

**DESOTO COUNTY, MISSISSIPPI**  
**Audited Financial Statements and Special Reports**  
**For the Year Ended September 30, 2024**

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

**DESOTO COUNTY  
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**DESOTO COUNTY**

**FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
DeSoto County, Mississippi

### Report on the Audit of the Financial Statements

#### *Qualified and Unmodified Opinions*

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of DeSoto County, Mississippi, (the County) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### *Qualified Opinion on Aggregate Discretely Presented Component Units*

In our opinion, based on our audits and the report of the other auditors, except for the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely component units of Desoto County, Mississippi, as of September 30, 2024, and the changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Unmodified Opinions*

In our opinion, based on our audits and the report 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, each major fund, and the aggregate remaining fund information of DeSoto County, Mississippi, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Emergency Communication District of DeSoto County, which represents 4.55 percent, 1.62 percent, and 5.39 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of September 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Emergency Communication District of DeSoto County are based solely on the report of the other auditors.

### ***Basis for Qualified and Unmodified Opinions***

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

### ***Matter Giving Rise to the Qualified Opinion***

The Emergency Communication District of DeSoto County is currently engaged in a contractual billing dispute with a vendor who provides network and telephone connection services throughout the service area. The disputed charges cover a significant time period through the date of the financial statements. Management of the Emergency Communication District of DeSoto County has escalated these disputed charges to a billing specialist with the vendor to seek clarification of amounts owed. These investigations are still ongoing as of the date of our auditor's report. As a result, the other auditors were unable to obtain sufficient appropriate evidence regarding the status of this service contract, and the amount by which it may affect claims payable and expenses as of and for the year ended September 30, 2024 has not been determined. Therefore, no contingent liability has been recorded in the financial statements.

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

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

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

Accounting principles generally accepted in the United States of America require that the 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, and the DeSoto County Convention and Visitors Bureau Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 DeSoto County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records

used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2025, on our consideration of DeSoto 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 DeSoto 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 DeSoto 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

June 23, 2025

# **DESOTO COUNTY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**INTRODUCTION**

The discussion and analysis of DeSoto County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2024. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance.

This discussion and analysis is an element of required supplementary information specified in the "Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" issued June 1999. Certain comparative information between the current year and the prior year is required to be presented.

Information contained in this section is supplemented by the more detailed information contained elsewhere in this County's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the County's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

**FINANCIAL HIGHLIGHTS**

DeSoto County is financially stable. The County has committed itself to financial excellence for many years by using sound financial planning, budgeting, and strong internal controls. The County is committed to maintaining sound fiscal management to meet the challenges of the future.

DeSoto County continues to grow both economically and in population. This has allowed the County to maintain a steady growth in tax revenues without a significant tax increase.

- Total net position increased \$33,745,228, from the previous year's restated net position, which represents a 12.95% increase from fiscal year 2024.
- General revenues account for \$117,276,627 in revenues, or 76.54% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$35,944,951 or 23.46% of total revenues.
- The County had \$119,476,350 in total expenses; only \$35,944,951 of these expenses were offset by program specific charges for services, grants, and contributions. General revenues of \$117,276,627 and beginning net position were adequate to provide for the remainder of these programs.
- Among major funds, the General Fund had \$93,665,123 in revenues, \$70,438,133 in expenditures, \$5,241,433 in transfers out, and \$48,368 transfers in. The General Fund's fund balance increased by \$18,033,925.
- Among major funds, the Coronavirus Fund had \$9,696,661 in revenues, \$8,449,321 in expenditures, and \$1,111,529 in transfers out. The Coronavirus Fund's fund balance increased by \$135,811.
- Among major funds, the Bridge and Culvert Fund had \$17,055,052 in revenues, \$10,301,618 in expenditures, \$1,195,000 in transfers out and \$105,000 in transfers in. The Bridge and Culvert Fund's fund balance increased by \$5,663,434.

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- Capital assets, net of accumulated depreciation, increased by \$24,527,535, from the previous year's restated balance, primarily due to the additions in construction in progress and mobile equipment.
- Long-term debt decreased by \$7,309,399 from the previous year's restated balance, primarily due to the timely payment of existing debt.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**Figure 1: Required Components of the County's Annual Report**

Figure 1 shows how required parts of this annual report are arranged and related to one another.

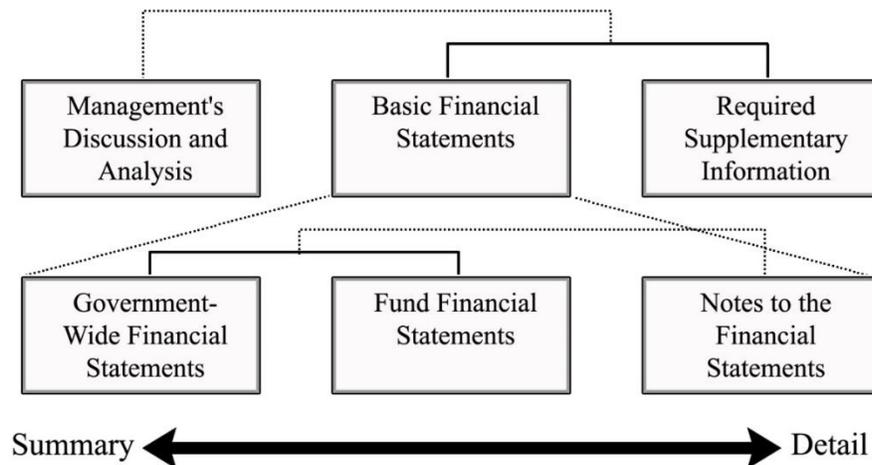


Figure 2 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**Figure 2: Major Features of the County's Government-Wide and Fund Financial Statements**

<b>Government-Wide Financial Statements</b>		<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire County government (except fiduciary funds)	All activities of the County that are not proprietary or fiduciary in nature	The County has one type of proprietary fund, which is the Internal Service Fund type. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's various activities.	Instances in which the County administers resources on behalf of someone else.
<b>Required financial statements</b>	Statement of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position  Statement of Revenues, Expenses and Changes in Net Position  Statement of Cash Flows	Statement of Fiduciary Net Position  Statement of Changes in Fiduciary Net Position
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset, deferred outflow, liability, and deferred inflow information</b>	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital and short and long term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, and deferred inflows	All assets, deferred outflows, liabilities, and deferred inflows
<b>Type of inflow/outflow information</b>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The statement of net position presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

Both of these government-wide financial statements outline functions of the County that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt, and pension expense.

The proprietary fund activities of the County are for the self-funded health insurance plan for county employees and are accounted for within governmental activities.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same Board as the County or provide services entirely to the County.

The discretely presented component units are as follows:

DeSoto County Emergency Communications District  
DeSoto County Convention and Visitors Bureau

These discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government.

Further information may be obtained from the various component units as follows:

Emergency Communications District	P.O. Box 156 Nesbit, Mississippi 38651
DeSoto County Convention and Visitors Bureau	4560 Venture Drive Southaven, Mississippi 38671

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's current financing requirements. Governmental funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The governmental funds statements provide a detailed short-term view of the County's operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's current financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual government funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental fund.

**Proprietary funds.** The Internal Service fund is an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for its self-funded health insurance plan for county employees. The proprietary fund is reported as distinct from the governmental funds on the fund financial statements. However, because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fund financial statements for the proprietary fund provide the same type of information as the government-wide financial statements, only in more detail. The self-funded health insurance fund is considered the only proprietary fund of the County.

**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.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules and pension data as required supplementary information.

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund, Coronavirus Fund, and Bridge & Culvert Fund.

This report also presents a Schedule of the County's Proportionate Share of the Net Pension Liability of the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. This schedule is presented to show trending data over the most recent ten fiscal year period as required by the Governmental Accounting Standards Board (GASB).

This report also presents a Schedule of County Contributions to PERS over the most recent ten fiscal year period as required by the Governmental Accounting Standards Board (GASB).

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net position.** Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$294,366,518 as of September 30, 2024.

The largest portion of the County's net position (61.42%) reflects its investment in capital assets (e.g. land, buildings, improvement other than buildings, mobile equipment, furniture and equipment, right-to-use leased assets, infrastructure assets, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

The County's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The following table presents a summary of the County's net position at September 30, 2024 and 2023.

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<u>Assets</u>		
Current and other assets	\$ 353,125,091	343,059,902
Capital assets, net	214,733,678	190,206,143
Total Assets	567,858,769	533,266,045
<u>Deferred outflows</u>	22,668,832	29,282,880
<u>Liabilities</u>		
Current and other liabilities	34,860,048	45,122,993
Net pension liability	133,991,918	124,750,547
Long-term debt	39,235,047	46,544,446
Total Liabilities	208,087,013	216,417,986

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<u>Deferred inflows</u>	88,074,070	85,509,649
 <u>Net Position:</u>		
Net investment in capital assets	180,797,046	149,106,967
Restricted	118,883,829	118,879,839
Unrestricted	(5,314,357)	(7,365,516)
Total Net Position	\$ 294,366,518	260,621,290

The 2023 amounts presented above have been restated to correct errors in previously issued financial statements. Capital assets, net and Long-Term Liabilities were the accounts affected by the restatements. See Note 2.

Additional information on net position:

In connection with standards on accounting and financial reporting for pensions, management presents the following additional information:

		<u>2024</u>
Total unrestricted net position	\$	(5,314,357)
Less: unrestricted deficit in net position resulting from recognition of GASB 68 & 71		111,662,289
Unrestricted net position, exclusive of the net pension liability effect	\$	106,347,932

**Changes in net position.** The County's total revenues for the fiscal year ended September 30, 2024, were \$151,962,787. The total cost of all programs and services was \$118,217,559. The increase in net position was \$33,745,228.

The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2024 and 2023.

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Program Revenues:</b>		
Charges for services	\$ 13,162,932	11,809,632
Operating Grants	5,891,397	9,925,165
Capital Grants	16,890,622	3,347,228
<b>General Revenues:</b>		
Property taxes	93,967,726	86,742,623
Road and Bridge Privilege Taxes	2,658,056	2,599,931
Unrestricted Grants and Contributions	3,712,378	4,916,576
Other General Revenue	16,938,467	4,917,748
<b>Total Revenues</b>	<b>153,221,578</b>	<b>124,258,903</b>

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<b>Governmental Activities cont'd</b>	
	<b>2024</b>	<b>2023</b>
<b>Program Expenses:</b>		
General Government	25,913,501	18,294,474
Public Safety	41,135,756	41,700,328
Public Works	21,735,701	22,332,769
Health and Welfare	2,382,631	5,309,749
Culture and Recreation	3,246,258	2,295,322
Conservation of Natural Resources	696,239	3,165,574
Economic Development and Assistance	393,917	308,653
Interest on Long-Term Debt	1,238,267	649,269
Pension Expense	22,734,080	19,384,264
<b>Total Expenses</b>	<b>119,476,350</b>	<b>113,440,402</b>
 <b>Changes in Net Position</b>	<b>\$ 33,745,228</b>	<b>10,818,501</b>

The 2023 amounts presented here have not been restated as it is not practicable for the state to determine the impact each error had on the individual expense categories due to the quantity and nature of the error corrections. See Note 2.

**Governmental activities.** The following table presents the cost of nine major county functional activities: general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt and pension expense.

The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

	<b>Total Costs</b>	<b>Net Costs</b>
General Government	\$ 25,913,501	(18,471,980)
Public Safety	41,135,756	(31,228,632)
Public Works	21,735,701	(5,086,749)
Health and Welfare	2,382,631	(2,142,152)
Culture and Recreation	3,246,258	(2,445,098)
Conservation of Natural Resources	696,239	180,055
Economic Development	393,917	(364,496)
Interest on Long-Term Debt	1,238,267	(1,238,267)
Pension Expense	22,734,080	(22,734,080)
<b>Total</b>	<b>\$ 119,476,350</b>	<b>(83,531,399)</b>

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the county's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financing requirements. Fund balance may serve as a useful measure of the county's net resources available for spending at the end of the fiscal year.

The financial performance of the county as a whole is reflected in its governmental funds. As the county completed the year, its governmental funds reported a combined fund balance of \$213,419,413 an increase of \$18,043,747 or 9.24% from the previous year.

The General Fund is the principal operating fund of the county. The increase in fund balance in the General Fund for the fiscal year was \$18,033,925.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the county revised the annual operating budget whenever actual expenditures in a line item exceeded the budgeted expenditures. The amendments were approved by the County Board of Supervisors and then posted to the accounting record by the Finance Director.

At least once a month the budgetary reports are sent to each department head for their review. The county requires a budget amendment for any line items that exceed the budget. Also, when a purchase order is requested by the various departments, the procurement department verifies that the funds are available in that budget line item to cover the requested purchase. If funds are not available, the department who requested the purchase is required to submit a budget amendment to the Office of Finance and Accounting to present to the County Board of Supervisors and post to the accounting records to ensure that the funds are available in the appropriate line item. This ensures that the County complies with state law and the State Audit Department guidelines.

A schedule showing the original and final budget amounts compared to the county's actual financial activity for the General Fund and other major special revenue funds is provided in this report as required supplementary information.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** As of September 30, 2024, the county's total capital assets were \$382,458,467, including land, construction in progress, buildings, improvements other than buildings, infrastructure, mobile equipment, intangible assets, and furniture and equipment. This amount represents an increase of \$33,121,869 from the previous year. The majority of this increase is due to construction in progress and equipment expenditures.

Total accumulated depreciation as of September 30, 2024, was \$167,724,789 and total depreciation expense for the year was \$8,008,514.

The balance in total net capital assets was \$214,733,678 at year end.

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Additional information on the county's capital assets can be found in Note 7 of this report.

**Debt Administration.** At September 30, 2024, the county had \$36,699,676 in long-term debt outstanding. This includes general obligation bonds and unamortized premiums. As of September 30, 2024, \$4,111,160 is due within one year.

The remaining long-term liability, \$136,527,289, consisted of compensated absences and net pension liability.

Additional information on the county's long-term debt can be found in Note 10 of this report.

**CURRENT ISSUES**

The DeSoto County Board of Supervisors has always strived to ensure that the county is financially stable and has accomplished this by committing itself to financial excellence for many years. DeSoto County has been experiencing growth over the past several years. The amount of growth remains relatively steady and the trend is for continued growth for the next several years. The county's population has grown over the past 30 years and that growth is expected to continue as follows:

Between seven to ten companies locate to DeSoto County each year. The County averages several industrial expansions annually. Unemployment is at 3.2% in the State of Mississippi. The County's growth has been complemented by conservative, yet progressive leadership. The catalyst of the growth is a strong school system and proactive leadership from the County Board of Supervisors that has allowed the county to keep the tax millage rate low from year to year. In the 2023 fiscal year, the County Board of Supervisors financed the County's operations without raising the tax rate. Due to the County Board of Supervisors' conservative financial approach, the County has been able to establish substantial cash reserves to ensure the County remains in a good position to endure the economic cycles that come and go from year to year.

**DeSoto County Tax Millage Rates 2014-2024**

<u>Fiscal Year</u>	<u>General County</u>	<u>Road/ Bridge</u>	<u>Debt Service</u>	<u>Solid Waste</u>	<u>Total</u>
2014	26.92	7.00	5.88	1.22	41.02
2015	26.65	6.97	6.18	1.22	41.02
2016	26.65	6.97	6.03	1.37	41.02
2017	27.09	6.97	5.59	1.37	41.02
2018	27.09	6.97	5.59	1.37	41.02
2019	27.09	6.97	5.59	1.37	41.02
2020	28.09	7.41	3.40	2.12	41.02
2021	28.09	7.41	4.05	1.47	41.02
2022	28.09	7.41	4.05	1.47	41.02
2023	29.49	7.41	2.65	1.47	41.02
2024	30.11	7.41	1.50	2.00	41.02

**DESOTO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

If you have any questions about this report, contact the Office of Finance and Accounting, 365 Loshier Street, Suite 320, Hernando, Mississippi 38632. The telephone number is (662)469-8001 and the fax number is (662)469-8275.

# **DESOTO COUNTY**

## **FINANCIAL STATEMENTS**

**DESOTO COUNTY**  
**Statement of Net Position**  
**September 30, 2024**

**Exhibit 1**

	Primary Government Governmental Activities	Component Units
<b>ASSETS</b>		
Cash	\$ 236,247,499	40,524,579
Property tax receivable	87,863,939	-
Accounts receivable (net of allowance for uncollectibles of \$310,460 and \$5,000, respectively)	997,652	845,814
Fines receivable (net of allowance for uncollectibles of \$8,471,412)	2,263,082	-
Loans receivable	6,743,608	-
Lease receivable	168,972	220,975
Intergovernmental receivables	4,142,975	2,323,934
Other receivables	82,873	-
Receivable from Component Unit	13,461,948	-
Inventories and prepaid items	1,152,543	-
Capital assets:		
Land and construction in progress	49,954,200	22,567,670
Other capital assets, net	164,779,478	37,316,746
<b>Total Assets</b>	<b>567,858,769</b>	<b>103,799,718</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	22,370,788	1,407,044
Deferred amount on refunding	298,044	-
<b>Total Deferred Outflows of Resources</b>	<b>22,668,832</b>	<b>1,407,044</b>
<b>LIABILITIES</b>		
Claims payable	6,086,552	537,043
Accrued liabilities	-	1,531,819
Intergovernmental payables	6,186,734	-
Accrued interest payable	281,372	384,953
Accrued interest payable:		
Non-capital debt	-	2,367
SBITA liabilities	-	15,314
Event security deposits	-	20,000
Unearned revenue	22,305,390	378,409
Due within one year:		
Lease Liabilities	45,160	
Non-capital debt	705,000	485,000
SBITA liabilities		160,785
Capital debt	3,361,000	2,091,448
Due in more than one year:		
Lease Liabilities	141,758	
Non-capital debt	1,760,000	2,536,000
SBITA liabilities	-	172,576
Capital debt	30,686,758	12,224,101
Compensated absences	2,535,371	140,961
Net pension liability	133,991,918	7,997,967
<b>Total Liabilities</b>	<b>208,087,013</b>	<b>28,678,743</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	41,159	95,805
Deferred revenues related to leases	168,972	220,975
Deferred revenues - property taxes	87,863,939	-
<b>Total Deferred Inflows of Resources</b>	<b>88,074,070</b>	<b>316,780</b>
<b>NET POSITION</b>		
Net investment in capital assets	180,797,046	45,220,192
Restricted for:		
Expendable:		
General government	1,645,867	-
Public safety	8,897,400	-
Public works	74,114,538	-
Health and welfare	19,553,613	-
Culture and recreation	1,909,726	-
Debt service	12,762,685	-
Unrestricted	(5,314,357)	31,299,887
<b>Total Net Position</b>	<b>\$ 294,366,518</b>	<b>76,520,079</b>

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

**DESOTO COUNTY**  
**Statement of Activities**  
**For the Year Ended September 30, 2024**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
Primary government:						
Governmental activities:						
General government	\$ 25,913,501	7,080,355	84,187	276,979	(18,471,980)	
Public safety	41,135,756	5,401,132	748,027	3,757,965	(31,228,632)	
Public works	21,735,701	681,445	4,816,072	11,151,435	(5,086,749)	
Health and welfare	2,382,631	-	240,479	-	(2,142,152)	
Culture and recreation	3,246,258	-	2,632	798,528	(2,445,098)	
Conservation of natural resources	696,239	-	-	876,294	180,055	
Economic development and assistance	393,917	-	-	29,421	(364,496)	
Interest on long-term debt	1,238,267	-	-	-	(1,238,267)	
Pension expense	22,734,080	-	-	-	(22,734,080)	
Total Governmental Activities	<u>119,476,350</u>	<u>13,162,932</u>	<u>5,891,397</u>	<u>16,890,622</u>	<u>(83,531,399)</u>	
Component units:						
Emergency Communications District	\$ 1,581,602	2,021,040				439,438
Convention and Visitors Bureau	14,759,787	7,022,005	374,028	14,108,425		6,744,671
Total Component Units	<u>\$ 16,341,389</u>	<u>9,043,045</u>	<u>374,028</u>	<u>14,108,425</u>		<u>7,184,109</u>
General revenues:						
Property taxes				\$ 93,967,726		-
Road & bridge privilege taxes				2,658,056		-
Tourism tax				-		13,781,474
Grants and contributions not restricted to specific programs				3,712,378		-
Unrestricted interest income				8,843,328		300,940
Miscellaneous				6,271,714		133,454
Transfers from outside sources				1,823,425		-
Total General Revenues, Contributions and Transfers				<u>117,276,627</u>		<u>14,215,868</u>
Changes in Net Position				<u>33,745,228</u>		<u>21,399,977</u>
Net Position - Beginning, as previously reported				272,401,433		55,064,537
Error correction				(11,780,143)		55,565
Net Position - Beginning, as restated				<u>260,621,290</u>		<u>55,120,102</u>
Net Position - Ending				<u>\$ 294,366,518</u>		<u>76,520,079</u>

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

**DESOTO COUNTY**  
**Balance Sheet – Governmental Funds**  
**September 30, 2024**

**Exhibit 3**

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Coronavirus Fund	Bridge & Culvert Fund	Capital projects Non-bond Fund		
<b>ASSETS</b>						
Cash	\$ 93,934,315	23,935,015	49,269,390	15,582,213	52,575,335	235,296,268
Investments						-
Property tax receivable	64,461,274		10,502,492		12,900,173	87,863,939
Accounts receivable (net of allowance for uncollectibles of \$310,460)	997,652					997,652
Fines receivable (net of allowance for uncollectibles of \$8,471,412)	2,263,082					2,263,082
Loans receivable	6,743,608					6,743,608
Lease receivable	168,972					168,972
Intergovernmental receivables	2,266,191		46,991	51,382	1,778,411	4,142,975
Other receivables	82,873					82,873
Due from other funds			119,209		395,417	514,626
Due from component units					13,461,948	13,461,948
Prepaid items	1,152,543					1,152,543
<b>Total Assets</b>	<b>\$ 172,070,510</b>	<b>23,935,015</b>	<b>59,938,082</b>	<b>15,633,595</b>	<b>81,111,284</b>	<b>352,688,486</b>
<b>LIABILITIES</b>						
<b>Liabilities:</b>						
Claims payable	\$ 2,767,742	950,843	256,535	221,892	1,309,718	5,506,730
Intergovernmental payables	5,835,385				213,655	6,049,040
Due to other funds	652,320					652,320
Unearned revenue	418	22,304,972				22,305,390
Amounts held in custody for others						-
Other payables						-
<b>Total Liabilities</b>	<b>\$ 9,255,865</b>	<b>23,255,815</b>	<b>256,535</b>	<b>221,892</b>	<b>1,523,373</b>	<b>34,513,480</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenue - property taxes	64,461,274		10,502,492		12,900,173	87,863,939
Unavailable revenue - leases	168,972					168,972
Unavailable revenue - accounts receivable	997,652					997,652
Unavailable revenue - accounts receivable- component unit					13,461,948	13,461,948
Unavailable revenue - fines	2,263,082					2,263,082
<b>Total Deferred Inflows of Resources</b>	<b>\$ 67,890,980</b>	<b>-</b>	<b>10,502,492</b>	<b>-</b>	<b>26,362,121</b>	<b>104,755,593</b>
<b>Fund balances:</b>						
<b>Nonspendable:</b>						
Inventories and prepaid items	1,152,543					1,152,543
<b>Restricted for:</b>						
General government					1,274,458	1,274,458
Public safety					8,897,400	8,897,400
Public works		679,200	49,179,055	15,411,703	8,844,580	74,114,538
Health and welfare					19,553,613	19,553,613
Culture and recreation					1,909,726	1,909,726
Debt service					12,746,013	12,746,013
Unassigned	93,771,122					93,771,122
<b>Total Fund Balances</b>	<b>\$ 94,923,665</b>	<b>679,200</b>	<b>49,179,055</b>	<b>15,411,703</b>	<b>53,225,790</b>	<b>213,419,413</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balanc</b>	<b>\$ 172,070,510</b>	<b>23,935,015</b>	<b>59,938,082</b>	<b>15,633,595</b>	<b>81,111,284</b>	<b>352,688,486</b>

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

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 213,419,413
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 \$167,724,789.	214,733,678
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Due from Component Unit	13,461,948
Accounts Receivable	997,652
Fines Receivable	2,263,082
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(39,235,047)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(133,991,918)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(281,372)
Deferred amount on refunding	298,044
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	22,370,788
Deferred inflows of resources related to pensions	(41,159)
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	<u>371,409</u>
Total Net Position - Governmental Activities	\$ <u><u>294,366,518</u></u>

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

**DESOTO COUNTY**

**Exhibit 4**

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

	Major Funds					Total Governmental Funds
	General Fund	Coronavirus Fund	Bridge & Culvert Fund	Capital projects Non-bond Fund	Other Governmental Funds	
<b>REVENUES</b>						
Property taxes	\$ 69,950,852		10,759,114		13,257,760	93,967,726
Road and bridge privilege taxes	-				2,658,056	2,658,056
Licenses, commissions and other revenue	4,671,719		8,438		562,809	5,242,966
Fines and forfeitures	1,816,553				393,186	2,209,739
Intergovernmental revenues	7,041,271	8,585,132	4,053,428	1,041,768	5,747,254	26,468,853
Charges for services	2,149,626		12,271		2,631,103	4,793,000
Interest income	3,105,853	1,111,529	1,860,354	717,221	2,048,371	8,843,328
Miscellaneous revenues	4,929,249		361,447		981,018	6,271,714
<b>Total Revenues</b>	<b>93,665,123</b>	<b>9,696,661</b>	<b>17,055,052</b>	<b>1,758,989</b>	<b>28,279,557</b>	<b>150,455,382</b>
<b>EXPENDITURES</b>						
Current:						
General government	24,555,592		8,699	265,482	1,285,631	26,115,404
Public safety	40,258,897	1,657,254		1,286,315	5,728,624	48,931,090
Public works	689,286	5,886,352	10,292,919	270,803	12,593,133	29,732,493
Health and welfare	2,352,861			24,403		2,377,264
Culture and recreation	1,592,800			25,000	1,840,747	3,458,547
Conservation of natural resources	559,321	876,294		13,070,853	8,400	14,514,868
Economic development and assistance	381,736	29,421		114,996		526,153
Debt service:						
Principal	47,640				7,497,000	7,544,640
Interest					868,653	868,653
<b>Total Expenditures</b>	<b>70,438,133</b>	<b>8,449,321</b>	<b>10,301,618</b>	<b>15,057,852</b>	<b>29,822,188</b>	<b>134,069,112</b>
Excess of Revenues over (under) Expenditures	23,226,990	1,247,340	6,753,434	(13,298,863)	(1,542,631)	16,386,270
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	48,368		105,000	4,327,529	2,101,155	6,582,052
Transfers out	(5,241,433)	(1,111,529)	(1,195,000)		(1,034,090)	(8,582,052)
Transfers in from component units					3,657,477	3,657,477
<b>Total Other Financing Sources and Uses</b>	<b>(5,193,065)</b>	<b>(1,111,529)</b>	<b>(1,090,000)</b>	<b>4,327,529</b>	<b>4,724,542</b>	<b>1,657,477</b>
<b>Net Changes in Fund Balances</b>	<b>18,033,925</b>	<b>135,811</b>	<b>5,663,434</b>	<b>(8,971,334)</b>	<b>3,181,911</b>	<b>18,043,747</b>
Fund Balances - Beginning, as previously reported	76,889,740	543,389	43,515,621		74,426,916	195,375,666
Change within financial reporting entity (nonmajor to major)	-	-	-	24,383,037	(24,383,037)	-
Fund Balances - Beginning, as restated	76,889,740	543,389	43,515,621	24,383,037	50,043,879	195,375,666
<b>Fund Balances - Ending</b>	<b>\$ 94,923,665</b>	<b>679,200</b>	<b>49,179,055</b>	<b>15,411,703</b>	<b>53,225,790</b>	<b>213,419,413</b>

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

**DESOTO COUNTY**

**Exhibit 4-1**

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

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 18,043,747
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$32,773,871 exceeded depreciation of \$8,008,514 in the current period.	24,765,357
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 \$1,592,274.	(237,822)
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.	414,258
Ambulance 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.	528,513
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 \$7,544,640 exceeded debt proceeds of \$0.	7,544,640
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:	
Decrease in Receivable from Component Unit	(1,834,052)
Accrued interest payable	(176,337)
Compensated absences payable	(242,868)
Amortization of bond premiums	7,627
Amortization of refunding charges on long-term debt	(200,904)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(22,734,080)
Recording of contributions made during the year	7,125,940
An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities.	<u>741,209</u>
Change in Net Position of Governmental Activities	<u>\$ 33,745,228</u>

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

**DESOTO COUNTY**  
**Statement of Net Position- Proprietary Fund**  
**September 30, 2024**

**Exhibit 5**

	Governmental Activities
	Internal Service Fund
	<u>                    </u>
ASSETS	
Current assets:	
Cash	\$ 951,231
Total Current Assets	<u>951,231</u>
Total Assets	<u>951,231</u>
LIABILITIES	
Current liabilities:	
Claims payable	<u>579,822</u>
Total Current Liabilities	<u>579,822</u>
Total Liabilities	<u>579,822</u>
NET POSITION	
Restricted for health insurance	<u>371,409</u>
Total Net Position	<u>\$ 371,409</u>

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

**DESOTO COUNTY****Exhibit 6****Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
For the Year Ended September 30, 2024**

	Governmental Activities
	<u>Internal Service Fund</u>
Operating Revenues	
Premiums	\$ <u>6,725,855</u>
Total Operating Revenues	<u>6,725,855</u>
Operating Expenses	
Claims payments	<u>8,045,284</u>
Total Operating Expenses	<u>8,045,284</u>
Operating Income (Loss)	<u>(1,319,429)</u>
Nonoperating Revenues (Expenses)	
Interest income	<u>60,638</u>
Net Nonoperating Revenue (Expenses)	<u>60,638</u>
Net Income (Loss) Before Transfers	(1,258,791)
Transfers in	<u>2,000,000</u>
Changes in Net Position	<u>741,209</u>
Net Position - Beginning	<u>(369,800)</u>
Net Position - Ending	\$ <u><u>371,409</u></u>

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

**DESOTO COUNTY**  
**Statement of Cash Flows - Proprietary Fund**  
**For the Year Ended September 30, 2024**

**Exhibit 7**

	Governmental Activities
	Internal Service Funds
Cash Flows From Operating Activities	
Receipts for premiums	\$ 6,725,855
Payments for claims	<u>(8,305,328)</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,579,473)</u>
Cash Flows From Noncapital Financing Activities	
Operating transfers in	<u>2,000,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,000,000</u>
Cash Flows From Investing Activities	
Proceeds from sale and maturities of investments	
Interest on deposits	<u>60,638</u>
Net Cash Provided (Used) by Investing Activities	<u>60,638</u>
Net Increase (Decrease) in Cash and Cash Equivalents	481,165
Cash and Cash Equivalents at Beginning of Year	470,066
Cash and Cash Equivalents at End of Year	<u>\$ 951,231</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ <u>(1,319,429)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Increase (decrease) in claims payable	<u>(260,044)</u>
Total Adjustments	<u>(260,044)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,579,473)</u>

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

**DESOTO COUNTY**  
**Statement of Fiduciary Net Position**  
**September 30, 2024**

**Exhibit 8**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,206,605
Receivables:	
Due from other funds	<u>137,694</u>
Total Assets	<u>\$ 1,344,299</u>
<b>LIABILITIES</b>	
Amounts held in custody for others	\$ <u>1,340,402</u>
Total Liabilities	<u>\$ 1,340,402</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations and other governments	\$ <u>3,897</u>
Total net position	<u>3,897</u>

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

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

**Exhibit 9**

	<u>Custodial Funds</u>
ADDITIONS	
Interest and dividends	\$ 1,994
Tourism tax	13,704,356
Collections for assessments	1,798,775
Transfers in from related entities	<u>1,559,697</u>
Total Additions	<u>17,064,822</u>
DEDUCTIONS	
Payments in accordance with agreements	1,282,300
Payments of assessments to other organizations	12,548,183
Payments of tax to other governments	<u>3,230,442</u>
Total Deductions	<u>17,060,925</u>
Net increase (decrease) in fiduciary net position	3,897
Net Position - Beginning	<u>-</u>
Net Position - Ending	<u>\$ 3,897</u>

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

**DESOTO COUNTY**

**Exhibit 10**

**Combining Statement of Net Position- Discretely Presented Component Units  
September 30, 2024**

	Emergency Communications District	Convention and Visitors Bureau	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 3,396,659	37,127,920	40,524,579
Accounts receivable (net of allowance for uncollectibles of \$0 and \$5,000, respectively)	472,718	373,096	845,814
Intergovernmental receivables	-	2,323,934	2,323,934
Lease receivables	-	220,975	220,975
Inventories and prepaid items	31,248	277,592	308,840
<b>Total Current Assets</b>	<b>3,900,625</b>	<b>40,323,517</b>	<b>44,224,142</b>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	-	22,567,670	22,567,670
Other capital assets, net	832,685	36,484,061	37,316,746
<b>Total Noncurrent Assets</b>	<b>832,685</b>	<b>59,051,731</b>	<b>59,884,416</b>
<b>Total Assets</b>	<b>4,733,310</b>	<b>99,375,248</b>	<b>104,108,558</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	-	1,407,044	1,407,044
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>1,407,044</b>	<b>1,407,044</b>
<b>LIABILITIES</b>			
Current liabilities:			
Claims payable	120,271	416,772	537,043
Accrued liabilities	-	1,531,819	1,531,819
Accrued interest payable	-	384,953	384,953
Accrued interest payable:			
Non-capital debt	2,367		2,367
SBITA liabilities	15,314		15,314
Event security deposits	-	20,000	20,000
Unearned revenue	-	378,409	378,409
Due within one year:			
Capital debt		2,091,448	2,091,448
Long-Term Debt:			
Non-capital debt	485,000		485,000
SBITA liabilities	160,785		160,785
<b>Total Current Liabilities</b>	<b>783,737</b>	<b>4,823,401</b>	<b>5,607,138</b>
Noncurrent liabilities:			
Due in more than one year:			
Capital debt		12,224,101	12,224,101
Non-capital debt	2,536,000		2,536,000
SBITA liabilities	172,576		172,576
Compensated absences payable		140,961	140,961
Net pension liability		7,997,967	7,997,967
<b>Total Noncurrent Liabilities</b>	<b>2,708,576</b>	<b>20,363,029</b>	<b>23,071,605</b>
<b>Total Liabilities</b>	<b>3,492,313</b>	<b>25,186,430</b>	<b>28,678,743</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenues - pensions	-	95,805	95,805
Deferred revenues - leases	-	220,975	220,975
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>316,780</b>	<b>316,780</b>
<b>NET POSITION</b>			
Net investment in capital assets	484,010	44,736,182	45,220,192
Unrestricted	756,987	30,542,900	31,299,887
<b>Total Net Position</b>	<b>\$ 1,240,997</b>	<b>75,279,082</b>	<b>76,520,079</b>

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

**DESOTO COUNTY**

**Combining Statement of Activities- Discretely Presented Component Units  
For the Year Ended September 30, 2024**

**Exhibit 11**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Emergency Communication District	Convention and Visitors Bureau	Total
Component units:							
Emergency Communications District	\$ 1,581,602	2,021,040	-	-	439,438		439,438
Convention and Visitors Bureau	14,759,787	7,022,005	374,028	14,108,425		6,744,671	6,744,671
<b>Total Component Units</b>	<b>\$ 16,341,389</b>	<b>9,043,045</b>	<b>374,028</b>	<b>14,108,425</b>	<b>439,438</b>	<b>6,744,671</b>	<b>7,184,109</b>
General revenues:							
Tourism tax					\$ -	13,781,474	13,781,474
Unrestricted interest income					10,730	290,210	300,940
Miscellaneous					3,943	129,511	133,454
<b>Total General Revenues</b>					<b>14,673</b>	<b>14,201,195</b>	<b>14,215,868</b>
Changes in Net Position					454,111	20,945,866	21,399,977
Net Position - Beginning, as previously reported					786,886	54,277,651	55,064,537
Error correction					-	55,565	55,565
Net Position - Beginning, as restated					786,886	54,333,216	55,120,102
Net Position - Ending					\$ 1,240,997	75,279,082	76,520,079

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

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

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

**A. Financial Reporting Entity.**

DeSoto 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 DeSoto 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.**

Blended Component Units

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

The DeSoto County, Mississippi Public Improvement Corporation is comprised solely of the five members of the County Board of Supervisors and the Chancery Clerk. Although it is legally separate from DeSoto County, Mississippi, the corporation is reported as if it were part of the primary government, as it is a pass-through corporation whose sole purpose is to finance, renovate and construction County buildings.

Discretely Presented Component Units

The component unit column in the financial statements includes 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. The 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 DeSoto County Board of Supervisors.

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

DeSoto County Convention and Visitors Bureau (The Bureau) was created in 1998 by the DeSoto County Board of Supervisors under the provisions of House Bill 1831, under Chapter 1001 of the Local and Private Laws of 1996 of the State of Mississippi. The Bureau promotes tourism locally through revenues derived from a 2% tourism tax levied by the DeSoto County Board of Supervisors. The Bureau is governed by a seven-member Board appointed with five members appointed by the DeSoto County Board of Supervisors.

DeSoto County Emergency Communications District (The District) was created in 1988 by the DeSoto County Board of Supervisors under Section 19-5-305, Miss. Code Ann. (1972) to manage the emergency communications system and related infrastructure in order to provide E-911 services to DeSoto County residents. The seven-member Board of Commissioners is appointed by the DeSoto County Board of Supervisors and local municipalities. DeSoto County provides financial support for the District through the collection of E-911 revenues received from communications utilities.

A Certified public accounting firm, other than the primary government auditor, prepare audited financial statements information for the DeSoto County Emergency Communications District a component unit listed above and provided to the County as the primary government. Financial information may be obtained from the DeSoto County Chancery Clerk's office at 2535 Highway 51, South Room 104, Hernando, Mississippi 38632.

**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 certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing

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

accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures. Funds are organized into governmental, proprietary and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. 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, Proprietary Funds and Fiduciary Funds financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied.

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

Governmental 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 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.

Coronavirus Fund – This fund is used to account for monies from specific revenue sources that are restricted for COVID-19 recovery efforts.

Bridge and Culvert Fund - This fund is used to account for monies from specific revenue sources that are restricted for bridges and culverts.

Capital projects non-bond Fund - This fund is used to account for monies from specific revenue sources that are restricted for capital projects.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

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

**PROPRIETARY FUND TYPE**

Internal Service Funds - These funds are used to account for those operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The County's internal service fund reports on the self-insurance programs for employee medical benefits.

**FIDUCIARY FUND TYPE**

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

**E. Account Classifications.**

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

**F. Deposits and Investments.**

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

Cash includes cash on hand, demand deposits, 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

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

to as "due to/from other funds." Noncurrent portions of inter-fund receivables and payables are reported as "advances to/from other funds." Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

**I. Inventories and 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**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:

	Capitalization	Estimated
	Thresholds	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.

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

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 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.

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.

Unavailable revenue – accounts receivable – 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 11 for additional details.

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

**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.

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

GASB 87 was implemented during fiscal year 2022.

The County uses the Federal Prime Borrowing Rate in effect at the date of the lease inception (4.00%) to calculate the present value of lease payments when the rate implicit in the lease is not known.

**M. Subscription-Based Information Technology Arrangements.**

The Governmental Accounts Standards Board (GASB) issued Statement No.96, Subscription-Based Information Technology Arrangements (SBITAs) (GASB 96) to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, relatability, relevance and consistency of information about SBITAs.

**N. Long-term liabilities.**

Long-term liabilities are the un-matured 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.

**O. 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 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.

**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.

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

**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.

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

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

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.

**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 100, *Accounting Changes and Error Corrections*, was implemented during the 2024 fiscal year. This Statement is an amendment of GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance*. The purpose of the standard is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

**NOTE 2 – ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES.**

Correction of an Error in Previously Issued Financial Statements

There were errors in recording Capital Assets, Compensated Absences, and Leases in the prior years. The Capital Assets error resulted in an understatement of depreciable capital assets and a corresponding increase in accumulated depreciation. The Compensated Absences error resulted in an understatement of the liability not recorded in prior years. Leases in prior years went unrecorded. This resulted in a an

**DESOTO COUNTY**  
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understatement of the amounts reported as Long Term Debt and Capital Assets.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances							
	Funds					Government-Wide	Component Units	
	General Fund	Coronavirus Fund	Bridge & Culvert Fund	Capital projects Non-bond Fund	Other Governmental Funds	Governmental Activities	Emergency Communication District	Convention and Visitors Bureau
9/30/2023, as previously reported	\$ 76,889,740	543,389	43,515,621		74,426,916	272,401,433	786,886	54,277,651
Change from nonmajor to major fund				24,383,037	(24,383,037)			
Error corrections						(11,780,143)		55,565
9/30/2023, as adjusted or restated	\$ 76,889,740	543,389	43,515,621	24,383,037	50,043,879	260,621,290	786,886	54,333,216

**NOTE 3 – DEPOSITS AND INVESTMENTS.**

**Deposits:**

**DeSoto County:**

The carrying amount of the County's total deposits with financial institutions at September 30, 2024, was \$237,454,104 and the bank balance was \$240,265,610. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

**NOTE 4 - INTERFUND TRANSACTIONS AND BALANCES.**

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

A. Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Bridge & Culvert Fund	General Fund	119,209
Other Governmental Funds	General Fund	395,417
Custodial Funds	General Fund	137,694
	Total	\$ 652,320

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Receivables represent tax revenues and law library fees collected but not settled until October 2024 and cover expenditures for the volunteer fire department. All interfund balances are expected to be repaid within one year from the date of the financial statements.

**B. Transfers In/Out**

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other governmental funds	\$ 48,368
Major Fund - Bridge & Culvert	General Fund	105,000
Major Fund - Capital prj. - non bond	General Fund	2,216,000
Major Fund - Capital prj. - non bond	Major Fund - Coronavirus Fund	1,111,529
Major Fund - Capital prj. - non bond	Major Fund - Bridge & Culvert	1,000,000
Other governmental funds	General Fund	1,320,433
Other governmental funds	Other governmental funds	780,722
Internal Service Fund	General Fund	1,600,000
Internal Service Fund	Major Fund - Bridge & Culvert	195,000
Internal Service Fund	Other governmental funds	205,000
	Total	<u>\$ 8,582,052</u>

Transfers to Bridge and Culvert Fund are to cover various capital expenditures. Transfers to Other Governmental Funds are for budgeted allocations and reimbursement for court-related expenditures and postage.

**NOTE 5 - INTERGOVERNMENTAL RECEIVABLES.**

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

<u>Description</u>	<u>Amount</u>
Legislative Credit	\$ 1,853,252
Facility commissions	79,967
DHS reimbursements	17,206
EMA Compact Grant	14,838
HIDTA	8,472
JAG Grant	77,848
NRCS Grant	37,854
Corp of Engineers	5,086
Hazard mitigation grant	47,963

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Highway planning and construction	1,752,780
DUI Grant reimbursement	9,237
EMPG reimbursement	124,895
Inmate housing	42,660
Region IV Reimbursement	2,510
Occupant protection grant reimbursement	2,217
Youth court reimbursement	6,572
ADC Reimbursement	26,517
Reimbursement for county services	33,101
\$	4,142,975

**NOTE 6 – LOANS RECEIVABLE.**

At September 30, 2024, the DeSoto County Convention and Visitors Bureau had \$4,267,409 in loans payable for previous loans the County made to the Bureau for acquisition and construction costs related to the DeSoto County Convention and Visitors Bureau. During October 2013, the County and the Bureau entered into an agreement to repay the original loan totaling \$7,494,614 with no interest. Agreement terms include monthly payments of \$20,818 beginning November 1, 2013 and concluding October 1, 2043.

At September 30, 2024, the DeSoto County Regional Utility Authority had \$2,469,912 in loans payable for a previous loan the County made to the Authority for acquisition and construction costs designed to facilitate county growth. During July 2013, the County and the Authority entered into an agreement to repay the original loan totaling \$3,900,000 with no interest. Agreement terms include monthly payments of \$10,834 paid beginning October 1, 2014 and concluding September 1, 2044.

On September 30, 2024, the Fairhaven Fire Department had \$6,287 in loans payable for a previous loan the County made to the Department. On August 20, 2015, DeSoto county entered into an agreement with Fairhaven Fire Department to construct a fire facility. The County loaned \$204,820 to be paid back annually beginning July 1, 2016. In December 2018, the loan terms were amended to reduce the total outstanding amount due. The loan will conclude November 2024.

The following is a summary of loan repayments, equal to the annual debt service requirements of the County:

Description	Date of Loan	Maturity Date	Amount
DeSoto County Convention and Visitors Bureau	10/2013	10/2043	\$ 4,267,409
DeSoto County Regional Utility Authority	07/2013	09/2044	2,469,912
Fairhaven Fire Department Project	08/2015	11/2024	6,287
			\$ 6,743,608

**DESOTO COUNTY**  
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**NOTE 7 - CAPITAL ASSETS.**

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

<b>Governmental Activities</b>	Balance				Balance
	Oct. 1, 2023	Additions	Deletions	Adjustments	Sept. 30, 2024
Non-depreciable capital assets:					
Land	4,340,034	-	-	1	4,340,035
Construction in progress	24,044,559	25,779,773	-	(4,210,167)	45,614,165
Total non-depreciable capital assets	28,384,593	25,779,773	-	(4,210,166)	49,954,200
Depreciable capital assets:					
Infrastructure	189,612,145			8,222,665	197,834,810
Buildings	87,040,633			(363,800)	86,676,833
Improvements other than buildings	4,338,341				4,338,341
Mobile equipment	39,879,841	6,994,098	1,966,358	(17,229,054)	27,678,527
Other furniture and equipment				15,669,677	15,669,677
Intangible right to use building				35,874	35,874
Intangible right to use equipment	81,045			189,160	270,205
Total depreciable capital assets	320,952,005	6,994,098	1,966,358	6,524,522	332,504,267
Less accumulated depreciation for:					
Infrastructure	89,806,655	3,911,333		20,569,647	114,287,635
Buildings	26,755,665	1,601,897		(1,381,855)	26,975,707
Improvements other than buildings	732,673	153,110		(54,950)	830,833
Mobile equipment	30,668,066	1,784,588	1,728,536	(16,795,263)	13,928,855
Other furniture and equipment		503,139		11,070,895	11,574,034
Intangible right to use building		3,986			3,986
Intangible right to use equipment	73,278	50,461			123,739
Total accumulated depreciation	148,036,337	8,008,514	1,728,536	13,408,474	167,724,789
Depreciable capital assets, net	172,915,668	(1,014,416)	237,822	(6,883,952)	164,779,478
Governmental activities capital assets, net	201,300,261	24,765,357	237,822	(11,094,118)	214,733,678
Total capital assets, net, excluding intangible right to use assets				\$ 214,555,324	
Intangible right to use assets, net				<u>178,354</u>	
Total capital assets, net, as reported in the statement of net position				<u>\$ 214,733,678</u>	

Adjustments were to add amounts for Intangible right to use assets, remove duplicated construction in progress, move completed construction in progress and correct prior years errors in recording depreciation expense.

Depreciation expense was charged to the following functions:

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<b>Governmental Activities</b>	<b>Amount</b>
General government	\$ 735,015
Public safety	1,990,755
Public works	5,098,450
Health and welfare	110,308
Culture and recreation	45,086
Conservation of natural resources	16,579
Economic development and assistance	12,321
Total	\$ 8,008,514

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

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Starlanding Sewer	1,837,838	Not Determined
Broadband Infrastructure	9,542,496	Not Determined
Agri-Ed Walking Trails (Phase 1 (Seg.s 1&2))	644,102	Not Determined
Hawks Crossing Park (Lewisburg Park)	80,000	Not Determined
Johnson Creek Greenway Project	10,000	Not Determined
Commerce Street/Della to Jaybird - MPO	2,250,123	Not Determined
Armory Road	975,333	Not Determined
Getwell Road Improvements	4,254,945	Not Determined
Swinnea Road-Starlanding to Bankston	10,000	Not Determined
Wilson Mill Road	1,439,806	Not Determined
Nail Rd - Hacks to Polk Lane	18,176,779	Not Determined
Getwell / Pleasant Hill Signal - MPO	5,625	Not Determined
Austin Rd Bridge LSBP	10,000	Not Determined
Getwell Road Bridge	2,942,057	Not Determined
Juvenile Detention Renovation	10,000	Not Determined
EOC Building	5,527,387	Not Determined
Information Technology - Office Impv's/Software	4,481,569	Not Determined
Sheriff's Dept ICAC Building Addition	10,000	Not Determined
Agri Education Building Project	12,074,252	Not Determined
Courthouse Renovation	1,128,511	Not Determined
TAX COLLECTOR'S OFFICE	2,006	Not Determined
DISTRICT ATTORNEY OFFICE RENOVATION	13,318	Not Determined
SHERIFF'S DEPARTMENT OFFICE	500	Not Determined
COMMUNICATIONS TOWER - E-911	500	Not Determined

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COE FEASIBILITY STUDY	435,614	Not Determined
STARLANDING ROAD SEGMENT 2	14,734,020	Not Determined
STARLANDING ROAD-SEGMENT 3	4,232,766	Not Determined
INGRAMS MILL RD BRIDGE REPLACEMENT	1,000	Not Determined
AGRI ED TRAIL SEG 3	47,372	Not Determined
AGRI CENTER ACCESS ROAD/HWY 51	1,000	
CHILLER PROJECT	1,000	
	84,879,919	

**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 liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2024, to January 1, 2025. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

The County finances its exposure to risk of loss relating to employee health and accident coverage. Beginning in 1992 and pursuant to Section 25-15-101, Miss. Code Ann. (1972), the County established a risk management fund (included as an Internal Service Fund) to account for and finance its uninsured risk of loss. The DeSoto County Board of Supervisors has extended coverage to the employees of the following public entities:

- Horn Lake Creek Basin
- DeSoto County Regional Utility Authority
- DeSoto County Emergency Communications District
- 17<sup>th</sup> Circuit Court District- District Attorney's Office

Under the plan, amounts payable to the risk management fund are based on actuarial estimates. DeSoto County pays the premium on a single coverage policy for its employees. Employees desiring additional and/or dependent coverage pay the additional premium through a payroll deduction. Premium payments to the risk management fund are determined on an actuarial basis. The County has minimum uninsured risk retention for the County, to the extent that actual claims submitted exceed the predetermined premium.

The County has purchased coinsurance which functions as two separate stop loss coverage: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$110,000, and the aggregate policy covers all claims submitted for FY 2024.

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Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonable estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). At September 30, 2024, the amount of these liabilities was 579,822. An analysis of claims activities is presented below:

	<u>Beginning of Year</u>	<u>Claims and Changes</u>	<u>Premiums and Changes</u>	<u>End of Year</u>
2019 to 2020	\$ 537,320	6,500,161	6,414,635	\$ 451,794
2020 to 2021	451,794	6,651,654	6,177,667	(22,193)
2021 to 2022	\$ (22,193)	6,913,505	6,323,520	\$ 567,792
2022 to 2023	\$ 567,792	6,341,446	6,613,520	\$ 839,866
2023 to 2024	\$ 839,866	6,985,899	6,725,855	\$ 579,822

**NOTE 9 – LEASES.**

The County is a lessee for various non-cancellable leases of 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 historical federal prime borrowing rate 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:**

**Lease Assets**

The County is obligated for the following leased assets acquired through leases as of September 30, 2024:

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	Balance 10/1/2023	Additions	Amortization	Adjustments	Balance 9/30/2024
Office Equipment	\$ 7,767	0	50,461	189,160	146,466
Buildings	-	-	3,986	35,874	31,888
Total	\$ 7,767	-	54,447	225,034	178,354

See Note 7 for further details regarding intangible right-to-use equipment and buildings, which represents leased equipment and buildings.

Lease Liabilities

	Balance 10/1/2023	Additions	Principal Payments	Adjustments	Balance 9/30/2024
Office Equipment	\$ 7,767	-	45,603	191,930	154,094
Buildings	-	-	2,037	34,861	32,824
Total	\$ 7,767	-	47,640	226,791	186,918

On April 29, 2019, DeSoto County entered into a lease agreement with Copyplus, Inc. for the lease of copy machines owned by Copyplus, Inc. The lease stipulated that the lessee would pay approximately \$993 per month in lease payments commencing for a term of 5 years. This lease includes 0% interest financing of the equipment.

On December 30, 2020, DeSoto County entered into a lease agreement with Pitney Bowes for the lease of office equipment owned by Pitney Bowes. The lease stipulated that the lessee would pay approximately \$67 per month in lease payments commencing for a term of years. This lease includes 0% interest financing of the equipment.

On May 1, 2023, DeSoto County entered into a lease agreement with Quadiant, Inc. for the lease of copy machines owned by Quadiant, Inc. The lease stipulated that the lessee would pay approximately \$292.45 per month in lease payments commencing for a term of 4 years. This lease includes 8.00% interest financing of the equipment.

On September 30, 2023, DeSoto County entered into a lease agreement with JT Ray, Inc. for the lease of copy machines owned by JT Ray, Inc. The lease stipulated that the lessee would pay approximately \$833.00 per month in lease payments commencing for a term of 5 years. This lease includes 8.50% interest financing of the equipment.

On September 1, 2023, DeSoto County entered into a lease agreement with New Development LLC for the lease of a building owned by New Development LLC. The lease stipulated that the lessee would pay \$5,000 per year for the first five years. In years six through ten the rent will increase to \$6,500 per year. The term of the lease is ten years. This lease includes 8.50% interest financing of the building.

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On January 1, 2023, DeSoto County entered into a lease agreement with RJ Young, Inc. for the lease of copy machines owned by RJ Young, Inc. The lease stipulated that the lessee would pay approximately \$3,236 per month in lease payments commencing for a term of 5 years. This lease includes 7.50% interest financing of the equipment.

<u>Description</u>	<u>Discount Rate</u>	<u>Term</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Monthly Payment</u>	<u>Amount Outstanding</u>
Pitney Bowes	0.00%	60 months	12/30/2020	12/29/2025	67	1,005
Quadient	8.00%	48 Months	5/1/2023	4/1/2027	293	8,166
JT Ray	8.50%	60 months	9/30/2023	8/31/2028	833	33,202
New Development LLC	8.50%	120 months	9/1/2023	9/1/2033	417	32,824
RJ Young	7.50%	60 months	1/1/2023	12/31/2027	3,236	111,721
					\$ 4,846	\$ 186,918

The following is a schedule by years of the total payments due as of September 30, 2024:

	<u>Principal</u>	<u>Interest</u>
2025	45,160	13,355
2026	47,695	9,830
2027	50,054	6,041
2028	22,718	2,896
2029	4,690	2,177
2030-2033	16,601	4,200
Total	<u>186,918</u>	<u>38,499</u>

**As Lessor:**

On September 1, 2002, DeSoto County entered into a lease agreement with Mississippi Department of Human Services for the lease of building space owned by the County. The lease stipulated that the lessee would pay approximately \$808 per month in lease payments commencing 9/1/2002 for a term of 23 years. At the end of the lease term, a new agreement will be required. The County is to receive \$9,303 in rent annually with an implicit interest rate of 4.00%.

On January 1, 2010, DeSoto County entered into a lease agreement with AbilityWorks, Inc. for the lease of building space owned by the County. The lease stipulated that the lessee would pay approximately \$300 per month in lease payments commencing 01/01/2010 for a term of 20 years. At the end of the lease term, a new agreement will be required. The County is to receive \$3,600 in rent annually with an implicit interest rate of 4.00%.

On August 1, 2020, DeSoto County entered into a lease agreement with Mississippi Department of Human Services for the lease of building space owned by the County. The lease stipulated that the lessee would pay approximately \$13,750 per month in lease payments commencing 8/1/2020 for a term of 5 years. At the end of the lease term, a new agreement will be required. The County is to receive \$158,400 in rent annually with an implicit interest rate of 4.00%.

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On January 1, 2022, DeSoto County entered into a lease agreement with USDA for the lease of building space owned by the County. The lease stipulated that the lessee would pay approximately \$1,303 per month in lease payments commencing 01/01/2022 for a term of 3 years. At the end of the lease term, a new agreement will be required. The County is to receive \$15,636 in rent annually with an implicit interest rate of 4.00%.

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

Year ending September 30:	Principal	Interest
2025	\$ 153,996	6,416
2026	3,456	144
2027	3,456	144
2028	3,456	144
2029	3,456	144
2030	1,152	48
Total	\$ 168,972	7,040

**NOTE 10 – LONG-TERM DEBT.**

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
2019 Advanced Civic Center Refunding	7,555,000	1.87%	9/2029
2016 Refunding Bonds 8.125m	2,465,000	1.66%	9/2029
2020 GO Bonds	17,660,000	3.00%	9/2040
2021 Refunding Bonds	8,787,000	1.150%	3/2033
Total General Obligation Bonds	36,467,000		

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

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Year ending September 30:	Governmental Activities	
	General obligation Bonds	
	Principal	Interest
2025	\$ 4,066,000	1,024,523
2026	4,207,000	895,700
2027	3,917,000	768,331
2028	4,035,000	636,528
2029	4,168,000	501,526
2030-2034	8,544,000	1,676,657
2035-2039	6,190,000	768,150
2040	1,340,000	40,200
Total	\$ 36,467,000	6,311,615

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2024, the amount of outstanding debt was equal to 1.34% of the latest property assessments.

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

	Balance				Amount due	
	Oct. 1, 2023	Additions	Reductions	Adjustments	Balance Sept. 30, 2024	within one year
<b>Governmental Activities:</b>						
Compensated absences	\$ 1,833,269	242,868	-	459,234	2,535,371	-
General obligation bonds	43,964,000	-	7,497,000	-	36,467,000	4,066,000
Add:						
Premiums	53,385	-	7,627	-	45,758	-
Leases Payable	7,767	-	47,640	226,791	186,918	45,160
Total	\$ 45,858,421	242,868	7,552,267	686,025	39,235,047	4,111,160

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

**Component Units**

DeSoto County provided to the Emergency Communications District (E-911) the Bond funds for erecting, equipping, repairing, reconstructing, remodeling, and enlarging County buildings and related facilities and the purchase and installation of the Emergency Communications District equipment. DeSoto County is ultimately responsible for the \$2,956,000 bond issues included in the disclosures above. DeSoto County maintains a bond fund in its name for the payment of the principal and interest on the Bonds, and the payment of Agent's fees in connection with this. The Emergency Communications District has included

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this debt issuance and the resulting liability in their financial statements as a payable to the County and The Emergency Communications District shall annually take such action as necessary to include payment of the debt service requirements of the Bonds, as a part of its annual budget year. For FY 2024, the Emergency Communications District's total bond principal payments to the County were \$546,000.

DeSoto County provides to the Convention and Visitors Bureau refunding bond funds for improvements at the DeSoto Civic Center in Southaven. DeSoto County maintains a bond fund in its name for the payment of the principal and interest on the Bonds, and the payment of Agent's fees in connection with this. The Convention and Visitors Bureau shall for as long as any principal of and interest on the Bonds remain outstanding, provide to the County adequate and sufficient funds which may be lawfully used for the payment of the principal of and interest on the Bonds. The Convention and Visitors Bureau has included this debt issuance and resulting liability in their financial statements as a payable to the County and shall annually take such action as necessary to include its payment of the debt service payments on the Bonds, as a part of its annual budget year. As of September 30, 2024, the Convention and Visitors Bureau was responsible for the repayment of the Series 2019 bonds and \$1,275,000 of the Series 2016 bonds reported in the County long-term liabilities. For FY 2024, the Convention and Visitors Bureau total bond principal payments to the County were \$680,000. The Convention and Visitors Bureau paid the \$1,295,000 due for the Series 2019 bonds directly to the lender.

**NOTE 11 - DEFINED BENEFIT PENSION PLAN.**

**DeSoto County**

*General Information about the Pension Plan*

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

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

**DESOTO COUNTY**  
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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, 2024, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2024 was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2024, 2023, and 2022, were \$7,125,940, \$6,513,051, and \$6,125,998, respectively, equal to the required contributions for each year.

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

At September 30, 2024, the County reported a liability of \$133,991,918 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2024, net pension liability was 0.5158 percent, which was based on a measurement date of June 30, 2024. This was an increase of .02 percent from its proportionate share used to calculate the September 30, 2023, net pension liability, which was based on a measurement date of June 30, 2023.

For the year ended September 30, 2024, the County recognized pension expense of \$22,734,080. At September 30, 2024, 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	\$ 7,133,998	-
Net difference between projected and actual earnings on pension plan investments	285,317	-
Changes of assumptions	7,977,755	-
Changes in the proportion and differences between actual contributions and proportionate share of contributions	4,980,649	41,159
Contributions subsequent to the measurement date	1,993,069	-
	\$ 22,370,788	41,159

The \$1,993,069 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Amortization of deferred outflows and inflows

Year ending September 30:	Amount
2025	\$ 8,918,470
2026	11,731,111
2027	775,464
2028	(1,088,485)
Total	\$ 20,336,560

Actuarial Assumptions. The total pension liability as of June 30, 2024 was determined by an actuarial valuation prepared as of June 30, 2023, and by the investment experience for the fiscal year ending June 30, 2024. The following actuarial assumptions are applied to all periods in the measurement:

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

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

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

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Domestic Equity	25.00 %	5.15 %
International Equity	20.00	5.00
Global Equity	12.00	5.15
Fixed Income	18.00	2.75
Real Estate	10.00	3.50
Private Equity	10.00	6.25
Infrastructure	2.00	3.85
Private Credit	2.00	4.90
Cash Equivalents	1.00	0.50
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00 percent) and that employer contributions will be phased in to 19.90 percent over five fiscal years (17.90 percent for FYE 2025, 18.40 percent for FYE 2026, 18.90 percent for FYE 2027, 19.40 percent for FYE 2028, 19.90 percent for FYE 2029 and beyond). Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Proportionate share of the net pension liability	\$ 173,673,025	133,991,918	101,515,936

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 12 - 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

**DESOTO COUNTY**  
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liability of the County. No provision for any liability that may result has been recognized in the County's financial statements.

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

**NOTE 13 – NO COMMITMENT DEBT (NOT INCLUDED IN FINANCIAL STATEMENTS).**

No commitment debt is repaid only by the entities for which the debt was issued and includes debt that either bears the County's name or for which a moral responsibility may exist that is not an enforceable promise to pay. No commitment debt explicitly states that absence of obligation by the County other than possibly an agreement to assist creditors in exercising their rights in event of default. Because a default may adversely affect the County's own ability to borrow, the principal amount of such debt outstanding at year end is disclosed as follows:

<u>Description</u>	<u>Sept. 30, 2024</u>
Mississippi Development Bank, Series 2010B Taxable	136,780,000
Mississippi Development Bank, Series 2014	37,830,000
Mississippi Development Bank, Series 2015 Refunding	14,935,000
Mississippi Development Bank, Series 2017A	27,160,000
Mississippi Development Bank, Series 2019	39,295,000
	<u>256,000,000</u>

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

The governmental activities' unrestricted net position deficit amount of \$(5,314,357) 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 \$1,993,069 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. The \$20,377,719 balance of the deferred outflow of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next 4 years. The \$41,159 balance of the deferred inflow of resources related to pension at September 30, 2024, will be recognized in pension expense over the next 4 years.

The governmental activities' net investment in capital assets net position of \$180,797,046 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. The \$298,044 balance of deferred outflows of resources at September 30, 2024, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 9 years.

The governmental activities' unrestricted net position deficit amount of \$(5,314,357) includes the effect of recognition of deferring the recognition of revenue resulting from leases receivable. The \$168,972 balance of deferred inflows of resources at September 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next 6 years.

**DESOTO COUNTY**  
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**NOTE 15 -RELATED ORGANIZATIONS.**

The DeSoto County Board of Supervisors is responsible for appointing a voting majority of the members of the boards of the following organizations, but the county's accountability for these organizations does not extend beyond making appointments and in making small appropriations, if any, to these organizations:

Horn Lake Creek Watershed Drainage District

**NOTE 16 -JOINT VENTURES.**

The county participates in the following joint venture:

DeSoto County is a participant with Lafayette, Panola, Tate and Tunica counties in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the First Regional Library. The joint venture was created to provide free library service to the citizens of the respective counties. First Regional Library is governed by a five-member Board appointed by the County Board of Supervisors of the participating counties, one from each county. Each County appropriates funds annually as determined by each County Board of Supervisors for the ongoing support of the First Regional Library. DeSoto County, Mississippi's appropriations from the General Fund for this year to the joint venture amounted to \$1,440,000. Complete financial statements for the First Regional Library can be obtained from P.O. Box 386, Hernando, Mississippi 38632.

**NOTE 17 -JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate and Tunica. The DeSoto County Board of Supervisors appoints 4 of 30 members of the Board of Directors. DeSoto County appropriated \$234,173 for the operation of the district in fiscal year 2024, and \$127,013 for the cost of the county-wide transportation service for disabled and elderly citizens.

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 DeSoto County Board of Supervisors appoints one of the 21 members of the Board of Commissioners. DeSoto County levied a 0.75 mill tax, which resulted in \$25,397 to help support the district in fiscal year 2024.

Region IV Community Mental Health District, composed of Alcorn, DeSoto, Prentiss, Tippah and Tishomingo counties, provides community-based health programming for both youth and adults and provides an array of counseling services for anyone in need. Region IV Community Mental Health District currently operates within the DeSoto County School District and provides in-school counseling and therapy to students in need of services. In accordance with state law, the DeSoto County Board of Supervisors allocated \$200,000 in fiscal year 2024 to participate as a member of Region IV and for countywide services from the mental health care provider. Region IV is managed by an appointed five-member Board of Directors, with each Director appointed by the participating Board of Supervisors from each county.

**DESOTO COUNTY**  
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Northwest Mississippi Community College operates in a district composed of the counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica and Yalobusha. The DeSoto County Board of Supervisors appoints two of the 23 members of the College Board of Trustees. DeSoto County levied 4.11 mills of tax, which resulted in \$10,170,898 for maintenance and support of the college in fiscal year 2024.

Mid-State Opportunity, Inc. operates in a district composed of the counties of DeSoto, Panola, Quitman, Tallahatchie, Tate and Tunica. DeSoto County did not appropriate any funds for support of the agency in fiscal year 2024.

**NOTE 18 - TAX ABATEMENTS**

**GASB 77 – DeSoto County, Mississippi**

There are currently a number of agencies and chambers of commerce with economic development directives and targeted industries in DeSoto County, Mississippi. These efforts to bring businesses and industries into DeSoto County afford the County the opportunity to develop these partnerships that help raise the prominence of the region and attract prospective projects. Some of the largest industrial development sites in the County are nearing capacity and the I-69/269 corridor has provided the opportunity to develop sites with the access and visibility that have made other sites in DeSoto County very successful at attracting new companies. Due to the pro-business attitude and wise infrastructure planning of the local elected officials as well as the ability to offer various incentives to entice businesses and industries to locate in DeSoto County, the County operates strongly with a well diverse base of approximately 185 manufacturers and distributors.

**Facts and Assumptions**

DeSoto County provides tax incentives and abatements under four programs: Property tax reductions not to exceed ten years for new enterprises, property tax reductions not to exceed ten years for additions to or expansions of facilities or properties, fee in lieu of personal and real property taxes and tax increment financing. Various Mississippi Code sections allow the County to offer the before mentioned incentives. In order to qualify for any incentive there is an application process, presentation to the Board of Supervisors and ultimately a recommendation by the Board of Supervisors to grant the incentive.

- Mississippi Code Section 27-31-101, allows County Board of Supervisors, at their discretion, to grant tax exemptions for new enterprises from ad valorem taxation, however they do not have the authority to exempt ad valorem taxes for school districts and shall not exceed a period longer than ten years. The date of completion of the new enterprise is when the exemption shall begin. The various new enterprises which fall under this code section and are eligible for an exemption are determined by the Mississippi Department of Revenue and are limited to the following: Warehouse and/or distribution centers, manufacturing, processors and refineries, research facilities, corporate regional and national headquarters meeting minimum criteria established by the Mississippi Development Authority, recreational facilities that impact tourism and data/information procession enterprises that both meet

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minimum established criteria, technology intensive enterprises or facilities, health care industry facilities as defined in Code Section 57-117-3 and telecommunications enterprises meeting minimum criteria.

- Mississippi Code Section 27-31-105, allows County Board of Supervisors, at their discretion, to grant tax exemptions for any enterprise who makes additions to or expansions of the facilities or properties or replaces equipment used in conjunction with or necessary to the operation of such enterprises from ad valorem taxation with the exception of school district taxes and not to exceed a period longer than ten years. The initial request for exemption must be made in writing by June 1<sup>st</sup> of the year immediately following the year in which the additions, expansions or replacements are completed. The time of the exemption shall commence from the date of completion of the additions, expansions or replacements and shall extend for a period not to exceed ten years, however the Board of Supervisors in lieu of granting the exemption for one period of ten years, may grant the exemption in consecutive periods of five years each, not to exceed ten years.
- Mississippi Code Section 27-31-104, allows County Board of Supervisors, at their discretion, to grant a fee in lieu of taxes for certain projects. The County Board of Supervisors are authorized to enter into an agreement with a private company having a minimum capital investment of one hundred million dollars or a qualified business meeting minimum criteria established by the Mississippi Development Authority. The Board of Supervisors may enter into a fee in lieu agreement on behalf of the County and the County school district. Any grant of fee in lieu of ad valorem taxes shall be in a written agreement negotiated by the enterprise and the Board of Supervisors with final approval given by the Mississippi Development Authority. The minimum sum allowable as a fee in lieu shall not be less than one-third of the ad valorem levy, including ad valorem taxes for school district purposes.
- Mississippi Code Section 21-45-1, allows County Board of Supervisors, at their discretion, to enter into agreements with municipalities and enterprises for tax increment financing incentives. Any redevelopment project may contain a provision that county ad valorem taxes, if any, levied upon taxable property in a redevelopment project shall be divided according to a tax increment financing plan. After adoption of a redevelopment plan containing a tax increment financing plan, property taxable at the time of the certification shall be included in the assessed value at its most recently determined valuation, the “original assessed value.” Each year thereafter the assessed value of the real and personal property within the redevelopment area will be captured and will either show an increase or decrease from the original assessed value. This new value will be the “current assessed value.” Any amount by which the current assessed value exceeds the original assessed value is the amount for purposes of tax increment financing that a portion will be captured and used for retiring redevelopment bonds. Only a portion of the current assessed value is authorized to be utilized for the redevelopment project, the remainder of the taxes will be settled to the various County tax levy funds.

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>	<u>Company Reported Capital in Investment</u>	<u>Employees Retained or New</u>	<u>Estimated Overall Payroll</u>
Personal/Real Tax Exemptions	\$ 8,926,405	\$ 1,405,297,773	8,033	\$ 337,901,969
Fee in Lieu	13,724,559	759,672,095	2,078	130,500,000
Tax Increment Financing	15,186	5,800,000	30	250,000

These incentives have served many purposes, including but not limited to; the amount of dollars through infrastructure improvements, the overall number of new businesses and industries that have located or relocated to DeSoto County, the number of jobs that have been and continue to be created in

**DESOTO COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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DeSoto County which in turn allows us to boast one of the lowest unemployment rates throughout the nation, and most importantly an excellent quality of life for all citizens throughout the County while maintaining a low tax bill with no increase in taxes for over twenty years.

**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 DeSoto County evaluated the activity of the County through June 23, 2025 (the date the financial statements were available to be issued) and determined that the following subsequent event has 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>
3/6/2025	5.00%	38,500,000	G.O. Bond	Tax revenue

**DISCRETELY PRESENTED COMPONENT UNIT  
EMERGENCY COMMUNICATIONS DISTRICT  
FOR DESOTO COUNTY, MISSISSIPPI**

**NOTES TO FINANCIAL STATEMENTS**

**DISCRETELY PRESENTED COMPONENT UNIT**  
**EMERGENCY COMMUNICATIONS DISTRICT FOR DESOTO COUNTY, MISSISSIPPI**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

The Emergency Communications District of DeSoto County, Mississippi (“the District”) was created April 6, 1988 in accordance with Section 19-5-301 Miss. Code Ann. (1972), as amended. The District operates under a Board of Commissioners appointed by the Board of Supervisors of DeSoto County, Mississippi (“the County”) and provides emergency communications referred to as “911”. The personnel of the District are employed by DeSoto County. All costs associated with personnel salaries and benefits are reimbursed to the County.

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the District’s accounting policies are described below.

**A. Financial Reporting Entity.**

GASB Statement No. 14, *The Financial Reporting Entity*, establishes standards for defining and reporting on state and local government financial reporting entities and reporting participation in joint ventures. It defines the governmental financial reporting entity as the primary government, organizations for which the primary government is “financially accountable,” and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Financial accountability exists when a primary government has appointed a voting majority of the governing body of a legally separate organization and (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units- an amendment to GASB Statement No. 14* provides additional guidance in determining if the entity should be a component unit based on the nature and significance of their relationship to the primary government.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus- An Amendment of GASB Statements No. 14 and No. 34* provides additional criteria to consider if an entity should be reported as a component unit. A financial benefit or burden relationship needs to exist between the primary government and the entity.

Based on these criteria, the District is a component unit of DeSoto County, Mississippi. There are no component units that should be included in the District’s reporting entity. The District is a legally separate entity; therefore, it is considered a special-purpose government.

**B. Basis of Presentation.**

GASB Statement 34, *Basic Financial Statements- and Management’s Discussion and Analysis – for State and Local Governments*, states that for special-purpose governments engaged in a single governmental

**DISCRETELY PRESENTED COMPONENT UNIT**  
**EMERGENCY COMMUNICATIONS DISTRICT FOR DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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program, the fund financial statements and the government-wide statements may be combined. The District's business-type activity statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.

Government-wide Financial Statements

Government-wide Financial Statements- The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows report information on all activities of the District.

The Statement of Net Position presents the District's assets and liabilities, with the difference reported as net position. Net position for the District is reported as unrestricted net position, which often has constraints on resources imposed by management which can be removed or modified.

The Statement of Revenues, Expenses, and Changes in Net Position demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific activity. Activity revenues include charges to customers or applicants who directly benefit from the services provided by the District.

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

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

The District's financial statements are reported 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 assets used, regardless of when the related cash flows take place. Revenues and expenses are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with the District's primary operations. All other revenues and expenses are reported as nonoperating.

**D. Use of Estimates in the Preparation of Financial Statements.**

In preparing financial statements on the accrual basis of accounting, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

**E. Cash and Cash Equivalents.**

The District has defined cash and cash equivalents to include cash on hand and demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

**DISCRETELY PRESENTED COMPONENT UNIT**  
**EMERGENCY COMMUNICATIONS DISTRICT FOR DESOTO COUNTY, MISSISSIPPI**  
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**F. Capital Assets.**

As a component unit of DeSoto County, Mississippi all capital assets purchased by the District are the property of DeSoto County. All the capital assets, other than SBITA Assets purchased by the District, are reported in the County's financial record's.

**G. Pensions and Compensated Absences.**

As a component unit of DeSoto County, Mississippi, all employees of the District are considered employees of DeSoto County. The County reports liabilities related to pensions and compensated absences in its financial records.

**H. Subscription-Based Information Technology Arrangements.**

Subscription-Based Information Technology Arrangements (SBITAs) are contracts that grant the The Emergency Communications District of Desoto County the right to use another party's IT software or infrastructure, typically through cloud-based services, for a defined period. These contracts are recognized according to the Governmental Accounting Standards Board (GASB) Statement 96, which requires the District to recognize a subscription liability and an intangible asset representing the District's right to use the subscription asset at the commencement of the subscription term. Subscription IT assets are amortized on the straight-line bases over the shorter of the term of the subscription or the useful life of the underlying IT assets. The District uses its estimated incremental borrowing rate to calculate the present value of subscription payments when the rate implicit in the agreement is not known.

**I. 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 lease-purchase agreements and other commitments.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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.

**J. Budgetary Comparison.**

A budgetary comparison schedule is not presented since the budget is not required to be legally adopted by the District.

**K. Net Position.**

Net position is classified as follows:

**DISCRETELY PRESENTED COMPONENT UNIT**  
**EMERGENCY COMMUNICATIONS DISTRICT FOR DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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 improvements 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.”

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the District’s general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted resources are available and amounts in any of these unrestricted classifications could be used, it is the District’s general policy to spend restricted resources first, followed by unrestricted resources.

**NOTE 2 – CASH AND CASH EQUIVALENTS.**

The carrying amount of the District’s total deposits with financial institutions at September 30, 2024, was \$3,396,659, and the bank balance was \$3,409,796. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the District. 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 District.

**NOTE 3 – ACCOUNTS RECEIVABLE.**

The District has accounts receivable in the amount of \$472,718 which consists of telephone service charges to multiple telephone service providers in the DeSoto County area. These receivables are generally collected within 60-90 days of the month for which the service is provided.

**NOTE 4 – PREPAID EXPENSES.**

The District has prepaid expenses in the amount of \$31,248. This prepaid expense is a down payment on purchased equipment not yet received.

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**NOTE 5 – INTANGIBLE RIGHT TO USE SUBSCRIPTION BASED IT ASSETS**

The District has entered into a contract with BellSouth Telecommunications, LLC for the installation and use of Public Safety Answering Point (PSAP) equipment and software. The non-cancelable five-year term began in June 2024 when the installation was completed. Total costs for initial implementation amounted to \$605,898, of which \$531,284 was capitalized. These costs were paid in full at the outset of the contract term and are being amortized over the five-year operation stage period. The contract additionally provides for maintenance services during the five-year term at a cost of approximately \$8,483 per month. These operation stage costs are expensed as incurred.

The District has entered into a contract with Motorola Solutions, Inc. to provide system software and hardware upgrades as necessary pursuant to federal and state regulations. The non-cancelable three-year term began in October 2023 when the initial annual payment was made. Total costs for the software upgrade agreement are \$528,472 divided into three annual installments ending in October 2025. These costs are being amortized over the three-year operation stage period. The contract had no stated rate of interest; therefore, the District determined that an imputed interest rate of 4.50% was appropriate relative to the incremental borrowing rate of the District. The contract additionally provides for maintenance services for the three-year term at a cost of \$479,192, \$503,152, and \$528,309 for fiscal years 2024, 2025, and 2026, respectively. These operation stage costs are expensed as incurred.

A summary of subscription-based IT asset activity during the year ended September 30, 2024, is as follows:

	Balance			Balance
	<u>Oct. 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Sept. 30, 2024</u>
Subscription IT (SBITA) assets	\$ -	1,036,514	-	1,036,514
Less accumulated amortization	<u>-</u>	<u>203,829</u>	<u>-</u>	<u>203,829</u>
Subscription IT assets, net	<u>\$ -</u>	<u>832,685</u>	<u>-</u>	<u>832,685</u>

A summary of subscription-based IT liabilities during the year ended September 30, 2024, is as follows:

	Balance			Balance	Amount due
	<u>Oct. 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Sept. 30, 2024</u>	<u>within one</u>
					<u>year</u>
Subscription IT (SBITA) liabilities	\$ -	1,036,514	703,153	333,361	160,785
Subscription IT assets, net	<u>\$ -</u>	<u>1,036,514</u>	<u>703,153</u>	<u>333,361</u>	<u>160,785</u>

Annual payments to maturity for SBITA liabilities reported in the Statement of Net Position are as follows:

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Year ending September 30:	Principal	Interest	Total
2025	\$ 160,785	15,314	176,099
2026	172,576	7,928	180,504
Total	\$ <u>333,361</u>	<u>23,242</u>	<u>356,603</u>

**NOTE 6 – CLAIMS PAYABLE**

The following is a summary of claims payable for the year ended September 30, 2024:

Vendor	Description	Amount
AT&T	Monthly service charges	\$ 8,026
Motorola	Maintenance charges	41,929
Vance and Company, P.A.	Audit fees	5,600
Desoto County	Payroll	7,693
Desoto County	Insurance	51,555
Other	Other	<u>5,468</u>
Total Claims Payable		<u>120,271</u>

**NOTE 7 – LONG TERM LIABILITIES**

The following is a summary of changes in long-term liabilities and other obligations:

	Balance Oct. 1, 2023	Additions	Reductions	Balance Sept. 30, 2024	within one year
Loan from DeSoto County	\$ 3,502,000		481,000	3,021,000	485,000

Loan from DeSoto County- On March 1, 2015, DeSoto County approved the issuance of General Obligation Bonds, Series 2015 Construction Fund in the amount of \$6,500,000 with a rate of 2.25% - 3.00%. The proceeds of the bonds were used for erecting, equipping, repairing, reconstructing, remodeling and enlarging County buildings and related facilities and the purchase and installation of the District's E-911 equipment. The bonds were partially refunded on September 16, 2022, with the remaining unrefunded

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portion due March 1, 2023. The refunding bonds have an average interest rate of 1.150%. The District is obligated to reimburse payments on this bond via an interlocal agreement with DeSoto County.

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

Year ending September 30:	Principal	Interest	Total
2025	\$ 485,000	26,118	511,118
2026	496,000	21,507	517,507
2027	502,000	16,817	518,817
2028	507,000	12,074	519,074
2029	511,000	7,290	518,290
2030	520,000	2,444	522,444
Total	\$ <u>3,021,000</u>	<u>86,250</u>	<u>3,107,250</u>

**NOTE 8 - DEFINED BENEFIT PENSION PLAN.**

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

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

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(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, 2024, PERS members are required to contribute 9% of their annual covered salary, and the District is required to contribute an actuarially determined rate. The employer's rate at September 30, 2024 was 17.90% 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 District's contributions (employer share only) to PERS for the years ending September 30, 2024, 2023, and 2022, were \$19,780, \$19,026, and \$18,306, respectively, equal to the required contributions for each year.

The corresponding proportionate share of the net pension liability for the District is accounted for with the primary government's (DeSoto County, Mississippi) financial statements.

**NOTE 9 – RISK MANAGEMENT.**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

It is the policy of the District to purchase commercial insurance for the risks of employee dishonesty and injuries to employees. The County provided commercial insurance coverage for the property and equipment. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year.

**Note 10 - Commitments and Contingencies**

The District is currently engaged in a contractual billing dispute with a vendor who provides network and telephone connection services throughout the service area. The disputed charges cover a significant time period through the date of the financial statements. Management of the District has escalated these disputed charges to a billing specialist with the vendor to seek clarification of amounts owed. These investigations are still ongoing as of the date the financial statements are available to be issued. Due to the level of detail and complexity among the District's various contractual service accounts with the vendor, the parties have been unable to determine the amount of contractual liabilities that existed as of September 30, 2024. Therefore, no contingent liability has been recorded in the financial statements.

**Note 11 - 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 the Emergency Communications District of DeSoto County evaluated the activity of the

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District through May 31, 2025 (the date the financial statements were available to be issued) and determined that the following subsequent events require disclosure in the notes to the financial statements: Desoto County is currently constructing a new communications tower for the use and benefit of the District, to be located on Green River Road in the western section of the County. The tower is expected to cost approximately \$2,500,000, and will be funded with MSWIN State Funds, American Rescue Plan Act Funds, and other local funds. Upon completion, the tower will operate in conjunction with the current four site simulcast system, increasing radio coverage within Desoto County. The tower is expected to be completed during fiscal year 2025.

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

**A. General Statement**

The DeSoto County Convention and Visitors Bureau (the Bureau) was established on March 26, 1998. The Bureau operates under a board of directors that is appointed by the DeSoto County, Mississippi Board of Supervisors, and is designated to promote tourism in DeSoto County and surrounding areas.

The Bureau derives a portion of its revenues from a 2% tourism tax levied by DeSoto County, Mississippi. This revenue is to be expended by the Bureau for paying any start-up costs and operation costs and any indebtedness or lease payments or other obligations that may be incurred for acquisition, construction, and maintenance for the purpose of promoting convention business and tourism.

The financial statements of the Bureau have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

**B. Reporting Entity.**

GASB Statement No. 14, *The Financial Reporting Entity*, as amended, establishes standards for defining and reporting on state and local government financial reporting entities and reporting participation in joint ventures. It defines the governmental financial reporting entity as the primary government, organizations for which the primary government is “financially accountable,” and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

“Financial accountability” is the benchmark for determining which organizations are component units of a primary government. Financial accountability exists when a primary government has appointed a voting majority of the governing body of a legally separate organization and (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Based on these criteria, the Bureau is a component unit of DeSoto County, Mississippi. There are no component units that should be included in the Bureau’s reporting entity.

**C. Encumbrance Accounting.**

The Bureau does not use the encumbrance method of accounting.

**D. Basis of Presentation and Accounting.**

The Bureau’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a detailed level of financial information.

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Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Bureau. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses and program revenues for each program of the governmental activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Bureau.

Fund Financial Statements

Fund financial statements report detailed information about the Bureau. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues, and expenditures.

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Under this concept, tourism taxes may be accrued.

Other revenue related to events and miscellaneous revenues are recorded when received because they are generally not measurable until that time. Investment earnings are recorded as earned since they are measurable and available.

The Bureau reports one major Governmental Fund: The General Fund is used to account for and report all financial resources.

**E. Budget.**

The State of Mississippi Code, Title 21, Chapter 35- Municipal Budget, requires the Board of Supervisors for a municipality to formally adopt and amend an annual budget in accordance with the Mississippi Code. Unless stated in the Code or required by the municipality, component units are not required to adopt an annual budget. As of September 30, 2024, DeSoto County did not require the Bureau to adopt a legal budget.

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**F. Cash and Cash Equivalents.**

The Bureau's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**G. Revenue Recognition.**

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e. collected within the current year or within 60 days of year-end and available to pay obligations existing at the end of the year). This includes investment earnings and tourism tax. Other revenues such as certain charges for services and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

**H. Expenditure Recognition.**

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on outstanding long-term obligations Due to DeSoto County are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

**I. Inventory.**

Food, drink, and other concession stand items are included in inventory. Inventory is always valued at cost. The cost is recorded as an expenditures as inventory items are consumed.

**J. Prepaid Expenses.**

Prepaid balances are for payments made by the Bureau in the current year to provide services occurring in the subsequent fiscal year. The Bureau reports prepaid items when purchased as an asset and defer the recognition of the expenditure until the period the prepaid items are actually consumed or used.

**K. Capital Assets.**

General capital assets are those assets which are used for general governmental purposes. When purchased, such assets are recorded as expenditures in the general fund and capitalized (recorded and accounted for) as assets in the government-wide financial statements. Capital assets purchased for \$500 or more are capitalized at historical cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

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Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	20 to 50 years
Improvements and Infrastructure	5 to 50 years
Equipment	2 to 15 years
Furniture and Fixtures	2 to 15 years
Intangibles	15 years

**L. Deferred Outflows/Inflows of Resources.**

Deferred outflows of resources represent a consumption of net position that applies to a future period and not recognized as an expense/expenditures until a later period. The Bureau reports deferred outflows related to net pension liability.

Deferred inflows of resources represent an acquisition of net position that applies at a future period and is not recognized as revenue until a later period. In the government-wide financial statements, the Bureau deferred inflows of resources reported on the statement of net position relate to pension benefits. The statement of net position and the governmental funds balance sheet also report a deferred inflow of resources related to lease.

Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. The Bureau has reported deferred inflows of resources related to unavailable revenues for event ticket sales. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available.

**M. Subscription-Based Information Technology Arrangements.**

The Governmental Accounts Standards Board (GASB) issued Statement No.96, Subscription-Based Information Technology Arrangements (SBITAs) (GASB 96) to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements amount governments that have entered into SBITAs, and to enhance understandability, relatability, relevance and consistency of information about SBITAs.

**N. Compensated Absences.**

Employees are granted vacation and sick leave benefits in accordance with administrative policy. Vacation days earned may be carried forward. In the event of termination, an employee is reimbursed for up to 30 days of accumulated vacation. The remainder may be applied toward the employee's retirement. Employees may also apply unused accumulated sick leave towards their retirement. 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.

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**O. Due to DeSoto County.**

The Bureau's Deu to DeSoto County represents unmatured principal of bonds, bond premiums and loans in the name of DeSoto County on behalf of the Bureau.

**P. Pensions.**

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

**Q. Lease Receivable.**

The Bureau implemented GASB Statement No. 87, *Leases*, as of October 1, 2021. The Bureau is a lessor for noncancellable lease of Land and Real Estate. The Bureau recognizes a lease receivable and a deferred inflow of resources in the statement of net position and statement of governmental fund balance sheet. The Bureau recognizes lease receivables with an initial, individual present value of \$5,000 or more and lease terms longer than 12 months.

At the commencement of a lease, the Bureau initially measures the lease receivable at the present value of payments expected to be made during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow is initially measured as the initial amount of the lease liability, adjusted for lease payments received at or before the lease commencement date, plus certain initial direct costs. Subsequently, the deferred inflow is amortized on a straight-line basis over the lease's term.

Key estimates and judgements related to lease include how the Bureau determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Bureau used the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Bureau generally reviews similar debt on the market and uses the rate charged for the debt as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Bureau is reasonably certain to exercise.

The Bureau monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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**R. Fund Balances.**

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable. Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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

Committed. Amounts that can be used only for specific purposes as determined by a formal action by the board of directors.

Assigned. Amounts that are constrained by the Bureau's intent to be used for a specific purpose but are neither restricted nor committed. Assignments of fund balance are created by the Executive Director and Business Manager pursuant to authorization established by the policy adopted by the Bureau.

Unassigned. All amounts not included in other spendable classifications.

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

**S. Net Position**

Net position is the difference between assets, deferred outflows and liabilities, deferred inflows.

"Net investment in capital assets" are capital assets, less accumulated depreciation and any outstanding obligations Due to DeSoto County or other borrowings related to the acquisition, construction or improvement of those assets.

Net position is reported as "restricted" when there are legal limitations that are imposed on their use by legislation or external restrictions by other governments, creditors or grantors.

Unrestricted net position includes all other assets, not meeting the definition of "net investment in capital assets" or "restricted."

When both restricted and unrestricted resources are available for use, it is the Bureau's policy to use restricted resources first, then unrestricted resources as they are needed.

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**NOTE 2 – ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES.**

Correction of an Error in Previously Issued Financial Statements

The error resulted in an overstatement of liabilities. No other effect was noted.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Funds	Government-Wide
	Convention and Visitors Bureau	Governmental Activities
9/30/2023, as previously reported	\$ 31,384,356	54,277,651
Change from major to nonmajor fund		
Error corrections	55,565	55,565
9/30/2023, as adjusted or restated	\$ 31,439,921	54,333,216

**NOTE 3 – CASH AND CASH EQUIVALENTS.**

The carrying amount of the Bureau’s total deposits with financial institutions at September 30, 2024, was \$37,127,920, and the bank balance was \$36,531,364. 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.

Custodial credit risk is the risk that in the event of a bank failure, the Bureau’s deposits might not be recovered. As of September 30, 2024, none of the Bureau’s deposits were subject to custodial credit risk. Deposits above FDIC coverage were collateralized by the pledging financial institution’s trust department or by the Mississippi State Treasurer in accordance with Section 27-105-5 Miss. Code Ann. (1972).

**NOTE 4 – LEASE RECEIVABLES.**

The Bureau, acting as a lessor, leases land and building under long-term cancelable lease agreements. The lease expires 2041. During the year ended September 30, 2024, the Bureau recognized \$9,024 and \$8,976 in lease revenue and lease interest income, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

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Leases Receivable

Year ending September 30:	Principal	Interest
2025	9,392	8,608
2026	9,775	8,225
2027	10,173	7,827
2028	10,581	7,419
2029	11,004	6,996
2030-2034	62,383	27,617
2035-2039	75,028	14,972
2040-2044	32,639	3,361
Total	<u>220,975</u>	<u>85,025</u>

**NOTE 5 – CONTRACT REVENUE.**

In December 2011, the Bureau entered into a five-year agreement with Landers Auto Group, renaming the DeSoto Civic Center the “Landers Center”, effective January 1, 2012. Landers Auto Group paid \$50,000 upon execution of the agreement and paid \$50,000 every six months after the commencement date, for a total of \$500,000 over five years, with the option to renew for an additional five years. In 2016, Ritchey Management II, LLC (Landers Auto Group) exercised their option to extend the naming rights contract for another five years. In 2023, the parties agreed a new contract for \$200,000 per year, paid \$100,000 every six months for five years, with the option to renew for an additional five years with the extended five years, if opted for, being paid at \$225,000 per year.

**NOTE 6 – SUMMARY OF CHANGES IN CAPITAL ASSETS.**

Changes in capital assets for the year ended September 30, 2024, were as follows:

Component Unit:	Balance Oct. 1, 2023	Additions	Deletions	Adjustments	Balance Sept. 30, 2024
<b>Nondepreciable:</b>					
Land	6,328,825	14,108,425	-	-	20,437,250
Construction in progress	963,863	1,340,781	-	(174,224)	2,130,420
Total non-depreciable capital assets	<u>7,292,688</u>	<u>15,449,206</u>	<u>-</u>	<u>(174,224)</u>	<u>22,567,670</u>
<b>Depreciable:</b>					
Buildings and improvements	58,967,871	300,693	-	-	59,268,564
Machinery and equipment	5,983,300	261,822	-	-	6,245,122
Furniture and fixtures	389,518	71,099	-	-	460,617
Total depreciable capital assets	<u>65,340,689</u>	<u>633,614</u>	<u>-</u>	<u>-</u>	<u>65,974,303</u>

**DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2024**

Accumulated Depreciation:

Buildings and improvements	23,890,632	1,815,151	-	-	25,705,783
Machinery and equipment	3,115,370	528,453	-	-	3,643,823
Furniture and fixtures	95,969	44,667	-	-	140,636
Total accumulated depreciation	27,101,971	2,388,271	-	-	29,490,242
	38,238,718	(1,754,657)	-	-	36,484,061
	45,531,406	13,694,549	-	(174,224)	59,051,731

**NOTE 7 – LONG-TERM LIABILITIES.**

Changes in long-term obligations for the year ended September 30, 2024, were as follows:

	Balance Oct. 1, 2023	Additions	Reductions	Adjustments	Balance Sept. 30, 2024	Due Within One Year
Due to DeSoto County	16,321,997	-	2,006,448	-	14,315,549	2,091,448
Compensated Absences	149,154	-	8,193	-	140,961	-
Total	\$ 16,471,151	-	2,014,641	-	14,456,510	2,091,448

As of September 30, 2024, Due to the County consisted of the following:

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

Year ending September 30:	Principal	Interest
2025	2,091,448	399,075
2026	2,171,448	319,625
2027	2,256,448	234,600
2028	2,341,448	143,825
2029	2,436,452	48,700
2030-2034	1,249,102	
2035-2039	1,249,102	
2040-2044	520,101	
Total	14,315,549	1,145,825

- *Loans Payable* – During November 2013, The Bureau and DeSoto County, Mississippi entered into an agreement for the Bureau to repay the loan of \$7,494,614 with 0% interest due or accruing. The terms of the agreement include monthly payments of \$20,818 beginning November 1, 2013, and one final payment of \$20,819 on October 1, 2043. As of September 30, 2024, the outstanding balance was \$4,267,408.

**DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2024**

- *Bonds Payable* – consists of General Obligation Refunding Bonds, Series 2016 and 2019 issued by DeSoto County, Mississippi with a rate of 2.5% - 5.0%. The Bureau services these bonds via an interlocal agreement with DeSoto County. As of September 30, 2024, the outstanding balance was \$10,048,141 including bond premiums of \$833,141.

**NOTE 8 – CONTINGENCIES**

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

**NOTE 9 – PENSION OBLIGATIONS**

General information about the Pension Plan:

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

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

**DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2024**

(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, 2024, PERS members were required to contribute 9% of their annual covered salary, and the Bureau is required to contribute at an actuarially determined rate. The employer’s rate at September 30, 2024 was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The Bureau’s contributions (employer share only) to PERS for the years ending September 30, 2024, 2023 and 2022 were \$417,175, \$392,489 and \$324,452, respectively, equal to the required contributions for each year.

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

At September 30, 2024, the Bureau reported a liability of \$7,997,967 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Bureau’s proportion of the net pension liability was based on a projection of the Bureau’s long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The Bureau’s proportionate share used to calculate the September 30, 2024 net pension liability was 0.0308 percent, which was based on a measurement date of June 30, 2024. This was an increase of 0.0007 percent from its proportionate share used to calculate the September 30, 2023 net pension liability, which was based on a measurement date of June 30, 2023.

For the year ended September 30, 2024, the Bureau recognized pension expense of \$1,356,656. At September 30, 2024, the Bureau reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>          </u>	<u>          </u>
Differences between expected and actual experience	\$ 426,615	-
Net difference between projected and actual earnings on pension plan investments	-	91,298
Changes of assumptions	484,134	-
Changes in the proportion and differences between actual contributions and proportionate share of contributions	400,730	4,507
Contributions subsequent to the measurement date	95,565	-
	<u>\$ 1,407,044</u>	<u>95,805</u>

**DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2024**

\$95,565 reported as deferred outflows of resources related to pensions resulting from Bureau contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
2025	\$ 620,778
2026	627,228
2027	32,638
2028	<u>(64,970)</u>
Total	<u>\$ 1,215,674</u>

Actuarial Assumptions. The total pension liability as of June 30, 2024 was determined by an actuarial valuation prepared as of June 30, 2023, and by the investment experience for the fiscal year ending June 30, 2024. The following actuarial assumptions are applied to all periods in the measurement:

Inflation percentage	2.40%
Salary increases, including inflation	2.65-17.90%
Investment rate of return	
net of pension plan investment expense, including inflation	7.00%

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

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

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2024**

Asset Class	Target Allocation	Long-Term Expected Real Rate
Domestic Equity	25.00 %	5.15 %
International Equity	20.00	5.00
Global Equity	12.00	5.15
Fixed Income	18.00	2.75
Real Estate	10.00	3.50
Private Equity	10.00	6.25
Infrastructure	2.00	3.85
Private Credit	2.00	4.90
Cash	1.00	0.50
	100.00 %	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00 percent) and that employer contributions will be phased in to 19.90 percent over five fiscal years (17.90 percent for FYE 2025, 18.40 percent for FYE 2026, 18.90 percent for FYE 2027, 19.40 percent for FYE 2028, 19.90 percent for FYE 2029 and beyond). Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability	\$ 10,366,529	7,997,967	6,059,478

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS Annual Comprehensive Financial Report, publicly available at [www.pers.ms.gov](http://www.pers.ms.gov).

**NOTE 10 – RISK MANAGEMENT.**

The Bureau is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Bureau carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial

**DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended September 30, 2024**

insurance coverage for the past three fiscal years, except for a single claim which resulted in an expense to the Bureau of \$285,000 which was recognized in 2023. Additional internal controls were implemented to prevent a similar situation in the future.

**DESOTO COUNTY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DESOTO COUNTY**  
**BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**GENERAL FUND**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 68,553,661	69,022,906	70,012,806	989,900
Licenses, commissions and other revenue	3,911,876	4,270,709	4,539,495	268,786
Fines and forfeitures	1,325,000	1,762,700	1,782,485	19,785
Intergovernmental revenues	6,450,540	7,076,947	7,066,985	(9,962)
Charges for services	1,845,000	2,001,606	2,040,302	38,696
Interest income	1,458,100	2,990,800	3,107,342	116,542
Miscellaneous revenues	1,622,896	2,204,980	5,170,497	2,965,517
Total Revenues	<u>85,167,073</u>	<u>89,330,648</u>	<u>93,719,912</u>	<u>4,389,264</u>
<b>EXPENDITURES</b>				
Current:				
General government	23,122,512	24,792,823	24,706,352	86,471
Public safety	41,274,324	42,521,602	39,847,059	2,674,543
Public works	769,573	798,278	686,464	111,814
Health and welfare	2,622,798	2,641,206	2,345,501	295,705
Culture and recreation	1,613,823	1,639,135	1,593,018	46,117
Conservation of natural resources	423,058	423,058	557,309	(134,251)
Economic development and assistance	360,885	394,765	381,401	13,364
Total Expenditures	<u>70,186,973</u>	<u>73,210,867</u>	<u>70,117,104</u>	<u>3,093,763</u>
Excess of Revenues over (under) Expenditures	<u>14,980,100</u>	<u>16,119,781</u>	<u>23,602,808</u>	<u>7,483,027</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,164,621	1,164,621	1,174,364	9,743
Transfers out	<u>(7,648,963)</u>	<u>(7,673,963)</u>	<u>(6,367,429)</u>	<u>1,306,534</u>
Total Other Financing Sources and Uses	<u>(6,484,342)</u>	<u>(6,509,342)</u>	<u>(5,193,065)</u>	<u>1,316,277</u>
Net Change in Fund Balance	8,495,758	9,610,439	18,409,743	8,799,304
Fund Balances - Beginning	<u>36,732,831</u>	<u>36,732,831</u>	<u>76,154,539</u>	<u>39,421,708</u>
Fund Balances - Ending	<u>\$ 45,228,589</u>	<u>46,343,270</u>	<u>94,564,282</u>	<u>48,221,012</u>

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

**DESOTO COUNTY**  
**BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**CORONAVIRUS FUND**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Interest income	\$ 110,000	-	-	-
Total Revenues	<u>110,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	3,000,000	7,116,714	2,453,607	4,663,107
Public works	15,745,497	18,133,944	6,101,965	12,031,979
Health and welfare	5,098,609	177,736	-	177,736
Economic development and assistance	11,660,894	7,091,753	29,561	7,062,192
Total Expenditures	<u>35,505,000</u>	<u>32,520,147</u>	<u>8,585,133</u>	<u>23,935,014</u>
Excess of Revenues over (under) Expenditures	<u>(35,395,000)</u>	<u>(32,520,147)</u>	<u>(8,585,133)</u>	<u>23,935,014</u>
Net Change in Fund Balance	(35,395,000)	(32,520,147)	(8,585,133)	23,935,014
Fund Balances - Beginning	<u>35,395,000</u>	<u>35,395,000</u>	<u>32,520,148</u>	<u>(2,874,852)</u>
Fund Balances - Ending	<u>\$ -</u>	<u>2,874,853</u>	<u>23,935,015</u>	<u>21,060,162</u>

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

**DESOTO COUNTY**  
**BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**BRIDGE AND CULVERT FUND**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 10,235,819	10,235,819	10,771,968	536,149
Licenses commissions and other revenues	34,500	34,500	8,438	(26,062)
Charges for services			12,271	12,271
Interest income	125,000	1,125,000	1,860,354	735,354
Miscellaneous revenues	4,918,521	4,362,781	4,367,884	5,103
Total Revenues	<u>15,313,840</u>	<u>15,758,100</u>	<u>17,020,915</u>	<u>1,262,815</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	8,699	(8,699)
Public works	40,027,618	37,650,287	11,138,706	26,511,581
Total Expenditures	<u>40,027,618</u>	<u>37,650,287</u>	<u>11,147,405</u>	<u>26,502,882</u>
Excess of Revenues over (under) Expenditures	<u>(24,713,778)</u>	<u>(21,892,187)</u>	<u>5,873,510</u>	<u>27,765,697</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	105,000	105,000	105,000	-
Transfers out	(195,000)	(1,195,000)	(1,195,000)	-
Total Other Financing Sources and Uses	<u>(90,000)</u>	<u>(1,090,000)</u>	<u>(1,090,000)</u>	<u>-</u>
Net Change in Fund Balance	(24,803,778)	(22,982,187)	4,783,510	27,765,697
Fund Balances - Beginning	<u>44,000,000</u>	<u>44,000,000</u>	<u>44,485,880</u>	<u>485,880</u>
Fund Balances - Ending	<u>\$ 19,196,222</u>	<u>21,017,813</u>	<u>49,269,390</u>	<u>28,251,577</u>

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

**DESOTO COUNTY**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.5158%	0.4958%	0.4799%	0.4671%	0.4399%	0.4357%	0.4269%	0.4266%	0.3887%	0.3887%
County's proportionate share of the net pension liability (asset) \$	133,991,918	124,750,547	98,801,467	69,024,641	85,160,756	76,645,412	71,012,973	70,907,420	69,179,485	60,081,181
County's covered payroll \$	40,633,981	37,346,088	33,119,153	31,057,950	28,547,931	28,588,547	27,267,103	27,363,530	24,705,549	24,213,403
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	329.75%	334.04%	298.32%	222.24%	298.31%	268.10%	260.43%	259.13%	280.02%	248.13%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

**DESOTO COUNTY**  
**SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 7,125,940	6,513,051	6,125,998	5,461,266	5,096,861	4,611,088	4,336,581	4,158,765	4,002,356	3,824,965
Contributions in relation to the contractually required contribution	<u>7,125,940</u>	<u>6,513,051</u>	<u>6,125,998</u>	<u>5,461,266</u>	<u>5,096,861</u>	<u>4,611,088</u>	<u>4,336,581</u>	<u>4,158,765</u>	<u>4,002,356</u>	<u>3,824,965</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>								
County's covered payroll	\$ 40,633,981	37,426,088	35,206,886	31,386,581	29,292,305	27,267,103	27,533,828	26,404,842	25,411,784	24,285,492
Contributions as a percentage of covered payroll	17.54%	17.40%	17.40%	17.40%	17.40%	16.91%	15.75%	15.75%	15.75%	15.75%

\* This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented in the fiscal year ended September 30, 2015.

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

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

**DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2024**  
**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 each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

**C. Budget/GAAP Reconciliation.**

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

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

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

	Governmental Fund Types		
	General Fund	Coronavirus Fund	Bridge & Culvert Fund
Budget (Cash basis)	\$ 18,409,743	(8,585,133)	4,783,510
Increase (Decrease)			
Net adjustments for revenue accruals	(1,180,785)	9,696,661	34,137
Net adjustments for expenditure accruals	804,967	(975,717)	845,787
GAAP Basis	\$ 18,033,925	135,811	5,663,434

**DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

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

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

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

2019

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

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

**DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

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.

**DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

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

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

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

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

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

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

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

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

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

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

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

2023

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

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

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

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

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

The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.

The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

B. Changes in benefit provisions.

2016

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

**DESOTO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

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

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

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

**DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU**

**REQUIRED SUPPLEMENTARY INFORMATION**

**DESOTO COUNTY, MISSISSIPPI**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**DESOTO COUNTY CONVENTION AND VISITORS BUREAU**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Bureau's proportion of the net pension liability (asset)	0.0308%	0.0301%	0.0270%	0.0241%	0.0253%	0.0260%	0.0230%	0.0220%	0.0200%	0.0190%
Bureau's proportionate share of the net pension liability (asset)	\$ 7,997,967	7,570,547	5,575,284	3,560,607	4,892,366	4,551,219	3,837,559	3,595,806	3,590,541	2,970,878
Bureau's covered payroll	\$ 2,358,880	2,234,361	1,609,407	1,670,817	1,682,824	1,684,910	1,473,347	1,387,660	1,285,881	1,220,717
Bureau's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	339.06%	338.82%	346.42%	213.11%	290.72%	270.12%	260.47%	259.13%	279.23%	243.37%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

**DESOTO COUNTY, MISSISSIPPI**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**DESOTO COUNTY CONVENTION AND VISITORS BUREAU**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS\***  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 417,175	392,489	324,452	278,679	290,722	277,164	236,379	225,558	212,360	192,617
Contributions in relation to the contractually required contribution	<u>417,175</u>	<u>392,489</u>	<u>327,137</u>	<u>281,962</u>	<u>290,763</u>	<u>282,452</u>	<u>230,562</u>	<u>225,558</u>	<u>212,228</u>	<u>192,593</u>
Contribution deficiency (excess)	\$ -	-	(2,685)	(3,283)	(41)	(5,288)	5,817	-	132	24
Bureau's covered payroll	\$ 2,382,214	2,255,682	2,455,638	1,609,407	1,670,817	1,713,021	1,500,822	1,432,120	1,348,300	1,222,965
Contributions as a percentage of covered payroll	17.51%	17.40%	13.32%	17.52%	17.40%	16.49%	15.36%	15.75%	15.74%	15.75%

\* This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented in the fiscal year ended September 30, 2015.

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

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

**DESOTO COUNTY, MISSISSIPPI  
DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended September 30, 2024  
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.

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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

**DESOTO COUNTY, MISSISSIPPI**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**DESOTO COUNTY CONVENTION AND VISITORS BUREAU**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

the following adjustments:

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

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

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

**DESOTO COUNTY, MISSISSIPPI  
DISCRETELY PRESENTED COMPONENT UNIT  
DESOTO COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended September 30, 2024  
UNAUDITED**

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

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The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.

The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

B. Changes in benefit provisions.

2016

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

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

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2022 valuation for the June 30, 2024 fiscal year end). The following actuarial

**DESOTO COUNTY, MISSISSIPPI**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**DESOTO COUNTY CONVENTION AND VISITORS BUREAU**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

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

**DESOTO COUNTY**

**SUPPLEMENTARY INFORMATION**

**DESOTO COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2024**

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Passed through to Subrecipients	Federal Expenditures
U. S. Department of Transportation passed through MS Department of Transportation				
Highway Planning and Construction	20.205	STP-7886-00(003)	\$	265,654
Highway Planning and Construction	20.205	STP-0017-00(046)		737,168
Highway Planning and Construction	20.205	STP-0906-00(005)		331,740
Highway Planning and Construction	20.205	STP-0017-00(045)		4,051
Total Highway Planning and Construction				<u>1,338,613</u>
<b>Highway Safety Cluster</b>				
U. S. Department of Transportation passed through MS Department of Public Safety				
State and Community Highway Safety	20.600	OP-2023-OP-11-71		15,229
Total State and Community Highway Safety				<u>15,229</u>
National Priority Safety Programs	20.616	M5X-2023-MD-11-71		151,371
Total National Infrastructure Investments				<u>151,371</u>
Total Highway Safety Cluster				<u>166,600</u>
Total U. S. Department of Transportation				<u>1,505,213</u>
<b>Other Programs</b>				
U. S. Department of Agriculture				
Emergency Watershed Protection Program				
Emergency Watershed Protection Program	10.923	EWP Project #5317461		100,698
Emergency Watershed Protection Program	10.923	EWP Project #5317464		37,854
Total Emergency Watershed Protection Program				<u>138,552</u>
Total U. S. Department of Agriculture				<u>138,552</u>
U. S. Department of Defense passed through MS Department of Transportation				
Congressionally Directed Assistance	12.599	ER 1165-2-208		5,086
Total U. S. Department of Defense				<u>5,086</u>
U. S. Department of Justice				
Public Safety Partnership and Community Policing Grants	16.710	N/A		8,680
Total Public Safety Partnership and Community Policing Grants				<u>8,680</u>
Equitable Sharing Program	16.922	N/A		175,620
Total Equitable Sharing Program				<u>175,620</u>

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

**DESOTO COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2024**

passed through MS Department of Public Safety					
Edward Byrne Memorial Justice Assistance Grant Program	█	16.738	22DC1171		61,856
Edward Byrne Memorial Justice Assistance Grant Program	█	16.738	23DC1171		<u>15,991</u>
Total Edward Byrne Memorial Justice Assistance Grant Program					<u>77,847</u>
<i>Total U. S. Department of Justice</i>					
					<u>262,147</u>
U. S. Department of the Treasury					
Coronavirus State and Local Fiscal Recovery Funds	* █	21.027	N/A	\$ 7,919,441	8,585,132
Total Coronavirus State and Local Fiscal Recovery Funds					<u>8,585,132</u>
Local Assistance and Tribal Consistency Fund		21.032	N/A		<u>418</u>
Total Local Assistance and Tribal Consistency Fund					<u>418</u>
<i>Total U. S. Department of the Treasury</i>					
					<u>8,585,550</u>
U. S. Election Assistance Commission					
passed through MS Secretary of State					
Help America Vote Act Requirements Payments	█	90.401	EAC-ELSEC22MS		263,795
<i>Total U. S. Election Assistance Commission</i>					
					<u>263,795</u>
U. S. Executive Office of the President					
High Intensity Drug Trafficking Areas Program		95.001	N/A		15,377
<i>Total U. S. Executive Office of the President</i>					
					<u>15,377</u>
U. S. Department of Homeland Security					
passed through MS Department of Public Safety					
Homeland Security Grant Program	█	97.067	EMW-2020-SS00009		2,632
Homeland Security Grant Program	█	97.067	EMW-2023-SS-00033		48,301
Homeland Security Grant Program	█	97.067	FY23HSGP		57,500
Total Homeland Security Grant Program					<u>108,433</u>
passed through MS Emergency Management Agency					
National Incident Management System (NIMS)		97.107	N/A		14,838
Total National Incident Management System (NIMS)					<u>14,838</u>
Emergency Management Performance Grants		97.042	N/A		125,090
Total Emergency Management Performance Grants					<u>125,090</u>
<i>Total U. S. Department of Homeland Security</i>					
					<u>248,361</u>
Total Expenditures of Federal Awards				\$	<u>7,919,441</u>
					<u>11,024,081</u>

\* Denotes major federal award program

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

**DESOTO COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended September 30, 2024**

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 DeSoto County under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of DeSoto County, it is not intended to and does not present the financial position, changes in net position or cash flows of DeSoto 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

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

**DESOTO COUNTY**

**OTHER INFORMATION**

**DESOTO COUNTY**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BOND</u>	<u>COMPANY</u>
Jessie Medlin	Supervisor District 1	\$ 100,000	Western Surety Company
Mark L. Gardner	Supervisor District 2	\$ 100,000	Western Surety Company
Rabion L. Denison	Supervisor District 3	\$ 100,000	Western Surety Company
Lee P. Caldwell	Supervisor District 4	\$ 100,000	Western Surety Company
Robert Foster	Superisor District 5	\$ 100,000	Western Surety Company
Misty Heffner	Chancery Clerk	\$ 100,000	State Farm Fire and Casualty Company
Vanessa Lynchard	County Administrator	\$ 100,000	Western Surety Company
Dale Kelly Thompson	Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Patricia A. Galbraith	Deputy Circuit Clerk	\$ 100,000	Western Surety Company
Rebecca P. Smith	Deputy Circuit Clerk	\$ 100,000	Western Surety Company
Diane E. Bunyard	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Christy R. Carter	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Christy R. Carter	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Vivian I. Embrey	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Victoria B. Griffith	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Annabelle R. Ibsen	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Brandi Sharpe Johnson	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Teresa D. Johnson	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Rhonda N. Vance	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Evelyn Jeanie Nester	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Wendy Biggerstaff	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
Carolyn Bush	Deputy Circuit Clerk	\$ 100,000	Liberty Mutual Surety
William David Rasco	Sheriff	\$ 100,000	Travelers
Thomas E Tuggle	Sheriff	\$ 100,000	Western Surety Company
Jeff Fitch	Tax Assessor	\$ 50,000	Western Surety Company
Allison Marie Culver	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Anthony A. Caligaris	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Barbara Ann Greer	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Bethany Erin McCallum	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Deanna Turner	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Donald Scott White	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Elizabeth Shea Young	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Hunter Dee Pettigrew	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Jeff R. Pirtle	Deputy Tax Assessor	\$ 10,000	Western Surety Company
John H. Pickett	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Jon Derek Gunter	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Joshua Andrew Dunlap	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Pieter Jennings Zee	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Stephen W. Gullett	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Linda W. White	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Preston Boatwright	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Dallas Aaron Waldrip	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Joseph W. Treadway	Tax Collector	\$ 100,000	Western Surety Company
Abigail Reaves Beecham	Deputy Tax Collector	\$ 50,000	Western Surety Company
Amanda M. Jenkins	Deputy Tax Collector	\$ 50,000	Western Surety Company
Cindy L. Laughter	Deputy Tax Collector	\$ 50,000	Western Surety Company
Elizabeth Riley	Deputy Tax Collector	\$ 50,000	Western Surety Company
Erin Nicole Page	Deputy Tax Collector	\$ 50,000	Western Surety Company
Erin Shook	Deputy Tax Collector	\$ 50,000	Western Surety Company
Heather R. Hearn	Deputy Tax Collector	\$ 50,000	Western Surety Company
Hunter L. Scruggs	Deputy Tax Collector	\$ 50,000	Western Surety Company
Janice N. Hill	Deputy Tax Collector	\$ 50,000	Western Surety Company
Kayla Edwards	Deputy Tax Collector	\$ 50,000	Western Surety Company
Meredith M. Mayer	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sarah A. Trest (Porter)	Deputy Tax Collector	\$ 50,000	Western Surety Company

**DESOTO COUNTY**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BOND</u>	<u>COMPANY</u>
Tammie A. Rhoda	Deputy Tax Collector	\$ 50,000	Western Surety Company
Whitley Sue Crews	Deputy Tax Collector	\$ 50,000	Western Surety Company
Wontasha M. Milam	Deputy Tax Collector	\$ 50,000	Western Surety Company
Justice K. Smith	Deputy Tax Collector	\$ 50,000	Western Surety Company
Melissa S. Coats	Deputy Tax Collector	\$ 50,000	Western Surety Company
Bethany M. Spencer (Lofton)	Deputy Tax Collector	\$ 50,000	Western Surety Company
Lauren E. Harris	Deputy Tax Collector	\$ 50,000	Western Surety Company
Susan Jones	Deputy Tax Collector	\$ 50,000	Western Surety Company
Brittney M Morgan McCullar	Deputy Tax Collector	\$ 50,000	Western Surety Company
Brittney M Morgan McCullar	Deputy Tax Collector	\$ 50,000	Western Surety Company
Skylar Saige Coleman	Deputy Tax Collector	\$ 50,000	Western Surety Company
Lawrence W. Vaughn, Jr.	Constable, District 1	\$ 50,000	Travelers Casualty & Surety Company
John Keith Combes	Constable, District 3	\$ 50,000	Travelers Casualty & Surety Company
Bobby Glen Holloway, Jr.	Constable, District 4	\$ 50,000	Travelers Casualty & Surety Company
Kenneth Lee Hodge, Jr.	Constable, District 5	\$ 50,000	Travelers Casualty & Surety Company
Bradley W. Hodge	Constable, District 2	\$ 50,000	Travelers Casualty & Surety Company
Wayne Douglas Hollowell, III	Justice Court Judge	\$ 50,000	Travelers Casualty & Surety Company
Lawrence W. Vaughn	Justice Court Judge	\$ 50,000	Travelers Casualty & Surety Company
William H. Lantrip	Justice Court Judge	\$ 50,000	Travelers Casualty & Surety Company
William Brad Russell	Justice Court Judge	\$ 50,000	Travelers Casualty & Surety Company
Karen Sanders	Justice Court Judge	\$ 50,000	Travelers Casualty & Surety Company
Candace J McElhanev	Justice Court Clerk	\$ 50,000	Western Surety Company
Benjamin Murphy	Justice Court Clerk	\$ 50,000	Western Surety Company
Sue Ellen Barclay	Deputy Justice Court Clerk	\$ 50,000	Travelers Casualty & Surety Company
Karen Dunlap	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Patricia Yow	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Candie L. Hubbard	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Robin M. Luttrell	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Charlotte Gentry	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Kaily E. Gilmore	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Alisha Cooper	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Jessica N Smith	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Susanne Joan Smith	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Shelby Short	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Monica Smith	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Tonya D Norris (Blevins)	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Natalie Naramore	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Heather Bell	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Lena Miller	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Mia Staten	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Michele Alayne Byrd	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Lauren Royal	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Jean Skinner	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Robert Jarman	Road Manager	\$ 50,000	Western Surety Company
Stephanie Hanks	Inventory Control Clerk	\$ 75,000	Western Surety Company
Raquel Worden	Inventory Control Clerk	\$ 75,000	Western Surety Company
Raquel Worden	Assistant Inventory Control Clerk	\$ 75,000	Western Surety Company
LaDonna Edwards	Assistant Inventory Control Clerk	\$ 75,000	Western Surety Company
Angie Irving	Purchase Clerk	\$ 100,000	Western Surety Company
Lynn Ford	Purchase Clerk	\$ 100,000	Western Surety Company
Vickie Tillman	Assistant Purchase Clerk	\$ 50,000	Western Surety Company
Edna Ward	Assistant Purchase Clerk	\$ 50,000	Western Surety Company
LaDonna Edwards	Assistant Purchase Clerk	\$ 50,000	Western Surety Company
Teresa Thomas	Assistant Purchase Clerk	\$ 50,000	Western Surety Company
Amber Williams	Receiving Clerk	\$ 75,000	Western Surety Company

**DESOTO COUNTY**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
**For the Year Ended September 30, 2024**  
**UNAUDITED**

<b>NAME</b>	<b>POSITION</b>	<b>AMOUNT OF BOND</b>	<b>COMPANY</b>
Amber Williams	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Amy Cooper	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Brandi Sharpe Johnson	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Brook Laine	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Colleen Magee	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Dabney Ladd	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Deborah Logan	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Diane Bunyard	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Garrett Gilland	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Heather Hearn	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Jamee Bradshaw	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Jennifer Haywood	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Kacy Dunn	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Kelly Wright	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Leigh Ann Johnson	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Lynn Ford	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Margaret L. Ford	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Marie Windham	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Mike Reed	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Mindy Chamberlain	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Patricia Cross	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Rhonda Ramey	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Rikki Ogle	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Robin Luttrell	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Shea Young	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Sherry Marshall	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Vicki Patton	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Ora Wayne Hardin	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Edna Ward	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Gracen Mathis	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Amy Hammond	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Raquel Worden	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Rebekah Dean	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Tessie Tinney	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Patricia Galbraith	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Candie Hubbard	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Kayli Gilmore	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Jennifer Renee King	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Stephen Raines	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Vana Pease	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Brynn McCarver	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Robert Jarman	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Robert Hardin	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Kade Abel	Assistant Receiving Clerk	\$ 50,000	Western Surety Company

## **DESOTO 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  
DeSoto 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 DeSoto County, Mississippi (the County), as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 23, 2025. The report is qualified on the aggregate discretely presented component units because of a contractual billing dispute with a vendor who provides network and telephone connection services throughout the service area. The disputed charges cover a significant time period through the date of the financial statements. Management of the District has escalated these disputed charges to a billing specialist with the vendor to seek clarification of amounts owed. Our report includes a reference to other auditors who audited the financial statements of DeSoto County Emergency Communications District, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by that auditor.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered DeSoto 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.

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

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less

severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

As part of obtaining reasonable assurance about whether DeSoto 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of DeSoto County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated June 23, 2025 included within this document.

### **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  
June 23, 2025

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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  
DeSoto County, Mississippi

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited DeSoto 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 DeSoto County, Mississippi's major federal program for the year ended September 30, 2024. DeSoto County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, DeSoto County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

#### ***Basis for Opinion on the Major Federal Program***

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding DeSoto 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 DeSoto 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 DeSoto 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  
June 23, 2025

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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  
DeSoto County, Mississippi

We have examined DeSoto 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, 2024. The Board of Supervisors of DeSoto 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 DeSoto 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, DeSoto County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2024.

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

This report is intended for use in evaluating DeSoto 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

June 23, 2025

DESOTO COUNTY  
 Schedule of Purchases from Other Than the Lowest Bidder  
 For the Year Ended September 30, 2024

Schedule 1

Date	Item Purchased	Bid Accepted	Vendor	Lowest Bid	Reason for Accepting Other Than the Lowest Bid
5/20/2024	Juvenile Door Controls, Intercoms, and Lighting Controls	\$161,990	Progressive Technologies	\$103,000	Did not meet bid specs

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

Schedule 2

Date	Item Purchased	Amount Paid	Vendor	Reason for Emergency Purchase
11/13/2023	Jail Kitchen Grease Trap Backup	\$16,133.26	Upchurch Plumbing, INC	Was matter of health and safety for the Detention Center inmates .
11/13/2023	Jail Kitchen Grease Trap Backup	\$1,300.00	C.W. Flynn	Was matter of health and safety for the Detention Center inmates .
1/19/2024	BKHOE Blades	\$1,111.00	HeavyQuip	Emergency purchase during inclement weather closure.
1/19/2024	Windshield Glass	\$1,043.78	Thompson Machinery	Emergency purchase during inclement weather closure.
1/19/2024	Back Hoe Blades	\$185.00	HeavyQuip	Emergency purchase during inclement weather closure.
1/19/2024	Deicer & Brake CLN	\$123.64	O'Reilly Auto Parts	Emergency purchase during inclement weather closure.
1/19/2024	DEF Drums	\$492.81	Parman Entergy Corp	Emergency purchase during inclement weather closure.
1/19/2024	DEF Jugs	\$109.90	Rush Trucks Centers of TN, INC	Emergency purchase during inclement weather closure.
1/19/2024	Repair & Replace Parts	\$707.81	Advance Auto Parts	Emergency purchase during inclement weather closure.
1/19/2024	Rear Glass	\$125.32	Tag Truck Enterprises, LLC	Emergency purchase during inclement weather closure.
1/19/2024	Cutting Edges	\$610.32	Stribling Equipment	Emergency purchase during inclement weather closure.
1/19/2024	Rhino Blade	\$9,800.00	Wade, INC	Emergency purchase during inclement weather closure.
1/19/2024	Diesel Fuel	\$7,501.00	Best-Wade Petroleum, INC	Emergency purchase during inclement weather closure.
1/19/2024	Gasoline Fuel	\$5,001.00	Best-Wade Petroleum, INC	Emergency purchase during inclement weather closure.
1/19/2024	AG ROCK	\$23,880.00	Arcosa Aggregates	Emergency purchase during inclement weather closure.
1/22/2024	Repair Boiler Issue at Courthouse	\$500.00	Intergrity Mechanical Solutions LLC	Emergency purchase during inclement weather closure.
1/22/2024	Repair Heat on 1st & 2nd Floor at Admin	\$4,500.00	Intergrity Mechanical Solutions LLC	Emergency purchase during inclement weather closure.
1/22/2024	Repair Heat at Detention Center D-100	\$991.00	5M Services, LLC	Emergency purchase during inclement weather closure.
1/22/2024	Repair Broken Sprinkler Line in Kitchen at the Detention Center	\$2,200.00	Quarles Fire Protection, INC	Emergency purchase during inclement weather closure.
1/22/2024	Unclog Drains in the Female Pod	\$500.00	C.W. Flynn	Emergency purchase during inclement weather closure.
1/22/2024	Repair Heat for Patrol Room	\$375.00	Intergrity Mechanical Solutions LLC	Emergency purchase during inclement weather closure.
1/22/2024	Repair Block Heater on Generator at Sheriff's Dept.	\$3,281.73	Cummins, INC	Emergency purchase during inclement weather closure.
1/22/2024	200 Tons Bulk Road Salt	\$35,600.00	Mattox Services	Emergency purchase during inclement weather closure.
6/24/2024	Repair broken water meter Saturday June 22,2024	\$478.00	Cleveland Construction INC	Emergency purchase on Saturday June 22, 2024.

DESOTO COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively from a Sole Source  
For the Year Ended September 30, 2024

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
11/6/2023	EMT Class E-Supplies and Services	\$9,799.99	Jones and Barlett Learning
12/19/2023	Tasers	\$11,847.95	Axon Enterprise, INC
5/24/2024	Express Vote Universal Voting System	\$272,800.00	Election Systems & Software
5/24/2024	Franklin 4 Station Voting Booths	\$26,648.31	Inclusion Solutions, LLC
5/24/2024	Express Poll Books	\$15,575.00	Election Systems & Software
6/5/2024	EMT Class E-Supplies and Services	\$12,079.10	Jones and Barlett Learning

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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
DeSoto County, Mississippi

In planning and performing our audit of the financial statements of DeSoto County, Mississippi for the year ended September 30, 2024, we considered DeSoto 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 DeSoto County, Mississippi’s financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County’s compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated June 23, 2025, on the financial statements of DeSoto 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. Public Officials and Employees should ensure compliance with state law over surety bonding requirements.

**Repeat Finding** Yes; 2021-1; 2022-1; 2023-1

**Criteria** *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.”

<b>Condition</b>	<p>During the course of our testing we noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> <li>• One (1) deputy circuit clerk was not bonded for the entire fiscal year</li> <li>• One (1) deputy tax assessor was not bonded</li> <li>• Six (6) deputy tax collectors were not bonded</li> <li>• One (1) deputy tax collector was not bonded for the entire fiscal year</li> <li>• Two (2) deputy justice court clerks were not bonded for the entire fiscal year</li> <li>• The inventory control clerk, two (2) assistant inventory control clerks, the purchase clerk, four (4) assistant purchase clerks, the receiving clerk, and forty-four (44) assistant receiving clerks were bonded using an indefinite bond</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 the Board of Supervisors implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.
<b>Response</b>	The County will work with the Tax Collector's Office to bond all part time Deputy Tax Collectors. The unbonded full time collector is now bonded. Procedures have been put in place to speed up the bonding process to ensure that surety bonds are in place by the time the employee starts work.
<b>Sheriff.</b>	
<b>2.</b>	<u>The Sheriff Should Strengthen Internal Control over Deposits, Cash Journals, Settlements, and Bank Reconciliations.</u>
<b>Repeat Finding</b>	No.
<b>Criteria</b>	An effective system of internal control includes the monitoring and reconciliation of records documenting collections and disbursements. The Sheriff should maintain a cash journal that records all receipts and disbursements and that reconciles to the bank statement. <i>Section 25-1-72, Mississippi Code Annotated (1972)</i> , 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." Monthly settlements to the County's general fund should be made timely.
<b>Condition</b>	During the course of our test work, we noted the following:

- Six (6) of the ten (10) receipts tested were not deposited in a timely manner
- Six (6) of the twelve (12) monthly settlements were not made in a timely manner
- A bank reconciliation was attempted, but it did not tie back to the cash journal

**Cause** The Sheriff’s office lacked proper internal controls to ensure that deposits were made daily, settlements were paid timely to the County’s general fund, and that proper bank reconciliations were being performed to tie the cash balance back to the cash journal.

**Effect** Failure to make timely deposits, make timely settlements, and properly reconcile bank statements to the cash journal could result in the misappropriation of public funds.

**Recommendation** The Sheriff should strengthen controls over the depositing, settling, and reconciling functions.

**Response** Beginning January 2025 all daily cash bond deposits are receipted, counted, verified, recorded and deposited daily by either the DCSO Deputy Director of Finance or the CFO. Civil fees are receipted, verified, recorded and deposited at least three times a week depending on whether or not any are received into the DCSO. Beginning in May 2025 all cash and civil bond receipts will be cash receipted into MUNIS, then deposited into our depository bank account daily. The process of moving cash operations to MUNIS will allow for a proper bank reconciliation to be done between MUNIS and the bank statement and in a timely fashion each month. This transition will also allow the DCSO to settle back to the county by the 15<sup>th</sup> of each month.

**Jail Administrator.**

**3. The Jail Administrator Should Strengthen Internal Control over Settlements.**

**Repeat Finding** No.

**Criteria** An effective system of internal control includes the timely completion of monthly settlements to the County.

**Condition** During the course of our test work, we noted the following exceptions:

- Six (6) of the twelve (12) settlements were not timely paid to the County
- One settlement was unable to be located

**Cause** Jail administration did not make settlements to the County by the twentieth (20<sup>th</sup>) of the subsequent month.

<b>Effect</b>	Failure to make timely settlements could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Jail Administrator should strengthen controls over the settling of funds to the County to ensure that the settlements are made on or before the twentieth (20 <sup>th</sup> ) of the subsequent month.
<b>Response</b>	We have established internal controls with in the DCSO Finance team to receive all bank reconciliations and settlement checks back to the County by the 15 <sup>th</sup> of each month from the Jail Administrator. Additionally, the CFO will sign the settlement check to ensure the deadline of the 15 <sup>th</sup> is met each month. Bank reconciliations, supporting documentation and a copy of the settlement check is made, scanned and placed into a folder for monthly settlements on the DCSO server.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
 Certified Public Accountants  
 Vicksburg, Mississippi  
 June 23, 2025

**DESOTO COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

Section 1: Summary of Auditor's Results

**Financial Statements:**

- |   |               |
|---|---------------|
| 1. Type of auditor's report issued on the financial statements: |               |
| Governmental activities   | Unmodified    |
| Aggregate discretely presented component units                  | Qualified     |
| General Fund  | Unmodified    |
| Coronavirus Fund  | Unmodified    |
| Bridge & Culvert Fund   | Unmodified    |
| Capital projects Non-bond Fund                                  | Unmodified    |
| Aggregate remaining fund information                            | Unmodified    |
| 2. Internal control over financial reporting:                   |               |
| a. Material weaknesses identified?                              | No            |
| b. Significant deficiency identified?                           | None Reported |
| 3. Noncompliance material to the financial statements noted?    | No            |

**Federal Awards:**

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

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

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

Section 3: Federal Award Findings and Questioned Costs

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