

**HINDS COUNTY, MISSISSIPPI**  
**Audited Financial Statements and Special Reports**  
**For the Year Ended September 30, 2022**

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

**HINDS COUNTY  
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**HINDS COUNTY**

**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Hinds County, Mississippi

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Hinds County, Mississippi, (the County) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hinds County, Mississippi, as of September 30, 2022, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Hinds County Economic Development Authority and the Hinds County Mental Health Commission, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component units, are based solely on the reports of the other auditors.

#### *Basis for Opinions*

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

## **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 Management's Discussion and Analysis, the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County's Contributions, the Schedule of Changes in the County's Net OPEB Liability and Related Ratios, and the Schedule of County Contributions-OPEB 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hinds 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.

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 the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 September 3, 2024, on our consideration of Hinds 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 Hinds 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 Hinds County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

September 3, 2024

**HINDS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



**HINDS COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

The Management's Discussion and Analysis by Hinds County, Mississippi (the County) is designed to do the following (a) give a summary of the County's financial activities for the year ended September 30, 2022, (b) indicate any major financial issues, (c) show changes in the County's financial position, and (d) identify any significant variations from the County's financial plan (the original budget). This discussion and analysis by management is structured to highlight the fiscal year being audited. The financial statements and the notes to these statements give a more precise understanding of the County's financial picture.

The Management's Discussion and Analysis is a requirement from the Governmental Accounting Standards Board (GASB), which issues the standards for accounting for state and local governments. As a part of the many changes brought about by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, management is required to write a discussion and analysis for the purposes of making county government financial statements more like business statements which outline economic gain and loss.

#### Using the Annual Report

The following discussion is intended to describe the County's basic financial statements, which are comprised of government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

**Government-wide Financial Statements.** The government-wide financial statements are designed to give you a business-like overview of the County's financial activities.

The focus of the Statement of Net Position is intended to be similar to the bottom line for the County and its governmental activities. It presents financial information on all the County's assets, liabilities and deferred inflows and outflows of resources, with the difference being reported as net position. From year to year, you can use the increases and decreases in net position as a possible indicator of the financial health of the County. You will be able to tell if it is improving, staying the same or weakening.

Component units are other governmental units over which the County (the Board of Supervisors as a group) can exercise influence and/or be obligated to provide financial assistance. These units are presented as separate columns in the government-wide financial statements.

The Statement of Activities is based on the gross and net cost of various activities. These are comprised of activities of government and component units, which are provided by the government's general tax and other revenues. The intent of this statement is to provide a summary of the cost analysis of the various government services.

Governmental activities of the County are comprised of general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, and interest on long-term debt. General government includes the basic services for operating the government, collecting taxes, appraising property, building inspections, supervisors, chancery and circuit clerks, and operation of the courts. Public safety includes the Sheriff, emergency management, and fire services, while public works include the maintenance and construction of roads and bridges.

**HINDS COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**Fund Financial Statements.** The focus is on major funds rather than fund types. A fund is used to group related accounts for financial purposes or legal compliance. The funds of the County are divided into governmental and fiduciary funds.

Government funds account for basically the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental funds financial statements focus on current financial sources and uses. This is the manner in which the County's financial plan or budget is typically developed. Governmental funds include general, special revenue, debt service, and capital project funds.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The County's fiduciary balances are presented in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

Hinds County follows the *Mississippi County Financial Accounting Manual* to set up and maintain funds. The County adopts an annual operating budget for all governmental funds. As required supplementary information, this report includes a budgetary comparison schedule for the general fund and the major special revenue fund.

Effective October 1, 2014, the County adopted the new accounting and financial reporting guidance included in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This adoption required the County revise and established new accounting and financial reporting requirements for governments that provide their employees with pension benefits. The County provides its employees with pension benefits through the Mississippi Public Employees' Retirement System (PERS), a multiple-employer cost-sharing defined benefit retirement program administered by PERS. GASB 68 requires employers participating in multiple-employer cost-sharing plans, such as PERS, to record their proportionate share, as defined in GASB 68, of PERS' unfunded pension liability. The County has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERS.

Government-wide Financial Analysis

**Statements of Net Position**

The following statements reflect the condensed Statements of Net Position at September 30, 2022 and 2021.

**HINDS COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Current and other assets	\$ 177,990,007	160,734,212
Capital assets, net	175,639,552	171,332,853
Total Assets	<u>353,629,559</u>	<u>332,067,065</u>
<u>Deferred outflows</u>	<u>9,898,428</u>	<u>9,207,364</u>
<u>Liabilities</u>		
Current and other liabilities	63,844,016	46,221,521
Noncurrent liabilities	195,674,705	175,019,073
Total Liabilities	<u>259,518,721</u>	<u>221,240,594</u>
<u>Deferred inflows</u>	<u>71,107,630</u>	<u>82,595,929</u>
<u>Net Position:</u>		
Net investment in capital assets	97,040,423	89,741,757
Restricted	20,966,787	24,646,111
Unrestricted	<u>(85,105,574)</u>	<u>(76,949,962)</u>
Total Net Position	<u>\$ 32,901,636</u>	<u>37,437,906</u>

There are normal financial transactions that affect the Statements of Net Position.

Net Results of Activities - This will either increase/decrease current assets and unrestricted assets. During FY 2022, net position decreased by \$4.5 million from FY 2021. This decrease is due mainly to the Emergency Rental Assistance program.

Borrowing for Capital - This will increase financial assets and long-term liabilities. During FY 2022, the County paid down \$4.4 million on borrowings for capital projects.

The largest investments in depreciable capital assets are in roads and bridges (infrastructure), with a total of \$151.9 million. Roads and bridges and other infrastructure are included, as required by GASB 34, in the County's financial records. GASB also requires depreciation, a noncash expense, to be recorded. Accumulated depreciation for infrastructure was \$66.6 million on September 30, 2022.

Principal Payment on Debt - This will reduce current assets, reduce long-term debt, reduce unrestricted net position, and increase net investment in capital assets. The County reduced principal on long-term debt by \$7.3 million.

Reduction of Capital Assets Through Depreciation - This will reduce capital assets and net investment in capital assets. This is a noncash expense. The County recorded depreciation of \$8.0 million in FY 2022.

**Changes in Net Position**

Hinds County's total revenue for the fiscal year ended September 30, 2022, was \$108.4 million, as compared to \$102.1 million for the fiscal year ended September 30, 2021. The total cost of services provided by the County was \$113.0 million for the fiscal year ended September 30, 2022, as compared to \$92.6 million for the fiscal year ended September 30, 2021. The County had a decrease in net position of \$4.5 million related to an 6.10% increase in revenue, while expenditures increased by 21.95%. The

**HINDS COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

increase in expenditures is due mainly to the Emergency Rental Assistance expenses. The County continues to monitor its expenditures to keep the cost down, however the most part of the expenses were due to funds received in the prior year.

The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2022 and 2021.

**Statement of Activities**

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
<b>Program Revenues:</b>		
Charges for services	\$ 9,568,560	13,094,016
Operating Grants	12,193,637	5,208,296
Capital Grants	5,059,426	4,524,347
<b>General Revenues:</b>		
Property taxes	65,781,506	71,264,425
Road and Bridge Privilege Taxes	3,110,764	3,162,077
Unrestricted Grants and Contributions	10,572,026	76,104
Unrestricted interest income	1,084,300	749,097
Miscellaneous	1,079,986	4,061,193
Gain (Loss) on Disposal of assets	(19,522)	46,736
<b>Total Revenues</b>	<b>108,430,683</b>	<b>102,186,291</b>
<b>Program Expenses:</b>		
General Government	35,931,091	31,802,484
Public Safety	39,801,699	30,478,758
Public Works	10,728,632	12,757,180
Health and Welfare	13,381,280	5,857,377
Culture and Recreation	1,880,046	1,663,967
Conservation of Natural Resources	150,212	180,930
Economic Development and Assistance	732,914	565,277
Interest on Long-Term Debt	3,703,760	4,416,877
Pension Expense	6,526,553	4,669,621
OPEB expense	130,766	244,630
<b>Total Expenses</b>	<b>112,966,953</b>	<b>92,637,101</b>
<b>Changes in Net Position</b>	<b>\$ (4,536,270)</b>	<b>9,549,190</b>
Net Position - Beginning, as previously reported	37,437,906	29,421,768
Prior period adjustments	-	(1,533,052)
Net Position - Beginning, as restated	<u>37,437,906</u>	<u>27,888,716</u>
Net Position - Ending	<u><u>32,901,636</u></u>	<u><u>37,437,906</u></u>

**Governmental Activities**

The following table presents the cost of ten major services provided by the County. These are general government, public safety, public works, health and welfare, culture and recreation, conservation of

**HINDS COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

natural resources, economic development and assistance, interest on long-term debt, pension expense, and OPEB expense.

**Cost of Major Services for the Taxpayers**

	2022		
	<u>Total Costs</u>	<u>Revenues</u>	<u>Net Costs</u>
General Government	\$ 35,931,091	4,879,750	(31,051,341)
Public Safety	39,801,699	5,778,017	(34,023,682)
Public Works	10,728,632	5,100,866	(5,627,766)
Health and Welfare	13,381,280	11,062,990	(2,318,290)
Culture and Recreation	1,880,046	-	(1,880,046)
Conservation of Natural Resources	150,212	-	(150,212)
Economic Development	732,914	-	(732,914)
Interest on Long-Term Debt	3,703,760	-	(3,703,760)
Pension Expense	6,526,553	-	(6,526,553)
OPEB expense	130,766	-	(130,766)
Total	<u>\$ 112,966,953</u>	<u>26,821,623</u>	<u>(86,145,330)</u>

	2021		
	<u>Total Costs</u>	<u>Revenues</u>	<u>Net Costs</u>
General Government	\$ 31,802,484	7,798,723	(24,003,761)
Public Safety	30,478,758	8,009,280	(22,469,478)
Public Works	12,757,180	2,661,864	(10,095,316)
Health and Welfare	5,857,377	4,356,792	(1,500,585)
Culture and Recreation	1,663,967	-	(1,663,967)
Conservation of Natural Resources	180,930	-	(180,930)
Economic Development	565,277	-	(565,277)
Interest on Long-Term Debt	4,416,877	-	(4,416,877)
Pension Expense	4,669,621	-	(4,669,621)
OPEB expense	244,630	-	(244,630)
Total	<u>\$ 92,637,101</u>	<u>22,826,659</u>	<u>(69,810,442)</u>

**Financial Analysis of the County's Funds**

As of year-end, the governmental funds reported, as audited, a fund balance of \$55.9 million. This is a decrease of \$9.3 million from the prior year's fund balance of \$65.2 million, which is mainly due to increased expenditures in Public Safety and Public Works that were not offset by additional revenues. These expenditures were primarily for large projects.

The General Fund, the County's primary operating fund, had an ending fund balance of \$33.90 million, a decrease of \$6.0 million from the prior year.

**HINDS COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**Capital Assets and Debt Administration**

**Capital Assets**

As of September 30, 2022, the County had a total of \$295.0 million invested in a variety of depreciable capital assets. The largest investments in depreciable capital assets are in roads and bridges (infrastructure), with a total of \$151.9 million. Roads and bridges and other infrastructure are included, as required by GASB 34, in the County's financial records. GASB also requires depreciation, a noncash expense, to be recorded. Accumulated depreciation was \$154.4 million on September 30, 2022.

The County's total capital assets, net of depreciation, total \$175.6 million, compared to a prior year net balance of \$171.3 million.

**Debt**

On September 30, 2022, the County had \$108.7 million in outstanding long-term debt, including premiums and compensated absences. Also included are general obligation bonds, financed purchases, leases payable and other loans. This is \$2.0 million less than the prior year of \$110.7 million.

The State of Mississippi limits the amount of debt counties can issue to 20% of total assessed value. As of September 30, 2022, the amount of outstanding debt was equal to 5.81% of the latest property assessments.

**Long-term Debt  
As of September 30, 2022**

	Balance <u>Oct. 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments</u>	Balance <u>Sept. 30, 2022</u>
<b>Governmental Activities:</b>					
Compensated absences	\$ 2,579,407	-	130,387	-	2,449,020
General obligation bonds	73,181,000	-	4,439,000	-	68,742,000
Add:					
Premiums	6,170,291	-	275,186	-	5,895,105
Financed Purchases	9,931,520	1,550,780	1,167,154	-	10,315,146
Other loans	18,801,852	3,002,600	1,416,259	-	20,388,193
Leases Payable	1,176,823	-	257,364	-	919,459
Total	<u>\$ 111,840,893</u>	<u>4,553,380</u>	<u>7,685,350</u>	<u>-</u>	<u>108,708,923</u>

**Budget - Original vs. Final**

The following is a review of the changes from the original budget to the final for the major governmental funds. The County's budget is a financial plan for the various departments and their management to follow during the year. This plan is made in the summer before the fiscal year starts in October. These estimates and projections change as the year progresses. Some changes to the budget are made by budget

**HINDS COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

amendments, and the remainder is amended at the end of the year to reflect actual revenue received and expenditures made.

**Budget Analysis Summary**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Between Final Budget and Actual</u>
<b>General Fund</b>				
Revenues	\$ 61,036,563	62,625,358	61,691,231	(934,127)
Expenditures	69,030,064	81,761,251	70,289,280	11,471,971
Other financing sources (uses)	(415,910)	1,166,725	4,298,444	3,131,719
<b>ARPA Fund</b>				
Revenues	\$ -	22,623,653	22,623,653	-
Expenditures	-	4,684,904	4,113,639	571,265
Other financing sources (uses)	-	(299,109)	891	300,000

The general fund revenue was running about 1.50% behind of the final budget. This was primarily due to decrease in collections of property taxes and fines and forfeitures. On the expenditure side, the County was able to hold expenditures below budget by approximately 14.03%. Restructuring in various departments resulted in the savings and positions not filled during the year.

The ARPA fund revenue was on target with the final budget while expenditures were lower than expected. This was primarily due to timing of the expenditures.

**Financial Contact**

The County's financial statements are designed to present users with a general overview of the County's finances and to demonstrate the County's accountability and fiduciary responsibilities for the funds it receives and the services it provides. If you have any questions or need any additional information, please contact the County Administrator, 316 South President Street, Jackson, MS 39201 or (601) 968-6501.

**HINDS COUNTY**

**FINANCIAL STATEMENTS**



**HINDS COUNTY**  
**Statement of Net Position**  
**September 30, 2022**

**Exhibit 1**

	Primary Government	Component Units		
	Governmental	Economic	Mental	Total
	Activities	Development Authority	Health Commission	
<b>ASSETS</b>				
Cash	\$ 87,377,810	2,914,439	2,112,640	5,027,079
Property tax receivable	59,546,687	-	-	-
Fines receivable (net of allowance for uncollectibles of \$13,587,791)	159,217	-	-	-
Loans receivable	20,148,160	-	-	-
Leases receivable	7,287,607	-	-	-
Intergovernmental receivables	2,228,317	1,548	1,148,167	1,149,715
Other receivables	1,208,062	-	2,776,831	2,776,831
Prepaid Items	34,147	1,798	136,363	138,161
Capital assets:				-
Land and construction in progress	35,012,070	5,428,806	1,019,322	6,448,128
Right-to-use leased assets, net	962,137	-	1,034,442	1,034,442
Other capital assets, net	139,665,345	208,117	5,427,924	5,636,041
<b>Total Assets</b>	<b>353,629,559</b>	<b>8,554,708</b>	<b>13,655,689</b>	<b>22,210,397</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	9,019,372	-	-	-
Deferred outflows related to OPEB	112,481	-	-	-
Deferred amount on refunding	766,575	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>9,898,428</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Claims payable	5,303,737	3,899	357,952	361,851
Accrued liabilities	-	16,646	505,628	522,274
Intergovernmental payables	4,723,699	-	-	-
Matured bonds and interest payable	18,459	-	-	-
Accrued interest payable	1,158,428	-	11,252	11,252
Unearned revenue	40,812,289	-	-	-
Amounts held in custody for others	4,251,589	-	-	-
Other payables	114,156	-	-	-
Long-term liabilities				
Due within one year:				
Non-capital debt	1,862,132	-	210,975	210,975
Capital debt	5,416,408	-	535,000	535,000
Leases payable	183,119	-	382,528	382,528
Due in more than one year:				
Non-capital debt	27,481,087	-	253,220	253,220
Capital debt	73,029,837	-	2,450,000	2,450,000
Leases payable	736,340	-	664,610	664,610
Net OPEB liability	1,801,066	-	-	-
Net pension liability	92,626,375	-	-	-
<b>Total Liabilities</b>	<b>259,518,721</b>	<b>20,545</b>	<b>5,371,165</b>	<b>5,391,710</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	3,191,900	-	-	-
Deferred inflows related to OPEB	1,199,609	-	-	-
Deferred revenues - property taxes	59,546,687	-	-	-
Deferred revenues - leases	7,169,434	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>71,107,630</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	97,040,423	5,681,244	3,441,809	9,123,053
Restricted for:				
Expendable:				
General government	587,425	-	-	-
Public safety	3,065,848	-	-	-
Public works	11,463,199	-	-	-
Health and welfare	349,717	-	-	-
Culture and recreation	331,083	-	-	-
Economic development and assistance	1,342,971	-	-	-
Debt service	3,826,544	-	-	-
Unrestricted	(85,105,574)	2,852,919	4,842,715	7,695,634
<b>Total Net Position</b>	<b>\$ 32,901,636</b>	<b>8,534,163</b>	<b>8,284,524</b>	<b>16,818,687</b>

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

**HINDS COUNTY**  
**Statement of Activities**  
**For the Year Ended September 30, 2022**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units		
					Governmental Activities	Economic Development Authority	Mental Health Commission	
Primary government:								
Governmental activities:								
General government	\$ 35,931,091	4,442,892	436,858	-	(31,051,341)			
Public safety	39,801,699	5,116,918	661,099	-	(34,023,682)			
Public works	10,728,632	8,750	32,690	5,059,426	(5,627,766)			
Health and welfare	13,381,280	-	11,062,990	-	(2,318,290)			
Culture and recreation	1,880,046	-	-	-	(1,880,046)			
Conservation of natural resources	150,212	-	-	-	(150,212)			
Economic development and assistance	732,914	-	-	-	(732,914)			
Interest on long-term debt	3,703,760	-	-	-	(3,703,760)			
Pension expense	6,526,553	-	-	-	(6,526,553)			
OPEB expense	130,766	-	-	-	(130,766)			
Total Governmental Activities	<u>112,966,953</u>	<u>9,568,560</u>	<u>12,193,637</u>	<u>5,059,426</u>	<u>(86,145,330)</u>			
Component units:								
Economic Development Authority	\$ 587,870	-	-	-		(587,870)		(587,870)
Mental Health Commission	16,096,114	14,838,445	1,913,342	-			655,673	655,673
Total Component Units	<u>\$ 16,683,984</u>	<u>14,838,445</u>	<u>1,913,342</u>	<u>-</u>		<u>(587,870)</u>	<u>655,673</u>	<u>67,803</u>
General revenues:								
Property taxes					\$ 65,781,506	-	-	-
Road & bridge privilege taxes					3,110,764	-	-	-
Grants and contributions not restricted to specific programs					10,572,026	497,097	1,314,825	1,811,922
Unrestricted interest income					1,084,300	10,718	-	10,718
Miscellaneous					1,079,986	15,554	60,274	75,828
Gain (Loss) on disposal of assets					(19,522)	-	-	-
Total General Revenues, Contributions and Transfers					<u>81,609,060</u>	<u>523,369</u>	<u>1,375,099</u>	<u>1,898,468</u>
Changes in Net Position					<u>(4,536,270)</u>	<u>(64,501)</u>	<u>2,030,772</u>	<u>1,966,271</u>
Net Position - Beginning					<u>37,437,906</u>	<u>8,598,664</u>	<u>6,253,752</u>	<u>14,852,416</u>
Net Position - Ending					<u>\$ 32,901,636</u>	<u>8,534,163</u>	<u>8,284,524</u>	<u>16,818,687</u>

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

**HINDS COUNTY**  
**Balance Sheet – Governmental Funds**  
**September 30, 2022**

**Exhibit 3**

	Major Funds			Total Governmental Funds
	General Fund	ARPA Fund	Other Governmental Funds	
<b>ASSETS</b>				
Cash	\$ 20,426,771	40,971,256	25,979,783	87,377,810
Property tax receivable	43,039,447	-	16,507,240	59,546,687
Fines receivable (net of allowance for uncollectibles of \$13,587,791)	159,217	-	-	159,217
Loans receivable	20,148,160	-	-	20,148,160
Lease receivable	7,170,590	-	117,017	7,287,607
Intergovernmental receivables	2,186,603	-	41,714	2,228,317
Other receivables	990,611	-	217,451	1,208,062
Due from other funds	-	-	429,476	429,476
Advances to other funds	552,000	-	-	552,000
<b>Total Assets</b>	<b>\$ 94,673,399</b>	<b>40,971,256</b>	<b>43,292,681</b>	<b>178,937,336</b>
<b>LIABILITIES</b>				
Liabilities:				
Claims payable	\$ 931,183	-	4,372,554	5,303,737
Intergovernmental payables	4,723,699	-	-	4,723,699
Due to other funds	429,476	-	-	429,476
Advances from other funds	-	-	552,000	552,000
Matured bonds and interest payable	-	-	18,459	18,459
Unearned revenue	-	40,807,063	5,226	40,812,289
Amounts held in custody for others	4,251,589	-	-	4,251,589
Other payables	114,156	-	-	114,156
<b>Total Liabilities</b>	<b>\$ 10,450,103</b>	<b>40,807,063</b>	<b>4,948,239</b>	<b>56,205,405</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	43,039,447	-	16,507,240	59,546,687
Unavailable revenue - leases receivable	7,052,622	-	116,812	7,169,434
Unavailable revenue - fines	159,217	-	-	159,217
<b>Total Deferred Inflows of Resources</b>	<b>\$ 50,251,286</b>	<b>-</b>	<b>16,624,052</b>	<b>66,875,338</b>
<b>Fund balances:</b>				
Nonspendable:				
Advances	552,000	-	-	552,000
Restricted for:				
General government	-	164,193	389,085	553,278
Public safety	-	-	3,065,848	3,065,848
Public works	-	-	11,463,199	11,463,199
Health and welfare	-	-	349,717	349,717
Culture and recreation	-	-	331,083	331,083
Economic development and assistance	-	-	1,342,971	1,342,971
Debt service	-	-	4,984,972	4,984,972
Unassigned	33,420,010	-	(206,485)	33,213,525
<b>Total Fund Balances</b>	<b>\$ 33,972,010</b>	<b>164,193</b>	<b>21,720,390</b>	<b>55,856,593</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 94,673,399</b>	<b>40,971,256</b>	<b>43,292,681</b>	<b>178,937,336</b>

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

**HINDS COUNTY****Exhibit 3-1****Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position  
September 30, 2022**

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 55,856,593
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 \$154,466,312	175,639,552
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. Fines Receivable	159,217
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(108,708,923)
Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(1,801,066)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(92,626,375)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(1,158,428)
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition, and therefore, are not reported in the funds.	34,147
Deferred amount on refunding	766,575
Deferred outflows and inflows of resources related to pensions are applicable to to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	9,019,372
Deferred inflows of resources related to pensions	(3,191,900)
Deferred outflows related to other postemployment benefits	112,481
Deferred inflows related to other postemployment benefits	<u>(1,199,609)</u>
Total Net Position - Governmental Activities	\$ <u><u>32,901,636</u></u>

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

**HINDS COUNTY**

**Exhibit 4**

**Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds  
For the Year Ended September 30, 2022**

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	ARPA Fund		
<b>REVENUES</b>				
Property taxes	\$ 47,595,941	-	18,185,565	65,781,506
Road and bridge privilege taxes	-	-	3,110,764	3,110,764
Licenses, commissions and other revenue	3,669,939	-	18,066	3,688,005
Fines and forfeitures	455,010	-	394,253	849,263
Intergovernmental revenues	6,707,080	4,169,389	16,948,621	27,825,090
Charges for services	2,177,474	-	2,856,850	5,034,324
Interest income	873,342	107,552	103,406	1,084,300
Miscellaneous revenues	995,599	-	84,387	1,079,986
Total Revenues	<u>62,474,385</u>	<u>4,276,941</u>	<u>41,701,912</u>	<u>108,453,238</u>
<b>EXPENDITURES</b>				
Current:				
General government	33,445,133	2,210,721	2,168,381	37,824,235
Public safety	31,419,493	1,584,973	8,217,730	41,222,196
Public works	2,382,473	314,715	13,380,169	16,077,357
Health and welfare	743,953	3,230	12,531,573	13,278,756
Culture and recreation	59,427	-	1,751,449	1,810,876
Conservation of natural resources	150,212	-	-	150,212
Economic development and assistance	135,809	-	597,105	732,914
Debt service:				
Principal	1,873,360	-	5,440,620	7,313,980
Interest	832,982	-	3,281,587	4,114,569
Total Expenditures	<u>71,042,842</u>	<u>4,113,639</u>	<u>47,368,614</u>	<u>122,525,095</u>
Excess of Revenues over (under) Expenditures	<u>(8,568,457)</u>	<u>163,302</u>	<u>(5,666,702)</u>	<u>(14,071,857)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term capital debt issued	-	-	1,550,780	1,550,780
Long-term non-capital debt issued	3,002,600	-	-	3,002,600
Proceeds from sale of capital assets	94,758	-	31,152	125,910
Transfers in	34,589	891	553,746	589,226
Transfers out	(554,637)	-	(34,589)	(589,226)
Total Other Financing Sources and Uses	<u>2,577,310</u>	<u>891</u>	<u>2,101,089</u>	<u>4,679,290</u>
Net Changes in Fund Balances	<u>(5,991,147)</u>	<u>164,193</u>	<u>(3,565,613)</u>	<u>(9,392,567)</u>
Fund Balances - Beginning	<u>39,963,157</u>	<u>-</u>	<u>25,286,003</u>	<u>65,249,160</u>
Fund Balances - Ending	<u>\$ 33,972,010</u>	<u>164,193</u>	<u>21,720,390</u>	<u>55,856,593</u>

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

**HINDS 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, 2022**

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (9,392,567)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>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 in the amount of \$11,277,626 exceeded depreciation of \$8,036,521 in the current period.</p>	3,241,105
<p>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 loss of \$19,522 and the proceeds from the sale of \$125,910 in the current period.</p>	(145,432)
<p>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.</p>	(3,032)
<p>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 \$7,313,980 exceeded debt proceeds of \$4,553,380.</p>	2,760,600
<p>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:</p>	
Accrued interest payable	189,787
Compensated absences payable	130,387
Amortization of bond premiums	275,186
Amortization of refunding charges on long-term debt	(54,164)
<p>Under the modified accrual basis of accounting used in the Governmental Funds, prepaid items are reported as expenditures. However, in the Statement of Activities, only the portion of expenses related to the current period are reported. Thus, the change in net position differs from the change in fund balance by the amount of decrease in prepaid items.</p>	(356,116)
<p>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:</p>	
Recording of pension expense for the current period	(6,526,553)
Recording of contributions made during the year	5,410,865
<p>Some items reported in the Statement of Activities relating to the implementation of GASB 75 are not reported in the governmental funds. These activities include:</p>	
Recording of OPEB expense for the current period	(130,766)
Recording of contributions made during the year	64,430
Change in Net Position of Governmental Activities	\$ <u>(4,536,270)</u>

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

**HINDS COUNTY**  
**Statement of Fiduciary Net Position**  
**September 30, 2022**

**Exhibit 5**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ <u>748,409</u>
Total Assets	\$ <u><u>748,409</u></u>
<b>LIABILITIES</b>	
Amounts held in custody for others	\$ 81,104
Intergovernmental payables	<u>667,305</u>
Total Liabilities	\$ <u><u>748,409</u></u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations and other governments	\$ <u>-</u>
Total net position	<u><u>-</u></u>

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

**HINDS COUNTY**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2022**

**Exhibit 6**

	Custodial Funds
	<u>                    </u>
ADDITIONS	
Collections for assessments	\$ 2,183,218
Transfers in from related entities	<u>9,103,679</u>
Total Additions	<u>11,286,897</u>
 DEDUCTIONS	
Payments in accordance with agreements	15,456
Payments of assessments to other organizations	956,958
Payments of tax to other governments	<u>10,314,483</u>
Total Deductions	<u>11,286,897</u>
Net increase (decrease) in fiduciary net position	-
 Net Position - Beginning	<u>                    </u> -
 Net Position - Ending	<u>                    </u> \$ -

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



**HINDS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

**A. Financial Reporting Entity.**

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

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

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

**B. Individual Component Unit Disclosures.**

Discretely Presented Component Units

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

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

Hinds County Economic Development Authority- In accordance with House Bill No. 1687 of the laws of the State of Mississippi, the Hinds County Board of Supervisors established the Hinds County Economic Development Authority (the Authority). The Board of Supervisors appoints board members to the Authority and provides the Authority with operating funds. The Board of Supervisors sets the tax millage rates for the Authority, which creates a fiscal accountability relationship. Complete financial statements for the Authority can be obtained from 909 North President Street, Jackson, Mississippi 39202.

Hinds County Mental Health Commission- Pursuant to Miss. Code Sections 41-19-31 and 41-19-33 and a resolution adopted by the Hinds County Board of Supervisors, the Hinds County Mental Health Commission (the Commission) was formed. The Commission is governed by a seven-member Board appointed by the Hinds County Board of Supervisors. The Board of Supervisors sets the tax millage rates for the Commission, which creates a fiscal accountability relationship. The Commission operates on a calendar year reporting cycle and the financial statements as of and for the year ended December

**HINDS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

31, 2022, are included in the government-wide financial statements. Complete financial statements for the Commission can be obtained from 3450 Highway 80 West, Jackson, Mississippi 39209.

**C. Basis of Presentation.**

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

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

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

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

Governmental fund 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

**HINDS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major Governmental Funds:

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

ARPA Fund – This fund is used to account for monies from the American Rescue Plan Act which are required to be spent in accordance with the guidelines provided in this Act

Additionally, the County reports the following fund types:

**GOVERNMENTAL FUND TYPES**

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

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

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

**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.

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Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair market 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 inter-fund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund, if applicable, to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed, or assigned. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

**I. Prepaid Items.**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items, such as prepaid insurance, are not reported for Governmental Fund types since the costs of such items are accounted for as expenditures in the period of acquisition.

**J. Capital Assets.**

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

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements. Depreciation is calculated on the straight-line basis for all assets, except land. 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:

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

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

The term “depreciation” includes the amortization of intangible assets.

**K. 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, 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 12 for additional details.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and 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 non-exchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

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

Deferred inflows related to pensions – This amount represents the County’s proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 12 for additional details.

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

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

**L. Leases**

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

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

**M. Long-term liabilities.**

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

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

In the fund financial statements, 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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**N. Pensions.**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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

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purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**O. Other Postemployment Benefits**

Plan Description

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

**P. Compensated Absences.**

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

**Q. Equity Classifications.**

Government-wide Financial Statements:

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

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

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

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

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

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

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

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

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

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

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

**R. Property Tax Revenues.**

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

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

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



**HINDS COUNTY**  
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**S. 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.

**T. Changes in Accounting Standards**

GASB 87, *Leases*, was implemented during fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments.

**NOTE 2 – DEPOSITS AND INVESTMENTS.**

**Deposits:**

**Hinds County:**

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$88,126,219 and the bank balance was \$98,504,420. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

The carrying amount of Hinds County Mental Health Commission's total deposits with financial institutions at December 31, 2022 was \$2,112,640 and the bank balance was \$2,286,677, of which all were insured or collateralized. These funds are collateralized under the same program as the County's funds above.

The carrying amount of Hinds County Economic Development Authority's total deposits with financial institutions at September 30, 2022 was 2,914,439 and the bank balance was \$2,914,438, of which all were insured or collateralized. These funds are collateralized under the same program as the County's funds above.

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.

**HINDS COUNTY**  
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**NOTE 3 - INTERFUND TRANSACTIONS AND BALANCES.**

The following is a summary of interfund balances at September 30, 2022:

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
Other Governmental Funds	General Fund	\$ 429,476
Total		\$ 429,476

Receivables represent tax revenues and law library fees collected but not settled until October 2022. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 552,000
Total		\$ 552,000

The receivables represent loans to provide funds for grant expenditures until grant proceeds are received.

C. Transfers In/Out

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 34,589
ARPA Fund	General Fund	891
Other Governmental Funds	General Fund	553,746
Total		\$ 589,226

The principal purpose of inter-fund transfers was to correct bookkeeping errors or provide funds for grant matches. All inter-fund transfers were routine and consistent with the activities of the fund making the transfer.

**NOTE 4 - INTERGOVERNMENTAL RECEIVABLES.**

Intergovernmental receivables at September 30, 2022, consisted of the following:

Description	Amount
Legislative Tax Credit	\$ 1,626,680
Truck and Bus Privilege Tax	260,896
County court	221,589
County reimbursement	26,676
DUI Grant	24,700
School Lunches	9,024
CMPDD	2,965
VOCA	991
Seatbelt Grant	235
Various grants	19,255
Other intergovernmental receivables	35,306
Total	\$ 2,228,317

**HINDS COUNTY**  
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**NOTE 5 – LOANS RECEIVABLE.**

Loans receivable balances at September 30, 2022, are as follows:

Description	Date of Loan	Interest Rate	Maturity Date	Amount
King Edward Revitalization Company-CDBG Loan (A)	05/2009	1.00%	11/2030	1,744,510
Westin Hotel (B)	04/2014	3.25%	08/2033	15,401,050
Westin Hotel II (c)	12/2021	2.297-2.997%	2/2041	3,002,600
			\$	20,148,160

- A. This loan originated as a grant from the Mississippi Development Authority (MDA). The County loaned the grant funds to the King Edward Revitalization Company (KERC). The County is responsible for monitoring the loan, collecting principal and interest payments from KERC and remitting all principal and interest received to MDA. The related payable to MDA is recorded as a long-term liability. During fiscal year 2021, this loan receivable and the related loan payable were given a forbearance to defer 20 months of principal payments. The interest rate and final payment date remain the same.
  
- B. This loan originated as a loan from MDA pursuant to HB No. 1049. The County loaned the funds to Capital Hotel Associates (CHA) to develop a 200-bed Westin Hotel. The County is responsible for monitoring the loan, approving interim payments, collecting principal and interest payments from CHA, and remitting all principal and interest to MDA. The receivable is backed by a personal guarantee of CHA’s investors. The related payable to MDA is recorded as a long-term liability. During fiscal year 2021, this loan receivable and the related loan payable were given a forbearance to defer two principal payments. The interest rate and final payment date remain the same.
  
- C. This loan originated as a loan from MDA. The County loaned the funds to Capital Hotel Associates II, LLC (CHA) to develop a 200-bed Westin Hotel. The County is responsible for monitoring the loan, approving interim payments, collecting principal and interest payments from CHA, and remitting all principal and interest to MDA. The receivable is backed by a personal guarantee of CHA’s investors. The related payable to MDA is recorded as a long-term liability.

**NOTE 6 – DEVELOPMENT OF INDUSTRIAL PARKS**

Component Unit- Hinds County Economic Development Authority

Wyndale Industrial Center (formerly J.C. ‘Sonny’ McDonald Industrial Center)

At the October 26, 2017 board meeting, the J.C. “Sonny” McDonald Industrial Park was changed to Wyndale Industrial Center. In 1994, the County issued general obligation bonds in the amount of \$6,100,000 to provide funds principally for the purchase of land and the payment of development costs associated with two (2) industrial parks \$5,539,000 with the remaining funds to be used for improvements to existing parks located in the County.

The Hinds County Board of Supervisors granted ownership of the new industrial park properties to the Authority with the right and responsibility of developing and marketing such properties. All proceeds

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received by the Authority from the sale of the properties are to be immediately disbursed to the County for use in retiring the bond indebtedness.

The Authority has been in the process of developing the Wyndale Industrial Center and the following expenditures, net of cost of sales, impairments and nonsaleable portion, have been incurred for the purchase of land and development costs as of September 30, 2022:

Land	\$	792,015
Land development costs		<u>4,061,286</u>
Total	\$	<u><u>4,853,301</u></u>

In June 2007, the Hinds County Board of Supervisors donated 343.81 acres of the John Bell Williams Airport land to the Authority so that it could be developed into an Industrial Park. The land was recorded at book value by the County. The Authority has begun to develop the property as Hinds County Aerotech Park. The land and development costs to date on this park are as follows:

Land, transferred from Hinds County	\$	223,532
Land development costs		<u>286,973</u>
Total	\$	<u><u>510,505</u></u>

**NOTE 7 - CAPITAL ASSETS.**

The following is a summary of capital assets activity for the year ended September 30, 2022:

<b>Governmental Activities</b>	Balance				Balance
	Oct. 1, 2021	Additions	Deletions	Adjustments	Sept. 30, 2022
<b>Non-depreciable capital assets:</b>					
Land	1,798,757	-	-	-	1,798,757
Construction in progress	25,983,847	9,082,580	-	(1,853,114)	33,213,313
Total non-depreciable capital assets	<u>27,782,604</u>	<u>9,082,580</u>	<u>-</u>	<u>(1,853,114)</u>	<u>35,012,070</u>
<b>Depreciable capital assets:</b>					
Infrastructure	150,315,388	-	-	1,572,194	151,887,582
Buildings	56,480,484	-	98,017	280,920	56,663,387
Improvements other than buildings	15,892,751	-	247,970	-	15,644,781
Mobile equipment	25,624,473	2,127,237	584,806	5,478,671	32,645,575
Furniture and equipment	30,186,980	67,809	5,035	6,791,689	37,041,443
Leased property under capital lease	12,270,360	-	-	(12,270,360)	-
Right-to-use leased assets	-	-	-	1,176,822	1,176,822
Total depreciable capital assets	<u>290,770,436</u>	<u>2,195,046</u>	<u>935,828</u>	<u>3,029,936</u>	<u>295,059,590</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	63,933,285	2,713,784	-	-	66,647,069
Buildings	25,782,956	971,764	94,648	-	26,660,072
Improvements other than buildings	9,144,498	577,033	223,173	543,335	10,041,693
Mobile equipment	19,732,261	1,804,591	467,590	2,886,985	23,956,247
Furniture and equipment	25,196,867	1,720,460	4,985	-	26,912,342
Leased property under capital lease	3,430,320	-	-	(3,430,320)	-
Right-to-use leased assets	-	214,685	-	-	214,685
Total accumulated depreciation	<u>147,220,187</u>	<u>8,002,317</u>	<u>790,396</u>	<u>-</u>	<u>154,432,108</u>
Depreciable capital assets, net	<u>143,550,249</u>	<u>(5,807,271)</u>	<u>145,432</u>	<u>3,029,936</u>	<u>140,627,482</u>
Governmental activities capital assets, net	<u>171,332,853</u>	<u>3,275,309</u>	<u>145,432</u>	<u>1,176,822</u>	<u>175,639,552</u>

The adjustments above for leased assets are for reclassification of completed construction in progress and the reclassifications as a result of the implementation of GASB 87. Under the new guidance, leases that

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were previously reported as capital leases and whereby the asset conveys to the lessee at the conclusion of the lease, are now considered financed purchases. Since these assets are no longer considered leased assets, reclassifications have been made to report them in their respective categories.

Depreciation expense was charged to the following functions:

<b>Governmental Activities</b>	<u>Amount</u>
General government	\$ 1,145,121
Public safety	3,148,296
Public works	3,537,180
Health and welfare	102,550
Culture and recreation	69,170
Total	<u>\$ 8,002,317</u>

Commitments with respect to unfinished capital projects at September 30, 2022, consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
Byram-Clinton Corridor	\$ 118,362	FYE 2024
Dry Grove Road	41,811	Not Determined
Myers Road Bridge	141,295	Not Determined
Rosemary Road Bridge	70,368	FYE 2023
Herren Road	127,273	FYE 2024
Ratliff Cross Drain	9,500	FYE 2024
Adams Station Road	1,238,550	FYE 2024
Jail Construction	Not Determined	FYE 2026
Courthouse Elevator Mod. Phase	220,400	FYE 2023
White Oak Creek	400,000	Not Determined
Volunteer Fire Station- Pocahontas	Not Determined	Not Determined
Volunteer Fire Station- Midway	Not Determined	Not Determined
	<u>2,367,559</u>	

Component Units:

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The component units' capital asset balances are as follows:

<b>Hinds County Mental Health Commission</b>	Balance				Balance
	Jan. 1, 2022	Additions	Deletions	Adjustments	Dec. 31, 2022
Non-depreciable capital assets:					
Land	1,019,322	-	-	-	1,019,322
Total non-depreciable capital assets	1,019,322	-	-	-	1,019,322
Depreciable capital assets:					
Buildings	5,803,500	-	-	-	5,803,500
Leasehold improvements	1,335,011	70,631	-	-	1,405,642
Furniture and equipment	2,316,720	230,610	2,876	-	2,544,454
Total depreciable capital assets	9,455,231	301,241	2,876	-	9,753,596
Less accumulated depreciation for:					
Buildings	2,025,756	145,088	-	-	2,170,844
Leasehold improvements	454,192	86,748	-	-	540,940
Furniture and equipment	1,401,708	214,828	2,648	-	1,613,888
Total accumulated depreciation	3,881,656	446,664	2,648	-	4,325,672
Depreciable capital assets, net	5,573,575	(145,423)	228	-	5,427,924
Governmental activities capital assets, net	6,592,897	(145,423)	228	-	6,447,246

Depreciation expense was charged to the following functions:

	Amount
Health and welfare	\$ 145,088
Hinds Behavioral Health Services	301,576
Total	\$ <u>446,664</u>

<b>Hinds County Economic Development Authority</b>	Balance				Balance
	Oct. 1, 2021	Additions	Deletions	Adjustments	Sept. 30, 2022
Non-depreciable capital assets:					
Land	65,000	-	-	-	65,000
Construction in progress	5,363,806	-	-	-	5,363,806
Total non-depreciable capital assets	5,428,806	-	-	-	5,428,806
Depreciable capital assets:					
Buildings and improvements	398,158	-	-	-	398,158
Furniture and equipment	203,424	-	-	-	203,424
Total depreciable capital assets	601,582	-	-	-	601,582
Less accumulated depreciation:	374,187	19,278	-	-	393,465
Depreciable capital assets, net	227,395	(19,278)	-	-	208,117
Governmental activities capital assets, net	5,656,201	(19,278)	-	-	5,636,923

**NOTE 8 - CLAIMS AND JUDGMENTS.**

Risk Financing:

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention

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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, 2022, to January 1, 2023. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

**NOTE 9 –LEASES.**

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

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

The County generally uses the federal prime rate at the leases inception as the discount rate for leases unless the rate that the lessor charges is known.

The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a county or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the County and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

As Lessee:

The County, acting as lessee, has entered into an agreement with SWW Properties for the lease of a parking lot. The lease stipulated that the lessee would pay \$2,100 per month in lease payments.

The County, acting as lessee, has entered into an agreement with Canon USA, Inc. for the lease of multiple copiers. The lease stipulated that the lease would pay \$9,209 per month in lease payments for 60 months.

The County, acting as lessee, has entered into two agreements with Jackson Public School District for the lease of a building and surrounding land on McDowell Road utilized for the Juvenile Justice Center. The first lease stipulated that the lessee would pay \$14,000 a year for 40 years with possible rent adjustments on the 8<sup>th</sup>, 16<sup>th</sup>, 24<sup>th</sup> and 32<sup>nd</sup> anniversary dates of the lease. In 2005, on the 8<sup>th</sup> anniversary, the rent was adjusted to \$18,000 and has remained at that rate through current. The 32<sup>nd</sup> anniversary date will be in 2029 at which time the rent may be adjusted. For purposes of amortization, we have utilized the \$18,000 rate. The second agreement stipulated that the lessee would pay \$12,000 for the entirety of the 30 month agreement.

The County, acting as lessee, has entered into five agreements with Hinds County School District for the lease of land and structures for various county purposes. The first lease for land at Highway 18 and Highway 27 stipulated that the lease would pay \$1,140 per year in lease payments for 39 years 7 months with a

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possible rent adjustment on the 10<sup>th</sup>, 20<sup>th</sup>, and 30<sup>th</sup> anniversary dates. The rent has not been adjusted to date. For purposes of amortization, we have utilized the \$1,140 rate.

The second lease with Hinds County School District for land at LMS 7140 stipulated that the lessee would pay \$5,000 per year in lease payments for 40 years with a possible rent adjustment on the 10<sup>th</sup>, 20<sup>th</sup>, and 30<sup>th</sup> anniversary dates. The rent has not been adjusted to date. For purposes of amortization, we have utilized the \$5,000 rate. This lease also includes an optional additional 25 year term.

The third lease with Hinds County School District for land at LMS 7108 stipulated that the lessee would pay \$1,140 per year in lease payments for 40 years with a possible rent adjustment on the 10<sup>th</sup>, 20<sup>th</sup>, and 30<sup>th</sup> anniversary dates. The rent has not been adjusted to date. For purposes of amortization, we have utilized the \$1,140 rate.

The fourth lease with Hinds County School District for land at LMS 7032 stipulated that the lessee would pay \$2,400 per year in lease payments with a possible rent adjustment every 8<sup>th</sup> year and the option to renew for an additional 25 year term. To date, no rent adjustments have occurred. For purposes of amortization, we have utilized the \$2,400 rate.

The fifth lease with Hinds County School District for land at LMS 7153 stipulated that the lessee would pay \$6,840 per year in lease payments for 25 years.

The County, acting as lessee, has entered into an agreement with 701 Commerce for the lease of a building at 701 Commerce Street. The lease stipulated that the lessee would pay \$6,484 per month in lease payments for 24 months with an option to renew for one term.

The County, acting as lessee, has entered into an agreement with the heirs of Esther Dixon for the lease of a building to be utilized as the Bolton Library. The lease stipulated that the lessee would pay \$5,200 per year in lease payments for 5 years with an option to renew for up to five 5 year terms.

The County, acting as lessee, has entered into an agreement with the Estate of ND Hollingsworth for the lease of a driveway to be utilized by the Byram Fire Station. The lease stipulated that the lessee would pay \$150 per year in lease payments for 4 years 9 months.

The County, acting as lessee, has entered into an agreement with Clinton Public School District for the lease of land for a tower and public safety siren. The lease stipulated that the lessee would pay \$15,000 per year plus 12.5% annual gross rentals with a minimum of \$3,000 per year. The original agreement was amended to include the FOA Community Center at \$1,600 per year. For purposes of amortization, the annual payment is set at \$19,600 to encompass the annual rate, the minimum rental rate and the community center payment.

The County, acting as lessee, has entered into an agreement with Charlie Marion and subsequent lessor Russell Tree Farm for the lease of a tower site. The lease stipulated that the lease would pay \$6,000 per year in lease payments for 20 years.

For each lease, the County has recognized an intangible right to use asset. The leases are measured at the present value of payments expected to be made. The discount rate used for these leases was the Federal Prime Borrowing Rate at the lease inception, which is detailed in the chart below.



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**Lease Assets**

	Balance 10/1/2021	Additions	Amortization	Balance 9/30/2022
<b>Land:</b>				
Parking Lot- S. State/Pascagoula	\$ 67,139	-	22,380	44,759
16th Sect. Land- 9.040 acres/940 McDowell Rd (JJC)	215,809	-	13,488	202,321
16th Sect. Land- Hwy18/Hwy27	5,532	-	922	4,610
16th Sect. Land- McDowell Road	19,081	-	9,540	9,541
LMS 7140	106,429	-	3,942	102,487
LMS 7108	5,532	-	922	4,610
FOA Road- Tower Rent	32,609	-	16,305	16,304
LMS 7032	121,210	-	5,270	115,940
7153- 16th section public works	42,530	-	1,849	40,681
Tower Lease Site- Old Adams Station	35,740	-	8,897	26,843
<b>Total Land</b>	<b>651,611</b>	<b>-</b>	<b>83,515</b>	<b>568,096</b>
<b>Building:</b>				
Bolton Library	14,604	-	4,868	9,736
<b>Total Building</b>	<b>14,604</b>	<b>-</b>	<b>4,868</b>	<b>9,736</b>
<b>Improvements other than Buildings:</b>				
701 Commerce Street	80,417	-	40,208	40,209
Pt Byram Fire Station(driveway)	412	-	137	275
<b>Total Improvements other than Buildings</b>	<b>80,829</b>	<b>-</b>	<b>40,345</b>	<b>40,484</b>
<b>Equipment:</b>				
Copiers-Canon USA	429,778	-	85,957	343,821
<b>Total Equipment</b>	<b>429,778</b>	<b>-</b>	<b>85,957</b>	<b>343,821</b>
<b>Total Right-of-Use Leased Assets</b>	<b>\$ 1,176,822</b>	<b>-</b>	<b>214,685</b>	<b>962,137</b>

See Note 6 for further details regarding intangible right-to-use assets, which represents leased assets.

**Lease Liabilities**

	Balance 10/1/2021	Additions	Principal Payments	Balance 9/30/2022
Parking Lot- S. State/Pascagoula	\$ 67,139	-	23,092	44,047
Copiers-Canon USA	429,779	-	97,495	332,284
16th Sect. Land- 9.040 acres/940 McDowell Rd (JJC)	215,809	-	11,502	204,307
16th Sect. Land- Hwy18/Hwy27	5,532	-	789	4,743
16th Sect. Land- McDowell Road	19,081	-	11,390	7,691
701 Commerce Street	80,417	-	75,238	5,179
Bolton Library	14,604	-	4,708	9,896
Pt Byram Fire Station(driveway)	412	-	131	281
LMS 7140	106,429	-	3,414	103,015
LMS 7108	5,532	-	789	4,743
FOA Road- Tower Rent	32,609	-	18,479	14,130
LMS 7032	121,210	-	4,315	116,895
7153- 16th section public works	42,530	-	1,514	41,016
Tower Lease Site- Old Adams Station	35,740	-	4,508	31,232
<b>Total</b>	<b>\$ 1,176,823</b>	<b>-</b>	<b>257,364</b>	<b>919,459</b>

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Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
Parking Lot- S. State/Pascagoula	3.25%	4 years	8/1/2020	7/31/2024	\$ 2,100	44,047
Copiers-Canon USA	3.25%	5 years	12/11/2021	12/10/2026	\$ 9,209	332,284
16th Sect. Land- 9.040 acres/940 McDowell Rd (JJC)	8.50%	40 years	5/1/1997	5/1/2037	\$ 1,500	204,307
16th Sect. Land- Hwy18/Hwy27	8.25%	39 years 7 months	6/1/1987	12/31/2026	\$ 95	4,743
16th Sect. Land- McDowell Road	3.25%	30 months	12/1/2020	5/30/2023	\$ 1,000	7,691
701 Commerce Street	3.25%	2 years	10/5/2020	10/4/2022	\$ 6,484	5,179
Bolton Library	3.50%	5 years	3/1/2019	2/28/2024	\$ 433	9,896
Pt Byram Fire Station(driveway)	4.75%	4 years 9 months	1/1/2020	9/30/2024	\$ 13	281
LMS 7140	7.25%	40 years	1/9/2008	1/8/2048	\$ 417	103,015
LMS 7108	8.25%	40 years	6/1/1987	12/31/2026	\$ 95	4,743
FOA Road- Tower Rent	3.50%	7 years	7/1/2016	6/30/2023	\$ 1,250	14,130
LMS 7032	5.50%	25 years	6/13/2019	6/12/2044	\$ 570	116,895
7153- 16th section public works	5.50%	25 years	7/11/2019	7/10/2044	\$ 200	41,016
Tower Lease Site- Old Adams Station	5.00%	20 years	5/19/2008	5/19/2028	\$ 500	31,232

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2023	\$ 183,119	\$ 27,637
2024	155,931	21,441
2025	133,747	17,275
2026	54,265	13,881
2027	30,170	10,350
2028-2032	125,616	41,584
2033-2037	129,991	25,209
2038-2042	61,253	9,947
2043-2047	40,493	2,987
2048	4,874	126
Total	\$ 919,459	\$ 170,437

As Lessor:

On November 1, 2020, Hinds County entered into a lease agreement with SBA Infrastructure for the lease of land owned by the County for the purpose of a wireless communications facility. The lease stipulated that the lessee would pay approximately \$3,000 per month in lease payments commencing November 1, 2020 for a term of 5 years. At the end of the lease term, the lease automatically renews for 10-5 year terms unless one party provides appropriate notice. The County is to receive \$36,000 in rent annually. The interest rate used for allocating these lease payments was the Federal Prime Borrowing Rate at the lease inception, 3.25%.

On February 19, 2002, Hinds County entered into a lease agreement with Cellular South for the lease of land owned by the County for the purpose of a cellular tower. The lease stipulated that the lessee would pay approximately \$1,500 per month in lease payments commencing February 19, 2002 for a term of 5 years. At the end of the lease term, the lease automatically renews for 4-5 year terms unless one party provides appropriate notice. Upon renewal, the rental rate automatically increases by 10%. For fiscal year 2022, the rental rate began at \$1,997 and was increased to \$2,196 at the renewal on February 19, 2022. For fiscal year 2023 to maturity, the County is to receive \$26,354 in rent annually. The interest rate used for allocating these lease payments was the Federal Prime Borrowing Rate at the lease inception, 4.75%.

On July 17, 2006, Hinds County entered into a lease agreement with Cellular South for the lease of land owned by the County for the purpose of a cellular tower. The lease stipulated that the lessee would pay approximately \$1,500 per month in lease payments commencing July 17, 2006 for a term of 25 years. Rent

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is automatically set to increase by 10% on the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, and 20<sup>th</sup> anniversaries of the lease. For fiscal year 2022, the rental rate was \$1,997. For fiscal years 2021 through fiscal years 2025, the County is to receive \$23,958 in rent annually. For fiscal years 2026-maturity, the County is to receive \$26,354 in rent annually. The interest rate used for allocating these lease payments was the Federal Prime Borrowing Rate at the lease inception, 8.25%.

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

For the Years Ended September 30,	Principal	Interest
2023	58,945	63,947
2024	62,963	61,997
2025	67,156	59,937
2026	71,929	57,758
2027	61,017	55,454
2028-2032	275,974	249,601
2033-2037	266,801	225,372
2038-2042	359,628	210,936
2043-2047	467,443	193,996
2048-2052	592,671	174,119
2053-2057	738,125	150,795
2058-2062	907,075	123,426
2063-2067	1,103,322	91,311
2068-2072	1,331,280	53,627
2073-2075	923,278	11,415
Total	7,287,607	1,783,691

Component Unit- Hinds County Mental Health Commission

The Commission adopted GASB Statement No. 87, *Leases* (GASB 87), during 2022. The Commission entered into eight lease agreements for the rental of office space. The lease agreements qualify as long-term leases under GASB 87, and therefore have been reported at the present value of the future minimum lease payments as of the date of inception. As of December 31, 2022, the Commission had remaining lease terms up to two years, and some leases have renewal options up to an additional 8 years that they intend to exercise. The future minimum lease payments as of December 31, 2022, are as follows:

Year Ending December 30,	Governmental Activities	
	Principal	Interest
2023	\$ 382,528	\$ 10,316
2024	274,706	6,889
2025	129,934	4,571
2026	120,282	2,862
2027	44,935	1,729
2028-2032	94,753	1,637
Total	\$ 1,047,138	\$ 28,004

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**NOTE 10 – LONG-TERM DEBT.**

Debt outstanding as of September 30, 2022, consisted of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
2007B Special Obligation Bonds	9,395,000	5.46%	10/2036
2017A Taxable General Obligation Refunding Bonds	5,487,000	2.88/2.98%	11/2027
2017 General Obligation MDB Bonds	33,830,000	3.00/5.00%	11/2047
2015 General Obligation Refunding Bonds	8,540,000	2.00/4.00%	10/2036
2016A General Obligation Refunding Bonds	4,775,000	3.00/4.00%	10/2036
2017A General Obligation Refunding Bonds	6,715,000	3.00/4.00%	8/2036
Total General Obligation Bonds	<u>68,742,000</u>		
B. Financed Purchases			
2019 J C Energy Upgrades	6,226,844	3.53%	03/2037
2017 Public Works L-P Equipment	2,549,535	2.75%	01/2027
2021 Public Works Equipment	290,125	1.80%	07/2026
2022 Public Works Equipment	1,226,226	1.80%	7/2026
2021 Ford F-150 Crew Cab Truck	22,416	2.41%	06/2025
Total Financed Purchases	<u>10,315,146</u>		
C. Other Loans			
Katrina CDBG Loan- King Edward	1,744,510	0.83%	11/2030
MDA Westin Hotel Loan	15,401,050	3.25%	08/2033
MDA Westin Hotel II Loan	3,002,600	2.97%	02/2041
2019 Trustmark Bank Note- VFD	240,033	2.94%	09/2024
Total Other Loans	<u>20,388,193</u>		

Pledge of Future Revenues – The County has pledged future revenues for loans receivable to repay \$20,148,160 in loans issued by the Mississippi Development Authority. Proceeds from the loans provided financing for construction of the King Edward and Westin hotels. The loans are not a general obligation of the County and, therefore, are not secured by the full faith and credit of the County. The bonds are payable solely from income derived from the operation of the hotels. Annual principal and interest payments on the loans are expected to required one hundred percent of net revenues. The total principal and interest remaining to be paid on the loans is \$24,025,122. Principal and interest paid for the current year equaled total revenues of \$1,892,661

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

Year ending September 30:	Governmental Activities					
	General obligation Bonds		Financed Purchases		Other Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 4,628,000	2,880,177	\$ 1,140,980	317,762	1,509,560	584,114
2024	4,804,000	2,691,588	1,186,065	287,715	1,553,988	539,876
2025	5,020,000	2,485,534	1,203,896	256,535	1,626,041	492,995
2026	4,567,000	2,280,195	1,244,543	224,576	1,673,129	445,906
2027	5,035,000	2,075,897	845,312	191,454	1,721,678	397,356
2028-2032	23,148,000	7,236,731	1,945,071	701,814	8,979,602	1,207,572
2033-2037	14,105,000	2,601,986	2,749,279	303,254	2,589,507	185,643
2038-2042	3,000,000	1,103,000	-	-	734,688	34,137
2043-2047	3,630,000	469,288	-	-	-	-
2048	805,000	14,088	-	-	-	-
<b>Total</b>	<b>\$ 68,742,000</b>	<b>23,838,484</b>	<b>\$ 10,315,146</b>	<b>2,283,110</b>	<b>20,388,193</b>	<b>3,887,599</b>

**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, 2022, the amount of outstanding debt was equal to 3.36% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2022:

	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
<b>Governmental Activities:</b>						
Compensated absences	\$ 2,579,407	-	130,387	-	2,449,020	
General obligation bonds	73,181,000	-	4,439,000	-	68,742,000	4,628,000
Add:						
Premiums	6,170,291	-	275,186	-	5,895,105	
Capital Leases	9,931,520	-	-	(9,931,520)	-	
Financed Purchases	-	1,550,780	1,167,154	9,931,520	10,315,146	1,140,980
Other loans	18,801,852	3,002,600	1,416,259	-	20,388,193	1,509,560
Leases Payable	1,176,823	-	257,364	-	919,459	183,119
<b>Total</b>	<b>\$ 111,840,893</b>	<b>4,553,380</b>	<b>7,685,350</b>	<b>-</b>	<b>108,708,923</b>	<b>7,461,659</b>

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Countywide Road Fund, and Countywide Bridge Fund.

Adjustments are for the reclassification of capital leases to financed purchases due to the implementation of GASB 87.

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**Component Unit:**

The debt outstanding at December 31, 2022 for the Hinds County Mental Health Commission (the Commission) is as follows:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
A. Other Loans			
Real estate loan payable	2,505,000	4.25%	05/2027
Loan payable	480,000	3.55%	08/2032
Total Other Loans	<u>2,985,000</u>		

Annual debt service requirements to maturity at December 31, 2022 for the following debt reported in the Commission's Statement of Net Position are as follows:

<u>Year ending December 30:</u>	<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 535,000	61,549
2024	545,000	49,518
2025	555,000	37,269
2026	565,000	24,804
2027	575,000	12,135
2028-2032	210,000	13,426
Total	<u>\$ 2,985,000</u>	<u>198,701</u>

The following is a summary of changes in long-term liabilities and obligations for the year ended December 31, 2022 for the commission.

	<u>Balance</u>				<u>Balance Dec. 31, 2022</u>	<u>Amount due within one year</u>
	<u>Jan. 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments</u>		
Compensated absences	\$ 500,051	511,665	547,521	-	464,195	210,975
Other loans	5,428,342	-	2,443,342	-	2,985,000	535,000
Leases	1,513,672	-	466,534	-	1,047,138	382,528
Total	<u>\$ 7,442,065</u>	<u>511,665</u>	<u>3,457,397</u>	<u>-</u>	<u>4,496,333</u>	<u>1,128,503</u>

The bonds are subject to certain covenants including submission of financial statements to the bondholder within 270 days of year end. The Commission did not comply with this covenant for 2022; however, the bondholder has extended the period of compliance through February 9, 2024. Management intends to be in compliance prior to the end of the extension period. The Commission's audit report was completed and dated February 6, 2024 to ensure compliance with the extension.

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**NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS.**

Plan Description

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

Funding Policy

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

Per Section 25-15-103, Mississippi Code Ann. (1972), any retired employee electing to purchase retiree health insurance must pay the full cost of the insurance premium monthly to the County. For the year ended September 30, 2022, retiree premiums range from \$793 to \$1,127, depending on dependent coverage and Medicare eligibility.

Employees covered by benefit terms. At September 30, 2022, the following employees were covered by the benefit terms:

Active employees	637
Active employees entitled to but not yet receiving benefit payments	181
Inactive employees or beneficiaries currently receiving benefit payments	<u>11</u>
Total	<u><u>829</u></u>

The County’s total OPEB liability of \$1,801,066 was measured as of September 30, 2022, and was determined by an actuarial valuation of October 1, 2021. The County’s Health Insurance Plan’s Report of the Actuary on the Other Postemployment Benefits Valuation was prepared as of October 1, 2021 for the years ending September 30, 2021 and 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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Salary increases	2.00%, average, including inflation
Discount rate	2.43%
Healthcare cost trend rates	6.25% graded down to 5.50% over 3 yers. After the transition period, medical trend follows the Getzen model
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees

The actuarial assumptions used in the October 1, 2021 valuation have been prepared using employee data and plan documentation furnished by the County as of October 1, 2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2021	\$ 1,607,224
Changes for the year:	
Service cost	215,544
Interest	42,728
Change in benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions or other inputs	-
Benefit payments	(64,430)
Net Change	<u>193,842</u>
Balance at September 30, 2022	\$ <u>1,801,066</u>

The following changes were made to the actuarial assumptions and methods effective October 1, 2021.

1. The discount rate is 2.43% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2021 compared to the prior discount rate of 3.68%
2. Medical trend was set to follow the Getzen Model after a 3 year transition period starting at 6.35% decreasing uniformly to 5.50% over 3 years.
3. The mortality rate has been updated to use the PubG Headcount-weighted mortality tables with improvement scale MP2021.
4. The excise tax has been repealed and no longer included in the valuation liability.

*Sensitivity to the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate.

	1% Decrease (1.43%)	Current Discount Rate (2.43%)	1% Increase (3.43%)
Net OPEB Liability	\$ 2,000,586	\$ 1,801,066	\$ 1,620,701



**HINDS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

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

	1% Decrease in Trend Assumption	Current in Trend Assumption	1% Increase in Trend Assumption
Net OPEB Liability	\$ 1,549,104	\$ 1,801,066	\$ 2,111,305

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2022, the County recognized OPEB expense of \$130,766. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	1,187,483
Changes of assumptions	112,481	12,126
	\$ 112,481	1,199,609

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30:	Amount
2023	\$ (127,506)
2024	(127,506)
2025	(127,506)
2026	(127,501)
2027	(82,445)
Thereafter	(494,664)
Total	\$ (1,087,128)

**HINDS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

**NOTE 12 - DEFINED BENEFIT PENSION PLAN.**

**Hinds County**

*General Information about the Pension Plan*

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

Benefit 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, 2022, PERS members are required to contribute 9% of their annual covered salary, and the County is required to contribute an actuarially determined rate. The employer's rate at September 30, 2022 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, 2022, 2021, and 2020, were \$5,410,865, \$5,418,785, and \$5,528,480, 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*

**HINDS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

At September 30, 2022, the County reported a liability of \$92,626,375 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022, 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, 2022, net pension liability was 0.4508 02 percent, which was based on a measurement date of June 30, 2022. This was a decrease of .020 percent from its proportionate share used to calculate the September 30, 2021, net pension liability, which was based on a measurement date of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$6,526,553. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,291,549	-
Net difference between projected and actual earnings on pension plan investments	2,919,304	-
Changes of assumptions	3,439,137	-
Changes in the proportion and differences between actual contributions and proportionate share of contributions	-	3,191,900
Contributions subsequent to the measurement date	1,369,382	-
	\$ 9,019,372	3,191,900

The \$1,369,382 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2023	\$ 581,089
2024	450,877
2025	(1,600,036)
2026	5,026,160
Total	\$ 4,458,090

Actuarial Assumptions. The total pension liability as of June 30, 2022 was determined by an actuarial valuation prepared as of June 30, 2021, and by the investment experience for the fiscal year ending June 30, 2022. 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	7.55 percent, net of pension plan investment

**HINDS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

expense, including inflation

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of 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 four-year period from July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25.00 %	4.60 %
International Equity	20.00	4.50
Global Equity	12.00	4.85
Fixed Income	18.00	1.40
Real Estate	10.00	3.65
Private Equity	10.00	6.00
Private Infrastructure	2.00	4.00
Private Credit	2.00	4.00
Cash Equivalents	1.00	(0.10)
	100.00 %	

Discount Rate. The discount rate used to measure the total pension liability was 7.55 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 of (9.00%) and that employer contributions will be made at the current employer contribution rate (17.40%). 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 7.55 percent, as well as what the County's proportionate share of the net pension liability

**HINDS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

	1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
Proportionate share of the net pension liability	\$ 120,886,880	92,626,375	69,327,027

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

**NOTE 13 - CONTINGENCIES.**

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

Consent Decree – The County is party to a consent decree with the United States Department of Justice related to the County’s detention centers. There have been no penalties associated with the consent decree assessed in 2022.

**NOTE 14 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.**

The governmental activities’ unrestricted net position deficit amount of \$(85,105,574) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$1,369,382 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, 2023. The \$7,649,990 balance of the deferred outflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4 years. The \$3,191,900 balance of the deferred inflow of resources related to pension at September 30, 2022, will be recognized in pension expense over the next 3 years.

The governmental activities’ unrestricted net position deficit amount of \$(85,105,574) includes the effect of deferring the recognition of revenue resulting from leases receivable. The \$7,169,434 balance of deferred inflows of resources at September 30, 2022, will be recognized as revenue and will increase the unrestricted net position over the next 53 years.

The governmental activities’ unrestricted net position deficit amount of \$(85,105,574) includes the effect of deferred inflows/outflows of resources related to other postemployment benefits. The \$112,481

**HINDS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

balance of deferred inflows of resources related to OPEB, at September 30, 2022, will be recognized as revenue and will increase the unrestricted net position over the next twelve years. The \$1,199,609 balance of deferred outflows of resources related to OPEB at September 30, 2022, will be recognized in OPEB expense over the next twelve years.

The governmental activities' net investment in capital assets net position of \$97,040,423 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. The \$766,575 balance of deferred outflows of resources at September 30, 2022, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 15 years.

**NOTE 15 -RELATED ORGANIZATIONS.**

The Hinds County Board of Supervisors is responsible for appointing a voting majority of the members of the Board of the Hinds County Livestock Commission, but the County's accountability for this organization does not extend beyond making the appointments. The County appropriated \$25,000 to this organization in fiscal year 2022.

**NOTE 16 -JOINT VENTURES.**

The county participates in the following joint venture:

The County is a participant with the City of Jackson in a joint venture authorized by Section 39-3-8, Miss. Code Ann. (1972) to operate the Jackson-Hinds Library System. The joint venture was created to provide a library system for city and county residents and is governed by 14 members, with each entity appointing seven members. By contractual agreement, the County's appropriation to the joint venture was \$1,571,207 in fiscal year 2022. Complete financial statements for the Jackson-Hinds Library System can be obtained from 400 North State Street, Jackson, Mississippi, 39201.

**NOTE 17 -JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

Central Mississippi Planning and Development District, Inc. (CMPDD) operates in a district composed of the counties of Copiah, Hinds, Madison, Rankin, Simpson, Warren and Yazoo. The Hinds County Board of Supervisors appoints 3 of the 33 members of the Board of Directors. The County contributes a small percentage of CMPDD's total revenues. The county appropriated \$45,088 for support of CMPDD in fiscal year 2022.

Hinds Community College District (the College) operates in a district composed of the counties of Claiborne, Copiah, Hinds, Rankin and Warren. The Hinds County Board of Supervisors appoints 5 of the 15 members of the College's Board of Trustees. The County levies an annual tax pursuant to Sections 37-29-141 and 27-39-329, Miss. Code Ann. (1972) to support the College. The tax provided \$9,088,209 for maintenance and support of the College in fiscal year 2022.

Hinds County Human Resource Agency, Inc. (the Agency) operates in a district composed of Hinds County private citizens and local organizations. The Hinds County Board of Supervisors appoints 5 of the 15

**HINDS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2022**

members of the Agency. The County appropriated \$50,000 for the support of the Agency in fiscal year 2022.

**NOTE 18- TAX ABATEMENTS**

As of September 30, 2022, Hinds County provides tax exempt status to manufacturing companies, warehousing facilities, various other commercial enterprises, which include: a retail giant’s headquarters, a cable company, a real estate development firm, two energy companies, an electrical supply company, a packing company, a food equipment company and a water bottling company subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for the levies involving the school; the mandatory mill and the community college tax levies. These exemptions are authorized under Sections 27-31-101 and 27-31-105 of the Miss. Code Ann. (1972). These exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during the fiscal year 2022 totaled \$347,534.

**NOTE 19 - 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 Hinds County evaluated the activity of the County through September 3, 2024 (the date the financial statements were available to be issued) and determined that there the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/1/2022	3.82%	12,000,000	GO Note	Ad Valorem Taxes
12/1/2022	4.58%	2,833,942	GO Note	Ad Valorem Taxes
10/1/2023	2.79%	1,448,970	Other Loan	Ad Valorem Taxes
10/19/2023	5.80%	12,549,000	GO Note	Ad Valorem Taxes
1/17/2024	2.79%	4,900,000	Other Loan	Ad Valorem Taxes

In February 2022, the Mississippi Office of the State Auditor issued demand letters approximating \$250,000 to a Hinds County Election Commissioner and a Hinds County resident under the accusations of fraud, embezzlement and bribery related to a private grant awarded to the County. In November 2022, the Hinds County resident pleaded guilty to multiple counts related to this case and was ordered to pay \$173,000 in restitution. In January 2023, the Election Commissioner pleaded guilty to multiple counts related to the case. The demand letter in her case totaled approximately \$25,000.

**HINDS COUNTY**

**REQUIRED SUPPLEMENTARY INFORMATION**



**HINDS COUNTY**  
**BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**GENERAL FUND**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 49,814,932	49,987,543	47,712,813	(2,274,730)
Licenses, commissions and other revenue	3,399,724	3,820,288	3,786,040	(34,248)
Fines and forfeitures	1,677,918	1,764,007	450,379	(1,313,628)
Intergovernmental revenues	3,393,012	3,970,246	6,316,234	2,345,988
Charges for services	2,366,565	2,462,230	2,198,850	(263,380)
Interest income	24,112	172,212	223,739	51,527
Miscellaneous revenues	360,300	448,832	1,003,176	554,344
Total Revenues	<u>61,036,563</u>	<u>62,625,358</u>	<u>61,691,231</u>	<u>(934,127)</u>
<b>EXPENDITURES</b>				
Current:				
General government	44,053,786	38,902,495	35,103,855	3,798,640
Public safety	20,279,880	38,118,924	31,666,330	6,452,594
Public works	385,048	192,200	192,200	-
Health and welfare	770,917	794,020	758,982	35,038
Culture and recreation	56,516	76,316	64,627	11,689
Conservation of natural resources	66,446	66,446	168,535	(102,089)
Economic development and assistance	52,963	202,127	73,622	128,505
Debt service:				-
Principal	1,687,681	1,456,842	1,456,842	-
Interest	1,676,827	1,951,881	804,287	1,147,594
Total Expenditures	<u>69,030,064</u>	<u>81,761,251</u>	<u>70,289,280</u>	<u>11,471,971</u>
Excess of Revenues over (under) Expenditures	<u>(7,993,501)</u>	<u>(19,135,893)</u>	<u>(8,598,049)</u>	<u>10,537,844</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	3,002,600	3,002,600
Proceeds from sale of capital assets	22,000	17,842	94,759	76,917
Compensation for loss of capital assets	-	57,806	-	(57,806)
Lease principal payments	-	1,721,043	1,721,043	-
Transfers in	2,138,653	2,138,653	2,180,118	41,465
Transfers out	(2,576,563)	(2,768,619)	(2,700,076)	68,543
Total Other Financing Sources and Uses	<u>(415,910)</u>	<u>1,166,725</u>	<u>4,298,444</u>	<u>3,131,719</u>
Net Change in Fund Balance	(8,409,411)	(17,969,168)	(4,299,605)	13,669,563
Fund Balances - Beginning	<u>1,004,244</u>	<u>4,674,218</u>	<u>20,813,857</u>	<u>16,139,639</u>
Fund Balances - Ending	<u>\$ (7,405,167)</u>	<u>(13,294,950)</u>	<u>16,514,252</u>	<u>29,809,202</u>

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

**HINDS COUNTY**  
**BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**ARPA FUND**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	22,516,101	22,516,101	-
Interest income	-	107,552	107,552	-
Total Revenues	-	<u>22,623,653</u>	<u>22,623,653</u>	-
<b>EXPENDITURES</b>				
Current:				
General government	-	2,264,784	2,210,721	54,063
Public safety	-	1,802,230	1,584,973	217,257
Public works	-	614,660	314,715	299,945
Health and welfare	-	3,230	3,230	-
Total Expenditures	-	<u>4,684,904</u>	<u>4,113,639</u>	<u>571,265</u>
Excess of Revenues over (under) Expenditures	-	<u>17,938,749</u>	<u>18,510,014</u>	<u>571,265</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	891	891	-
Transfers out	-	<u>(300,000)</u>	-	<u>300,000</u>
Total Other Financing Sources and Uses	-	<u>(299,109)</u>	<u>891</u>	<u>300,000</u>
Net Change in Fund Balance	-	17,639,640	18,510,905	871,265
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	<u><u>17,639,640</u></u>	<u><u>18,510,905</u></u>	<u><u>871,265</u></u>

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

**HINDS COUNTY**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<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)	0.4508%	0.4711%	0.4771%	0.5000%	0.4900%	0.4800%	0.5000%	0.4900%
County's proportionate share of the net pension liability (asset)	\$ 92,626,375	69,468,054	92,360,823	87,622,275	81,404,920	79,164,429	89,332,494	76,053,503
County's covered payroll	\$ 31,034,581	31,325,392	31,819,131	32,372,128	30,784,879	30,208,623	31,598,220	30,228,877
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	298.46%	221.76%	290.27%	270.67%	264.43%	262.06%	282.71%	251.59%
Plan fiduciary net position as a percentage of the total pension liability	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.

**HINDS COUNTY**  
**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<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	\$ 5,410,865	5,418,785	5,528,480	5,226,675	4,978,695	4,833,590	4,919,376	4,922,141
Contributions in relation to the contractually required contribution	5,410,865	5,418,785	5,528,480	5,226,675	4,978,695	4,833,590	4,919,376	4,922,141
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
County's covered payroll	\$ 31,096,923	31,142,446	31,772,865	32,415,155	31,610,759	30,683,111	31,239,897	31,251,689
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.12%	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.

**HINDS COUNTY**  
**SCHEDULE OF THE CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 215,544	277,048	263,855	251,290	261,067
Interest	42,728	95,088	84,032	86,125	61,702
Differences between expected and actual experience	-	(1,204,710)	-	(336,229)	-
Changes of assumptions	-	132,931	-	(24,254)	-
Benefit Payments/Refunds	<u>(64,430)</u>	<u>(60,640)</u>	<u>(46,388)</u>	<u>(43,152)</u>	<u>(42,722)</u>
<b>Net Change in Total OPEB Liability</b>	193,842	(760,283)	301,499	(66,220)	280,047
<b>Total OPEB Liability - beginning</b>	<u>1,607,224</u>	<u>2,367,507</u>	<u>2,066,008</u>	<u>2,132,228</u>	<u>1,852,181</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 1,801,066</u>	<u>1,607,224</u>	<u>2,367,507</u>	<u>2,066,008</u>	<u>2,132,228</u>
<b>Covered-employee payroll</b>	\$ 30,069,832	29,480,227	26,310,590	25,117,508	29,134,042
<b>Net OPEB Liability as a percentage of covered-employee payroll</b>	6.0%	5.5%	9.0%	8.2%	7.3%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement 75 was implemented in FYE 9/30/2018, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

**HINDS COUNTY**  
**SCHEDULE OF COUNTY CONTRIBUTIONS- OPEB**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 339,128	468,508	454,306	406,189	387,383
Contributions in relation to the actuarially determined contribution	<u>64,430</u>	<u>60,640</u>	<u>46,388</u>	<u>43,152</u>	<u>42,722</u>
Contribution deficiency (excess)	<u>\$ 274,698</u>	<u>407,868</u>	<u>407,918</u>	<u>363,037</u>	<u>344,661</u>
Covered-employee payroll	\$ 30,069,832	29,480,227	26,310,590	25,117,508	29,134,042
Contributions as a percentage of covered-employee payroll	0.2%	0.2%	0.2%	0.2%	0.1%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement 75 was implemented in FYE 9/30/2018, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

**HINDS COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

**Budgetary Comparison Schedule**

**A. Budgetary Information.**

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

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

**B. Basis of Presentation.**

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

**C. Budget/GAAP Reconciliation.**

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

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

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

	<u>Governmental Fund Types</u>	
	General Fund	ARPA Fund
Budget (Cash basis)	\$ (4,299,605)	18,510,905
Increase (Decrease)		
Net adjustments for revenue accruals	(3,083,419)	(18,346,712)
Net adjustments for expenditure accruals	1,391,877	-
GAAP Basis	\$ (5,991,147)	164,193

**HINDS COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2022**  
**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:



**HINDS COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.  
For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.  
Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

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

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

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

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

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

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

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

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

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.

**HINDS COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

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 in the line of duty was decreased from 6% to 4%.

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, 2020 valuation for the June 30, 2022 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	27.7 years
Asset valuation method	5-year smoothed market
Price Inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

**HINDS COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

OPEB Schedules

A. Changes of assumptions

2021-2022

The discount rate is 2.43% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2021 compared to the prior discount rate of 3.68%.

Medical trend was set to follow the Getzen Model after a 3 year transition period starting at 6.35% decreasing uniformly to 5.50% over 3 years.

The mortality rate has been updated to use the PubG Headcount-weighted mortality tables with improvement scale MP2021.

The excise tax has been repealed and no longer included in the valuation liability.

2019-2020

The discount rate is 3.68% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2019 compared to the prior discount rate of 2.89%.

Medical trend was set to follow the Getzen Model after a 3 year transition period starting at 7.5% decreasing uniformly to 6.75% over 3 years.

The mortality rate has been updated to use the improvement scale MP2018.

The claims aging factors have been updated to follow the Dale Yamamoto aging factors.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

**HINDS COUNTY**

**SUPPLEMENTARY INFORMATION**

**HINDS COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2022**

<i>Federal Grantor /Pass-Through Grantor /Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures(\$)</i>
<i>U.S Department of Agriculture</i>			
Passed-through the Mississippi Department of Education			
National school lunch program	10.555	5MS300326	\$ <u>87,821</u>
Total child nutrition cluster			<u>87,821</u>
Total U.S. Department of Agriculture			<u>87,821</u>
<i>U.S. Department of Justice</i>			
Passed-through the Mississippi Department of Public Safety			
Victim Assistance Grant	16.575	2020-VA-038	11,278
Passed-through the City of Jackson, Mississippi			
Edward Byrne memorial justice assistance grant program	16.738	2018-DJ-BX-0739	39,834
Equitable sharing program (Direct Award)	16.922	N/A	<u>246,692</u>
Total U.S Department of Justice			<u>297,804</u>
<i>U.S. Department of Transportation</i>			
Passed-through the Mississippi Department of Public Safety			
State and Community Highway Safety	20.600	OP-2022-OP-12-51	4,780
National Priority Safety Programs	20.616	MSX-2022-MD-12-51	<u>108,516</u>
Total Highway Safety Cluster			<u>113,296</u>
Total U.S. Department of Transportation			<u>113,296</u>
<i>U.S. Department of the Treasury</i>			
Passed-through the Mississippi Supreme Court			
Coronavirus Relief Fund	21.019	N/A	97,922
Emergency Rental Assistance (Direct Award) *	21.023	N/A	11,328,571
Coronavirus State and Local Fiscal Recovery Funds (Direct Award) *	21.027	N/A	<u>5,704,105</u>
Total U.S. Department of the Treasury			<u>17,130,598</u>
<i>U.S. Department of Health and Human Services</i>			
Passed-through the Mississippi Department of Human Services			
Special programs for the aging- title III, Part B grants for supportive services and senior centers	93.044	1030-21	<u>38,394</u>
Total Aging Cluster			<u>38,394</u>
Total U.S. Department of Health and Human Services			<u>38,394</u>
<i>Executive Office of the President</i>			
Passed-through the Gulf Coast HIDTA			
High intensity drug trafficking area program	95.001	G19GC0003A	<u>14,629</u>
Total Executive Office of the President			<u>14,629</u>
<i>U.S. Department of Homeland Security</i>			
Passed-through the Mississippi Emergency Management Agency			
Emergency Management Performance grants	97.042	EMW-2022-EP-0031-S01	<u>212,432</u>
Total U.S. Department of Homeland Security			<u>212,432</u>
		Total Expenditures of Federal Awards	\$ <u><u>17,894,974</u></u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**HINDS COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2022**

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 Hinds County under programs of the federal government for the year ended September 30, 2022. 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 Hinds County, it is not intended to and does not present the financial position, changes in net position or cash flows of Hinds County, Mississippi.

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

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

Note D- Outstanding Loans

At September 30, 2022, there were \$1,744,510 of loans outstanding in the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii, ALN 14.228. There were no continuing compliance requirements related to this loan for the year ended September 30, 2022.

\*denotes major federal award program

**HINDS COUNTY**

**OTHER INFORMATION**

**HINDS COUNTY, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2022**

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
Robert Graham	Supervisor District 1	\$ 100,000	Western Surety Company
David L. Archie	Supervisor District 2	\$ 100,000	Western Surety Company
Credell Calhoun	Supervisor District 3	\$ 100,000	Travlers Casualty & Surety Company
Vern O. Gavin	Supervisor District 4	\$ 100,000	Western Surety Company
Bobby McGowan	Supervisor District 5	\$ 100,000	Western Surety Company
Eddie Jean Carr	Chancery Clerk	\$ 100,000	Western Surety company
Kenneth Wayne Jones	County Administrator	\$ 100,000	Western Surety Company
Zacchaeus Wallace	Circuit Clerk	\$ 100,000	FCCI
Devin Black	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Kelly Cauthen	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Melinda Green	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Rona Haley	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Sharon Haley	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
LaKisha Jones- Clay	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Kinnui Kidd	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Cathy Lockett	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Dawn Lyons	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Lakeeta McGee	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
LeGecha Mckinley	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Shanekia Mosley	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Raymond Myers	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Robin Phillips	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Wanda Van Etten	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Delwin Wells	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Navarro Williams	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Lee Myers	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Marshand Crisler	Interim Sheriff	\$ 100,000	Western Surety Company
Tyree Jones	Sheriff	\$ 100,000	Western Surety Company
Charles E. Stokes	Tax Assessor	\$ 50,000	Western Surety Company
April Angrum	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Cody Lee Ashley	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Daryl Berry	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Angela Blaylock	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Angela Blaylock	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Laura Burse	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Richard Caston	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Stephen Draper	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Riley K Ellis	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Darryl Ervin	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Tyler Gilbert	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Tamara Graves	Deputy Tax Assessor	\$ 10,000	Western Surety Company
LaTamara U. Green/LaTamara G E	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Clifton Hackler	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Porschea Harper	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Debbie Hennington	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Joseph P Lewis	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Jonetha Lewis	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Alexandra Lovell	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Lenell McGee Jr.	Deputy Tax Assessor	\$ 10,000	Western Surety Company



**HINDS COUNTY, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2022**

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
Dajoure Mister	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Warren Pinter	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Justin A Stepp	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Latonya Sturgis	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Angela Thomason	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Joseph Thompson	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Lavonta Thompson	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Lee Ward	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Nicholas Ward	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Melaine R Warner	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Justin L Washington	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Briana Wilson	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Floyd Wilson	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Tatiana Curtis	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Dawn McGee	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Algernon Trice	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Quintina Renea Calender Dixon	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Eddie J. Fair	Tax Collector	\$ 100,000	Western Surety Company
Carolyn H. Allen	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sharonda Nichols Allen	Deputy Tax Collector	\$ 50,000	Western Surety Company
Doris Boston	Deputy Tax Collector	\$ 50,000	Western Surety Company
LaShunn Campbell	Deputy Tax Collector	\$ 50,000	Western Surety Company
Larry Camper	Deputy Tax Collector	\$ 50,000	Western Surety Company
Kathy Chesnut	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sophie Coats	Deputy Tax Collector	\$ 50,000	Western Surety Company
Ricardo Comegy	Deputy Tax Collector	\$ 50,000	Western Surety Company
Quintina Renea Calender Dixon	Deputy Tax Collector	\$ 50,000	Western Surety Company
Morgan Ellis	Deputy Tax Collector	\$ 50,000	Western Surety Company
Peggy Ervin	Deputy Tax Collector	\$ 50,000	Western Surety Company
Kristi Fields	Deputy Tax Collector	\$ 50,000	Western Surety Company
Kristie Fields	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sherion Fleming	Deputy Tax Collector	\$ 50,000	Western Surety Company
Joseph Francis	Deputy Tax Collector	\$ 50,000	Western Surety Company
Stephanie Green/ Gray	Deputy Tax Collector	\$ 50,000	Western Surety Company
Matthew Ryan Henderson	Deputy Tax Collector	\$ 50,000	Western Surety Company
Ron Hinson	Deputy Tax Collector	\$ 50,000	Western Surety Company
Rebecca Ann Hollis	Deputy Tax Collector	\$ 50,000	Western Surety Company
Tosha Jordan	Deputy Tax Collector	\$ 50,000	Western Surety Company
Annie Kinnard	Deputy Tax Collector	\$ 50,000	Western Surety Company
Regina Laury	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sandra Mattix	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sylvia McClellan	Deputy Tax Collector	\$ 50,000	Western Surety Company
Angela McGregory	Deputy Tax Collector	\$ 50,000	Western Surety Company
Gracie R McMillian	Deputy Tax Collector	\$ 50,000	Western Surety Company
Etta McPhaul	Deputy Tax Collector	\$ 50,000	Western Surety Company
Jasmine Myers	Deputy Tax Collector	\$ 50,000	Western Surety Company
Alexis Nelson	Deputy Tax Collector	\$ 50,000	Western Surety Company
Paulette Newman	Deputy Tax Collector	\$ 50,000	Western Surety Company
Duane Adam Quinn	Deputy Tax Collector	\$ 50,000	Western Surety Company

**HINDS COUNTY, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2022**

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
Judy Smith	Deputy Tax Collector	\$ 50,000	Western Surety Company
Marie Lee Strong	Deputy Tax Collector	\$ 50,000	Western Surety Company
Latorria Taylor	Deputy Tax Collector	\$ 50,000	Western Surety Company
Cheryl Warren	Deputy Tax Collector	\$ 50,000	Western Surety Company
Shirron Wash	Deputy Tax Collector	\$ 50,000	Western Surety Company
Lakonita Washington	Deputy Tax Collector	\$ 50,000	Western Surety Company
Shavondra Washington	Deputy Tax Collector	\$ 50,000	Western Surety Company
Coretta White	Deputy Tax Collector	\$ 50,000	Western Surety Company
Brittany Williams	Deputy Tax Collector	\$ 50,000	Western Surety Company
Terrell Wilson	Deputy Tax Collector	\$ 50,000	Western Surety Company
Darwin Dewayne Wooten	Deputy Tax Collector	\$ 50,000	Western Surety Company
Michelle Wright	Deputy Tax Collector	\$ 50,000	Western Surety Company
Antraneice Catchings	Deputy Tax Collector	\$ 50,000	Western Surety Company
Rogjellico Nichole Chambers	Deputy Tax Collector	\$ 50,000	Western Surety Company
Susan Gilmore	Deputy Tax Collector	\$ 50,000	Western Surety Company
Crystal Gray	Deputy Tax Collector	\$ 50,000	Western Surety Company
Danielle Howard	Deputy Tax Collector	\$ 50,000	Western Surety Company
Nyla Kendrick	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sydalgia Neal	Deputy Tax Collector	\$ 50,000	Western Surety Company
Erica L Owens	Deputy Tax Collector	\$ 50,000	Western Surety Company
Phylisha Reed	Deputy Tax Collector	\$ 50,000	Western Surety Company
Verna Richard	Deputy Tax Collector	\$ 50,000	Western Surety Company
Jaylin Smith	Deputy Tax Collector	\$ 50,000	Western Surety Company
Ashley Coleman	Deputy Tax Collector	\$ 50,000	Western Surety Company
Kayla K Day	Deputy Tax Collector	\$ 50,000	Western Surety Company
Bryanna Mosley	Deputy Tax Collector	\$ 50,000	Western Surety Company
Crystal Simmons	Deputy Tax Collector	\$ 50,000	Western Surety Company
Jerry Moore	Constable, District 1	\$ 50,000	Souther Insurance Group
John Brown	Constable, District 2	\$ 50,000	Western Surety Company
Lawrence Funchess	Constable, District 3	\$ 50,000	Travlers Casualty & Surety Company
Leon Seals	Constable, District 4	\$ 50,000	Western Surety Company
Beverly Wade Green	Constable, District 5	\$ 50,000	Western Surety Company
Donald Palmer	Justice Court Judge	\$ 50,000	Travlers Casualty & Surety Company
Tabitha Britton Porter	Justice Court Judge	\$ 50,000	Western Surety Company
Frank Sutton	Justice Court Judge	\$ 50,000	Western Surety Company
Kenny Lewis	Justice Court Judge	\$ 50,000	Western Surety Company
Pearlie Brown Owens	Justice Court Judge	\$ 50,000	Western Surety Company
Patricia Woods	Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Robert Amos	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Jade Ball	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Dolise Clowers	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Dana Vaughan Cousin	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Jennifer A Ervin	Deputy Justice Court Clerk	\$ 50,000	Western Surety Group
Angelica Gater	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Anjua Hudson	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Tunisia Kennedy	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
LaQunta Phillips	Deputy Justice Court Clerk	\$ 50,000	Western Surety Group
Feliscia Robinson	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Cynthia Smith	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company

**HINDS COUNTY, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2022**

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
Joyce Williams	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Charles Sims	Road Manager	\$ 50,000	Western Surety Group
Cornelius Jackson	Inventory Control Clerk	\$ 75,000	Western Surety Company
James Ingram	Inventory Control Clerk	\$ 75,000	Travlers Casualty & Surety Company
Michael Johnson	Inventory Control Clerk	\$ 75,000	Travlers Casualty & Surety Company
Christopher Scott	Assistant Inventory Control Cler	\$ 50,000	Western Surety Company
Chantey Broome	Purchase Clerk	\$ 100,000	Western Surety Company
Driscilla Anderson	Assistant Purchase Clerk	\$ 50,000	Western Surety Company
Brenda Butler	Assistant Purchase Clerk	\$ 50,000	Travlers Casualty & Surety Company
Lure Berry	Receiving Clerk	\$ 75,000	Travlers Casualty & Surety Company
Beverly Hughes	Assistant Receiving Clerk	\$ 75,000	Travlers Casualty & Surety Company
Shannon Amos	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Frances Ashley	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Paula Cable	Assistant Receiving Clerk	\$ 50,000	Southern Insurance Group
Angela Cook	Assistant Receiving Clerk	\$ 50,000	Southern Insurance Group
Shondra Dotson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Karen Evans	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Nikia Felton	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Tracy Funches	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Anthony Gaines	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
D'Andrea LaShea Gilmore	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Samantha Grant	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Shirley Harrison	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Drusilla Hicks	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Shantay Hines	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Nacola Rae James	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Carmelita Johnson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Lakeesha Johnson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Lakisha Clay Jones	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Carolyn Leflore	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Vicki Lowers	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Brandy W. Martin	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Valerie Moton	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Don Neal	Assistant Receiving Clerk	\$ 50,000	
Latonya Sturgis	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Kathy Lynn Sykes	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Angela Thomason	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Naomi Thompson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Anitra Townsend	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Tabetha Ward	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Shirron Wash	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Persephone Washington	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Coretta White	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Vickie Whitley	Assistant Receiving Clerk	\$ 50,000	Southern Insurance Group
Joyce Williams	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Gloria Wilson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Michelle Wright	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Pamela Young	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Felicia Johnson	Assistant Receiving Clerk	\$ 50,000	Western Surety Company

**HINDS COUNTY, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2022**

<u>NAME</u>	<u>DEPARTMENT OR POSITION</u>	<u>AMOUNT OF BOND</u>	<u>BONDING COMPANY</u>
Carla Marsh	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Santana Ratliff	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Nicole Ross	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Pamela Young/ Taylor	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
LaKisha Jones- Clay	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Nacola Rae James	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Gloria Wilson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company

**HINDS COUNTY**

**SPECIAL REPORTS**

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

Members of the Board of Supervisors  
Hinds County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Hinds County, Mississippi (the County), as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 3, 2024. Our report includes a reference to other auditors who audited the financial statements of Hinds County Economic Development Authority and Hinds County Mental Health Commission, component units, as described in our report on Hinds County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and on compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as

2022-001, 2022-002, 2022-004, 2022-005, 2022-006, and 2022-007 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2022-003 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hinds County, Mississippi's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001, 2022-004, 2022-006, and 2023-007.

We also noted certain matters that we have reported to the management of Hinds County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated September 3, 2024 included within this document.

### **Hinds County's Responses to Findings**

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

### **Purpose of this Report**

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
September 3, 2024

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

Members of the Board of Supervisors  
Hinds County, Mississippi

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

We have audited Hinds 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 Hinds County, Mississippi's major federal programs for the year ended September 30, 2022. Hinds 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, Hinds 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, 2022.

***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 Hinds County, Mississippi's and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hinds 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 Hinds 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 Hinds 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 Hinds County, Mississippi's compliance with the requirements of each major federal program as a whole.

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

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

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

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

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

governance.

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

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC

Certified Public Accountants

Vicksburg, Mississippi

September 3, 2024

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

Members of the Board of Supervisors  
Hinds County, Mississippi

We have examined Hinds 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, 2022. The Board of Supervisors of Hinds 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 Hinds 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.

The results of our audit procedures disclosed certain instances of noncompliance with the aforementioned code sections. These instances of noncompliance were considered in forming our opinion on compliance. Our findings and recommendations and your responses are disclosed below.

**Purchase Clerk.**

1. The Purchase Clerk shall be responsible for the maintenance of the central purchasing system of the County.

**Repeat Finding**      Yes

<b>Criteria</b>	The County is responsible for complying with the requirements of the Public Purchasing Laws; Title 31, Chapter 7.
<b>Condition</b>	<p>The County failed to comply with Public Purchasing Laws: Title 31, Chapter 7. A well-designed purchasing system would comply with the provisions of Title 31, Chapter 7 and would include proper bid requirements as well as the use of purchase requisitions, purchase orders, and receiving reports. During our test work, we noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> <li>• One (1) instance where no documentation was provided at all to support the disbursements</li> <li>• Two (2) instances where the receiving report was signed by an unauthorized individual</li> <li>• One (1) instance where the invoice is dated prior to the purchase order</li> </ul>
<b>Cause</b>	The County has failed to establish and maintain an adequate internal control system to ensure compliance with the Public Purchasing Laws: Title 31, Chapter 7.
<b>Effect</b>	The County is not in compliance with Public Purchasing Laws: Title 31, Chapter 7, and this could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the Public Purchasing Laws: Title 31, Chapter 7.
<b>Views of Responsible Official(s)</b>	The Purchasing Department will coordinate with the respective departments to ensure that proper measures are taken to ensure compliance. Purchasing have Workday in place to implement the roles of assigned personnel staff.

**Inventory Control Clerk**

2. The County should establish and maintain effective internal controls over financial reporting of capital assets.

<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 31-7-107, Mississippi Code Annotated (1972),</i> requires the Inventory Control Clerk to maintain an inventory system. An effective system of internal controls over capital assets should include proper recording of additions and deletions.
<b>Condition</b>	The County's current record keeping system and accounting processes and procedures for capital assets do not allow for timely and accurate reconciliation of additions and deletions of capital assets in the proper period. Errors were identified in the capital asset schedules that were not detected by management.
<b>Cause</b>	There are no procedures in place to reconcile construction in progress to ensure current year additions were not previously included in construction in progress. Additionally, the process and timeline for the preparation of capital asset

schedules does not provide for timely review, approval, and identification of possible errors.

**Effect** The financial statements could be materially misstated, and the errors would not be detected by management. Further, multiple revisions to the capital asset schedules were required, which caused delays in the close-out of the capital asset accounts.

**Recommendation** The County should regularly track, record, and reconcile costs intended to be capitalized. We further recommend capital asset records should be updated timely to facilitate a review and approval process.

**Views of Responsible Official(s)** The Inventory Department has utilized the new Workday software to make sure all capital assets are updated and reviewed regularly.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Hinds County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2022.

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.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
September 3, 2024

HINDS COUNTY  
Schedule of Purchases from Other Than the Lowest Bidder  
For the Year Ended September 30, 2022

Schedule 1

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

HINDS COUNTY  
 Schedule of Emergency Purchases  
 For the Year Ended September 30, 2022

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
4/4/2022	Access Control	\$ 12,985	B&E Communications	Doors at HYPJJC would not stay locked
4/4/2022	Replace Washer & Dryer	55,257	Laundry South	Machine couldn't be repaired
6/6/2022	Elevators	675,000	Midsouth Elevator	elevators needed replacing

Schedule of Purchases Made Noncompetitively from a Sole Source  
For the Year Ended September 30, 2022

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
10/21/2021	Tazer & Cartridge	7,187	Axon Enterprises
10/19/2021	Flow Test 120	7,778	Sunbelt Fire
4/4/2022	Detention Locks	5,445	Correction Products
4/26/2022	Rescue Phone	7,495	Rescue Phone
8/24/2022	Battery Pack Taser	3,074	Axon Enterprise Inc
9/19/2022	Software for Prosecutor	66,250	Karpel Solutions Inc
9/19/2022	Polygraph Testing	17,615	Lafayette Instrument
3/7/2022	Software for Investigation	17,385	Oxygen Forensics



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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Hinds County, Mississippi

In planning and performing our audit of the financial statements of Hinds County, Mississippi for the year ended September 30, 2022, we considered Hinds 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 Hinds 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 September 3, 2024, on the financial statements of Hinds County, Mississippi.

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

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

### Board of Supervisors

**1.** All Supervisors must Inspect the Roads and Bridges and Attest to the Clerk of the Board for having done so.

**Repeat Finding** Yes-2020-3; 2021-1

**Criteria** *Section 65-7-117, Mississippi Code Annotated (1972)*, states that, “Each member

of the board of supervisors shall inspect every road, bridge and ferry in each district at least annually, at times to be fixed by the board, and shall file with the clerk of the board a report, under oath, of the condition of the several roads, bridges and ferries inspected by him, with such recommendations as are needful, which reports shall be presented to the board of supervisors and kept on file for three (3) years.”

**Condition** This matter has been reported in the prior 16 audit reports. During the course of our testing on this audit, we noted that the inspection reports had not been filed with the Clerk of the Board.

**Cause** Annual inspections of the roads and bridges in the County have not been completed and/or attested to having been done.

**Effect** Failure to complete annual inspections of roads and bridges and to file an affidavit of said inspection can lead to failure to identify and to complete necessary improvements in a timely manner.

**Recommendation** The Board of Supervisors should ensure that they complete the requisite inspections of the roads and bridges in their jurisdiction and file an affidavit with the Clerk of the Board for inclusion in the minutes.

**Response** We will comply with the recommendation.

**2.** List of employees authorized to issue requisitions and receiving reports.

**Repeat Finding** Yes-2021-2

**Criteria** *Sections 31-7-103 and 31-7-109, Mississippi Code Annotated (1972), state that persons must be specifically authorized to sign purchase requisitions and receiving reports.*

**Condition** During the course of our test work, we were unable to locate a listing approved by the Board of Supervisors specifying who was authorized to sign purchase requisitions and receiving reports.

**Cause** The Board of Supervisors did not approve a list that specifies those individuals with authority to sign purchase requisitions and receiving reports for each department.

**Effect** Failure to specify individuals with authority to sign purchase requisitions and receiving reports could result in the loss or misappropriation of public funds.

**Recommendation** The Board should annually approve a list of individuals in each department who are authorized to sign purchase requisitions and receiving reports and spread this list on the minutes.

<b>Response</b>	We will comply with the recommendation.
<b>3.</b>	<u>Public Officials and Employees should ensure compliance with state law over surety bonding requirements.</u>
<b>Repeat Finding</b>	Yes-2020-4; 2021-3
<b>Criteria</b>	<i>Section 25-1-15, Mississippi Code Annotated (1972), states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."</i>
<b>Condition</b>	During the course of our testing we noted the following instances of non-compliance: <ul style="list-style-type: none"> <li>• We were unable to locate a bond for one (1) deputy tax collector</li> <li>• One (1) assistant purchase clerk was bonded with an indefinite bond</li> <li>• Eighteen (18) deputy circuit clerks were bonded in excess of the statutory limitation</li> </ul>
<b>Cause</b>	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
<b>Effect</b>	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
<b>Recommendation</b>	We recommend that the Board of Supervisors implement procedures to ensure that County officials and employees are bonded as required by State law.
<b>Response</b>	We will comply with this recommendation.
<b>4.</b>	<u>Public Officials should strengthen controls to ensure compliance with requirements for accounting for restricted funds.</u>
<b>Repeat Finding</b>	Yes-2020-1; 2021-5
<b>Criteria</b>	<i>Section 23-15-5(2)(a)(i), Mississippi Code Annotated (1972), states that, "Monies in the special [Election Support] fund shall be distributed annually to the counties, upon appropriation of the Legislature...and held in a separate fund solely for the purpose of acquiring, upgrading, maintaining or repairing voting equipment, systems and supplies, hiring temporary technical support, conducting elections using such voting equipment or systems, employing such personnel to conduct an election, and training election officials..."</i>
<b>Condition</b>	During the course of the audit, we noted that the Election Support Funds were placed in the General Fund.
<b>Cause</b>	Public officials failed to ensure that the Election Support Funds were placed in a separate fund.
<b>Effect</b>	Failure to correctly record and place restricted funds could result in misappropriation of restricted funds.

**Recommendation** The Board of Supervisors should ensure that a separate fund is used to account for monies received from the Election Support Fund.

**Response** The recommendation has already been corrected.

**5.** Public officials should levy one mill in accordance with State law.

**Repeat Finding** Yes-2020-2; 2021-6

**Criteria** *Section 27-39-329(2)(b), Mississippi Code Annotated (1972),* stated that, "Beginning with taxes levied for the Fiscal Year 1983, each county shall levy each year an ad valorem tax of one (1) mill upon all taxable property of the county which may be used for any purpose for which counties are authorized by law to levy an ad valorem tax, but the avails of such tax levy shall not be expended unless and until the State Tax Commission has certified that the county has a method of maintaining assessment records in accordance with commission rules and regulations, has an ownership mapping system as provided in Section 27-35-53 in conformity with commission specifications, maintains certified appraisers as provided in Section 27-3-52, and complies with requests by the commission for sales data under Section 27-3-51."

**Condition** During the course of our audit, we noted that the County levied **0.90** mills for the fiscal year ending **September 30, 2022**, which is less than the amount required by statute.

**Cause** The County is not levying and collecting the proper amount of tax revenue in the Special Ad Valorem Reappraisal Fund.

**Effect** Failure to levy and collect the full mill results in an insufficient balance to meet the requirements of *Section 27-35-113(5)(b), Mississippi Code Annotated 1972*.

**Recommendation** We recommend that the Board of Supervisors levy the full one mill for the Special Ad Valorem Reappraisal Fund.

**Response** This recommendation has already been corrected.

#### **Permit and Zoning Director**

**6.** Public Officials should Ensure Sufficient Separation of Duties in the Collection, Deposit, Recording, Settling, and Reconciling Functions.

**Repeat Finding** Yes-2021-8

**Criteria** An effective system of internal control should include an adequate segregation of duties in the collection, deposit, recording, settling, and reconciling functions.

**Condition** During the course of our audit, we noted that the same individual reviews the collections for the day, prepares the deposit, takes the deposit to the bank, settles the account, and reconciles the account.

<b>Cause</b>	There is insufficient staff in the permit and zoning department to properly establish and implement a system of internal control with adequate separation of duties concerning the collection, deposit, recording, settling, and reconciling functions.
<b>Effect</b>	Failure to properly separate the accounting functions could result in the misappropriation of public funds.
<b>Recommendation</b>	The Board and Director should ensure that there is an adequate separation of duties in the collection, deposit, recording, settling, and reconciling functions within the office.
<b>Response</b>	Permit and Zoning will comply with this recommendation.
<b>7.</b>	<u>Public Officials Should Ensure that Bank Reconciliations are Performed</u>
<b>Repeat Finding</b>	Yes-2021-9
<b>Criteria</b>	An effective system of internal controls requires that bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
<b>Condition</b>	During the course of our audit, we noted that bank reconciliations were not performed for the Permit and Zoning Account.
<b>Cause</b>	The Board and the Director have not implemented proper controls to ensure that bank reconciliations are performed.
<b>Effect</b>	Failure to complete an accurate and timely bank reconciliation results in a weakness in the system of internal controls over cash.
<b>Recommendation</b>	The Board and the Director should establish and maintain an effective internal control system over cash and ensure that bank reconciliations are prepared timely and accurately on a monthly basis and maintain records of such.
<b>Response</b>	Permit and Zoning will comply with this recommendation.

**Payroll Clerk/Human Resources**

<b>8.</b>	<u>Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.</u>
<b>Repeat Finding</b>	Yes-2021-10
<b>Criteria</b>	<i>Section 25-11-127, Mississippi Code Annotated (1972), states, "No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement. After the person has been retired for not less than ninety (90) consecutive days from his or her</i>

effective date of retirement or such later date as established by the board, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in this section....

4) The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either:

(a) For a period of time not to exceed one-half ( $\frac{1}{2}$ ) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half ( $\frac{1}{2}$ ) of the salary in effect for the position at the time of employment, or

(b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of retiree's average compensation.

To determine the normal working days for a position under paragraph (a) of this subsection, the employer shall determine the required number of working days for the position on a full-time basis and the equivalent number of hours representing the full-time position. The retiree then may work up to one-half ( $\frac{1}{2}$ ) of the required number of working days or up to one-half ( $\frac{1}{2}$ ) of the equivalent number of hours and receive up to one-half ( $\frac{1}{2}$ ) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half ( $\frac{1}{2}$ ) of the number of days or hours for a single full-time position.

Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment. *[Note: This notice is provided on PERS Form 4B and must be executed annually and sent to PERS]*

(6) (a) A member may retire and continue in municipal or county elective office provided that the member has reached the age and/or service requirement that will not result in a prohibited in-service distribution as defined by the Internal Revenue Service, or a retiree may be elected to a municipal or county office, provided that the person:

(i) Files annually, in writing, in the office of the employer and the office of the executive director of the system before the person takes office or as soon as possible after retirement, a waiver of all salary or compensation and elects to receive in lieu of that salary or compensation a retirement allowance as provided in this section, in which event no salary or compensation shall thereafter be due or payable for those services; however, any such officer or employee may receive, in addition to the retirement allowance, office expense allowance, mileage or travel expense authorized by any statute of the State of Mississippi; or

(ii) Elects to receive compensation for that elective office in an amount not to exceed twenty-five percent (25%) of the retiree's average compensation. In order to receive compensation as allowed in this subparagraph, the retiree shall file annually, in writing, in the office of the employer and the office of the executive director of the system, an election to receive, in addition to a retirement

allowance, compensation as allowed in this subparagraph. [Note: This notice is provided on PERS Form 9C and must be executed annually and sent to PERS]

(b) The municipality or county in which the retired person holds elective office shall pay to the board the amount of the employer's contributions on the full amount of the regular compensation for the elective office that the retired person holds.

<b>Condition</b>	During the course of our audit, we noted the following: <ul style="list-style-type: none"><li>• Nine (9) retired individuals earned in excess of the allowable amount as determined by PERS</li><li>• Three (3) retired individuals had not executed the PERS Form 4B (or 9C) for the PERS fiscal year</li><li>• Two (2) retired individuals had not properly completed the PERS Form 4B (or 9C) for the PERS fiscal year</li></ul>
<b>Cause</b>	The County did not comply with <i>Section 25-11-127, Mississippi Code Annotated (1972)</i> in that it failed to ensure proper notice to PERS, proper execution of required documents, and proper monitoring of wages to ensure the PERS cap was not exceeded.
<b>Effect</b>	The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.
<b>Recommendation</b>	The County should ensure that the statutory conditions for reemployment are met.
<b>Response</b>	We will comply with the recommendation.

<b>9.</b>	<u>Employee File Documentation.</u>
<b>Repeat Finding</b>	Yes-2021-11
<b>Criteria</b>	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.
<b>Condition</b>	During the course of our test work, we noted the following: <ul style="list-style-type: none"><li>• Four (4) instances where the I-9 was incomplete</li><li>• Four (4) instances where the I-9 was unable to be located</li></ul>
<b>Cause</b>	The employee files are not being reviewed regularly to identify files without proper documentation.
<b>Effect</b>	Failure to properly execute Form I-9 could result in civil penalties for the County.
<b>Recommendation</b>	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee document retention policies and laws.
<b>Response</b>	We will comply with the recommendation.

**10.** Failure to Maintain Evidence of Timely Deposits of Federal Taxes

**Repeat Finding** No

**Criteria** The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the proper and timely deposit of federal, FICA and Medicare taxes that have been withheld and the Employee match for FICA and Medicare taxes within the time required by IRS regulations. Amounts withheld should be reconciled to payroll records maintained by the County, and proper documentation should be maintained evidencing compliance. Further, the County is required to file informational returns on a quarterly basis reporting wages and taxes paid which match these internal records.

**Condition** During the course of our audit, we noted two (2) quarters for which evidence of the required tax payments and filing of the informational return was not maintained.

**Cause** Evidence of paying the payroll taxes and filing the informational return was not maintained.

**Effect** The County could be assessed penalties on late payment and reporting of federal payroll taxes. Additionally, the County could face criminal prosecution for any instance of willful failure to collect or truthfully account for payroll taxes, file required returns, supply requested information, or pay any taxes due.

**Recommendation** The County should establish and maintain controls around the payroll process that would ensure that the County is in compliance with federal employment tax laws and maintain proper records to evidence compliance.

**Response** Payroll and HR will maintain controls around the payroll process and file taxes timely.

**Circuit Clerk**

**11.** The Circuit Clerk Should Strengthen Internal Controls over Deposits, Settlements, and Recording of Receipts.

**Repeat Finding** Yes-2021-12 (as to deposit timeliness)

**Criteria** An effective system of internal controls requires that all receipts are recorded in the journal, deposited into the correct account, and settled timely to the appropriate entities.

**Condition** During the course of our test work in Jackson, we noted that eighteen (18) of the forty (40) deposits tested were not made in a timely manner with some deposits being held for longer than two weeks from the date of receipt.



We further noted during our test work in Raymond that twenty-four (24) of the forty (40) deposits tested were not made in a timely manner with multiple deposits being held for longer than two weeks from the date of receipt.

We further found that the Raymond criminal account was not being settled other than interest.

Auditors also noted that money collected for marriage licenses was being deposited into the criminal account and was not recorded on the proper cash journal.

**Cause** The Circuit Clerk has not established a system of internal control to ensure the proper recording of receipts, the timeliness of deposits, and the timely and accurate settlement of all accounts.

**Effect** Failure to timely record, deposit, and settle receipts could result in the loss or misappropriation of public funds.

**Recommendation** The Circuit Clerk should implement an effective internal control system to ensure the accuracy and timeliness of recording receipts on the proper journal, the timeliness of deposits, and the proper settlement of funds to the necessary parties for all accounts.

**Response** The Circuit Clerk will comply with this recommendation.

**12.** The Circuit Clerk should ensure proper completion of the Annual Financial Report.

**Repeat Finding** No

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

**Condition** During the course of our audit, we noted that the revenues for court per diems were understated on the Annual Financial Report by one thousand dollars (\$1,000).

**Cause** The Clerk has not implemented a system to ensure that the Annual Financial Report is properly completed with the various revenues and expenses appropriately shown.

**Effect** Failure to properly complete the Annual Financial Report results in noncompliance with State law, and it could lead to improper calculation of earnings subject to the salary cap and retirement calculations.

**Recommendation** The Clerk should implement a system to ensure that the Annual Financial Report is properly completed to show the various categories of revenues and expenses as well as to ensure accuracy.

**Response** The Circuit Clerk will comply with this recommendation.

**13.** The Circuit Clerk Should Ensure Compliance with State Law over Expenses Claimed.

**Repeat Finding** No

**Criteria** *Section 9-1-43(1), Mississippi Code Annotated (1972), further states, "(1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees' Retirement System under Sections 25-11-106.1 and 25-11-123(f)(4), employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk's or circuit clerk's services in excess of Ninety-seven Thousand Dollars (\$97,000.00)."*

**Condition** Auditors noted one item claimed was not allowable in its entirety:

- Depreciation for the entire amount of the vehicle for **\$60,598**

**Cause** The Circuit Clerk claimed an expense that is not allowable in its entirety.

**Effect** Claiming expenses that are not allowable could result in the loss or misappropriation of public funds.

**Recommendation** The Clerk should also develop a method to properly allocate depreciation for purposes of claiming the expense on the Annual Financial Report and in future reports.

**Response** The Circuit Clerk will comply with this recommendation.

**Chancery Clerk**

**14.** The Chancery Clerk should implement controls over cash collections to standardize cash handling and ensure compliance with state law regarding the timely deposit of funds.

**Repeat Finding** Yes-2021-14

**Criteria** *Section 25-1-72, Mississippi Code Annotated (1972), states that, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."*

**Condition** During the course of our test work in Raymond, we found that three (3) of ten (10) land redemption deposits tested were not made in a timely manner. We noted that the untimely deposits were held for longer than a week.

Auditors further noted that there were no defined daily close out and deposit processes for land redemption collections. Deposits were being made haphazardly with the amounts collected often not balancing to the releases issued.

**Cause** These delays and inaccuracies are due to inadequate internal controls surrounding the statutory requirements for the depositing of revenue collected in the office.

**Effect** Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts and settlement of funds.

**Recommendation** The Chancery Clerk should implement controls over cash collections to ensure that the deposits are being made in a timely manner as prescribed by statute as well as to define procedures for the handling of cash.

**Response** The Chancery Clerk will ensure that all deposits are made daily pursuant to the Mississippi Code. Additional procedures will be put in place for handling cash to ensure compliance with State Laws regarding timely deposits.

**15.** The Chancery Clerk Should Ensure Compliance with State Law over the Calculation of Fees for the Collection of Delinquent Taxes.

**Repeat Finding** Yes-2021-15

**Criteria** *Section 25-7-21(4), Mississippi Code Annotated (1972), states that, "Fees of chancery clerk for collection of delinquent taxes:*

- a. For abstracting the list of lands sold for taxes, for each separately described section or subdivision lot. . . . \$ 1.00
- b. For filing and recording deed to land sold for taxes. . . . \$10.00
- c. For abstracting each deed in the sectional index, per section or subdivision lot. . . . \$ 1.00
- d. For recording redemption of each. . . . \$10.00

e. For abstracting each redemption in the sectional index, per section or subdivision lot. . . . \$ 1.00  
f. And, in addition, three percent (3%) on the amount necessary to redeem.

The several officers' fees shall be collected by the tax collector or chancery clerk and paid over to those entitled to same." (Emphasis added).

**Condition** During the course of our test work, we noted that calculation for the clerk's 3% redemption fee is calculating at just under 3%, which results in a shortage of about \$0.27 per release.

**Cause** This miscalculation is due to inadequate internal controls surrounding the statutory calculations of the clerk's fees for redemption. This is likely due to a setting or parameter in the software used for the processing of releases.

**Effect** Inadequate controls surrounding the calculation of amounts due to the Clerk result in less revenue collected and results in noncompliance with statutory requirements.

**Recommendation** The Chancery Clerk should ensure that the calculations of land redemption fees are being made in the manner prescribed by statute.

**Response** The Chancery Clerk will continue to work with the IT Department to ensure that calculation fees for the collection of Delinquent Taxes are following State Law.

**16.** Public Officials Should Ensure Compliance with State Law over the Public Depositors Annual Report.

**Repeat Finding** Yes-2021-16

**Criteria** *Section 27-105-5(6), Mississippi Code Annotated (1972)*, states, "Public depositors shall comply with the following requirements: a) A public depositor shall ensure that the name of the public depositor and its tax identification number are on the account or certificate provided to the public depositor by the qualified public depository in a manner sufficient to disclose the identity of the public depositor; b) Not later than thirty (30) days following its fiscal year end, a public depositor shall notify the State Treasurer of its official name, address, federal tax identification number, and provide a listing of all accounts that it had with qualified public depositories, including the deposit balance in those accounts, as of its fiscal year end. A public entity established during the year shall furnish its official name, address and federal tax identification number to the State Treasurer before making any public deposit."

**Condition** The Public Depositors Annual Report was not filed.

**Cause** The Public Depositors Annual Report was not filed by the statutory deadline.

<b>Effect</b>	Failure to notify the State Treasurer of its official name, address, federal tax identification number, and the balance in its accounts, as of its fiscal year end, increases the risk that the County's total deposits may not be properly collateralized and results in noncompliance with <i>Section 27-105-5(6)</i> .
<b>Recommendation</b>	We recommend that the County file the Public Depositors Annual Report within thirty (30) days following the fiscal year end, as required by state law.
<b>Response</b>	The Chancery Clerk will ensure that the Public Depository Annual Report is submitted timely as required by State Law.
<b>17.</b>	<u>The Chancery Clerk Should Ensure Compliance with State Law over Expenses Claimed.</u>
<b>Repeat Finding</b>	Yes-2021-17
<b>Criteria</b>	<i>Section 9-1-43(1), Mississippi Code Annotated (1972)</i> , further states, "(1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees' Retirement System under <i>Sections 25-11-106.1 and 25-11-123(f)(4)</i> , employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk's or circuit clerk's services in excess of Ninety-seven Thousand Five Hundred Dollars (\$97,000.00)."
<b>Condition</b>	During the course of our audit, we noted that the following items were claimed as interest expenses on the Annual Financial Report, but they are not allowable expenses by Schedule C of the Internal Revenue Code: <ul style="list-style-type: none"> <li>• Penalty for Late Filing of State Tax Withholding for <b>\$1,629.20</b></li> <li>• Penalty for Late Filing of Federal Tax Withholding for <b>\$9,677.06</b></li> <li>• Penalty for Late Filing of PERS Withholding for <b>\$67.66</b></li> </ul>
<b>Cause</b>	The Clerk claimed expenses that are not allowable by Schedule C of the Internal Revenue Code.
<b>Effect</b>	Claiming expenses that are not allowable results in noncompliance and could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Clerk should only claim expenses allowable under Schedule C. The Clerk should also consider guidance as found in IRS Publication 529.  It is further recommended that the Clerk amend the AFR and repay the improperly claimed expenses in the amount of <b>\$11,373.92</b> .
<b>Response</b>	The Chancery Clerk's Annual Financial Report will amend FY 2022 and submit to the appropriated Agencies. Additionally, appropriate funds will be transferred to the County General Funds.

**18.**                    The Chancery Clerk Should Ensure Compliance with State Law over the Usage of Chancery Court Clerk Clearing Accounts.

**Repeat Finding**                    Yes-2021-18

**Criteria**                                *Section 9-1-43(4), Mississippi Code Annotated (1972), states that, "There is created in the county depository of each county a clearing account to be designated as the "chancery court clerk clearing account," into which shall be deposited: (a) all such monies as the clerk of the chancery court shall receive from any person complying with any writ of garnishment, attachment, execution or other like process authorized by law for the enforcement of child support, spousal support or any other judgment; (b) any portion of any fees required by law to be collected in civil cases which are to pay for the service of process or writs in another county; and (c) any other money as shall be deposited with the court which by its nature is not, at the time of its deposit, public monies, but which is to be held by the court in a trust or custodial capacity in a case or proceeding before the court. The clerk of the chancery court shall account for all monies deposited in and disbursed from such account and shall be authorized and empowered to draw and issue checks on such account at such times, in such amounts and to such persons as shall be proper and in accordance with law."* (Emphasis added).

**Condition**                                During the course of our test work, we noted one (1) instance where funds received on behalf of an individual over whom the Clerk had a conservatorship were deposited directly into the Clerk's fee account. These funds were used to pay the final expenses of the individual directly from the Clerk's fee account. The expense was denoted as "Office Supplies."

**Cause**                                        The Clerk deposited funds received in a trust or custodial capacity into the Clerk's fee account when the funds should have been deposited into the chancery court clerk clearing account.

**Effect**                                        Inadequate controls surrounding the deposit of amounts held in a trust or custodial capacity result in noncompliance with statutory requirements and could result in the misappropriation of funds held in a trust or custodial capacity.

**Recommendation**                    The Chancery Clerk should ensure that funds received, held, and paid in a trust or custodial capacity are deposited into the chancery court clerk clearing account as prescribed by statute.

**Response**                                    The Chancery Clerk will establish a Clearing Miscellaneous Account to maintain all Guardianship and Conservatorship funds.

**19.**                    The Chancery Clerk Should Ensure Compliance with State Law over Maintaining a Fee Journal.

**Repeat Finding**                    No

**Criteria** *Section 9-1-43(1), Mississippi Code Annotated (1972), further states, “(1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees’ Retirement System under Sections 25-11-106.1 and 25-11-123(f)(4), employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk’s or circuit clerk’s services in excess of Ninety-seven Thousand Dollars (\$97,000.00).”*

*Section 9-1-43(3), Mississippi Code Annotated (1972), states, “The chancery clerk and the circuit clerk shall be liable on their official bond for the proper deposit and accounting of all monies received by his office. The State Auditor shall promulgate uniform accounting methods for the accounting of all sources of income by the offices of the chancery and circuit Clerk.”*

**Condition** We were unable to tie out certain expense amounts reported on the Annual Financial Report to the Fee Journal.

- Insurance Expense on the AFR was listed as (\$1,223) whereas the Fee Journal showed \$2,299
- Supplies Expense on the AFR was listed as \$220,228 whereas the Fee Journal showed \$216,705.69

We further noted that two payments from the County for court per diems were not properly recorded in the Fee Journal and were thus not properly reflected on the Annual Financial Report. The AFR understated court per diem revenue by **\$16,490**.

**Cause** The Clerk did not properly maintain a fee journal during the year, and all receipts and expenses were not properly recorded to match the balances reported on the Annual Financial Report.

**Effect** Failure to maintain an accurate fee journal could result in the loss or misappropriation of public funds.

**Recommendation** The Clerk should maintain an accurate and complete accounting system that encompasses all revenue and expenses.

**Response** The Chancery Clerk will ensure compliance with State Law in maintaining an accurate fee journal.

**District Attorney**

**20.** The District Attorney should ensure that supplements to full-time legal assistants are within statutory limitations.

**Repeat Finding** No

<b>Criteria</b>	<i>Section 25-31-33, Mississippi Code Annotated (1972), states that, "The board of supervisors of any county having a population in excess of two hundred thousand (200,000) according to the federal decennial census of 1970...shall contribute a sum equal to Three Thousand Dollars (\$3,000.00) per year, payable monthly, per full-time legal assistant to supplement the salary of each full-time legal assistant to the district attorney of that county."</i>
<b>Condition</b>	During the course of our audit, we noted that the eleven (11) full-time legal assistants in the District Attorney's office were paid \$4,560 in County supplements as opposed to the \$3,000 that is allowed by statute. This resulted in an excess of \$1,560 paid to each full-time legal assistant. The total in overpayments is <b>\$17,160</b> .
<b>Cause</b>	The County paid the full-time legal assistants in excess of statutory limitations.
<b>Effect</b>	The full-time legal assistants were paid in excess of statutory limits.
<b>Recommendation</b>	The District Attorney should ensure that any County supplement is within statutory parameters.  We further recommend that the District Attorney repay the County the excess amounts totaling <b>\$17,160</b> .
<b>Response</b>	No response was received.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

September 3, 2024



**HINDS COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**HINDS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2022**

Section 1: Summary of Auditor's Results

**Financial Statements:**

- |   |            |
|---|------------|
| 1. Type of auditor's report issued on the financial statements: |            |
| Governmental activities   | Unmodified |
| Aggregate discretely presented component units                  | Unmodified |
| General Fund  | Unmodified |
| ARPA Fund   | Unmodified |
| Aggregate remaining fund information                            | Unmodified |
| 2. Internal control over financial reporting:                   |            |
| a. Material weaknesses identified?                              | Yes        |
| b. Significant deficiency identified?                           | Yes        |
| 3. Noncompliance material to the financial statements noted?    | Yes        |

**Federal Awards:**

- |   |               |
|---|---------------|
| 4. Internal control over major federal programs:  |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiency identified?   | None Reported |
| 5. Type of auditor's report issued on compliance for major federal programs:  | Unmodified    |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   | no            |
| 7. Identification of major federal programs:  |               |
| a. Assistance Listing #21.023, Emergency Rental Assistance  |               |
| b. Assistance Listing #21.027, Coronavirus State and Local Fiscal Recovery Funds  |               |
| 8. Dollar threshold used to distinguish between type A and type B programs:   | \$750,000     |
| 9. Auditee qualified as low-risk auditee?   | No            |
| 10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | Yes           |

**HINDS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2022**

Section 2: Financial Statement Findings

**Board of Supervisors**

**Material Weakness**

**Material Non-Compliance**

**2022-001.**                    Restricted funds should only be used for authorized purposes.

**Repeat Finding**        Yes-2020-002; 2021-001

**Criteria**                    *Section 19-5-313(2), Mississippi Code Annotated (1972) states, "If the proceeds generated by the emergency telephone service charge exceed the amount of monies necessary to fund the service, the board of supervisors may authorize such excess funds to be expended by the county and the municipalities in the counties to perform the duties and pay the costs relating to identifying roads, highways and streets, as provided by Section 65-7-143."*

**Condition**                The Board of Supervisors approved multiple interfund loans from the E-911 Fund to various other funds during the fiscal year.

**Cause**                      Controls were not sufficient to prohibit the misuse of restricted funds.

**Effect**                      Using E-911 fees for any purpose other than those authorized by Section 19-5-312 results in a diversion of legally restricted funds.

**Recommendation**      The Board of Supervisors should not approve any interfund loans or transfers to be spent for purposes other than those authorized by law.

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

**Material Weakness**

**2022-002.**                    Public Officials should strengthen controls over financial accounting and reporting.

**Repeat Finding**        Yes-2021-002

**HINDS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2022**

**Criteria** An effective system of internal controls over financial accounting and reporting should include adequate staff with sufficient competence to implement an organizational structure that will allow for proper oversight and review at multiple levels of the performance of accounting duties. The system would also include software that allows for reporting in a format readily usable by external parties.

**Condition** The County’s financial accounting and reporting processes largely lie with one individual. Further, the County’s accounting software is antiquated, difficult to navigate, open to manipulation, as the County has access to the source code, and it is extremely cumbersome to produce reports from the software that do not require significant manipulation before being usable by external parties.

**Cause** The County has failed to implement a system of controls over the financial accounting and reporting process sufficient to provide adequate separation of duties, organizational structure that will allow for review and oversight at multiple levels, adequate training and retention of competent personnel in accounting positions to allow for succession of knowledge, usable software that contains internal controls and features to prevent, detect, and correct errors and manipulation, and software with reporting functionality that generates reports usable by external parties without substantial manipulation by internal parties.

**Effect** Failure to implement a system of controls over the financial accounting and reporting processes could result in the loss or misappropriation of public funds, a lack of financial transparency, and the potential for a serious gap in financial knowledge of the entity.

**Recommendation** The Board of Supervisors should implement a system of controls over the financial accounting and reporting processes sufficient to address the matters mentioned above.

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

**Chancery Clerk**

**Significant Deficiency**

**2022-003.** The land redemption bank account was not properly reconciled.

**Repeat Finding** Yes-2020-003; 2021-003

**Criteria** An effective system of internal control over land redemption should include the proper reconciliation of land redemption releases to the bank account balance.

**HINDS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2022**

**Condition** During a cash count on the Jackson Land Redemption account on May 31, 2024, we noted that the bank account was not being properly reconciled. The Chancery Clerk’s reconciliation for May 2024 showed an unidentified overage of **\$279,823.43**.

**Cause** The Chancery Clerk has not implemented proper controls to ensure the accuracy of the bank reconciliations for the two land redemption accounts.

**Effect** Failure to properly address discrepancies noted in the bank reconciliation could for the land redemption bank accounts could result in the loss or misappropriation of public funds.

**Recommendation** The Clerk should establish and maintain an effective system of internal control over cash and ensure that all bank reconciliations are prepared timely and that all discrepancies identified are resolved.

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

**Circuit Clerk**

**Material Weakness**

**Material Non-Compliance**

**2022-004.** The Circuit Clerk should strengthen internal controls over accounting for multiple bank accounts and amounts held in custody of the court.

**Repeat Finding** Yes-2020-004; 2021-004

**Criteria** *Section 9-1-43(5), Mississippi Code Annotated (1972)*, requires the Circuit Clerk to maintain separate civil, criminal, and fee accounts. An effective system of internal controls over cash should include separate cash journals for individual bank accounts and maintenance of subsidiary ledgers documenting amounts held in custody for the court.

**Condition** The Clerk maintains nine bank accounts for the court and one for his fees. All ten accounts are comingled in the same bookkeeping system. During testing of the Clerk’s year-end trial balance, we noted that some transactions had been misclassified in liability accounts belonging to other bank accounts. At September 30, 2022 approximately **\$2,465,308.91** is being held in these bank accounts in custody for others. Amounts held in custody include eminent domain, cash bonds, and appeals costs. Of this amount, **\$1,781,147.23** is not supported by subsidiary records.

**HINDS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2022**

**Cause** The Clerk’s bookkeeping system is not set up to account for each bank account separately from the other bank accounts. The Clerk does not maintain subsidiary ledgers to document where this money came from or who it is being held for.

**Effect** Failure to maintain separate cash journals and a lack of subsidiary ledgers to account for amounts held in custody could result in the loss or misappropriation of public funds.

**Recommendation** The Clerk should account for each bank account with a separate set of self-balancing accounts. The Clerk should create accounts payable subsidiary ledgers to account for eminent domain, cash bonds, appeals costs, and any other amounts held in custody. Any unidentified funds should be settled to the Board of Supervisors. The subsidiary ledgers should be reconciled along with the cash balances to the appropriate accounts monthly.

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

**Tax Collector**

**Material Weakness**

**2022-005.** The Tax Collector should strengthen internal controls over deposits, reconciliations, and financial accounting and ensure compliance.

**Repeat Finding** Yes-2020-005; 2021-005

**Criteria** An effective system of internal control over the collection, depositing, recording, disbursement, and reconciliation of cash in the Tax Collector’s office should include proper controls over the various accounting functions.

**Condition** During audit procedures performed at the Tax Collector’s offices in Jackson and Raymond, the auditors noted the following internal control deficiencies:

- Five (5) instances of deposits not being timely in the Raymond office
- A cash count was conducted on **May 30, 2024**, but auditors were unable to properly draw a conclusion due to issues with numerous accounts on the trial balance.
- The reconciled cash balances per the reconciliations for the period did not match the account balances on the trial balance.
- The Tax Collector’s cash journal contained errors such as carrying balances for bank accounts that were closed, a lack of continuity from end of month to beginning of month balances, and an incomplete record of collections and disbursements.

**HINDS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2022**

- The Tax Collector’s current processes and procedures for computing monthly auto ad valorem settlements do not allow for timely and accurate reconciliation between the MARVIN-generated collections reports and the auto ad valorem settlement reports manually calculated by the Tax Collector’s Office.
- The Tax Collector’s current collection software is antiquated, and the accounting processes lack certain controls due to the largely manual nature of processing information from the collection software, MARVIN, and the separate accounting software used in the offices.

**Cause** Various factors contributed to the deficiencies in internal controls over deposits, reconciliations, and financial accounting and reporting including a lack of timeliness in posting collections and disbursements to the Tax Collector’s cash journal due to certain limitations of their current software, challenges created by the state’s new system for issuing car tags, and a lack of controls over the recording and accounting functions to ensure accurate financial accounting and reporting.

**Effect** Failure to develop and monitor controls over the accounting functions could result in errors going undetected, incorrect settlements, as well as the loss or misuse of public funds.

**Recommendation** The Tax Collector should establish and maintain an effective system of internal control over collections, deposits, disbursements, settlements, reconciliations, and financial accounting and reporting to ensure the timely and accurate collection and settlement of taxes.

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

**Purchase Clerk/Board of Supervisors**

**Material Weakness**

**Material-Noncompliance**

**2022-006.** The Purchase Clerk shall be responsible for the maintenance of the central purchasing system of the County.

**Repeat Finding** Yes-2020-007 (as to the Purchase Clerk); 2021-006

**Criteria** The County is responsible for complying with the requirements of the Public Purchasing Laws; Title 31, Chapter 7.

**Condition** The County failed to comply with Public Purchasing Laws: Title 31, Chapter 7. A well-designed purchasing system would comply with the provisions of Title 31,

**HINDS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2022**

Chapter 7 and would include proper bid requirements as well as the use of purchase requisitions, purchase orders, and receiving reports. During our test work, we noted the following instances of non-compliance:

- One (1) instance where no documentation was provided at all to support the disbursements
- Two (2) instances where the receiving report was signed by an unauthorized individual
- One (1) instance where the invoice is dated prior to the purchase order

**Cause** The County has failed to establish and maintain an adequate internal control system to ensure compliance with the Public Purchasing Laws: Title 31, Chapter 7.

**Effect** The County is not in compliance with Public Purchasing Laws: Title 31, Chapter 7, and this could result in the loss or misappropriation of public funds.

**Recommendation** The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the Public Purchasing Laws: Title 31, Chapter 7.

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

**Inventory Control Clerk**

**Material Weakness**

**Material-Noncompliance**

**2022-007.** The County should establish and maintain effective internal controls over financial reporting of capital assets.

**Repeat Finding** Yes-2019-001; 2020-008; 2021-007

**Criteria** *Section 31-7-107, Mississippi Code Annotated (1972)*, requires the Inventory Control Clerk to maintain an inventory system. An effective system of internal controls over capital assets should include proper recording of additions and deletions.

**Condition** The County's current record keeping system and accounting processes and procedures for capital assets do not allow for timely and accurate reconciliation of additions and deletions of capital assets in the proper period. Errors were identified in the capital asset schedules that were not detected by management.

**Cause** There are no procedures in place to reconcile construction in progress to ensure current year additions were not previously included in construction in progress. Additionally, the process and timeline for the preparation of capital asset schedules does not provide for timely review, approval, and identification of possible errors.



**HINDS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2022**

<b>Effect</b>	The financial statements could be materially misstated, and the errors would not be detected by management. Further, multiple revisions to the capital asset schedules were required, which caused delays in the close-out of the capital asset accounts.
<b>Recommendation</b>	The County should regularly track, record, and reconcile costs intended to be capitalized. We further recommend capital asset records should be updated timely to facilitate a review and approval process.
<b>Views of Responsible Official(s)</b>	See Corrective Action Plan.

Section 3: Federal Award Findings and Questioned Costs

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

**HINDS COUNTY**

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

**ROBERT GRAHAM**  
District 1  
President

**TONY SMITH**  
District 2

**DEBORAH BUTLER-DIXON**  
District 3



**WANDA EVERS**  
District 4  
Vice President

**BOBBY "BOBCAT" MCGOWAN**  
District 5

**LURE D. BERRY**  
County Administrator

August 28, 2024

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
3528 Manor Drive  
Vicksburg, Mississippi 39180

To Whom It May Concern:

**Hinds County** respectfully submits the following corrective action plan for the year ended **September 30, 2022**.

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

Section 1: Summary of Auditor's Results does not include findings and is not addressed.

**2022-001.**

Corrective Action Planned:

The Chancery Clerk will not present transfers from the E911 fund to other funds for the Board approval.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME: Lure D. Berry  
TITLE: County Administrator  
PHONE NUMBER: 601-714-6220

**2022-002.**

Corrective Action Planned:

The Board has authorized purchase of a new Workday software which will strengthen the control over financial accounting and reporting.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME: Lure D. Berry  
TITLE: County Administrator  
PHONE NUMBER: 601-714-6220

**2022-003.**

Corrective Action Planned:

The Chancery Clerk will establish two new Land Redemptions Accounts, one each for Jackson and Raymond.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME: Eddie Jean Carr  
TITLE: Chancery Clerk  
PHONE NUMBER: 601-968-6507

**2022-004.**

Corrective Action Planned:

The Circuit Clerk will make sure separate set of self-balancing accounts are accounted for all the bank accounts in the Circuit Clerk office.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME: Zack Wallace  
TITLE: Circuit Clerk  
PHONE NUMBER: 601-968-6628

2022-005.

Corrective Action Planned:

**Most of the areas found are the same as the previous findings. Accuracy in collections is paramount to the function of our local government. The following improvements have been made: update to the most recent version of the Quick Books software. I am also continuing to look for a product that will eliminate the manual computations, integrate applications across county systems to include MARVIN, and improve accuracy in accounting.**

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME: Eddie Fair  
TITLE: Tax Collector  
PHONE NUMBER: 601-714-6258

2022-006.

Corrective Action Planned:

**The Purchasing Department will coordinate with the respective departments to ensure that proper measures are taken to ensure compliance. Purchasing have Workday software in place to implement the roles of assigned personnel staff.**

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME: Chantey Broome  
TITLE: Purchasing Clerk  
PHONE NUMBER: 601-968-6534

**2022-007.**

Corrective Action Planned:

**The Inventory Department has utilized the new Workday software to make sure all capital assets are updated and reviewed regularly.**

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME: Cornelius Jackson  
TITLE: Inventory Clerk  
PHONE NUMBER: 601-373-2383

Sincerely,

A handwritten signature in blue ink that reads "Robert Graham". The signature is written in a cursive style and is positioned above a horizontal line.

Robert Graham  
Hinds County Board President  
601-968-6501

**ROBERT GRAHAM**  
District 1  
President

**TONY SMITH**  
District 2

**DEBORAH BUTLER-DIXON**  
District 3



**WANDA EVERS**  
District 4  
Vice President

**BOBBY "BOBCAT" MCGOWAN**  
District 5

**LURE D. BERRY**  
County Administrator

August 28, 2024

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
3528 Manor Drive  
Vicksburg, Mississippi 39180

To Whom It May Concern:

**Hinds County** respectfully submits the following the following summary schedule of prior audit findings for the year ended **September 30, 2022**.

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

**Section 2: Financial Statement Findings**

2021-001. Restricted funds should only be used for authorized purposes.

NOT CORRECTED.

The County did not divert these funds, the County borrowed from an internal source ("any available fund in the county's treasury") as allowed under MS Code Section 19-9-27, then replaced the loan with interest as required.

2021-002. Public Officials should strengthen controls over financial accounting and reporting.

NOT CORRECTED.

Going forward the Board has implemented the Workday software, which will strengthen control over financial accounting and reporting.

- 2021-003. The land redemption bank account was not properly reconciled.
- NOT CORRECTED.
- The Chancery Clerk will establish two new Land Redemption Accounts, one each for Jackson and Raymond, and transfer all remaining unidentified overages while we continue our efforts to resolve the overages.**
- 2021-004. The Circuit Clerk should strengthen internal controls over accounting for multiple bank accounts and amounts held in custody of the court.
- NOT CORRECTED.
- The Circuit Clerk will account for each bank account with a separate set of self-balancing accounts.**
- 2021-005. The Tax Collector should strengthen internal controls over deposits, reconciliations, and financial accounting and ensure compliance.
- NOT CORRECTED.
- After reviewing the findings of the 2020 audit and the current audit, my team and I are committed to improving workflow processes. In order to improve accounting methods to ensure state guidelines are being followed and met, we are looking into upgrading the Quickbooks software. The upgrades to the system will provide for accuracy in collections, bank reconciliation, settlements, and will enable bookkeepers to submit reports timely.**
- 2021-006. The Purchase Clerk shall be responsible for the maintenance of the central purchasing system of the County.
- NOT CORRECTED.
- The Purchasing Clerk will ensure that the purchasing documents will be properly dated and signed with all documents will be matched correctly. The County will follow state laws. The Purchasing Clerk will make sure the department documents are present, complete, prepared in order, and in agreement with each other. Please note that the present Purchasing Clerk first year in this position was in FY 2021.**



2021-007. The County should establish and maintain effective internal controls over financial reporting of capital assets.

NOT CORRECTED.

The County has developed a small team to reconcile the Inventory System and the Capital Assets Schedule. The team will resume its annual Internal Audits of Capital Assets, focusing primarily on construction in progress and correcting any accounting errors related to misstated financials. The County has implemented Workday software to help in calculating depreciation moving forward

**Section 3: Federal Award Findings**

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

Sincerely,



Robert Graham  
Board President  
601-968-6501