized professional organizations; to assist such subdivisions in need of assistance in the installation of such systems; to revise such systems when deemed necessary, and to report to the Legislature at periodic times the extent to which each office is maintaining such systems, along with such recommendations to the Legislature for improvement as seem desirable...."*

Mississippi County Financial Accounting Manual, Section B-Budgeting states, "The final amended budget of all funds for a fiscal year, which may be amended up to the end of the fiscal year, must be entered on the minutes of the Board of Supervisors no later than October 31, next following the close of the fiscal year."

Condition During the course of our audit, we noted that the full, final amended budget as approved was not spread upon the minutes of the Board of Supervisors.

Cause	Public officials failed to ensure that the final amended budget was properly spread upon the minutes as prescribed by the Office of the State Auditor.
Effect	Failure to record the final amended budget results in noncompliance and could result in a lack of transparency.
Recommendation	The Board of Supervisors should record the final amended budget upon the official minutes.
Response	We will comply.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

February 10, 2026

MARSHALL COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MARSHALL 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: | |
| Governmental activities | Qualified |
| Aggregate discretely presented component units | Unmodified |
| General Fund | Qualified |
| ARPA Fund | Unmodified |
| Road Maintenance Fund | Unmodified |
| Aggregate remaining fund information | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | Yes |
| b. Significant deficiency identified? | None Reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|---|---------------|
| 4. Internal control over major federal programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified? | None Reported |
| 5. Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 6. Any audit finding disclosed that is required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. Identification of major federal programs | |
| 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 200.516(b)? | Yes |

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

Section 2: Financial Statement Findings

Tax Assessor.

Material Weakness

2024-001. Controls over the assessment of taxes should be strengthened.

Repeat Finding Yes, 2023

Criteria An effective system of internal control in the Tax Assessor’s Office should include correctly calculating total assessed values on real property and ensuring all property values are updated when improvements are made.

Condition The Tax Assessor was erroneously calculating the total assessed values on real property resulting in inaccurate tax billings. Residential land parcel assessed values were not consistently updated to reflect the total property value after improvements were made to the land.

Cause The Tax Assessor failed to implement procedures to ensure real property is correctly assessed.

Effect This resulted in significantly undervalued properties and a potential financial loss to the County. As such, a qualified opinion was issued on the Governmental Activities and General Fund opinion units.

Recommendation The Tax Assessor should implement procedures to ensure that all real property is assessed correctly, and properties are updated to include all improvements made to reflect the correct total property value.

View(s) of Responsible

Officials 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.

MARSHALL COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN

CHARLES TERRY, DIST. 1
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Marshall County Board of Supervisors

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Certified Public Accountants
3528 Manor Drive
Vicksburg, Mississippi 39180

To Whom It May Concern:

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

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

2024-001. Corrective Action Planned:

This issue is from the prior administration. Marshall County is taking steps to remedy the situation. We will comply with the recommendation.

Anticipated Completion Date:

September 30, 2025

Name and Contact Person Responsible for Corrective Action:

Barbara Belfoure, Tax Assessor; Phone Number: 662.252.1881

MARSHALL COUNTY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

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Marshall County Summary Schedule of Prior Year Audit Findings

Finding Number	Finding Summary	Status	Additional Information
2023-001 (Originally 2023-001; Initial Year of Finding)	Controls over the assessment of taxes should be strengthened.	Not Corrected (See Finding 2024-001)	An appraisal of all properties within the county is currently being conducted to ensure correct assessment of taxes owed.