

# NESHOBA COUNTY, MISSISSIPPI

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

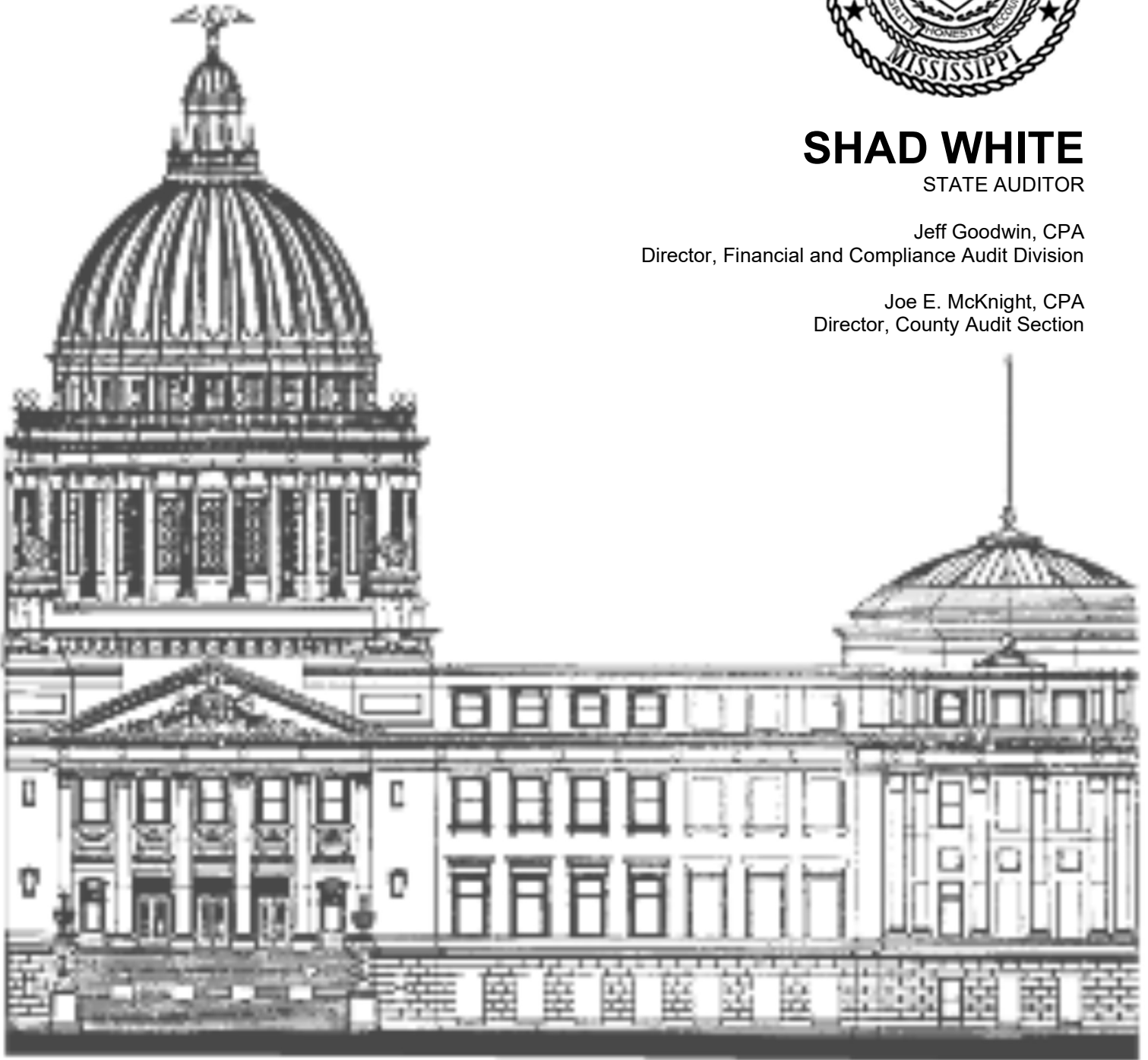


## SHAD WHITE

STATE AUDITOR

Jeff Goodwin, CPA  
Director, Financial and Compliance Audit Division

Joe E. McKnight, CPA  
Director, County Audit Section



A Report from the County Audit Section

[www.osa.state.ms.us](http://www.osa.state.ms.us)









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

**Shad White**  
AUDITOR

June 4, 2025

Members of the Board of Supervisors  
Neshoba County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2023 financial and compliance audit report for Neshoba 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 Neshoba County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Neshoba 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", enclosed within a large, loopy oval flourish.

Shad White



# NESHOBA COUNTY

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NESHOBA COUNTY

FINANCIAL SECTION

## NESHOBA 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  
Neshoba County, Mississippi

**Report on the Audit of the Financial Statements**

***Adverse and Unmodified Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Neshoba County, Mississippi, (the County) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Adverse Opinion on Aggregate Discretely Presented Component Units***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of Neshoba County, Mississippi, as of September 30, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions on Governmental Activities, Business-Type Activities, and Each Major Fund***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of Neshoba County, Mississippi, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***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 generally accepted in the United States of America 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.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Omission of Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Neshoba 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 were 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2025 on our consideration of Neshoba 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 Neshoba 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 Neshoba County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

June 4, 2025

NESHOBA COUNTY

FINANCIAL STATEMENTS

## NESHOBA COUNTY

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NESHOBA COUNTY  
Statement of Net Position  
September 30, 2023

Exhibit 1

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash	\$ 15,158,697	222,722	15,381,419
Property tax receivable	9,267,255		9,267,255
Accounts receivable (net of allowance for uncollectibles of \$583,149)		332,001	332,001
Fines receivable (net of allowance for uncollectibles of \$7,182,637)	1,633,000		1,633,000
Lease receivable	1,810,518		1,810,518
Intergovernmental receivables	388,938		388,938
Other receivables	2,568		2,568
Internal balances	215,072	(215,072)	0
Capital assets:			
Land and construction in progress	699,738	50,585	750,323
Other capital assets, net	26,342,029	291,094	26,633,123
Total Assets	55,517,815	681,330	56,199,145
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	4,500,484	214,321	4,714,805
Deferred amount on refunding	28,463		28,463
Total Deferred Outflows of Resources	4,528,947	214,321	4,743,268
LIABILITIES			
Claims payable	575,156	15,212	590,368
Intergovernmental payables	339,790		339,790
Accrued interest payable	15,413		15,413
Unearned revenue	3,436,578	21,603	3,458,181
Other payables	128,309		128,309
Long-term liabilities			
Due within one year:			
Capital debt	1,295,760	22,406	1,318,166
Due in more than one year:			
Capital debt	7,597,320		7,597,320
Non-capital debt	127,929	4,679	132,608
Net pension liability	17,578,852	825,375	18,404,227
Total Liabilities	31,095,107	889,275	31,984,382
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	1,798,293		1,798,293
Deferred revenues - property taxes	9,267,255		9,267,255
Total Deferred Inflows of Resources	11,065,548	0	11,065,548
NET POSITION			
Net investment in capital assets	18,177,150	319,273	18,496,423
Restricted for:			
Expendable:			
General government	138,489		138,489
Public safety	2,246,281		2,246,281
Public works	4,128,154		4,128,154
Culture and recreation	111,560		111,560
Debt service	261,562		261,562
Unrestricted	(7,177,089)	(312,897)	(7,489,986)
Total Net Position	\$ 17,886,107	6,376	17,892,483

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

NESHOBA COUNTY  
Statement of Activities  
For the Year Ended September 30, 2023

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 4,325,551	1,212,727	1,047,023	575,000	(1,490,801)		(1,490,801)
Public safety	5,068,352	632,890	991,478		(3,443,984)		(3,443,984)
Public works	8,365,233		2,391,552	1,636,942	(4,336,739)		(4,336,739)
Health and welfare	1,981,370		44,502		(1,936,868)		(1,936,868)
Culture and recreation	408,926				(408,926)		(408,926)
Conservation of natural resources	75,847				(75,847)		(75,847)
Economic development and assistance	152,597			180,000	27,403		27,403
Interest on long-term debt	229,597				(229,597)		(229,597)
Pension expense	2,800,937				(2,800,937)		(2,800,937)
Total Governmental Activities	23,408,410	1,845,617	4,474,555	2,391,942	(14,696,296)		(14,696,296)
Business-type activities:							
Solid Waste	861,400	855,161	5,612			(627)	(627)
Total Business-type Activities	861,400	855,161	5,612	0		(627)	(627)
Total Primary Government	\$ 24,269,810	2,700,778	4,480,167	2,391,942	(14,696,296)	(627)	(14,696,923)
General revenues:							
Property taxes					\$ 9,089,765		9,089,765
Road & bridge privilege taxes					350,332		350,332
Grants and contributions not restricted to specific programs					701,150		701,150
Unrestricted interest income					74,702	609	75,311
Miscellaneous					1,115,472	13,882	1,129,354
Total General Revenues					11,331,421	14,491	11,345,912
Changes in Net Position					(3,364,875)	13,864	(3,351,011)
Net Position - Beginning, as previously reported					21,302,341	(15,800)	21,286,541
Prior period adjustments					(51,359)	8,312	(43,047)
Net Position - Beginning, as restated					21,250,982	(7,488)	21,243,494
Net Position - Ending					\$ 17,886,107	6,376	17,892,483

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

NESHOBA COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2023

Exhibit 3

	Major Funds						
	General Fund	American Rescue Plan Act Fund	County Unit Road Fund	Countywide Bridge and Culvert Fund	State Aid Reseal Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash	\$ 4,595,751	3,442,007	1,913,604	1,247,251	622,087	3,337,997	15,158,697
Property tax receivable	6,362,898		545,199	1,712,596		646,562	9,267,255
Fines receivable (net of allowance for uncollectibles of \$7,182,637)	1,633,000						1,633,000
Lease receivable	1,810,518						1,810,518
Intergovernmental receivables	318,050		70,888				388,938
Other receivables	2,568						2,568
Due from other funds	54,251		77,037	29,261		15,088	175,637
Advances to other funds	169,824						169,824
Total Assets	\$ 14,946,860	3,442,007	2,606,728	2,989,108	622,087	3,999,647	28,606,437
LIABILITIES							
Liabilities:							
Claims payable	\$ 166,976		100,438	100,673	186,862	20,207	575,156
Intergovernmental payables	339,790						339,790
Due to other funds	121,386		9,003				130,389
Unearned revenue		3,436,578					3,436,578
Other payables	128,309						128,309
Total Liabilities	756,461	3,436,578	109,441	100,673	186,862	20,207	4,610,222
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - property taxes	6,362,898		545,199	1,712,596		646,562	9,267,255
Unavailable revenue - lease	1,798,293						1,798,293
Unavailable revenue - fines	1,633,000						1,633,000
Total Deferred Inflows of Resources	9,794,191	0	545,199	1,712,596	0	646,562	12,698,548
Fund balances:							
Nonspendable:							
Advances	169,824						169,824
Restricted for:							
General government						138,489	138,489
Public safety						2,246,281	2,246,281
Public works		5,429	1,952,088	1,175,839	435,225	559,573	4,128,154
Culture and recreation						111,560	111,560
Debt service						276,975	276,975
Unassigned	4,226,384						4,226,384
Total Fund Balances	4,396,208	5,429	1,952,088	1,175,839	435,225	3,332,878	11,297,667
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,946,860	3,442,007	2,606,728	2,989,108	622,087	3,999,647	28,606,437

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

NESHOBA COUNTY

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2023

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 11,297,667
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$26,285,783.	27,041,767
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,633,000
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(9,021,009)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(17,578,852)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(15,413)
Deferred amount on refunding	28,463
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	<u>4,500,484</u>
Total Net Position - Governmental Activities	\$ <u><u>17,886,107</u></u>

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

NESHOBA COUNTY

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2023

Exhibit 4

	Major Funds						
	General Fund	American Rescue Plan Act Fund	County Unit Road Fund	Countywide Bridge and Culvert Fund	State Aid Reseal Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 6,097,440		538,377	1,683,636		770,312	9,089,765
Road and bridge privilege taxes			350,332				350,332
Licenses, commissions and other revenue	442,936					27,564	470,500
Fines and forfeitures	588,887					13,732	602,619
Intergovernmental revenues	1,358,510	700,395	1,207,491		3,215,977	1,085,274	7,567,647
Charges for services	55,103					469,611	524,714
Interest income	58,078	4,366	3,730	2,216		6,312	74,702
Miscellaneous revenues	658,368		769	10,960		442,254	1,112,351
Total Revenues	9,259,322	704,761	2,100,699	1,696,812	3,215,977	2,815,059	19,792,630
EXPENDITURES							
Current:							
General government	3,559,132	700,395				31,490	4,291,017
Public safety	4,702,045					887,735	5,589,780
Public works			2,243,377	1,723,398	4,024,033	106,249	8,097,057
Health and welfare	116,015					1,865,355	1,981,370
Culture and recreation	559,444					79,675	639,119
Conservation of natural resources	75,847						75,847
Economic development and assistance	476,885					1,833,229	2,310,114
Debt service:							
Principal	467,333			140,509		865,771	1,473,613
Interest	95,250			5,794		118,813	219,857
Total Expenditures	10,051,951	700,395	2,243,377	1,869,701	4,024,033	5,788,317	24,677,774
Excess of Revenues over (under) Expenditures	(792,629)	4,366	(142,678)	(172,889)	(808,056)	(2,973,258)	(4,885,144)
OTHER FINANCING SOURCES (USES)							
Long-term capital debt issued						1,250,000	1,250,000
Proceeds from sale of capital assets				29,449		2,283	31,732
Compensation for loss of capital assets	3,640						3,640
Transfers in	1,000,576					10,847	1,011,423
Transfers out						(1,011,423)	(1,011,423)
Total Other Financing Sources and Uses	1,004,216	0	0	29,449	0	251,707	1,285,372
Net Changes in Fund Balances	211,587	4,366	(142,678)	(143,440)	(808,056)	(2,721,551)	(3,599,772)
Fund Balances - Beginning, as previously reported	4,368,135	1,063	2,094,766	1,319,279	1,243,281	5,870,915	14,897,439
Prior period adjustments	(183,514)					183,514	0
Fund Balances - Beginning, as restated	4,184,621	1,063	2,094,766	1,319,279	1,243,281	6,054,429	14,897,439
Fund Balances - Ending	\$ 4,396,208	5,429	1,952,088	1,175,839	435,225	3,332,878	11,297,667

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

NESHOBA COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2023

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (3,599,772)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$3,504,790 exceeded depreciation of \$1,768,027 in the current period.	1,736,763
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$3,121 and the proceeds from the sale of \$31,732 and the compensation for loss of \$3,640 in the current period.	(32,251)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	247,784
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$1,473,613 exceeded debt proceeds of \$1,250,000.	223,613
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
The amount of increase in compensated absences liability.	(15,514)
The amount of decrease in accrued interest payable.	5,057
The amortization of bond premium.	4,180
The amortization of bond refunding changes.	(18,977)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period.	(2,800,937)
Recording of contributions made during the year.	885,179
Change in Net Position of Governmental Activities	\$ <u>(3,364,875)</u>

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

NESHOBA COUNTY  
Statement of Net Position - Proprietary Fund  
September 30, 2023

Exhibit 5

	Business-type Activities - Enterprise Fund	Solid Waste Fund
ASSETS		
Current assets:		
Cash	\$	222,722
Accounts receivable (net of allowance for uncollectibles of \$583,149)		332,001
Total Current Assets		554,723
Noncurrent assets:		
Capital assets:		
Land and construction in progress		50,585
Other capital assets, net		291,094
Total Noncurrent Assets		341,679
Total Assets		896,402
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions		214,321
Total Deferred Outflows of Resources		214,321
LIABILITIES		
Current liabilities:		
Claims payable		15,212
Due to other funds		45,248
Advances from other funds		169,824
Unearned revenue		21,603
Capital debt:		
Finance purchases payable		22,406
Total Current Liabilities		274,293
Noncurrent liabilities:		
Non-capital debt:		
Compensated absences payable		4,679
Net pension liability		825,375
Total Noncurrent Liabilities		830,054
Total Liabilities		1,104,347
NET POSITION		
Net investment in capital assets		319,273
Unrestricted		(312,897)
Total Net Position	\$	6,376

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

NESHOBA COUNTY

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
For the Year Ended September 30, 2023

Exhibit 6

	Business-type Activities - Enterprise Fund
	Solid Waste Fund
Operating Revenues	
Charges for services	\$ 855,161
Miscellaneous	13,882
Total Operating Revenues	<u>869,043</u>
Operating Expenses	
Personal services	329,855
Contractual services	160,098
Materials and supplies	112,614
Depreciation expense	77,805
Indirect administrative cost	45,248
Pension expense	134,414
Total Operating Expenses	<u>860,034</u>
Operating Income (Loss)	<u>9,009</u>
Nonoperating Revenues (Expenses)	
Interest income	609
Intergovernmental grants	5,612
Interest expense	(1,366)
Net Nonoperating Revenue (Expenses)	<u>4,855</u>
Changes in Net Position	<u>13,864</u>
Net Position - Beginning, as previously reported	(15,800)
Prior period adjustment	8,312
Net Position - Beginning, as restated	<u>(7,488)</u>
Net Position - Ending	<u>\$ 6,376</u>

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

NESHOBA COUNTY  
Statement of Cash Flows - Proprietary Fund  
For the Year Ended September 30, 2023

Exhibit 7

	Business-type Activities - Enterprise Fund
	Solid Waste Fund
Cash Flows From Operating Activities	
Receipts from customers	\$ 832,465
Payments to suppliers	(270,632)
Payments to employees	(370,755)
Other operating cash receipts	13,882
Net Cash Provided (Used) by Operating Activities	204,960
Cash Flows From Noncapital Financing Activities	
Intergovernmental grants received	5,612
Interfund loan repayments	(150,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(144,388)
Cash Flows From Capital and Related Financing Activities	
Principal paid on long-term debt	(66,178)
Interest paid on debt	(1,366)
Net Cash Provided (Used) by Capital and Related Financing Activities	(67,544)
Cash Flows From Investing Activities	
Interest on deposits	609
Net Cash Provided (Used) by Investing Activities	609
Net Increase (Decrease) in Cash and Cash Equivalents	(6,363)
Cash and Cash Equivalents at Beginning of Year	229,085
Cash and Cash Equivalents at End of Year	\$ 222,722
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 9,009
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	77,805
Provision for uncollectible accounts	50,117
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(72,221)
Increase (decrease) in claims payable	2,080
Increase (decrease) in net pension liability and deferred outflows/inflows (net)	91,936
Increase (decrease) in compensated absences liability	1,578
Increase (decrease) in unearned revenue	(592)
Increase (decrease) in interfund payables	45,248
Total Adjustments	195,951
Net Cash Provided (Used) by Operating Activities	\$ 204,960

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

NESHOPA COUNTY  
Statement of Fiduciary Net Position  
September 30, 2023

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ <u>178,837</u>
Total Assets	\$ <u><u>178,837</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	\$ <u>178,837</u>
Total Net Position	\$ <u><u>178,837</u></u>

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

NESHOBA COUNTY  
Statement of Changes in Fiduciary Net Position  
For the Year Ended September 30, 2023

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 679,126
Licenses and fees collected for State	<u>663,958</u>
Total Additions	<u>1,343,084</u>
DEDUCTIONS	
Payments of tax to other governments	678,943
Payments of licenses and fees to State	<u>662,928</u>
Total Deductions	<u>1,341,871</u>
Net increase (decrease) in fiduciary net position	1,213
Net Position - Beginning	<u>177,624</u>
Net Position - Ending	\$ <u>178,837</u>

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

NESHOBA COUNTY

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(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Neshoba County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Neshoba 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 generally accepted in the United States of America.

- Neshoba County Public Library
- Neshoba County General Hospital and Nursing Home
- Neshoba County Industrial Development Authority

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

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

B. Individual Component Unit Disclosures.

Blended Component Unit

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

The Neshoba County Public Improvement Corporation, which is governed by a three-member board of directors appointed by the Neshoba County Board of Supervisors. Although it is legally separate from the County, the Corporation is reported as if it were a part of the primary government because its sole purpose was to finance and construct a jail for Neshoba County prisoners. The Corporation did not have activity for the year ended September 30, 2023.

C. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

#### Fund Financial Statements:

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

#### D. Measurement Focus and Basis of Accounting.

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

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

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

The County reports the following major Governmental Funds:

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

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

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

Countywide Bridge and Culvert Fund - This fund is used to account for monies from specific revenue sources that are restricted for bridge and culvert maintenance.

State Aid Reseal Project Fund - This fund is used to account for monies from specific revenue sources that are restricted for construction and maintenance of state aid roads and bridges.

The County reports the following major Enterprise Funds:

Solid Waste Fund - This fund is used to account for the County's activities of disposal of solid waste within the County.

Additionally, the County reports the following fund types:

#### GOVERNMENTAL FUND TYPES

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

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

#### PROPRIETARY FUND TYPE

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

#### FIDUCIARY FUND TYPE

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

#### E. Account Classifications.

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

#### F. Deposits and Investments.

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

Cash includes cash on hand, demand deposits, and all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the

County did not invest in any governmental securities during the fiscal year.

G. Receivables.

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

H. Interfund Transactions and Balances.

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

I. Capital Assets.

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

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

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. Interest cost incurred during the construction of Proprietary Fund capital assets is capitalized as part of the cost of construction. Donated capital assets are recorded at their fair value at the time of donation.

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

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

J. Deferred Outflows/Inflows of Resources.

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

Deferred amount on refunding - For current refunding's and advance refunding's resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred outflows related to pensions - This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 10 for additional details.

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

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

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

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

K. Leases.

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

The County uses the historical federal prime borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known.

L. Long-term Liabilities.

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

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

In the fund financial statements, Governmental Fund Types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources.

M. Pensions.

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

N. Compensated Absences.

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

O. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

#### Fund Financial Statements:

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

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

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

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

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

#### Fund Balance Flow Assumption:

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

#### P. Property Tax Revenues:

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

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

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

Q. Intergovernmental Revenues in Governmental Funds.

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

R. Changes in Accounting Standards.

GASB 96, *Subscription-Based Information Technology Arrangements*, was implemented during the 2023 fiscal year. Prior to the issuance of this statement there was no accounting or financial reporting guidance specifically for SBITAs. The purposes of the standard is to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, reliability, relevance, and consistency of information about SBITAs.

(2) Prior Period Adjustments.

A summary of the significant net position/fund balance adjustments is as follows:

Exhibit 2 – Statement of Activities – Governmental Activities.

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in pensions.	\$ (8,312)
To correct prior year errors in capital assets, net.	<u>(43,047)</u>
Total prior period adjustments	\$ <u><u>(51,359)</u></u>

Exhibit 2 – Statement of Activities – Business-type Activities.

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in pensions.	\$ <u><u>8,312</u></u>

Exhibit 4 – Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

<u>Explanation</u>	<u>Amount</u>
General Fund:	
To correct prior year errors in interfund receivables.	\$ (183,514)
Other Governmental Funds:	
To correct prior year errors in interfund payables.	<u>183,514</u>
Total prior period adjustments	\$ <u><u>0</u></u>

Exhibit 6 – Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund.

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in pensions.	\$ <u><u>8,312</u></u>

(3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2023, was \$15,560,256, and the bank balance was \$15,577,826. 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.

(4) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	County Unit Road Fund	\$ 9,003
General Fund	Solid Waste Fund	45,248
County Unit Road Fund	General Fund	77,037
Countywide Bridge and Culvert Fund	General Fund	29,261
Other Governmental Funds	General Fund	<u>15,088</u>
Total		\$ <u>175,637</u>

A portion of the receivables represent the tax revenue collected in September, 2023, but not settled until October, 2023. All other receivables are to provide for operating expenses. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ <u>169,824</u>

The amount due to the General Fund from the Solid Waste Fund represents indirect administrative costs incurred in the prior fiscal years. All interfund balances are not expected to be repaid within one year from the date of the financial statements.

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,000,576
Other Governmental Funds	Other Governmental Funds	<u>10,847</u>
Total		<u>\$ 1,011,423</u>

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

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2023, consisted of the following:

<u>Description</u>	<u>Amount</u>
<b>Governmental activities:</b>	
Legislative tax credit	\$ 220,614
Emergency management performance grants	28,034
Gas tax	57,769
Additional privilege tax	27,503
Various other grants	<u>55,018</u>
Total Governmental Activities	<u>\$ 388,938</u>

(6) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2023:

**Governmental activities:**

	Balance Oct. 1, 2022	Additions	Deletions	Adjustments*	Balance Sept. 30, 2023
<u>Non-depreciable capital assets:</u>					
Land	\$ 617,273				617,273
Construction in progress	1,527,513	2,355,369		(3,800,417)	82,465
Total non-depreciable capital assets	2,144,786	2,355,369	0	(3,800,417)	699,738
<u>Depreciable capital assets:</u>					
Infrastructure	17,931,773			1,020,847	18,952,620
Buildings	8,097,863	260,500		2,779,570	11,137,933
Improvements other than buildings	5,559,387	58,995		(53,809)	5,564,573
Mobile equipment	11,367,879	778,863	308,016		11,838,726
Furniture and equipment	5,097,397	51,063	14,500		5,133,960
Total depreciable capital assets	48,054,299	1,149,421	322,516	3,746,608	52,627,812
<u>Less accumulated depreciation for:</u>					
Infrastructure	6,348,393	552,105			6,900,498
Buildings	3,914,249	213,661			4,127,910
Improvements other than buildings	3,888,519	176,471		(10,762)	4,054,228
Mobile equipment	8,400,986	535,344	277,215		8,659,115
Furniture and equipment	2,266,636	290,446	13,050		2,544,032
Total accumulated depreciation	24,818,783	1,768,027	290,265	(10,762)	26,285,783
Total depreciable capital assets, net	23,235,516	(618,606)	32,251	3,757,370	26,342,029
Governmental activities capital assets, net	\$ 25,380,302	1,736,763	32,251	(43,047)	27,041,767

**Business-type activities:**

	Balance Oct. 1, 2022	Additions	Balance Sept. 30, 2023
<u>Non-depreciable capital assets:</u>			
Land	\$ 50,585		50,585
Total non-depreciable capital assets	50,585	0	50,585
<u>Depreciable capital assets:</u>			
Mobile equipment	1,129,048		1,129,048
Total depreciable capital assets	1,129,048	0	1,129,048
<u>Less accumulated depreciation for:</u>			
Mobile equipment	760,149	77,805	837,954
Total accumulated depreciation	760,149	77,805	837,954
Total depreciable capital assets, net	368,899	(77,805)	291,094
Business-type activities capital assets, net	\$ 419,484	(77,805)	341,679

\*The adjustments above are to correct errors in the capital asset records and for the reclassification of completed construction in progress.

Depreciation expense was charged to the following functions:

	<u>Amount</u>
<b>Governmental activities:</b>	
General government	\$ 317,595
Public safety	511,323
Public works	771,000
Culture and recreation	101,827
Economic development and assistance	<u>66,282</u>
Total governmental activities depreciation expense	<u>\$ 1,768,027</u>
	<u>Amount</u>
<b>Business-type activities:</b>	
Solid waste	<u>\$ 77,805</u>

Commitments with respect to unfinished capital projects at September 30, 2023, consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
SAP-50(101)	\$ 540,300	6/30/2025
SAP-50(102)	1,964,000	12/31/2025
EOC storage	1,695,076	12/31/2024

(7) Leases.

As Lessor:

On May 1, 2023, Neshoba County entered into a non-cancellable lease agreement with Taylor Group, Inc. for the lease of a building to be used for manufacturing purposes. The lease stipulated that the lessee would pay approximately \$17,559 per month in lease payments commencing May 1, 2023 for a term of 15 years. At the end of the lease term, Taylor Group, Inc. has the option to purchase the building for \$3,160,688. The County is to receive \$17,559 in rent annually with an implicit interest rate of 8.00%.

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 68,341	142,372
2025	74,013	136,699
2026	80,156	130,556
2027	86,809	123,903
2028	94,014	116,698
2029 - 2033	600,905	452,658
2034 - 2038	<u>806,280</u>	<u>159,487</u>
Total	<u>\$ 1,810,518</u>	<u>1,262,373</u>

(8) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2023, to January 1, 2024. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(9) Long-term Debt.

Debt outstanding as of September 30, 2023, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
Road and Bridge Bonds, series 2009	\$ 175,000	3.10-3.38%	05/2024
Recreational Facilities Refunding Bonds, series 2013	575,000	2.00-2.50%	06/2025
Series 2013 (EOC and Solid Waste)	<u>765,000</u>	2.00-2.75%	05/2031
Total General Obligation Bonds	<u>\$ 1,515,000</u>		
B. Financed Purchases:			
Emergency 911 system consoles	\$ 29,155	2.86%	01/2024
Turnkey election systems	13,580	2.86%	01/2024
John Deere 310SL backhoe	35,365	2.93%	04/2025
Caterpillar excavator	33,692	2.31%	07/2025
(5) Sheriff Interceptors, (5) Ford F150s, (1) Ford F350	52,818	2.23%	01/2024
Energy Conservation Project and Library	1,560,929	1.69%	12/2031
(1) 2021 & (1) 2022 Caterpillar	<u>137,752</u>	1.41%	11/2026
Total Financed Purchases	<u>\$ 1,863,291</u>		
C. Other Loans:			
MDA Capital Improvements Revolving Loan	\$ 2,078,095	2.00%	01/2033
FY22 Economic Development Project	2,193,247	2.79%	03/2037
MDA Capital Improvements Revolving Loan (nursing home)	<u>1,228,728</u>	2.00%	05/2043
Total Other Loans	<u>\$ 5,500,070</u>		

**Business-type Activities:**

## A. Financed Purchases:

International garbage truck, 2021

\$ 22,406

2.34%

02/2024

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

**Governmental Activities:**

Year Ending September 30	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2024	\$ 545,000	39,779	359,713	28,343
2025	380,000	25,263	256,208	23,212
2026	90,000	15,763	231,239	19,176
2027	95,000	13,513	192,920	15,619
2028	95,000	11,018	192,332	12,400
2029 - 2033	310,000	17,188	630,879	17,438
Total	<u>\$ 1,515,000</u>	<u>122,524</u>	<u>1,863,291</u>	<u>116,188</u>

Year Ending September 30	Other Loans	
	Principal	Interest
2024	\$ 391,047	128,936
2025	400,254	114,945
2026	409,512	105,686
2027	418,992	96,207
2028	428,574	86,624
2029 - 2033	2,139,130	279,656
2034 - 2038	980,494	83,794
2039 - 2043	332,067	15,730
Total	<u>\$ 5,500,070</u>	<u>911,578</u>

**Business-type Activities:**

Year Ending September 30	Financed Purchases	
	Principal	Interest
2024	<u>\$ 22,406</u>	<u>109</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of

assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2023, the amount of outstanding debt was equal to 0.76 percent (0.76%) of the latest property assessments.

**Prior Year Defeasance of Debt** - In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On September 30, 2023, \$575,000 of bonds outstanding were considered defeased.

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

	Balance Oct. 1, 2022	Additions	Reductions	Balance Sept. 30, 2023	Amount due within one year
<b>Governmental Activities:</b>					
Compensated absences	\$ 112,415	15,514		127,929	
General obligation bonds	2,045,000		530,000	1,515,000	545,000
Add:					
Premiums	18,899		4,180	14,719	
Financed purchases	2,454,006		590,715	1,863,291	359,713
Other loans	4,602,968	1,250,000	352,898	5,500,070	391,047
Total	\$ 9,233,288	1,265,514	1,477,793	9,021,009	1,295,760

	Balance Oct. 1, 2022	Additions	Reductions	Balance Sept. 30, 2023	Amount due within one year
<b>Business-type Activities:</b>					
Compensated absences	\$ 3,101	1,578		4,679	
Financed purchases	88,584		66,178	22,406	22,406
Total	\$ 91,685	1,578	66,178	27,085	22,406

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, County Unit Road Fund, Countywide Bridge and Culvert Fund, and Solid Waste Fund.

(10) Defined Benefit Pension Plan.

*General Information about the Pension Plan*

**Plan Description.** Neshoba County, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by *Mississippi Code of 1972 Annotated Section 25-11-1 et seq.* and may be amended only by

the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

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

Contributions. At September 30, 2023, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2023 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2023, 2022 and 2021 were \$927,657, \$832,432 and \$760,728, respectively, equal to the required contributions for each year.

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

At September 30, 2023, the County reported a liability of \$18,404,227 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2023 net pension liability was 0.073174% percent, which was based on a measurement date of June 30, 2023. This was an increase of 0.007226% percent from its proportionate share used to calculate the September 30, 2022 net pension liability, which was based on a measurement date of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of \$2,935,351. At September 30, 2023, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 449,888
Net difference between projected and actual earnings on pension plan investments	673,747
Changes of assumptions	2,133,017
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	1,233,781
County contributions subsequent to the measurement date	224,372
	<hr/>
Total	\$ 4,714,805

\$224,372 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2024	\$ 1,749,850
2025	1,232,643
2026	1,502,466
2027	5,474
	<hr/>
Total	\$ 4,490,433

Actuarial Assumptions. The total pension liability as of June 30, 2023 was determined by an actuarial valuation prepared as of June 30, 2022 by the new actuarial assumptions adopted by the Board subsequent to the June 30, 2022 valuation based on the experience investigation for the four-year period ending June 30, 2022, and by the investment experience for the fiscal year ending June 30, 2023. The following actuarial assumptions are applied to all periods in the measurement:

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

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

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

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal

returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.00 %	4.75 %
International Equity	22.00	4.75
Global Equity	12.00	4.95
Fixed Income	20.00	1.75
Real Estate	10.00	3.25
Private Equity	8.00	6.00
Cash Equivalents	1.00	0.25
Total	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00 percent) and that employer contributions will be phased in to 22.40 percent over three fiscal years (17.40 percent for FYE 2024, 19.40 percent for FYE 2025, 21.40 percent for FYE 2026, and 22.40 percent for FYE 2027). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability	\$ 23,732,717	18,404,227	14,031,608

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

(11) Contingencies.

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

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

(12) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of \$(7,177,089) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$214,098 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. The \$4,286,386 balance of the deferred outflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next four years.

The governmental activities' unrestricted net position amount of \$(7,177,089) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$1,798,293 balance of deferred inflows of resources related to leases at September 30, 2023, will be recognized as revenue and will increase the unrestricted net position over the next 15 years.

The governmental activities' net investment in capital assets net position of \$18,177,150 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. \$28,463 of the \$4,528,947 balance of deferred outflows of resources at September 30, 2023, will be recognized as an expense and will decrease the net investment in capital assets net position over the next two years.

The business-type activities' unrestricted net position amount of \$(312,897) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$10,274 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. The \$204,047 balance of the deferred outflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next four years.

(13) Related Organizations.

The Neshoba County Board of Supervisors created districts to provide fire protection services to the County. The Board appoints the commissioners of each district, but the County's accountability for the district does not extend beyond making the appointments. Each district receives an equal amount of the avails of a two mill tax levy on the real property in the County, which provides an annual appropriation from the County in the amount of \$12,000. These funds are spent through the purchasing system of the County via the County Fire Coordinator. Additionally, the County provides workers' compensation coverage for volunteer firefighters and maintains liability insurance on all fire department apparatus. Neshoba County provided \$120,199 for the operation of the 12 districts in fiscal year 2023.

District	Enabling Legislation	Funding
Arlington Volunteer Fire Department, Inc.	19-5-151, Mississippi Code of 1972 Annotated	\$ 12,000
County Line Volunteer Fire Department	19-5-151, Mississippi Code of 1972 Annotated	12,000
Dixon Community Fire Department, Inc.	19-5-151, Mississippi Code of 1972 Annotated	12,000
East Neshoba Volunteer Fire Department, Inc.	19-5-151, Mississippi Code of 1972 Annotated	12,000
Fairview Volunteer Fire Department	19-5-151, Mississippi Code of 1972 Annotated	12,000
Hope Community Fire Department	19-5-151, Mississippi Code of 1972 Annotated	12,000
House Volunteer Fire Department, Inc.	19-5-151, Mississippi Code of 1972 Annotated	12,000
Linwood Fire Department, Inc.	19-5-151, Mississippi Code of 1972 Annotated	12,000
Longino Central Volunteer Fire Department, Inc.	19-5-151, Mississippi Code of 1972 Annotated	12,000
North Bend Volunteer Fire Department, Inc.	19-5-151, Mississippi Code of 1972 Annotated	12,000
Stallo Volunteer Fire Department	19-5-151, Mississippi Code of 1972 Annotated	12,000
Tucker Community Volunteer Fire Co.	19-5-151, Mississippi Code of 1972 Annotated	12,000

(14) Joint Venture.

The County participates in the following joint venture:

Neshoba County is a participant with Neshoba County General Hospital and Nursing Home in a joint venture, authorized by *Section 45-55-1, Mississippi Code of 1972 Annotated*, to operate the Neshoba County Ambulance Enterprise. The joint venture was created to provide the operation of a public ambulance service to the citizens of the County. The joint venture is controlled by a five member Enterprise Management Committee including Hospital Chief Executive Officer, Hospital Chief Financial Officer, Hospital Director of Ambulance, County Emergency Management Director, and County Administrator. The County provided no direct financial support to the venture in fiscal year 2023.

(15) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

East Central Community College operates in a district composed of the counties of Leake, Neshoba, Newton, Scott and Winston. The Neshoba County Board of Supervisors appoints six of the 30 members of the college board of trustees. The County appropriated \$668,171 for the maintenance and support of the college in fiscal year 2023.

Central Mississippi Emergency Medical Services District operates in a district composed of the counties of Attala, Clarke, Copiah, Holmes, Lauderdale, Leake, Madison, Neshoba, Rankin, Scott, Smith, Warren and Yazoo. The Neshoba County Board of Supervisors appoints two of the 26 board members. The County provided no financial support in fiscal year 2023.

East Central Mississippi Planning and Development District operates in a district composed of the counties of Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith. The Neshoba County Board of Supervisors appoints one of the 15 members of the board of directors. The County appropriated \$15,000 for support of the district in fiscal year 2023.

Region Ten, Weems Community Mental Health operates in a district composed of the counties of Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith. The Neshoba County Board of Supervisors appoints one of the nine members of the board of commissioners. The County appropriated \$21,600 for support of the commission in fiscal year 2023.

The Philadelphia-Neshoba County Museum Council is composed of five members, two of which are appointed by the Board of Supervisors. The County appropriated \$12,500 in financial support to the council in fiscal year 2023.

The Philadelphia-Neshoba Tourism Council was created by the Mississippi Legislature for the promotion of tourism and economic development in the City of Philadelphia and Neshoba County. The Board of Supervisors appoints two of the five members of the council. The County provided no financial support to the tourism council in fiscal year 2023.

(16) Tax Abatements.

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

The Neshoba County Board of Supervisors negotiates property tax abatements on an individual basis. All abatements are for ten years and are for economic development purposes. The County had a tax abatement agreement with one entity as of September 30, 2023.

The County had one type of abatement, which does not provide for the abatement of school or state tax levies:

*Section 27-31-101, Mississippi Code of 1972 Annotated*

All allowable property tax levies:

<u>Category</u>	<u>% of Taxes Abated</u>	<u>Amount of Taxes Abated During the Year</u>
Construction and expansion of a manufacturing facility	68%	\$ 558,642

The company was not required to comply with any special provisions in order to receive the abatement, and the County made no commitments as part of the agreement other than to reduce taxes.

(17) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the Statement of Net Position date, require disclosure in the accompanying notes. Management of Neshoba County evaluated the activity of the County through June 4, 2025, and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2023, the County issued the following debt obligation:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
03/18/2024	5.11%	\$ 159,386	Financed purchase	Ad valorem taxes

## NESHOBA COUNTY

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## NESHOBA COUNTY

### REQUIRED SUPPLEMENTARY INFORMATION

## NESHOBA COUNTY

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NESHOBA COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2023  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 6,190,643	6,093,356	6,093,356	
Licenses, commissions and other revenue	31,475	442,741	442,741	
Fines and forfeitures	619,000	597,625	597,625	
Special assessments		3,040	3,040	
Intergovernmental revenues	1,146,500	1,476,721	1,476,721	
Charges for services	70,000	48,399	48,399	
Interest income	22,200	9,404	9,404	
Miscellaneous revenues	432,166	576,525	576,525	
Total Revenues	<u>8,511,984</u>	<u>9,247,811</u>	<u>9,247,811</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	4,051,534	3,821,588	3,821,588	
Public safety	4,055,873	4,662,894	4,662,894	
Health and welfare	111,208	117,722	117,722	
Culture and recreation	617,368	558,910	558,910	
Education	50,000	57,981	57,981	
Conservation of natural resources	86,479	75,905	75,905	
Economic development and assistance	280,666	476,885	476,885	
Debt service:				
Principal		290,542	290,542	
Interest		67,308	67,308	
Total Expenditures	<u>9,253,128</u>	<u>10,129,735</u>	<u>10,129,735</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(741,144)</u>	<u>(881,924)</u>	<u>(881,924)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Compensation for loss of capital assets		122,349	122,349	
Transfers in		1,928,429	1,928,429	
Transfers out		(877,853)	(877,853)	
Other financing sources	180,000			
Total Other Financing Sources and Uses	<u>180,000</u>	<u>1,172,925</u>	<u>1,172,925</u>	<u>0</u>
Net Change in Fund Balance	(561,144)	291,001	291,001	0
Fund Balances - Beginning	<u>2,300,000</u>	<u>3,790,720</u>	<u>3,790,720</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 1,738,856</u>	<u>4,081,721</u>	<u>4,081,721</u>	<u>0</u>

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

NESHOBA COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 American Rescue Plan Act Fund  
 For the Year Ended September 30, 2023  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income	\$ 300	4,366	4,366	
Total Revenues	<u>300</u>	<u>4,366</u>	<u>4,366</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	<u>2,500,000</u>	<u>700,395</u>	<u>700,395</u>	
Total Expenditures	<u>2,500,000</u>	<u>700,395</u>	<u>700,395</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(2,499,700)</u>	<u>(696,029)</u>	<u>(696,029)</u>	<u>0</u>
Net Change in Fund Balance	(2,499,700)	(696,029)	(696,029)	0
Fund Balances - Beginning	<u>4,000,000</u>	<u>4,138,036</u>	<u>4,138,036</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 1,500,300</u>	<u>3,442,007</u>	<u>3,442,007</u>	<u>0</u>

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

NESHOBA COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 County Unit Road Fund  
 For the Year Ended September 30, 2023  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 534,528	538,019	538,019	
Road and bridge privilege taxes	350,000	350,730	350,730	
Intergovernmental revenues	642,750	1,177,671	1,177,671	
Interest income	7,000	3,730	3,730	
Miscellaneous revenues	3,500	768	768	
Total Revenues	<u>1,537,778</u>	<u>2,070,918</u>	<u>2,070,918</u>	<u>0</u>
EXPENDITURES				
Current:				
Public works	<u>1,807,801</u>	<u>2,191,417</u>	<u>2,191,417</u>	
Total Expenditures	<u>1,807,801</u>	<u>2,191,417</u>	<u>2,191,417</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(270,023)</u>	<u>(120,499)</u>	<u>(120,499)</u>	<u>0</u>
Net Change in Fund Balance	(270,023)	(120,499)	(120,499)	0
Fund Balances - Beginning	<u>1,000,000</u>	<u>2,034,103</u>	<u>2,034,103</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 729,977</u>	<u>1,913,604</u>	<u>1,913,604</u>	<u>0</u>

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

NESHOBA COUNTY  
Budgetary Comparison Schedule -  
Budget and Actual (Non-GAAP Basis)  
Countywide Bridge and Culvert Fund  
For the Year Ended September 30, 2023  
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,660,397	1,682,727	1,682,727	
Interest income	5,600	2,216	2,216	
Miscellaneous revenues		2,900	2,900	
Total Revenues	<u>1,665,997</u>	<u>1,687,843</u>	<u>1,687,843</u>	<u>0</u>
EXPENDITURES				
Current:				
Public works	1,669,627	1,634,557	1,634,557	
Debt service:				
Principal	140,509	140,509	140,509	
Interest	5,794	5,794	5,794	
Total Expenditures	<u>1,815,930</u>	<u>1,780,860</u>	<u>1,780,860</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(149,933)</u>	<u>(93,017)</u>	<u>(93,017)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital asset		34,461	34,461	
Transfers In		103,047	103,047	
Total Other Financing Sources and Uses	<u>0</u>	<u>137,508</u>	<u>137,508</u>	<u>0</u>
Net Change in Fund Balance	<u>(149,933)</u>	<u>44,491</u>	<u>44,491</u>	<u>0</u>
Fund Balances - Beginning	<u>1,000,000</u>	<u>1,202,761</u>	<u>1,202,761</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 850,067</u>	<u>1,247,252</u>	<u>1,247,252</u>	<u>0</u>

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

NESHOBA COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 State Aid Reseal Project Fund  
 For the Year Ended September 30, 2023  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 100,000	3,215,977	3,215,977	
Total Revenues	<u>100,000</u>	<u>3,215,977</u>	<u>3,215,977</u>	<u>0</u>
EXPENDITURES				
Current:				
Public works	1,000,000	4,088,986	4,088,986	
Total Expenditures	<u>1,000,000</u>	<u>4,088,986</u>	<u>4,088,986</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(900,000)</u>	<u>(873,009)</u>	<u>(873,009)</u>	<u>0</u>
Net Change in Fund Balance	(900,000)	(873,009)	(873,009)	0
Fund Balances - Beginning	<u>2,000,000</u>	<u>1,495,096</u>	<u>1,495,096</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 1,100,000</u>	<u>622,087</u>	<u>622,087</u>	<u>0</u>

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

NESHOBA COUNTY

Schedule of the County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years\*

For the Year Ended September 30, 2023

UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.073174%	0.065948%	0.064776%	0.062646%	0.064378%	0.064140%	0.060444%	0.059500%	0.063500%
County's proportionate share of the net pension liability (asset)	\$ 18,404,227	13,574,498	9,574,176	12,127,538	11,325,361	10,668,387	10,047,844	10,628,186	9,815,848
Covered payroll	\$ 5,424,209	4,540,077	4,306,912	4,171,476	4,192,740	4,095,955	3,877,536	3,806,398	3,951,341
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	339.30%	298.99%	222.30%	290.73%	270.12%	260.46%	259.13%	279.22%	248.42%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

\* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

NESHOBA COUNTY  
Schedule of County Contributions  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2023  
UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 927,657	832,432	760,728	722,935	673,496	651,891	622,113	614,159	612,694
Contributions in relation to the contractually required contribution	<u>927,657</u>	<u>832,432</u>	<u>760,728</u>	<u>722,935</u>	<u>673,496</u>	<u>651,891</u>	<u>622,113</u>	<u>614,159</u>	<u>612,694</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 5,331,363	4,784,092	4,372,002	4,154,799	4,162,520	4,138,978	3,949,912	3,899,422	3,890,123
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	16.18%	15.75%	15.75%	15.75%	15.75%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until, a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

## NESHOBA COUNTY

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# NESHOPA COUNTY

## Notes to the Required Supplementary Information For the Year Ended September 30, 2023 UNAUDITED

### A. Budgetary Information.

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

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

### B. Basis of Presentation.

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

### C. Budget/GAAP Reconciliation.

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

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

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

	<u>Governmental Fund Types</u>				
	<u>General Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>County Unit Road Fund</u>	<u>Countywide Bridge and Culvert Fund</u>	<u>State Aid Reseal Project Fund</u>
Budget (Cash Basis)	\$ 291,001	(696,029)	(120,499)	44,491	(873,009)
Increase (Decrease)					
Net adjustments for revenue accruals	(1,035,051)	700,395	29,781	(99,090)	0
Net adjustments for expenditure accruals	955,637	0	(51,960)	(88,841)	64,953
GAAP Basis	<u>\$ 211,587</u>	<u>4,366</u>	<u>(142,678)</u>	<u>(143,440)</u>	<u>(808,056)</u>

## NESHOBA COUNTY

### Notes to the Required Supplementary Information For the Year Ended September 30, 2023 UNAUDITED

#### Pension Schedules

##### A. Changes of assumptions.

###### 2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

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

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

###### 2016

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

###### 2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumptions was reduced from 3.75% to 3.25%.

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

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

###### 2019

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

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

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

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

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

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

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

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

## NESHOBA COUNTY

### Notes to the Required Supplementary Information For the Year Ended September 30, 2023 UNAUDITED

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

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

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

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

#### 2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 2023

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

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

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

The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.

For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.

## NESHOBA COUNTY

### Notes to the Required Supplementary Information For the Year Ended September 30, 2023 UNAUDITED

The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years. The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

#### B. Changes in benefit provisions.

##### 2016

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

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

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2021 valuation for the June 30, 2023 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	26.7 years
Asset valuation method	5-year smoothed market
Price inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

## NESHOBA COUNTY

## SUPPLEMENTARY INFORMATION

NESHOBA COUNTY

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development Passed-through the Mississippi Development Authority Community development block grants/state's program and non-entitlement grants in Hawaii*	14.228	1137-21-050-PF-01	\$ 575,000
Total U.S Department of Housing and Urban Development			575,000
U.S. Department of Justice - Office of Justice Programs/ Passed-through the Mississippi Department of Public Safety Edward Byrne memorial justice assistance grant program	16.738	21LB1501	3,750
Total U.S Department of Justice			3,750
U.S. Department of Transportation Passed-through the Mississippi Department of Public Safety Alcohol open container requirements	20.607	M5X-2022-MD-15-01	6,574
Alcohol open container requirements	20.607	M5X-2023-MD-15-01	37,262
Subtotal			43,836
Total U.S. Department of Transportation			43,836
U.S. Department of the Treasury Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	700,395
Total U.S. Department of the Treasury			700,395
U.S. Department of Homeland Security Passed-through the Mississippi Emergency Management Agency Disaster grants - public assistance (Presidentially declared disasters)	97.036	FEMA-4598-DR-MS	510,607
Emergency management performance grants	97.042	Unknown	28,034
Total U.S. Department of Homeland Security			538,641
Total Expenditures of Federal Awards			\$ 1,861,622

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 Neshoba County under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Neshoba County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Neshoba County.

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Cont'd)

### Note B - Summary of Significant Accounting Policies

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

### Note C - Indirect Cost Rate

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

\* Denotes major federal award program

NESHOBA COUNTY

OTHER INFORMATION

## NESHOBA COUNTY

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

Name	Position	Company	Bond
Keith Lillis	Supervisor District 1	Travelers Casualty and Surety of America	\$100,000
Kevin Cumberland	Supervisor District 2	Travelers Casualty and Surety of America	\$100,000
Kinsey Smith	Supervisor District 3	Travelers Casualty and Surety of America	\$100,000
Kevin Wilcher	Supervisor District 4	Travelers Casualty and Surety of America	\$100,000
Obbie Riley	Supervisor District 5	Travelers Casualty and Surety of America	\$100,000
Jeff Mayo	County Administrator	Travelers Casualty and Surety of America	\$100,000
Guy Nowell	Chancery Clerk	Travelers Casualty and Surety of America	\$100,000
Melissa Johnson	Purchase Clerk	Travelers Casualty and Surety of America	\$100,000
Jeff Mayo	Assistant Purchase Clerk	Travelers Casualty and Surety of America	\$50,000
Pam Cheatham	Receiving Clerk	Travelers Casualty and Surety of America	\$75,000
Brenda Nowell	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Laura McLemore	Inventory Control Clerk	Travelers Casualty and Surety of America	\$75,000
Eddie Posey	Road Manager	Travelers Casualty and Surety of America	\$50,000
Joshua Burt	Constable	Travelers Casualty and Surety of America	\$50,000
James Keith McCrory	Constable	Travelers Casualty and Surety of America	\$50,000
Patti Duncan Lee	Circuit Clerk	Travelers Casualty and Surety of America	\$100,000
Tammy Clemons	Deputy Circuit Clerk	Travelers Casualty and Surety of America	\$50,000
Aida Del Carmen Ward	Deputy Circuit Clerk	Travelers Casualty and Surety of America	\$50,000
Eric Clark	Sheriff	Travelers Casualty and Surety of America	\$100,000
Paul Payne	Justice Court Judge	Travelers Casualty and Surety of America	\$50,000
Johnathan Spears	Justice Court Judge	Travelers Casualty and Surety of America	\$50,000
Kimberly Yates	Justice Court Clerk	Travelers Casualty and Surety of America	\$50,000
Patsy Long	Deputy Justice Court Clerk	Travelers Casualty and Surety of America	\$50,000
Twyla Lovern	Deputy Justice Court Clerk	Travelers Casualty and Surety of America	\$50,000
Mike Lewis	Tax Assessor-Collector	Travelers Casualty and Surety of America	\$100,000
Emily Beckham	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Comisha Moore	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Kay Dearing	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Lakesha Jones	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Annie Peebles	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Wendy Alexander Shuler	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000

## NESHOBA COUNTY

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## NESHOBA COUNTY

## SPECIAL REPORTS

## NESHOBA 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  
Neshoba County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Neshoba County, Mississippi (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 4, 2025. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America 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 Neshoba 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 Neshoba County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a significant deficiency.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Neshoba 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 Neshoba County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated June 4, 2025, included within this document.

## Neshoba County's Response to Finding

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

## Purpose of this Report

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



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

June 4, 2025



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

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

Members of the Board of Supervisors  
Neshoba County, Mississippi

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Neshoba 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 each of Neshoba County, Mississippi's major federal programs for the year ended September 30, 2023. Neshoba County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Neshoba County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Neshoba County, Mississippi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Neshoba 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 Neshoba 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 Neshoba 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 Neshoba County, Mississippi's compliance with the requirements of each 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 Neshoba 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 Neshoba 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 Neshoba County, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control Over Compliance**

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

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

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

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

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

JOE E. MCKNIGHT CPA  
Director, County Audit Section

June 4, 2025

## NESHOBA COUNTY

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

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

Members of the Board of Supervisors  
Neshoba County, Mississippi

We have examined Neshoba County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated* during the year ended September 30, 2023. The Board of Supervisors of Neshoba 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 Neshoba 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, Neshoba County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2023.

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

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

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

JOE E. MCKNIGHT, CPA  
Director, County Audit Section  
June 4, 2025

NESHOBA COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder

For the Year Ended September 30, 2023

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

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

Schedule 2

Our tests did not identify any emergency purchases.

NESHOBA COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source

For the Year Ended September 30, 2023

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

## NESHOBA 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  
Neshoba County, Mississippi

In planning and performing our audit of the financial statements of Neshoba County, Mississippi for the year ended September 30, 2023, we considered Neshoba 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 Neshoba 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 June 4, 2025, on the financial statements of Neshoba 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 areas that are opportunities for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response are disclosed below:

**Board of Supervisors.**

1. Controls over repayment of interfund advances should be strengthened.

**Repeat Finding** Yes

**Criteria** The Mississippi Code is silent regarding the authority of the County to make interfund loans.

**Condition** As reported in the prior ten years' audit reports, the County has interfund loans outstanding that are over a year old. These interfund loans totaled \$169,824 as of September 30, 2023. These advances included loans for unpaid indirect costs and payroll expenses associated with garbage collection activities.

**Cause** Deficiency of controls requiring the repayment of interfund loans.

**Effect** Failure to repay these loans constitutes a diversion of legally restricted funds.

**Recommendation** The Board of Supervisors should ensure that these old interfund advances are repaid.

**Views of Responsible**

**Official(s)** Neshoba County has worked aggressively to repay these previous interfund advances back with the accomplishment of paying all funds back to the County Road and Bridge Funds as of September 30, 2023.

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

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



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

June 4, 2025

NESHOBA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## NESHOBA COUNTY

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# NESHOPA COUNTY

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

### Section 1: Summary of Auditor's Results

#### **Financial Statements:**

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

Governmental activities	Unmodified
Business-type activities	Unmodified
Aggregate discretely presented component units	Adverse
General Fund	Unmodified
American Rescue Plan Act Fund	Unmodified
County Unit Road Fund	Unmodified
Countywide Bridge and Culvert Fund	Unmodified
State Aid Reseal Project Fund	Unmodified
Aggregate remaining fund information	Unmodified
Solid Waste Fund	Unmodified
2. Internal control over financial reporting:
  - a. Material weakness identified? No
  - b. Significant deficiency identified? Yes
3. Noncompliance material to the financial statements noted? No

#### **Federal Awards:**

4. Internal control over major federal programs:
  - a. Material weakness identified? No
  - b. Significant deficiency identified? None Reported
5. Type of auditor's report issued on compliance for major federal programs: Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
7. Identification of major federal programs:
  - a. ALN 14.228, Community development block grants/state's program and non-entitlement grants in Hawaii
  - b. 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 findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? Yes

## NESHOBA COUNTY

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

#### Section 2: Financial Statement Findings

##### Justice Court Clerk.

##### Significant Deficiency

**2023-001.** The Justice Court Clerk should implement internal controls over the collection and disbursement of cash.

**Repeat Finding** Yes

**Criteria** An effective system of internal control over cash should include:

- Timely deposits of cash receipts.
- Preparation and maintenance of a cash journal, case files, and timely recording of transactions.
- Reconciling the cash journal to the bank accounts monthly.
- Maintaining an accurate bond listing to identify cash bond holdings.

**Condition** As reported in the prior year's audit report, we noted the following problems in the Justice Court Clerk's Office:

- We discovered that the bank accounts had not been reconciled to the cash journals for several months.
- We were unable to verify the completeness of the cash journals and other supporting records including the bond listing.

**Cause** Controls over the collection and disbursement of cash were never designed or implemented by the inexperienced staff in the Justice Court Clerk's office.

**Effect** Failure to perform bookkeeping functions could result in the loss or misappropriation of funds.

**Recommendation** The Justice Court Clerk should implement internal controls over the collection and disbursement of cash that ensure bookkeeping functions are performed and in a timely manner.

**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.

NESHOBA COUNTY

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

## NESHOBA COUNTY

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## NESHOBA COUNTY BOARD OF SUPERVISORS

401 BEACON STREET, SUITE 201  
PHILADELPHIA, MISSISSIPPI 39350  
PHONE 601-656-6281  
FAX 601-650-3280

MIKE SNOW  
DISTRICT ONE

KEVIN CUMBERLAND  
DISTRICT TWO

KINSEY SMITH  
DISTRICT THREE

KEVIN WILCHER  
DISTRICT FOUR

OBIE RILEY  
DISTRICT FIVE

### CORRECTIVE ACTION PLAN

Office of the State Auditor  
501 N. West Street, Suite 801  
Jackson, Mississippi 39201

Neshoba County respectfully submits the following corrective action plan for the year ended September 30, 2023.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

#### SECTION 2: FINANCIAL STATEMENT FINDINGS

##### Corrective Action Planned

2023-001 The Neshoba County Board of Supervisors terminated the employment of the previous Justice Court Clerk and has appointed a new Justice Court Clerk who was previously a Deputy Clerk and has been receiving all training available. Specifically, training on the internal controls over the collection and disbursement of cash in the Justice Court Clerk's Office and the importance thereof, has been emphasized.

Anticipated Completion Date:

June 30, 2025

Name of Contact Person Responsible for Corrective Action:

Jeff Mayo, County Administrator, 601-656-6281

#### SECTION 3: FEDERAL AWARD FINDINGS

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

Sincerely,

President, Neshoba County Board of Supervisors

Date

[www.neshobacounty.net](http://www.neshobacounty.net)



NESHOPA COUNTY BOARD OF SUPERVISORS

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DISTRICT TWO

KINSEY SMITH  
DISTRICT THREE

KEVIN WILCHER  
DISTRICT FOUR

OBIE RILEY  
DISTRICT FIVE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

May 5, 2025

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

To Whom It May Concern:

Neshoba County submits the following Summary Schedule of Prior Audit Findings for the fiscal year ended September 30, 2023.

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

Section 2: Financial Statement Findings

2022-001 The Justice Court Clerk should implement internal controls over the collection and disbursement of cash.

NOT CORRECTED

Section 3: Federal Award Findings and Questioned Costs

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

Sincerely,

Kevin Cumberland  
Board President

[www.neshobacounty.net](http://www.neshobacounty.net)