

MONTGOMERY COUNTY, MISSISSIPPI

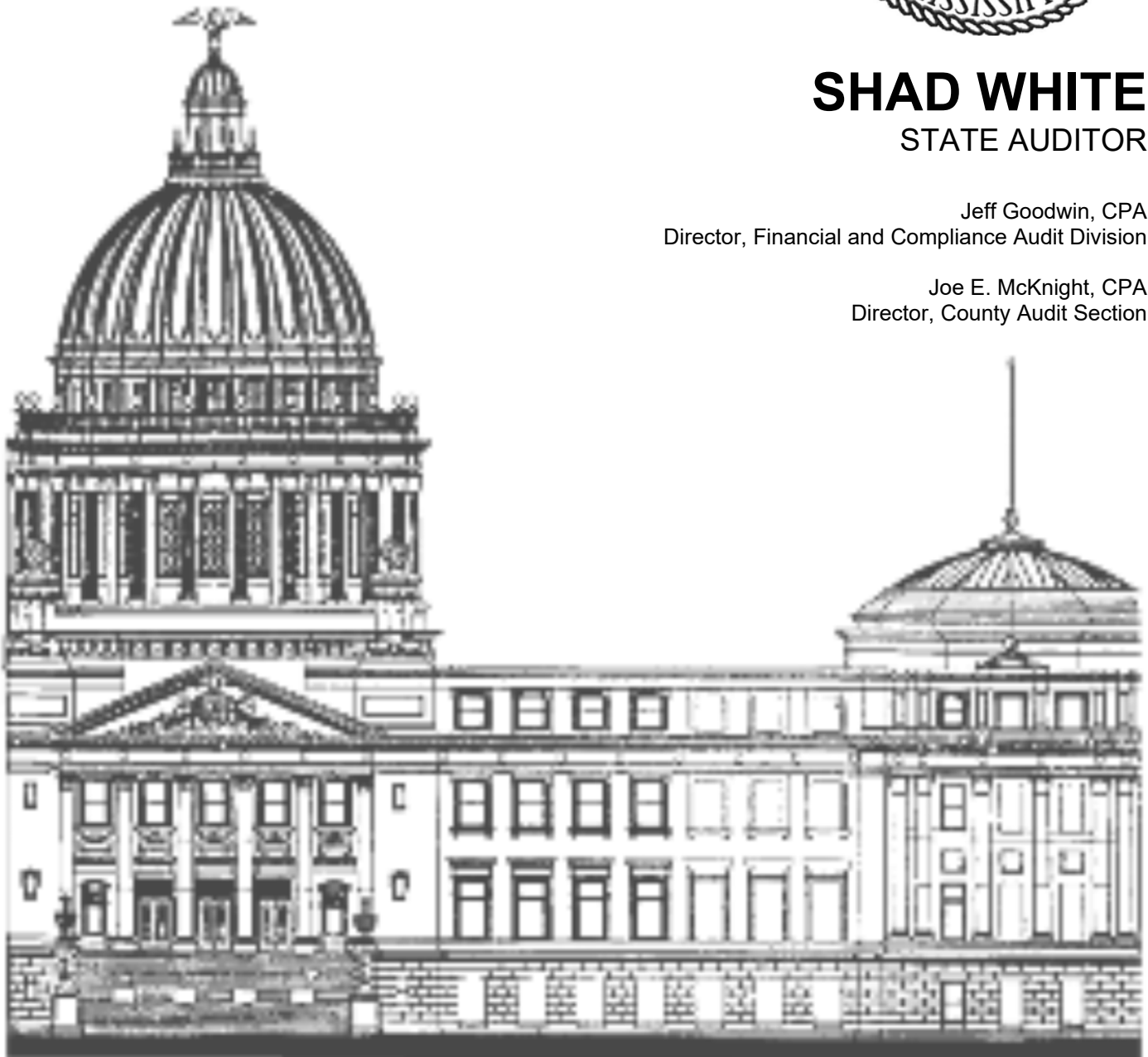
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2024



SHAD WHITE
STATE AUDITOR

Jeff Goodwin, CPA
Director, Financial and Compliance Audit Division

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

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

Shad White
AUDITOR

April 16, 2026

Members of the Board of Supervisors
Montgomery County, Mississippi

Dear Board Members:

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

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

Respectfully submitted,

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

Shad White

MONTGOMERY COUNTY

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MONTGOMERY COUNTY

FINANCIAL SECTION

MONTGOMERY COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Montgomery County, Mississippi

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery 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.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the cash basis financial position of the aggregate discretely presented component units of Montgomery County, Mississippi, as of September 30, 2024, or the changes in cash basis financial position for the year then ended in accordance with accounting principles applicable to the County's cash basis of accounting.

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Mississippi, as of September 30, 2024, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for Adverse and Unmodified Opinions

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

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

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

Emphasis of Matter – Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, as described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montgomery 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 as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Schedules, Schedule of Interfund Advances, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, Schedule of Surety Bonds for County Officials and corresponding notes but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2026 on our consideration of Montgomery 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 Montgomery 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 Montgomery County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 16, 2026

MONTGOMERY COUNTY

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MONTGOMERY COUNTY

FINANCIAL STATEMENTS

MONTGOMERY COUNTY

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MONTGOMERY COUNTY
Statement of Net Position - Cash Basis
September 30, 2024

Exhibit 1

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash	\$ 11,454,756
Total Assets	<u>11,454,756</u>
NET POSITION	
Restricted:	
Expendable:	
General government	720,241
Public safety	275,687
Public works	6,933,505
Health and welfare	203,291
Economic development and assistance	46,070
Debt service	146,080
Unemployment compensation	14,984
Unrestricted	3,114,898
Total Net Position	<u>\$ 11,454,756</u>

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

MONTGOMERY COUNTY
Statement of Activities - Cash Basis
For the Year Ended September 30, 2024

Exhibit 2

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 2,751,005	293,731	30,068		(2,427,206)
Public safety	1,804,742	205,361	19,193	5,990	(1,574,198)
Public works	3,022,017	418,332	2,115,374		(488,311)
Health and welfare	108,437		9,160		(99,277)
Culture and recreation	198,743		149,481		(49,262)
Conservation of natural resources	101,209				(101,209)
Economic development and assistance	228,272		19,976		(208,296)
Debt service:					
Principal	263,107				(263,107)
Interest	71,350				(71,350)
Total Governmental Activities	\$ 8,548,882	917,424	2,343,252	5,990	(5,282,216)
General receipts:					
Property taxes				\$ 5,532,540	
Road & bridge privilege taxes				127,228	
Grants and contributions not restricted to specific programs				385,649	
Unrestricted interest income				383,902	
Miscellaneous				460,944	
Sale of county property				260,385	
Total General Receipts and Other Cash Sources				7,150,648	
Changes in Net Position					1,868,432
Net Position - Beginning					9,586,324
Net Position - Ending					\$ 11,454,756

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

MONTGOMERY COUNTY
Statement of Cash Basis Assets and Fund Balances -
Governmental Funds
September 30, 2024

Exhibit 3

	Major Funds				Total Governmental Funds
	General Fund	Unit System Road and Bridge Maintenance Fund	Infrastructure Fund	Other Governmental Funds	
ASSETS					
Cash	\$ 2,830,014	2,087,241	2,342,332	4,195,169	11,454,756
Total Assets	<u>\$ 2,830,014</u>	<u>2,087,241</u>	<u>2,342,332</u>	<u>4,195,169</u>	<u>11,454,756</u>
FUND BALANCES					
Restricted for:	\$				
General government				720,241	720,241
Public safety				275,687	275,687
Public works		2,087,241	2,342,332	2,503,932	6,933,505
Health and welfare				203,291	203,291
Economic development and assistance				46,070	46,070
Debt service				146,080	146,080
Unemployment compensation				14,984	14,984
Committed to:					
Public safety				65,066	65,066
Assigned to:					
Culture and recreation				219,818	219,818
Unassigned	2,830,014				2,830,014
Total Fund Balances	<u>\$ 2,830,014</u>	<u>2,087,241</u>	<u>2,342,332</u>	<u>4,195,169</u>	<u>11,454,756</u>

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

MONTGOMERY COUNTY
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances -
Governmental Funds
For the Year Ended September 30, 2024

Exhibit 4

	Major Funds			Previous Major Fund	Other Governmental Funds	Total Governmental Funds
	General Fund	Unit System Road and Bridge Maintenance Fund	Infrastructure Fund	HB 1353 Infrastructure Fund		
RECEIPTS						
Property taxes	\$ 3,940,705	637,385			954,450	5,532,540
Road and bridge privilege taxes		127,228				127,228
Licenses, commissions and other receipts	128,542				4,250	132,792
Fines and forfeitures	171,346				13,344	184,690
Intergovernmental receipts	500,715	1,011,972	1,032,775		189,429	2,734,891
Charges for services					599,942	599,942
Interest income	129,591	60,509	60,264		133,538	383,902
Miscellaneous receipts	244,673	105,407			110,864	460,944
Total Receipts	<u>5,115,572</u>	<u>1,942,501</u>	<u>1,093,039</u>	<u>0</u>	<u>2,005,817</u>	<u>10,156,929</u>
DISBURSEMENTS						
General government	2,469,244				281,761	2,751,005
Public safety	1,107,922				696,820	1,804,742
Public works	187,224	1,489,868	84,529		1,260,396	3,022,017
Health and welfare	107,912				525	108,437
Culture and recreation					198,743	198,743
Conservation of natural resources	99,409				1,800	101,209
Economic development and assistance	125,858				102,414	228,272
Debt service:						
Principal	66,698	10,254			186,155	263,107
Interest	36,618	472			34,260	71,350
Total Disbursements	<u>4,200,885</u>	<u>1,500,594</u>	<u>84,529</u>	<u>0</u>	<u>2,762,874</u>	<u>8,548,882</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>914,687</u>	<u>441,907</u>	<u>1,008,510</u>	<u>0</u>	<u>(757,057)</u>	<u>1,608,047</u>
OTHER CASH SOURCES (USES)						
Sale of county property	11,685	248,700				260,385
Transfers in					660,331	660,331
Transfers out	(594,282)		(63,339)		(2,710)	(660,331)
Total Other Cash Sources and Uses	<u>(582,597)</u>	<u>248,700</u>	<u>(63,339)</u>	<u>0</u>	<u>657,621</u>	<u>260,385</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>332,090</u>	<u>690,607</u>	<u>945,171</u>	<u>0</u>	<u>(99,436)</u>	<u>1,868,432</u>
Cash Basis Fund Balances - Beginning, as previously reported	2,497,924	1,396,634	1,397,161	1,023,010	3,271,595	9,586,324
Change within Financial Reporting Entity (from major to nonmajor fund)				(1,023,010)	1,023,010	0
Cash Basis Fund Balances - Beginning, as restated	<u>2,497,924</u>	<u>1,396,634</u>	<u>1,397,161</u>	<u>0</u>	<u>4,294,605</u>	<u>9,586,324</u>
Cash Basis Fund Balances - Ending	<u>\$ 2,830,014</u>	<u>2,087,241</u>	<u>2,342,332</u>	<u>0</u>	<u>4,195,169</u>	<u>11,454,756</u>

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

MONTGOMERY COUNTY
Statement of Fiduciary Net Position - Cash Basis
September 30, 2024

Exhibit 5

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 0
Total Assets	<u>0</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	0
Total Net Position	<u>\$ 0</u>

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

MONTGOMERY COUNTY
Statement of Changes in Fiduciary Net Position - Cash Basis
For the Year Ended September 30, 2024

Exhibit 6

	<u>Custodial Funds</u>
CASH ADDITIONS	
Tax collections for other governments	\$ 381,254
Other taxes and fees collected for other governments	<u>285,637</u>
Total Additions	<u>666,891</u>
CASH DEDUCTIONS	
Payments of tax to other governments	381,254
Payments of other taxes and fees to other governments	<u>285,637</u>
Total Deductions	<u>666,891</u>
Net increase (decrease) in fiduciary net position	0
Net Position - Beginning	<u>0</u>
Net Position - Ending	<u>\$ 0</u>

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

MONTGOMERY COUNTY

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

- Tyler Holmes Hospital
- East Montgomery County Hospital
- Montgomery County Economic Development District

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

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

B. Basis of Presentation.

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

Government-wide Financial Statements:

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

The Statement of Net Position – Cash Basis presents the financial condition of the governmental activities of the County at year-end. The Government-wide Statement of Activities – Cash Basis presents a comparison between direct disbursements and program receipts for each function or program of the County's governmental activities. Direct disbursements are those that are

MONTGOMERY COUNTY

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

specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other receipts not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the County.

Fund Financial Statements:

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

C. Measurement Focus and Basis of Accounting.

The Government-wide, Governmental Funds, and Fiduciary Funds financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

The County reports the following major Governmental Funds:

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

Unit System Road and Bridge Maintenance Fund - This fund is used to account for monies from specific sources that are restricted for road maintenance.

Infrastructure Fund - This fund is used to account for monies received from specific state sources that are restricted for road and bridge capital projects.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

MONTGOMERY COUNTY

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

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

FIDUCIARY FUND TYPE

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

D. Account Classifications.

The account classification 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.

E. Deposits.

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

Cash includes cash on hand, demand deposits, 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).

F. Equity Classifications.

Government-wide Financial Statements:

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

MONTGOMERY COUNTY

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

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

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

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

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

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

Fund Balance Flow Assumption:

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

G. Property Tax Receipts.

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

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

MONTGOMERY COUNTY

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

H. 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.

(2) Adjustments and Restatements of Beginning Balances.

During fiscal year 2024, changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning fund balance, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	HB 1353 Infrastructure Fund	Other Governmental Funds
9/30/2023, as previously reported	\$ 1,023,010	3,271,595
Change from major to nonmajor fund	(1,023,010)	1,023,010
9/30/2023, as adjusted or restated	\$ 0	4,294,605

(3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2024, was \$11,454,756, and the bank balance was \$11,923,619. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by *Section 27-105-5, Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

MONTGOMERY COUNTY

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

(4) Interfund Transfers.

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

Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 594,282
Other Governmental Funds	Infrastructure Fund	63,339
Other Governmental Funds	Other Governmental Funds	<u>2,710</u>
Total		\$ <u><u>660,331</u></u>

The principal purpose of the interfund transfers was to repay interfund loans and to provide funds for annual operating expenses for various funds. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2024, to January 1, 2025. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(6) Other Postemployment Benefits.

Plan Description

The Montgomery County Board of Supervisors administers the County's health insurance plan which is authorized by *Sections 25-15-101 et seq., Mississippi Code of 1972 Annotated*. The County's health insurance plan may be amended by the Montgomery County Board of Supervisors. The County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan.

Funding Policy

Employees' premiums are funded by the County with additional funding provided by retired employees and by active employees for spouse and dependent medical coverage. The Plan is financed on a pay-as-you-go basis. The Board of Supervisors, acting in conjunction with the commercial insurance company, has the sole authority for setting health insurance premiums for the County's health insurance plan.

MONTGOMERY COUNTY

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

Per *Section 25-15-103, Mississippi Code of 1972 Annotated*, any retired employee electing to purchase retiree health insurance must pay the full cost of the insurance premium monthly to the County. For the year ended September 30, 2024, retiree premiums are \$483. Although, with regard to retirees, these amounts contain an implicit rate subsidy by the County through a reduced blended premium covering all current employees and retirees, there is no actuarial valuation performed to determine the amount of such subsidy.

Contributions Made

Because the retiree insurance premiums are paid entirely by retiree contributions, there is no net cash outflow by the County related to these benefits when paid. Therefore, there are no cash basis disbursements reported for the County in regard to the plan benefits for retirees. For fiscal year 2024, retiree and beneficiaries receiving benefits contributed \$6,065 in the form of insurance premium payments.

(7) Contingencies.

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

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

(8) Commitment.

Montgomery County entered into an Interlocal Cooperation Agreement with the City of Winona, dated July 1, 2019 to support the Empire Truck Sales, LLC construction of infrastructure. The City of Winona issued tax increment financing bonds of \$1,500,000. Montgomery County has agreed to provide payments of 100% of the ad valorem real and personal property taxes on the Empire Truck Sales, LLC assessment of real and personal property taxes ending in the fiscal year 2024. Montgomery County contributed \$77,444 in the fiscal year 2024.

(9) Joint Venture.

The County participates in the following joint venture:

Montgomery County is a participant with the City of Winona in a joint venture, authorized by *Section 61-3-5, Mississippi Code of 1972 Annotated*, to operate the Winona-Montgomery County Airport Authority. The joint venture was created to construct, manage, control and operate the Winona-Montgomery County Airport and it is governed by a five-member board of commissioners appointed as follows: Montgomery County, two; City of Winona, two; jointly, one. By contractual agreement, all costs of the airport shall be borne equally by both parties. The County contributed \$16,500 for maintenance and support of the airport in fiscal year 2024. Financial statements for the Winona-Montgomery County Airport Authority were not available.

MONTGOMERY COUNTY

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

(10) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Region Six Mental Health/Mental Retardation Center/Life Help operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Humphreys, Leflore, Montgomery and Sunflower. The Montgomery County Board of Supervisors appoints one of the eight members of the board of commissioners. The County contributed \$22,598 for support of the center in fiscal year 2024.

North Central Planning and Development District operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Leflore, Montgomery and Yalobusha. The Montgomery County Board of Supervisors appoints four of the 28 members of the district board of directors. The County contributed \$56,183 for the maintenance and support of the district in fiscal year 2024.

Holmes Community College operates in a district composed of the counties of Attala, Carroll, Choctaw, Grenada, Holmes, Madison, Montgomery, Webster and Yazoo. The Montgomery County Board of Supervisors appoints two of the 22 members of the college board of trustees. The County contributed \$182,604 for maintenance and support of the college in fiscal year 2024.

Mid-Mississippi Regional Library System operates in a district composed of the counties of Attala, Holmes, Leake, Montgomery and Winston. The Montgomery County Board of Supervisors appoints one of the five members of the library board of directors. The County contributed \$198,650 for maintenance and support of the library in fiscal year 2024.

Mississippi Regional Housing Authority IV operates in a district composed of the counties of Carroll, Choctaw, Clay, Grenada, Lowndes, Montgomery, Oktibbeha, Webster and Winston. The Montgomery County Board of Supervisors appoints one of the nine members of the board of commissioners. The County did not contribute any funds to the authority in fiscal year 2024.

(11) Defined Benefit Pension Plan.

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

Funding Policy. At September 30, 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 rate at September 30, 2024 was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%. The contribution requirements of PERS members 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 \$380,429, \$352,761 and \$333,581, respectively, equal to the required contributions for each year.

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

MONTGOMERY COUNTY

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

(12) Tax Abatements.

As of September 30, 2024, Montgomery County provides tax exempt status to one sawmill subject to the requirements of GASB Statement No. 77. This company is exempt from two-thirds (2/3) of the real property taxes and personal property taxes including those for the school district, the state-mandated one mill and the community college levies. This exemption is authorized under *Section 27-31-104* of the *Mississippi Code of 1972 Annotated*. This exemption encourages businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2024 totaled \$1,971,396.

MONTGOMERY COUNTY

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MONTGOMERY COUNTY

SUPPLEMENTARY INFORMATION

MONTGOMERY COUNTY

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation/ Passed-through the Mississippi Department of Public Safety Highway safety cluster:			
State and community highway safety	20.600	OP-2024-OP-14-91	\$ <u>11,621</u>
Total highway safety cluster			<u>11,621</u>
Alcohol open container requirements	20.607	154AL-2024-ST-14-91	<u>7,572</u>
Total U.S. Department of Transportation			<u>19,193</u>
U.S. Department of the Treasury			
Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	<u>407,651</u>
Total U.S. Department of the Treasury			<u>407,651</u>
U.S. Department of Homeland Security/ Passed-through the Mississippi Emergency Management Agency			
Disaster grants - public assistance (Presidentially declared disasters)	97.036	4697-DR-MS	<u>457,502</u>
Hazard mitigation grant	97.039	DR-4470-0005-R	<u>5,955</u>
Emergency management performance grants	97.042	Unknown	<u>16,284</u>
Total U.S. Department of Homeland Security			<u>479,741</u>
Total Expenditures of Federal Awards			<u>\$ 906,585</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

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

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

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

* Denotes major federal award program

MONTGOMERY COUNTY

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MONTGOMERY COUNTY

OTHER INFORMATION

MONTGOMERY COUNTY

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 3,386,395	3,940,705	3,940,705	
Licenses, commissions and other receipts	174,962	128,542	128,542	
Fines and forfeitures	132,722	171,346	171,346	
Intergovernmental receipts	282,380	500,715	500,715	
Interest income	16,600	129,591	129,591	
Miscellaneous receipts	116,889	244,673	244,673	
Total Receipts	<u>4,109,948</u>	<u>5,115,572</u>	<u>5,115,572</u>	<u>0</u>
DISBURSEMENTS				
Current:				
General government	2,450,783	2,469,244	2,469,244	
Public safety	1,204,400	1,107,922	1,107,922	
Public works	18,010	187,224	187,224	
Health and welfare	132,945	107,912	107,912	
Culture and recreation	20,725			
Conservation of natural resources	105,837	99,409	99,409	
Economic development and assistance	103,966	125,858	125,858	
Debt service:				
Principal		66,698	66,698	
Interest		36,618	36,618	
Total Disbursements	<u>4,036,666</u>	<u>4,200,885</u>	<u>4,200,885</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>73,282</u>	<u>914,687</u>	<u>914,687</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Sale of county property		11,685	11,685	
Transfers out		(594,282)	(594,282)	
Other financing sources	330,181			
Total Other Cash Sources and Uses	<u>330,181</u>	<u>(582,597)</u>	<u>(582,597)</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	403,463	332,090	332,090	0
Cash Basis Fund Balances - Beginning	<u>2,736,203</u>	<u>2,497,924</u>	<u>2,497,924</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 3,139,666</u>	<u>2,830,014</u>	<u>2,830,014</u>	<u>0</u>

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

MONTGOMERY COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Unit System Road and Bridge Maintenance Fund
 For the Year Ended September 30, 2024
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 499,396	637,385	637,385	
Road and bridge privilege taxes	106,000	127,228	127,228	
Intergovernmental receipts	496,000	1,011,972	1,011,972	
Interest income		60,509	60,509	
Miscellaneous receipts	6,500	105,407	105,407	
Total Receipts	<u>1,107,896</u>	<u>1,942,501</u>	<u>1,942,501</u>	<u>0</u>
DISBURSEMENTS				
Current:				
Public works	1,183,666	1,489,868	1,489,868	
Debt service:				
Principal	10,272	10,254	10,254	
Interest	64	472	472	
Total Disbursements	<u>1,194,002</u>	<u>1,500,594</u>	<u>1,500,594</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(86,106)</u>	<u>441,907</u>	<u>441,907</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Sale of county property		248,700	248,700	
Total Other Cash Sources and Uses	<u>0</u>	<u>248,700</u>	<u>248,700</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>(86,106)</u>	<u>690,607</u>	<u>690,607</u>	<u>0</u>
Cash Basis Fund Balances - Beginning	<u>913,894</u>	<u>1,396,634</u>	<u>1,396,634</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 827,788</u>	<u>2,087,241</u>	<u>2,087,241</u>	<u>0</u>

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

MONTGOMERY COUNTY
 Schedule of Interfund Advances
 For the Year Ended September 30, 2024
 UNAUDITED

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

A. Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balance at Sept. 30, 2024</u>
General Fund	Other Governmental Funds	\$ 105,000
Unit System Road and Bridge Maintenance Fund	General Fund	12,826
Other Governmental Funds	Other Governmental Funds	7,476
Other Governmental Funds	Other Governmental Funds	8,249
Other Governmental Funds	Other Governmental Funds	<u>53,000</u>
Total		<u>\$ 186,551</u>

The amounts due represent prior year errors in posting receipts to incorrect funds and temporary lending.

MONTGOMERY COUNTY
 Schedule of Capital Assets
 For the Year Ended September 30, 2024
 UNAUDITED

Governmental activities:

	Balance Oct. 1, 2023	Additions	Deletions	Adjustments*	Balance Sept. 30, 2024
Land	\$ 161,973				161,973
Construction in progress	1,372,512	222,598		(1,208,415)	386,695
Infrastructure	16,462,079			1,208,415	17,670,494
Buildings	6,103,000				6,103,000
Mobile equipment	5,009,942	636,291	323,360		5,322,873
Furniture and equipment	883,858				883,858
Total capital assets	\$ 29,993,364	858,889	323,360	0	30,528,893

*Adjustments are to reflect certain routine reclassifications for completed construction in progress to infrastructure.

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

MONTGOMERY COUNTY
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2024
UNAUDITED

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

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2023	Principal Payments	Balance Sept. 30, 2024
Governmental Activities:						
A. General Obligation Bonds:						
DHS Justice Court Building	03/2010	03/2024	4.10%	\$ 36,000	36,000	
General obligation public improvement bonds	03/2014	03/2034	3.00/3.75%	635,000	50,000	585,000
B. Financed Purchases:						
Caterpillar motor grader	12/2018	12/2023	4.89%	5,127	5,127	
Caterpillar motor grader	12/2018	12/2023	4.89%	5,127	5,127	
C. Other Loans:						
MDA Cap Loan - Screw Conveyor	06/2012	05/2035	3.00%	203,979	16,698	187,281
MDA Cap Loan - Biewer Sawmill	10/2021	05/2042	2.00%	2,453,825	122,683	2,331,142
Promissory Note	07/2020	07/2025	2.50%	52,891	27,472	25,419
Total				<u>\$ 3,391,949</u>	<u>263,107</u>	<u>3,128,842</u>

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

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

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

Name	Position	Company	Bond
Keith McGee	Supervisor District 1	Western Surety Company	\$100,000
Edwin Taylor	Supervisor District 2	Western Surety Company	\$100,000
Willie Townsend Jr.	Supervisor District 3	Western Surety Company	\$100,000
James Ronald Wood, Jr.	Supervisor District 4	Western Surety Company	\$100,000
Ronald White	Supervisor District 5	Western Surety Company	\$100,000
Ryan Wood	County Administrator	Western Surety Company	\$100,000
Ryan Wood	Chancery Clerk	Western Surety Company	\$100,000
Memory Cobble	Purchase Clerk	Western Surety Company	\$100,000
Sondra Henderson	Receiving Clerk	Western Surety Company	\$75,000
Ashley Eldridge	Deputy Chancery Clerk	Western Surety Company	\$50,000
Ryan Wood	Inventory Control Clerk	Western Surety Company	\$75,000
John L. Pearson	Road Manager	Western Surety Company	\$50,000
Shawn Ware	Constable	Western Surety Company	\$50,000
Kelvin Lee	Constable	Western Surety Company	\$50,000
Robert Perry	Circuit Clerk	Western Surety Company	\$100,000
Lesla Carole Goldman	Deputy Circuit Clerk	Western Surety Company	\$50,000
Robert Tompkins	Sheriff	Western Surety Company	\$100,000
Keith S. Roberts	Justice Court Judge	Western Surety Company	\$50,000
Larry Bamberg	Justice Court Judge	Western Surety Company	\$50,000
Tilford L. Robinson	Justice Court Clerk	Western Surety Company	\$50,000
Florence Miers	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Shardaasha Duren	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Jennifer Johnson	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Sharon Pyron	Tax Assessor-Collector	Western Surety Company	\$100,000
Mary Brianna Bailey	Deputy Tax Collector	Western Surety Company	\$50,000
Amanda Cirilo	Deputy Tax Collector	Western Surety Company	\$50,000

MONTGOMERY COUNTY

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

(1) Budgetary Comparison Information.

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

(2) Long-term Debt Information:

A. Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2024, the amount of outstanding debt was equal to 0.58 percent (0.58%) of the latest property assessments.

MONTGOMERY COUNTY

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MONTGOMERY COUNTY

SPECIAL REPORTS

MONTGOMERY COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

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

Members of the Board of Supervisors
Montgomery County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery 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 April 16, 2026. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles applicable to the County's cash basis of accounting to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001, 2024-002, 2024-004, 2024-005, and 2024-006 to be material weaknesses.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2024-003 to be a significant deficiency.

Report on Compliance and Other Matters

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

We noted certain matters that we reported to the management of Montgomery County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated April 16, 2026, included within this document.

Montgomery County's Responses to Findings

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

Purpose of this Report

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 16, 2026



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

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

Members of the Board of Supervisors
Montgomery County, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Montgomery 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 Montgomery County, Mississippi's major federal program for the year ended September 30, 2024. Montgomery 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, Montgomery County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs 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 Montgomery County, Mississippi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Montgomery 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 Montgomery 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 Montgomery 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 Montgomery County, Mississippi's compliance with the requirements of the major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



JOE E. MCKNIGHT CPA
Director, County Audit Section

April 16, 2026

MONTGOMERY COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

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

Members of the Board of Supervisors
Montgomery County, Mississippi

We have examined Montgomery County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with the bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated* during the year ended September 30, 2024. The Board of Supervisors of Montgomery 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 Montgomery 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, Montgomery County, Mississippi complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2024.

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

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 16, 2026

MONTGOMERY COUNTY

Schedule 1

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

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
4/1/2024	8' Rotary cutter	\$ 8,306	Winona Tractor & Equipment Co., Inc.	\$ 7,776	Location of parts and service and cost for hauling.
9/3/2024	15 Ton Tilt trailer	28,940	Stribling Equipment	27,900	Location of parts and service and cost for hauling.

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

Schedule 2

Our tests did not identify any emergency purchases.

MONTGOMERY 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.

MONTGOMERY COUNTY

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

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Montgomery County, Mississippi

In planning and performing our audit of the cash basis financial statements of Montgomery County, Mississippi (the County) for the year ended September 30, 2024, we considered Montgomery 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 Montgomery County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated April 16, 2026, on the financial statements of Montgomery County, Mississippi.

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

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

Board of Supervisors.

1. The County should cite appropriate code sections when authorizing the tax levy.

Repeat Finding No

Criteria *Section 27-39-325, Mississippi Code of 1972 Annotated*, authorizes counties to annually levy an ad valorem tax on all the taxable property within the county, in an amount necessary to defray cost of reappraisal.

Condition We noted during our test work that the Board of Supervisors erroneously referenced *Section 27-39-235, Mississippi Code of 1972 Annotated*, for an amount necessary to defray cost of reappraisal, instead of the correct code, *Section 27-39-325, Mississippi Code of 1972 Annotated*.

Cause The County did not comply with state law.

Effect The failure to reference the proper statute to authorize the levying of ad valorem taxes could result in the County collecting a tax for unauthorized purposes.

Recommendation The Board of Supervisors should implement appropriate procedures to ensure the proper code section is cited in the Board minutes when authorizing the tax levy.

Views of Responsible Official(s) This was a typo. It has been corrected for the FY2025 year.

2. The Board of Supervisors should not authorize an interest free loan to the Chancery Clerk.

Repeat Finding No

Criteria The Mississippi Code is silent regarding the authority of the county to make an interest free loan to the Chancery Clerk.

Condition The County made an interest free loan to the Chancery Clerk. This loan was made when the County allowed the Chancery Clerk to not fully reimburse the County for the payroll of his employees.

Cause The Board of Supervisors did not have adequate controls over cash.

Effect Failure of the Board of Supervisors to ensure repayment of this loan is an illegal diversion of legally restricted funds.

Recommendation The Board of Supervisors should implement appropriate procedures to ensure the Chancery Clerk's payroll reimbursement is paid to current.

Views of Responsible Official(s) We will comply.

Board of Supervisors and Payroll Clerk.

3. Required forms for re-employment should be completed for PERS retirees after retirement, and retirees should be properly paid.

Repeat Finding No

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

Condition During our test work, the following deficiencies were noted:

- a. One PERS retiree was paid more than one-half the salary for their position during fiscal year 2024;
- b. One PERS retiree did not file the correct PERS Form 4B; and

- c. Two PERS Form 4B documents were not properly completed with the retirement date by the applicable retiree.

Cause The Board of Supervisors and Payroll Clerk did not comply with state laws.

Effect Failure to comply with state law regarding compensation of retired employees could result in retired employees being over compensated. By failing to properly prepare Form 4B documents, the County is not in compliance with state legal requirements.

Recommendation The County should ensure that PERS retirees are not being paid more than the allowable amounts, and that properly prepared Form 4B documents are filed with PERS.

Views of Responsible Official(s) I will comply.

4. Full-time employees not enrolled in PERS.

Repeat Finding No

Criteria According to the Public Employees' Retirement System of Mississippi (PERS) Regulation, Title 27, Part 210, Chapter 36, any person who works half-time or more based on a full-time equivalent position and whose employment is anticipated to exceed four and one-half consecutive months shall be covered, whether probationary or otherwise.

Condition It was noted during our test work that one part-time employee changed to full-time status and was eligible to participate in PERS; however, the county did not contribute to PERS.

Cause The County did not follow the regulations set forth by PERS.

Effect Failure to transition employees to full-time status breaks the contractual obligation made to PERS, and retirement contributions settled to PERS could be misstated as a result.

Recommendation The County should transition employees working over twenty hours a week to full-time status and properly enroll in PERS.

Views of Responsible Official(s) I will comply.

Board of Supervisors and Road Manager.

5. The Road Manager should be bonded according to state law.

Repeat Finding No

Criteria *Section 65-17-1(3), Mississippi Code of 1972 Annotated*, states that the county road manager shall receive such compensation, to be paid from the county road and bridge funds, as the board of supervisors shall determine. The county road manager, before entering upon his duties, shall give bond, with sufficient surety, to be payable, conditioned and approved as provided by law, in a penalty in such amount as may be approved by the board of supervisors, but not less than Fifty Thousand Dollars (\$50,000.00).

Condition The Road Manager was not bonded for an amount not less than \$50,000, as required by law.

Cause The Board of Supervisors did not comply with state laws.

Effect	In the event of a loss of public funds involving the Road Manager, the funds available to the County for recovery would be limited.
Recommendation	The Board of Supervisors should execute a bond for the Road Manager in an amount not less than \$50,000, as required by law.
Views of Responsible Official(s)	The road manager is already bonded.
Chancery Clerk.	
6.	<u>The Chancery Clerk claimed unallowable expenses on the Annual Financial Report and should fully reimburse the County for the payroll of employees.</u>
Repeat Finding	No
Criteria	<i>Section 9-1-43(1), Mississippi Code of 1972 Annotated</i> , limits the compensation of the Chancery Clerk to \$99,500 after making deductions for employee salaries and related salary expenses and expenses allowed as deductions by Schedule C of the Internal Revenue Code. Additionally, <i>Section 9-1-43(2), Mississippi Code of 1972 Annotated</i> , requires the Chancery Clerk to not use fees in excess of \$99,500 to pay the salaries or actual or necessary expenses of employees who are related to such clerk by blood or marriage within the first degree of kinship.
Condition	The following deficiencies were noted: <ul style="list-style-type: none"> a. The Chancery Clerk claimed expenses in the amount of \$957 which were not allowable expenses, on the 2024 Annual Financial Report. b. The Chancery Clerk did not fully reimburse the County for the payroll of his employees in the amount of \$7,098, on the 2023 Annual Financial Report. c. The Chancery Clerk did not fully reimburse the County for the payroll of his employees in the amount of \$15,928, on the 2024 Annual Financial Report. d. The Chancery Clerk paid wages to an individual, who met the requirements of the first level of kinship, without properly including the wages paid to total revenue subject to the salary limitations.
Cause	The Chancery Clerk did not comply with state laws.
Effect	Failure to claim only allowable expenses and ensure that wages paid to an employee of the first level of kinship is reported according to law on the Annual Financial Report could result in the loss or misappropriation of public funds. Furthermore, the failure to fully reimburse the County for employee payroll resulted in the Chancery Clerk owing \$23,026 to the County's General Fund.
Recommendation	The Chancery Clerk should ensure that only allowable expenses are claimed on the Annual Financial Report, any wages paid to an individual within the first degree of kinship are properly reported on the Annual Financial Report, and that the \$23,026 for unpaid employee payroll is repaid to the County's General Fund.
Views of Responsible Official(s)	I will comply.

Auditor's Note

The Chancery settled \$2,880.72, \$7,098.00, \$3,647.28, \$5,000.00, and \$4,400.00 to the County's General Fund between the dates of October 20, 2025 and March 12, 2026, as evidenced by receipt warrant numbers 2025 43, 2025 44, 2025 232 2025 363, and 2025 380 respectively.

Montgomery 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.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

April 16, 2026

MONTGOMERY COUNTY

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MONTGOMERY COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

MONTGOMERY COUNTY

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MONTGOMERY 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	Unmodified
Aggregate discretely presented component units	Adverse
General Fund	Unmodified
Unit System Road and Bridge Maintenance Fund	Unmodified
Infrastructure Fund	Unmodified
Aggregate remaining fund information	Unmodified
2. Internal control over financial reporting:
 - a. Material weaknesses identified? Yes
 - b. Significant deficiency identified? Yes
3. Noncompliance material to the financial statements noted? No

Federal Awards:

4. Internal control over major federal program:
 - a. Material weakness identified? No
 - b. Significant deficiency identified? None Reported
5. Type of auditor's report issued on compliance for major federal program: Unmodified
6. Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
7. Identification of major federal program:
 - a. ALN 21.027 - Coronavirus state and local fiscal recovery funds
8. Dollar threshold used to distinguish between type A and type B programs: \$750,000
9. Auditee qualified as low-risk auditee? No
10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? Yes

MONTGOMERY COUNTY

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

Section 2: Financial Statement Findings

Chancery Clerk.

Material Weakness

2024-001. Controls over cash collections and disbursements in the land redemption account should be strengthened.

Repeat Finding No

Criteria An effective system of internal controls over land redemption should include proper cash collections and disbursements, timely deposits, and timely settlements.

Condition The following deficiencies were noted in the land redemption account:

- a. A cash count conducted on September 23, 2025, revealed an unidentified overage in the land redemption bank account;
- b. A duplicate deposit totaling \$2,537 was made;
- c. A land redemption release in the amount of \$598 was issued without monies being received;
- d. A credit card receipt in the amount of \$362 could not be traced to the land redemption bank account;
- e. Multiple credit card transactions for land redemption were erroneously included in the Chancery Clerk's fee account;
- f. Settlements were not made timely; and
- g. Multiple deposits were not made timely.

Cause The Chancery Clerk lacked the necessary controls over the land redemption account

Effect Failure to have adequate controls over the land redemption account could result in the loss or misappropriation of public funds.

Recommendation The Chancery Clerk should implement an adequate system of internal control over land redemption that will ensure proper cash collections and disbursements, timely deposits, and timely settlements.

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

MONTGOMERY COUNTY

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

Circuit Clerk.

Material Weakness

2024-002. Controls over cash collections and disbursements in the Circuit Clerk's office should be strengthened.

Repeat Finding Yes

Criteria An effective system of internal controls should include an adequate segregation of duties.

Condition As reported in the prior thirteen years' audit reports, cash collection and disbursement functions in the Circuit Clerk's office are not adequately segregated for effective internal control. The Circuit Clerk receipts cash, posts the cash journal, calculates the monthly settlements and disburses the funds and reconciles the bank statements.

Cause The Circuit Clerk lacks the controls necessary over cash collections and disbursements.

Effect Failure to have an adequate segregation of duties could result in the loss of public funds.

Recommendation The Circuit Clerk should implement a system for review of the accounting records by another person.

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

Justice Court Clerk.

Significant Deficiency

2024-003. Controls over reconciliations in the Justice Court Clerk's Office should be strengthened.

Repeat Finding No

Criteria An effective system of internal controls over cash collections in the Justice Court's Office should include the proper reconciliation of the cash balances in the cash journals to the bank accounts each month.

Condition A difference of \$2,028 was noted between the cash journal and reconciled balance at September 30th in the Justice Court's bank account.

Cause The Justice Clerk lacks necessary controls over bank reconciliations.

Effect The failure to properly reconcile cash balances each month could result in the loss or misappropriations of public funds.

Recommendation The Justice Court's Office should perform a monthly reconciliation of the outstanding cash balance in the bank account to the amount shown in the cash journal.

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

MONTGOMERY COUNTY

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

Sheriff.

Material Weakness

2024-004. Controls over cash collections and disbursements in the Sheriff's office should be strengthened.

Repeat Finding No

Criteria An effective system of internal controls should include an adequate segregation of duties.

Condition Cash collections and disbursements functions in the Sheriff's office are not adequately segregated for effective internal control. The Sheriff's office manager receipts monies, posts receipts to the cash journal, prepares and makes deposits, reconciles the bank statements, and prepares monthly settlement reports.

Cause The Sheriff's office lacks the controls necessary over cash collections and disbursements.

Effect Failure to have an adequate segregation of duties could result in the loss or misappropriation of public funds.

Recommendation The Sheriff should implement a system for review of the accounting records by another person.

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

Solid Waste Clerk.

Material Weakness

2024-005. Controls over cash collections and disbursements in the Solid Waste office should be strengthened.

Repeat Finding No

Criteria An effective system of internal controls should include an adequate segregation of duties.

Condition Cash collections and disbursements functions in the Solid Waste office are not adequately segregated for effective internal control. The Solid Waste Clerk receipts collections, makes deposits, calculates the monthly settlements, reconciles the bank statements and disburses funds.

Cause The Solid Waste Clerk lacks the controls necessary over cash collections and disbursements.

Effect Failure to have an adequate segregation of duties could result in the loss or misappropriation of public funds.

Recommendation The Solid Waste Clerk should implement a system for review of the accounting records by another person.

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

MONTGOMERY COUNTY

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

Tax Assessor-Collector.

Material Weakness

2024-006. Controls over cash collections and disbursements in the Tax Assessor-Collector's office should be strengthened.

Repeat Finding Yes

Criteria An effective system of internal controls should include an adequate segregation of duties.

Condition As reported in the prior thirteen years' audit reports, cash collections and disbursements functions in the Tax Assessor-Collector's office are not adequately segregated for effective internal control. The Tax Assessor-Collector receipts cash, prepares deposits, posts to the cash journal, calculates monthly settlements, reconciles bank statements and disburses all funds.

Cause The Tax Assessor-Collector lacks the controls necessary over cash collections and disbursements.

Effect Failure to have an adequate segregation of duties could result in the loss of public funds.

Recommendation The Tax Assessor-Collector should implement a system for review of the accounting records by another person.

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

Section 3: Federal Award Findings and Questioned Costs

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

MONTGOMERY COUNTY

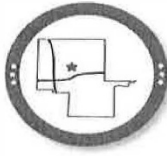
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MONTGOMERY COUNTY

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

MONTGOMERY COUNTY

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MONTGOMERY COUNTY

The Crossroads of Mississippi
EST. 1871

614 SUMMIT ST. / PO BOX 71 WINONA, MS 38967
P 662-283-2333 F 662-283-2233

CORRECTIVE ACTION PLAN

March 5, 2026

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

Gentlemen:

Montgomery 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.

SECTION 2: FINANCIAL STATEMENT FINDINGS

2024-001. Corrective Action Planned: We will comply.

Anticipated Completion Date: Unknown

Name of Contact Person Responsible for Corrective Action: Ryan Wood,
Chancery Clerk

2024-002. Corrective Action Planned: We will do our best at complying by utilizing ways to operate in a way that segregates the duties of pecuniary interest in the Circuit Clerk's office.

Anticipated Completion Date: Unknown

Name of Contact Person Responsible for Corrective Action: Robert M Perry,
Circuit Clerk

2024-003. Corrective Action Planned: I will comply.

Anticipated Completion Date: Unknown

Name of Contact Person Responsible for Corrective Action: Tilford Robinson,
Justice Court Clerk

2024-004. Corrective Action Planned: I will comply.
Anticipated Completion Date: Unknown
Name of Contact Person Responsible for Corrective Action: Jeff Tompkins,
Sheriff

2024-005. Corrective Action Planned: I will comply.
Anticipated Completion Date: Unknown
Name of Contact Person Responsible for Corrective Action: Sharon Pyron,
Tax Assessor-Collector

2024-006. Corrective Action Planned: I will comply.
Anticipated Completion Date: Unknown
Name of Contact Person Responsible for Corrective Action: Sharon Pyron,
Tax Assessor-Collector

SECTION 3: FEDERAL AWARD FINDINGS

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

Sincerely,



President of the Board of Supervisors,
Montgomery County



614 SUMMIT ST./ PO BOX 71 WINONA, MS 38967
P 662-283-2333 F 662-283-2233

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

March 5, 2026

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

Gentlemen,

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

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

SECTION 2: FINANCIAL STATEMENT FINDINGS

2014-001 An adequate system of internal control over payroll procedures should be implemented.

FULLY CORRECTED.

11-3. Controls over cash collections and disbursements in the Circuit Clerk's office should be strengthened.

NOT CORRECTED. Repeated as 12-3, 2013-003, 2014-006, 2015-005, 2016-004, 2017-004, 2018-004, 2019-004, 2020-004, 2021-003, 2022-003, 2023-002, and 2024-002.

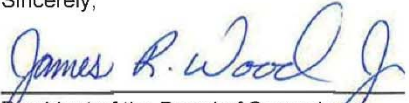
11-4. Controls over cash collections and disbursements in the Tax Assessor-Collector's office should be strengthened.

NOT CORRECTED. Repeated as 12-4, 2013-004, 2014-007, 2015-006, 2016-005, 2017-005, 2018-005, 2019-005, 2020-005, 2021-004, 2022-004, 2023-003, and 2024-006.

SECTION 3: FEDERAL AWARD FINDINGS

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

Sincerely,

A handwritten signature in blue ink that reads "James R. Wood Jr." with a stylized flourish at the end.

President of the Board of Supervisors,
Montgomery County