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QUITMAN COUNTY, MISSISSIPPI
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2017



QUITMAN COUNTY

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QUITMAN COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Quitman County, Mississippi

Report on the Financial Statements

We have audited the accompanying cash basis financial statements, of the governmental activities, each major fund, and the aggregate remaining fund information of Quitman County, Mississippi (the County), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Quitman County, Mississippi, as of September 30, 2017, and the respective changes in cash basis financial position, thereof for the year then ended, in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements which describes that Quitman County, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America. Our opinions are not modified with respect to this matter.

Other Matters

The Budgetary Comparison Schedules, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, and Schedule of Surety Bonds for County Officials and corresponding notes have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Omission of Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2018, on our consideration of Quitman 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 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 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 Quitman County, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Aldridge, Baird & Clarke, PLLC

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

December 6, 2018

QUITMAN COUNTY

FINANCIAL STATEMENTS

QUITMAN COUNTY
Statement of Activities – Cash Basis
For the Year Ended September 30, 2017

Exhibit 2

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Disbursements)
			Operating Grants and Contributions	Capital Grants and Contributions	Receipts and Changes
					in Net Position
					<u>Primary Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ 2,729,749	174,639			(2,555,110)
Public safety	1,671,487	66,609	35,316		(1,569,562)
Public works	3,617,187	210,485	131,940		(3,274,762)
Health and welfare	104,280				(104,280)
Culture and recreation	76,500				(76,500)
Conservation of natural resources	47,731		8,330		(39,401)
Economic development and assistance	40,000				(40,000)
Debt Service:					
Principal	194,733				(194,733)
Interest	14,200				(14,200)
Total Governmental Activities	\$ 8,495,867	451,733	175,586	0	(7,868,548)
General revenues:					
Property taxes				\$	6,467,411
Road & bridge privilege taxes					75,605
Grants and contributions not restricted to specific programs					858,125
Unrestricted investment income					20,944
Miscellaneous					62,029
Proceeds from sale of capital assets					524,845
Total General Revenues					8,008,959
Changes in Net Position					140,411
Net Position - Beginning					2,962,584
Net Position - Ending				\$	3,102,995

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

QUITMAN COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
September 30, 2017

Exhibit 3

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	E911 Commission	Road & Bridge Fund	2004 Debt Service Fund		
ASSETS						
Cash	\$ 1,336,876	415,563	780,107	0	570,449	3,102,995
Total Assets	<u>1,336,876</u>	<u>415,563</u>	<u>780,107</u>	<u>0</u>	<u>570,449</u>	<u>3,102,995</u>
FUND BALANCES						
Restricted for:						
General government	8,086				20,439	28,525
Public safety		415,563			100,085	515,648
Public works			780,107		211,012	991,119
Debt service					293,108	293,108
Unassigned	1,328,790				(54,195)	1,274,595
Total Fund Balances	\$ <u>1,336,876</u>	<u>415,563</u>	<u>780,107</u>	<u>0</u>	<u>570,449</u>	<u>3,102,995</u>

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

QUITMAN COUNTY
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis
Fund Balances - Governmental Funds
For the Year Ended September 30, 2017

Exhibit 4

	Major Funds					Total Governmental Funds
	General Fund	E911 Commission	Road & Bridge Fund	2004 Debt Service Fund	Other Governmental Funds	
REVENUES						
Property taxes	\$ 3,990,998		2,168,583	55	307,775	6,467,411
Road and bridge privilege taxes			75,605			75,605
Licenses, commissions and other revenue	88,847				41,120	129,967
Fines and forfeitures	83,771				2,021	85,792
Intergovernmental revenues	363,497		502,957		167,257	1,033,711
Charges for services	11,446	55,163			169,365	235,974
Interest income	20,724				220	20,944
Miscellaneous revenues	26,571		14		35,444	62,029
Total Revenues	4,585,854	55,163	2,747,159	55	723,202	8,111,433
EXPENDITURES						
Current:						
General government	2,534,634				195,115	2,729,749
Public safety	1,495,189	32,935			143,363	1,671,487
Public works	10,000		2,998,363		608,824	3,617,187
Health and welfare	104,280					104,280
Culture and recreation	76,500					76,500
Conservation of natural resources	47,731					47,731
Economic development and assistance	35,000				5,000	40,000
Debt service:						
Principal	1,375				193,358	194,733
Interest					14,200	14,200
Total Expenditures	4,304,709	32,935	2,998,363	0	1,159,860	8,495,867
Excess of Revenues over (under) Expenditures	281,145	22,228	(251,204)	55	(436,658)	(384,434)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	20,722		51,873		452,250	524,845
Transfers in	958,204		112,178		106,143	1,176,525
Transfers out	(436,614)			(397,960)	(341,951)	(1,176,525)
Total Other Financing Sources and Uses	542,312	0	164,051	(397,960)	216,442	524,845
Net Changes in Fund Balances	823,457	22,228	(87,153)	(397,905)	(220,216)	140,411
Fund Balances - Beginning	513,419	393,335	867,260	397,905	790,665	2,962,584
Fund Balances - Ending	\$ 1,336,876	415,563	780,107	0	570,449	3,102,995

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

QUITMAN COUNTY
Statement of Fiduciary Assets and Liabilities – Cash Basis
September 30, 2017

Exhibit 5

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 8,153
	<hr/>
Total Assets	<u> 8,153</u>
LIABILITIES	
Intergovernmental payables	2,690
Amounts held in custody for others	5,463
	<hr/>
Total Liabilities	<u>\$ 8,153</u>

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

QUITMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity - Quitman County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. The financial statements of the County are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require Quitman County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County reporting entity.

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

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

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

Government-wide Financial Statements:

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

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

QUITMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the County.

Fund Financial Statements:

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

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

The County reports the following major governmental funds:

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

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

E911 Commission Fund – This fund is used to account for monies from specific revenue sources that are restricted for E911 emergency services.

2004 Debt Service Fund- This fund is used to account for monies from specific revenues restricted for debt service.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

QUITMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

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.

Permanent Funds – These funds are used to account for and report resources that are restricted to the extent that only interest received, and not principal, may be used for purposes that support the County's programs.

FIDUCIARY FUND TYPE

Agency Funds – These funds account for various taxes, deposits and other monies collected or held by the County, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

D. Account Classifications – The account classifications used in the financial statements conform to the board classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Associations.

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

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less).

F. Equity Classifications

Government-wide Financial Statements:

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

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

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

Net Position Flow Assumption – When a disbursement is paid for purposes for which both restricted and unrestricted (unassigned) resources are available, it is the County's general policy to use restricted resources first. When disbursements are made for purposes for which unrestricted (unassigned) resources are available, and amounts in the unrestricted classification could be used, it is the County's general policy to spend unassigned amounts.

QUITMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

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 restricted or unassigned. The following are descriptions of fund classifications used by the County:

Restricted fund balance includes amount 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 disbursements paid for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption – When a disbursement is paid for purposes for which both restricted and unrestricted (unassigned) resources are available, it is the County’s general policy to use restricted resources first. When disbursements are paid for purposes for which unrestricted (unassigned) resources are available, it is the County’s general policy to spend unassigned amounts.

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

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

H. Changes in Accounting Standards – The County implemented the following standard issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement No. 77, *Tax Abatement Disclosures*. The provisions of this standard have been incorporated into the financial statements and notes; however, no disclosure for Statement No. 77 is required for the current fiscal year.

NOTE 2 – DEPOSITS.

The carrying amount of the County’s total deposits with financial institutions at September 30, 2017, was \$3,111,148, and the bank balance was \$3,159,856. 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

QUITMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

NOTE 3 – INTERFUND TRANSFERS.

The following is a summary of interfund balances at September 30, 2017:

A. Transfers In/Out:

Transfers In	Transfers Out	Amount
General	General	\$ 406,614
General	2004 Debt Service	397,960
General	Other Governmental	153,630
Other Governmental	General	30,000
Other Governmental	Other Governmental	76,143
Road & Bridge Fund	Other Governmental	112,178
		\$ 1,176,525

The principal purpose of the transfers in to General and Road & Bridge Fund were to consolidate obsolete funds. The principal purpose of the transfers in to other governmental funds was for allocation of funds for payment of notes for capital purchases. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

NOTE 4 – 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

QUITMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

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, 2017, to January 1, 2018. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

NOTE 5 – OPERATING LEASES.

As Lessor:

In March 2014, the County entered into a lease agreement with Clarksdale HMA Physician Management, LLC for the purpose of operating a hospital. The lease states the LLC is to pay \$1,522 per month.

On February 1, 2005, the County entered into a lease with Rushing Aviation for rental of an airplane hangar for \$921 per month for the first 10 years and decreasing to \$798 per month for the next 10 years, ending January of 2025.

On May 1, 2016, a lease agreement was updated whereby the County leases a cell tower to AT&T for \$1,500 per month.

NOTE 6 – CONTINGENCIES.

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

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

NOTE 7 – JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

Coahoma Community College operates in a district composed of the Counties of Bolivar, Coahoma, Quitman, Tallahatchie and Tunica. The Quitman County Board of Supervisors appoints 2 of the 12 members of the College Board of Trustees. The County levied \$116,008 in taxes for maintenance and support in the fiscal year 2017.

Northwest Community College operates in a district composed of the Counties of Benton, Calhoun, DeSoto, Lafayette, Marshal, Panola, Quitman, Tallahatchie, Tunica, and Yalobusha. The Quitman County Board of Supervisors appoints one of the 23 members of the College Board of Trustees. The County levied \$116,008 in taxes for maintenance and support in the fiscal year 2017.

QUITMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

Mid-State Opportunity, Inc. operates in a district composed of the counties of DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Quitman County Board of Supervisors appoints two of the 30 members of the Board of Directors. The other member counties appoint eight members, in the aggregate. Ten members are appointed from the business sector and ten members are appointed by minority disadvantaged persons who use the services of the organization. Most of the entity's funding comes from federal funds, with less than one percent coming from the counties in the aggregate.

Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The Quitman County Board of Supervisors appoints 2 of 21 members of the Board of Commissioners. The County levied \$47,804 in taxes to support the district in fiscal year 2017.

Region One Mental Health Center operates in a district composed of the counties of Coahoma, Quitman, Tallahatchie, and Tunica. The Quitman County Board of Supervisors appoints one of the four member board of commissioners. The County appropriated \$25,200 to the Center for support in the fiscal year 2017.

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Quitman County Board of Supervisors appoints four of the 30 members of the Board of Directors. The County contributes a small percentage of the District's total revenue. The County appropriated \$35,000 for support of the District in fiscal year 2017.

NOTE 8 – DEFINED BENEFIT PENSION PLAN.

General Information about the Pension Plan

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

Funding Policy. At September 30, 2017, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2017 was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2017, 2016 and 2015 were \$406,439, \$400,570, and \$391,356, respectively, equal to the required contributions for each year.

QUITMAN COUNTY
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2017

NOTE 9 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS.

The following funds reported a deficit in fund balance at September 30, 2017:

Fund	Amount
2016 Flood	\$ (5,178)
Amtrak	(49,017)
Total	\$ <u>(54,195)</u>

NOTE 10 – 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 Quitman County evaluated the activity of the County through December 6, 2018, (the date the financial statements were available to be issued), and determined that no subsequent events occurred requiring disclosure in the notes to the financial statements.

QUITMAN COUNTY

OTHER INFORMATION

QUITMAN COUNTY
Budgetary Comparison Schedule – Budget to Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2017
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 3,788,900	3,990,998	3,990,998	0
Licenses, commissions and other revenue	84,200	88,846	88,846	0
Fines and forfeitures	110,000	83,771	83,771	0
Intergovernmental revenues	268,200	363,497	363,497	0
Charges for services		11,446	11,446	0
Interest income		20,724	20,724	0
Miscellaneous revenues	13,800	26,571	26,571	0
Total Revenues	4,265,100	4,585,853	4,585,853	0
EXPENDITURES				
General government	2,517,300	2,534,634	2,534,634	0
Public safety	1,406,100	1,495,189	1,495,189	0
Public works	10,000	10,000	10,000	0
Health and welfare	120,600	104,280	104,280	0
Culture and recreation	76,500	76,500	76,500	0
Conservation of natural resources	64,100	47,731	47,731	0
Economic development and assistance	24,000	35,000	35,000	0
Total Expenditures	4,218,600	4,303,334	4,303,334	0
Excess of Revenues over (under) Expenditures	46,500	282,519	282,519	0
OTHER FINANCING SOURCES (USES)				
Sources	140,200	978,927	978,927	0
Uses	(206,700)	(437,989)	(437,989)	0
Total Other Financing Sources and Uses	(66,500)	540,938	540,938	0
Net Change in Fund Balance	(20,000)	823,457	823,457	0
Fund Balance - Beginning	513,419	513,419	513,419	0
Fund Balance - Ending	\$ 493,419	1,336,876	1,336,876	0

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

QUITMAN COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
Road and Bridge Fund
For the Year Ended September 30, 2017
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 2,135,735	2,168,583	2,168,583	0
Road and bridge privilege taxes	75,000	75,605	75,605	0
Intergovernmental revenues	490,000	502,956	502,956	0
Total Revenues	<u>2,700,735</u>	<u>2,747,144</u>	<u>2,747,144</u>	<u>0</u>
EXPENDITURES				
Public works	<u>2,704,735</u>	<u>2,998,362</u>	<u>2,998,362</u>	<u>0</u>
Total Expenditures	<u>2,704,735</u>	<u>2,998,362</u>	<u>2,998,362</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(4,000)</u>	<u>(251,218)</u>	<u>(251,218)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Sources	<u>4,000</u>	<u>164,065</u>	<u>164,065</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>4,000</u>	<u>164,065</u>	<u>164,065</u>	<u>0</u>
Net Change in Fund Balance	0	(87,153)	(87,153)	0
Fund Balance - Beginning	<u>867,260</u>	<u>867,260</u>	<u>867,260</u>	<u>0</u>
Fund Balance - Ending	<u>\$ 867,260</u>	<u>780,107</u>	<u>780,107</u>	<u>0</u>

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

QUITMAN COUNTY
Budgetary Comparison Schedule – Budget to Actual (Non-GAAP Basis)
E-911 Commission
For the Year Ended September 30, 2017
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 78,000	55,162	55,162	0
Total Revenues	<u>78,000</u>	<u>55,162</u>	<u>55,162</u>	<u>0</u>
EXPENDITURES				
Public safety	32,500	32,934	32,934	0
Total Expenditures	<u>32,500</u>	<u>32,934</u>	<u>32,934</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>45,500</u>	<u>22,228</u>	<u>22,228</u>	<u>0</u>
Net Change in Fund Balance	45,500	22,228	22,228	0
Fund Balance - Beginning	<u>393,335</u>	<u>393,335</u>	<u>393,335</u>	<u>0</u>
Fund Balance - Ending	<u>\$ 438,835</u>	<u>415,563</u>	<u>415,563</u>	<u>0</u>

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

QUITMAN COUNTY
Schedule of Capital Assets
For the Year Ended September 30, 2017
UNAUDITED

GOVERNMENTAL ACTIVITIES	Balance			Balance
	Oct. 1, 2016	Additions	Deletions	Sept. 30, 2017
Land	\$ 325,060	-	-	325,060
Construction in progress	-	-	-	-
Infrastructure	2,203,331	-	-	2,203,331
Buildings	3,679,533	-	-	3,679,533
Improvements other than buildings	659,371	-	-	659,371
Mobile equipment	4,018,487	1,487,455	610,403	4,895,539
Furniture & equipment	502,299	84,397	8,964	577,732
Capital Leases	-	-	-	-
Total capital assets	\$ 11,388,081	1,571,852	619,367	12,340,566

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

QUITMAN COUNTY
Schedule of Changes in Long-Term Debt
For the Year Ended September 30, 2017
UNAUDITED

Governmental activities:

DESCRIPTION	ISSUE DATE	MATURITY DATE	INTEREST RATE	BALANCE	ISSUED	PRINCIPAL PAYMENTS	BALANCE
				OCTOBER 1, 2016			SEPT. 30, 2017
A. Equipment Notes							
Front end loader & excavator	3/18/2013	3/20/2017	2.00%	41,831		41,831	(0)
Deporres building	11/19/2013	11/19/2019	3.00%	57,444		20,982	36,462
Asphalt zipper	3/4/2014	1/15/2017	3.00%	34,214		34,214	-
Chips spreader	9/19/2014	7/15/2019	3.50%	95,012		30,523	64,489
Komatsu excavator	2/25/2015	5/25/2019	2.29%	45,044		14,710	30,334
(4) 2016 Mack trucks	5/5/2016	5/25/2021	2.29%	165,198		31,483	133,715
B. Other Loans							
Capital loan - airport (hangar)	1/2/2005	4/1/2026	3.00%	79,676		7,299	72,377
Capital improvements revolving loan	7/16/2008	8/1/2023	3.00%	103,557		13,691	89,866
Flood Loan	6/24/2016	12/1/2018	2.50%	300,050	-		300,050
				\$ 922,026	-	194,733	727,293

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

QUITMAN COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2017
UNAUDITED

Name	Position	Surety Company	Amount
Sheridan Boyd	Supervisor District 1	Old Republic Surety Company	100,000.00
Greg Thomas	Supervisor District 2	Western Surety Company	100,000.00
Johnny Tullos	Supervisor District 3	Western Surety Company	100,000.00
Manual Killebrew	Supervisor District 4	Western Surety Company	100,000.00
Jesse G. Ellis	Supervisor District 5	Western Surety Company	100,000.00
Velma Wilson	County Administrator	Western Surety Company	100,000.00
T.H. Butch Scipper	Chancery Clerk	Western Surety Company	100,000.00
Stacie Veal	Deputy Chancery Clerk	Western Surety Company	50,000.00
Michelle Brower	Deputy Chancery Clerk	Western Surety Company	50,000.00
Tracy G. Pinkston	Purchasing Clerk	Western Surety Company	75,000.00
Sheryl S Cole	Assistant Purchasing Clerk	Western Surety Company	50,000.00
Rosie B. Autman Moss	Receiving Clerk	Western Surety Company	75,000.00
Sheryl S Cole	Assistant Receiving Clerk	Western Surety Company	50,000.00
Stacie Veal	Inventory Control Clerk	Western Surety Company	75,000.00
Brenda Wiggs	Circuit Clerk	Western Surety Company	100,000.00
Bobbie Buggs	Deputy Circuit Clerk	Western Surety Company	50,000.00
Oliver Parker	Sheriff	Western Surety Company	100,000.00
Cedric Holman	Deputy Sheriff	Western Surety Company	50,000.00
Robert Haywood III	Deputy Sheriff	Western Surety Company	50,000.00
Rocky Jaco	Deputy Sheriff	Western Surety Company	50,000.00
Dan Harrell	Deputy Sheriff	Western Surety Company	50,000.00
Terry Williams Sr	Deputy Sheriff	Western Surety Company	50,000.00
Jimmy Mathews, Sr	Deputy Sheriff	Western Surety Company	50,000.00
Carl Brown	Deputy Sheriff	Western Surety Company	50,000.00
Rena Wade	Deputy Sheriff	Western Surety Company	50,000.00
James Clark	Deputy Sheriff	Western Surety Company	50,000.00
Willie Horhn	Deputy Sheriff	Western Surety Company	50,000.00
Darryl Linzy	Deputy Sheriff	Western Surety Company	50,000.00
Oddie Orange	Deputy Sheriff	Western Surety Company	50,000.00
Ashley Pratcher, Jr	Deputy Sheriff	Western Surety Company	50,000.00
Marvin Pryor	Deputy Sheriff	Western Surety Company	50,000.00
Bennie Christian	Deputy Sheriff	Western Surety Company	50,000.00
Thomas Bryant	Deputy Sheriff	Western Surety Company	50,000.00
Nicholas Turner	Deputy Sheriff	Western Surety Company	50,000.00
Tyrone Survillion	Deputy Sheriff	Western Surety Company	50,000.00
Anthony Cox	Deputy Sheriff	Western Surety Company	50,000.00
Christopher Martin	Deputy Sheriff	Western Surety Company	50,000.00
James Gregory	Deputy Sheriff	Western Surety Company	50,000.00
Stanley Perry	Deputy Sheriff	Western Surety Company	50,000.00
Raymond Thomas	Deputy Sheriff	Western Surety Company	50,000.00
Jason West	Deputy Sheriff	Western Surety Company	50,000.00
Melvin Wilson	Deputy Sheriff	Western Surety Company	50,000.00
Brenda Cook	Justice Court Judge	Western Surety Company	50,000.00
Joe M Brown	Justice Court Judge	Western Surety Company	50,000.00
Gloria Survillion	Justice Court Clerk	Western Surety Company	50,000.00
Lucille Williams	Deputy Justice Court Clerk	Western Surety Company	50,000.00
Alice Smith	Tax Collector/Assessor	Western Surety Company	100,000.00
Sallie M Price	Tax Collector/Assessor Deputy	Western Surety Company	50,000.00
Laura Madison	Tax Collector/Assessor Deputy	Western Surety Company	50,000.00
Tiffany Griffin	Tax Collector/Assessor Deputy	Western Surety Company	50,000.00
Dorothy People	Tax Collector/Assessor Deputy	Western Surety Company	50,000.00
Samantha Pennington	Tax Collector/Assessor Deputy	Western Surety Company	50,000.00
Robert Andrews	Road Manager	Western Surety Company	50,000.00
Tyrone Survillion	Constable	RLI Insurance Company	50,000.00
Thomas Bryant	Constable	RLI Insurance Company	50,000.00

QUITMAN COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2017
UNAUDITED

NOTE 1 - 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 and Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of receipt, each general item of disbursement, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

B. Basis of Presentation.

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

NOTE 2 – LONG-TERM DEBT INFORMATION

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, 2017, the amount of outstanding debt was equal to 1% of the latest property assessments.

QUITMAN 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
Quitman 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, each major fund and the aggregate remaining fund information of Quitman County, Mississippi (the County), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 6, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Quitman County, Mississippi's internal control over financial reporting (internal control) to determine 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 Quitman County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, as described in the accompanying Schedule of Findings and Responses as item 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Quitman 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to the management of Quitman County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated December 6, 2018, included within this document.

Quitman County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Quitman County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This 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, Aldridge, Baird & Clarke, PLLC

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

December 6, 2018



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

Members of the Board of Supervisors
Quitman County, Mississippi

We have examined Quitman County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2017. The Board of Supervisors of Quitman 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 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 Quitman County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

In our opinion, Quitman County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2017.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with Section

31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

This report is intended for use in evaluating Quitman County, Mississippi the central purchasing system and inventory control system, 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, Aldridge, Baird & Clarke, PLLC

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

December 6, 2018

QUITMAN COUNTY
Schedule of Purchases Not Made from the Lowest Bidder
September 30, 2017

Schedule 1

Our tests did not identify any purchases that were not made from the lowest bidder.

QUITMAN COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2017

Schedule 2

Our test results did not identify any emergency purchases.

QUITMAN COUNTY
Schedule of Purchases Made Noncompetitively from a Sole Source
For the Year Ended September 30, 2017

Schedule 3

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

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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Quitman County, Mississippi

In planning and performing our audit of the financial statements of Quitman County, Mississippi (the County) for the year ended September 30, 2017, we considered Quitman 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 Quitman 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 December 6, 2018, on the financial statements of Quitman County, Mississippi.

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

The results of our review procedures and compliance tests identified certain 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:

Sheriff's Office

1. Finding

As reported in prior audits, Title 19, Chapter 25, Section 73(b), requires that the annual daily cost of feeding prisoners not exceed \$6 per day. The computation of meal cost per prisoner day resulted in a cost of \$11.17 per day.

Recommendation

The Sheriff should make necessary changes in food procurement and preparation in order to comply with the \$6 per day limit.

Sheriff's Response

The Sheriff will seek bids from private food vendors and will secure the lowest and best bid to make the necessary changes in food procurement and preparation in order to comply with the \$6.00 per day limit.

Tax Collector/Assessor's Office

2. Finding

During our review of tax settlement comparisons, we noted that county support for the enlargement, improvement and repair of the community college was not at least equal to prior year dollar amounts as required by Section 37-29-141 of Miss. Code Ann. (1972) as clarified by Attorney General Opinion No. 2005-0416.

Recommendation

The Tax Collector/Assessor should ensure that the millage rate levied for county support for the enlargement, improvement, and repair of the community college meets the settlement requirements based upon statutory millage rates and dollar amount settlements as required by law.

Tax Assessor/Collector's Response

Due to a reduction in the valuation of public utility (Illinois Central Railroad) there was a decrease in the amount of tax collected. In the future the Tax Collector/Assessor shall ensure that the millage rate levied for the county's support for the enlargement, improvement, and repair of the

community colleges meet the settlement requirements based upon statutory millage rates and dollar amount settlements as required by law.

Chancery Clerk's Office

3. Finding

During the course of our test work, we found that the deposits are not being made in a timely manner. Failure to implement controls over cash could result in the loss or misappropriations of public funds, delay in the timely reconciliation of bank accounts, and settlement of funds to the County.

Recommendation

The Chancery Clerk should ensure that the deposits are being made in a timely manner.

Chancery Clerk's Response

I shall comply and deposits will be made in a timely manner, reconciliations will be done in a timely manner, and funds will be settled as required by the Mississippi Code.

General County

4. Finding

During the course of our test work, we found that two funds reported deficits in fund balances at September 30, 2017.

Recommendation

The County should ensure that no expenditures are approved that would allow any fund balance to report as deficit.

County's Response

Fund #020: 2016 Flood depict waiting reimbursement from FEMA

Fund # 091: Amtrak Project waiting grant funds

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

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

Bridgers, Goodman, Aldridge, Baird & Clarke, PLLC

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

December 6, 2018

QUITMAN COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

QUITMAN COUNTY
Schedule of Findings and Responses
For the Year Ended September 30, 2017

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor's report issued on the financial statements | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified? | Yes |
| 3. Noncompliance material to the financial statements? | No |

Section 2: Financial Statement Findings

Significant Deficiency

2017-001. Criteria: The County is responsible for establishing and maintaining effective internal control over the solid waste receipting process.

Condition: The daily-check up sheets for solid waste receivables were disorganized and difficult to follow. These sheets could not be used to reconcile with deposits because they lacked dates, were not in sequential order, and overall lacked adequate information allowing them to be traced.

Effect: The auditor could not with confidence confirm with reasonable assurance the accuracy of solid waste collections.

Recommendation: The County should establish and maintain an effective internal control system over the solid waste receipting process ensuring that personnel are trained and knowledgeable and that adequate records are kept in an organized manner.

Response: The County will take the necessary steps to implement an effective internal control process over the Solid Waste Department's billing, receipts and collections. This process will also include deposits and reconciliations of bank statements as well as additional training of personnel working within this department.