

JACKSON COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2022



SHAD WHITE

STATE AUDITOR

Jeff Goodwin, CPA
Director, Financial and Compliance Audit Division

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

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

Shad White
AUDITOR

October 15, 2024

Members of the Board of Supervisors
Jackson County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2022 financial and compliance audit report for Jackson County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Respectfully submitted,

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

Shad White

JACKSON COUNTY
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JACKSON COUNTY

FINANCIAL SECTION

JACKSON COUNTY

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

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Jackson County, Mississippi

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Mississippi, as of September 30, 2022, 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 Singing River Mental Health/Mental Retardation Services, Singing River Health System, West Jackson County Utility District, Jackson County Emergency Communications District, Jackson County Port Authority and Jackson-George Regional Library System, which represent 0.97%, 65.07%, 11.17%, 0.51%, 21.78% and 0.50%, respectively, of the assets, (2.35%), 72.89%, 6.98%, 0.77%, 22.88% and (1.17%), respectively of the net position, and 1.59%, 90.86%, 1.77%, 0.23%, 4.82% and 0.73%, respectively of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for Singing River Mental Health/Mental Retardation Services, Singing River Health System, West Jackson County Utility District, Jackson County Emergency Communications District, Jackson County Port Authority and Jackson-George Regional Library System are based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Budgetary Comparison Schedules and corresponding notes, the Schedule of Changes in the County's Total OPEB Liability and Related Ratios, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions, the Schedule of Singing River Mental Health/Mental Retardation Services' Proportionate Share of the Net Pension Liability, the Schedule of Singing River Mental Health/Mental Retardation Services' Contributions, the Schedule of West Jackson County Utility District's Proportionate Share of the Net Pension Liability, the Schedule of West Jackson County Utility District's Contributions, the Schedule of Jackson County Emergency Communications District's Proportionate Share of the Net Pension Liability, the Schedule of Jackson County Emergency Communications District's Contributions, the Schedule of Jackson County Port Authority's Proportionate Share of the Net Pension Liability, the Schedule of Jackson County Port Authority's Contributions, the Schedule of Jackson-George Regional Library System's Proportionate Share of the Net Pension Liability, the Schedule of Jackson-George Regional Library System's Contributions, the Schedule of Jackson-George Regional Library System's Proportionate Share of the Net OPEB Liability and the Schedule of Jackson-George Regional Library System's Contributions – OPEB be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the

Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jackson County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024 on our consideration of Jackson 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 Jackson 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 Jackson County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

October 15, 2024

JACKSON COUNTY

FINANCIAL STATEMENTS

JACKSON COUNTY
Statement of Net Position
September 30, 2022

Exhibit 1

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
ASSETS				
Cash	\$ 183,171,357		183,171,357	98,843,723
Restricted assets - cash	1,571,513	1,097,530	2,669,043	11,304,478
Restricted assets - investments	11,092,727		11,092,727	
Investments				54,501,394
Deposits				2,680
Grants receivable				828,711
Property tax receivable	93,278,373		93,278,373	
Receivables, net of allowance				70,717,685
Fines receivable (net of allowance for uncollectibles of \$24,186,758)	5,341,570		5,341,570	
Loans receivable (net of allowance for uncollectibles of \$136,254)	0		0	
Lease receivable	1,627,682		1,627,682	31,353,385
Intergovernmental receivables	3,128,914		3,128,914	
Other receivables	15,421		15,421	3,063,516
Prepaid expenses	1,347,000		1,347,000	4,665,586
Inventories and prepaid items				11,431,632
Trustee bond funds				1,452,600
Held by trustees for self-insurance funding				3,648,311
Investment in equity investments				4,162,083
Capital assets:				
Land and construction in progress	35,212,795	211,867	35,424,662	44,305,307
Right to use leased assets, net				752,935
Other capital assets, net	280,656,713	7,007,308	287,664,021	326,886,518
Intangible assets, net				688,012
Long-term lease receivables				4,102,204
Other assets				1,011,396
Total Assets	<u>616,444,065</u>	<u>8,316,705</u>	<u>624,760,770</u>	<u>673,722,156</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	13,343,278	179,101	13,522,379	3,853,998
Deferred outflows related to OPEB	946,286		946,286	51,547
Deferred amount on refunding				2,322,438
Total Deferred Outflows of Resources	<u>14,289,564</u>	<u>179,101</u>	<u>14,468,665</u>	<u>6,227,983</u>
LIABILITIES				
Claims payable	7,494,507	36,197	7,530,704	
Accounts payable				25,673,741
Payroll liabilities				21,683,746
Due to third-party payors				29,780,903
Accrued liabilities				8,742,048
Intergovernmental payables	2,745,964	565	2,746,529	
Accrued interest payable	391,793	13,942	405,735	266,809
Unearned revenue	10,079,835		10,079,835	2,650,665
Customer deposits				723,280
Current installments of pension settlement liability				4,200,000
Claims and judgments payable	866,458		866,458	
Long-term liabilities				
Due within one year:				
Leases payable	89,281	18,121	107,402	7,532,997
Capital debt	2,487,040		2,487,040	7,005,909

JACKSON COUNTY
Statement of Net Position
September 30, 2022

Exhibit 1 - Cont'd

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
Due in more than one year:				
Leases payable	1,135,961	446,592	1,582,553	35,507,580
Capital debt	49,381,014		49,381,014	114,313,184
Non-capital debt	3,183,753	44,961	3,228,714	1,195,221
Net pension liability	105,574,970	1,224,888	106,799,858	35,086,925
Net OPEB liability	2,874,235		2,874,235	268,950
Other payables	2,211,196		2,211,196	
Pension settlement liability				62,913,615
Total Liabilities	<u>188,516,007</u>	<u>1,785,266</u>	<u>190,301,273</u>	<u>358,433,198</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	2,243,608	50,322	2,293,930	347,441
Deferred inflows related to OPEB	2,240,102		2,240,102	155,829
Deferred inflows related to leases	1,625,071		1,625,071	34,749,758
Deferred revenues - property taxes	93,278,373		93,278,373	
Total Deferred Inflows of Resources	<u>99,387,154</u>	<u>50,322</u>	<u>99,437,476</u>	<u>35,253,028</u>
NET POSITION				
Net investment in capital assets	262,776,212	6,754,462	269,530,674	208,001,175
Restricted for:				
Expendable:				
General government	220,799		220,799	
Public safety	18,312,458	178,400	18,490,858	
Public works	59,222,713		59,222,713	
Health and welfare	5,021,212		5,021,212	
Culture and recreation	281	7,653	7,934	
Conservation of natural resources	11,191,770		11,191,770	
Economic development and assistance	219,570		219,570	
Unemployment compensation	226,663		226,663	
Debt service	17,125,490		17,125,490	11,780,862
Indigent care				2,211,196
Harbor maintenance				6,060,695
Capital projects				3,394,550
Customer deposits				722,780
Unemployment fund reserve				15,000
Special revenue funds				209
Other Purposes				453,919
Unrestricted	<u>(31,486,700)</u>	<u>(280,297)</u>	<u>(31,766,997)</u>	<u>53,623,527</u>
Total Net Position	<u>\$ 342,830,468</u>	<u>6,660,218</u>	<u>349,490,686</u>	<u>286,263,913</u>

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 37,038,411	4,398,627	9,797,906		(22,841,878)		(22,841,878)	
Public safety	27,240,922	1,320,899	18,196,186		(7,723,837)		(7,723,837)	
Public works	35,020,404	48,076	2,897,116	6,009,096	(26,066,116)		(26,066,116)	
Health and welfare	6,560,204	82,320			(6,477,884)		(6,477,884)	
Culture and recreation	5,612,806		88,428		(5,524,378)		(5,524,378)	
Education	380,362				(380,362)		(380,362)	
Conservation of natural resources	3,269,871				(3,269,871)		(3,269,871)	
Economic development and assistance	2,266,529	833,325			(1,433,204)		(1,433,204)	
Interest on long-term debt	2,045,504				(2,045,504)		(2,045,504)	
Bond issue costs	350,538				(350,538)		(350,538)	
Pension expense	9,893,247				(9,893,247)		(9,893,247)	
OPEB expense	187,231				(187,231)		(187,231)	
Total Governmental Activities	<u>129,866,029</u>	<u>6,683,247</u>	<u>30,979,636</u>	<u>6,009,096</u>	<u>(86,194,050)</u>		<u>(86,194,050)</u>	
Business-type activities:								
Adult detention center canteen fund	151,462	166,709				15,247	15,247	
Harbor	560,671	291,879				(268,792)	(268,792)	
Golf course	1,274,121	853,168				(420,953)	(420,953)	
Total Business-type Activities	<u>1,986,254</u>	<u>1,311,756</u>	<u>0</u>	<u>0</u>		<u>(674,498)</u>	<u>(674,498)</u>	
Total Primary Government	\$ <u>131,852,283</u>	<u>7,995,003</u>	<u>30,979,636</u>	<u>6,009,096</u>	<u>(86,194,050)</u>	<u>(674,498)</u>	<u>(86,868,548)</u>	
Component units:								
Singing River Mental Health / Mental Retardation Services	\$ 10,075,374	3,663,831	6,321,305					(90,238)
Singing River Health System	570,106,850	516,409,130	36,499,584					(17,198,136)
West Jackson County Utility District	9,814,193	10,706,559						892,366
Jackson County Emergency Communications District	1,140,351	1,446,132						305,781
Jackson County Port Authority	32,564,013	16,565,548	347,711					(15,650,754)
Jackson-George Regional Library System	4,395,258	83,572	54,951					(4,256,735)
Total Component Units	\$ <u>628,096,039</u>	<u>548,874,772</u>	<u>43,223,551</u>	<u>0</u>				<u>(35,997,716)</u>

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

Exhibit 2 - Cont'd

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	
General revenues:								
Property taxes					\$ 91,553,924		91,553,924	4,288,078
Road & bridge privilege taxes					1,901,740		1,901,740	
Grants and contributions not restricted to specific programs					5,502,183		5,502,183	
In lieu taxes - Mississippi Power					6,178,410		6,178,410	
Unrestricted gifts and donations					102,548		102,548	
Unrestricted interest income					2,325,568	19,660	2,345,228	693,349
Miscellaneous					5,693,281	32,601	5,725,882	32,407,979
Special item - KPMG settlement					20,000,000		20,000,000	
Transfers					(500,000)	500,000	0	662,816
Total General Revenues, Special Item and Transfers					132,757,654	552,261	133,309,915	38,052,222
Changes in Net Position					46,563,604	(122,237)	46,441,367	2,054,506
Net Position - Beginning, as previously reported					297,642,488	6,457,963	304,100,451	273,749,471
Prior period adjustments					(1,375,624)	324,492	(1,051,132)	10,459,936
Net Position - Beginning, as restated					296,266,864	6,782,455	303,049,319	284,209,407
Net Position - Ending					\$ 342,830,468	6,660,218	349,490,686	286,263,913

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

JACKSON COUNTY
Balance Sheet - Governmental Funds
September 30, 2022

Exhibit 3

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Road Fund		
ASSETS				
Cash	\$ 62,536,371	25,018,359	90,630,037	178,184,767
Restricted assets - cash	1,571,513			1,571,513
Restricted assets - investments			11,092,727	11,092,727
Property tax receivable	60,102,092	16,683,325	16,492,956	93,278,373
Fines receivable (net of allowance for uncollectibles of \$24,186,758)	5,341,570			5,341,570
Loans receivable (net of allowance for uncollectibles of \$136,254)			0	0
Lease receivable			1,627,682	1,627,682
Intergovernmental receivables	1,937,306		1,191,608	3,128,914
Other receivables	15,421			15,421
Due from other funds	5,871,399			5,871,399
Advances to other funds	1,002,473			1,002,473
Total Assets	\$ 138,378,145	41,701,684	121,035,010	301,114,839
LIABILITIES				
Liabilities:				
Claims payable	\$ 3,618,174	1,491,809	2,384,524	7,494,507
Intergovernmental payables	2,711,719	11,741	5,066	2,728,526
Due to other funds	741,560		5,839,364	6,580,924
Advances from other funds			1,002,473	1,002,473
Unearned revenue			10,079,835	10,079,835
Total Liabilities	7,071,453	1,503,550	19,311,262	27,886,265
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	60,102,092	16,683,325	16,492,956	93,278,373
Unavailable revenue - fines	5,341,570			5,341,570
Leases			1,625,071	1,625,071
Total Deferred Inflows of Resources	65,443,662	16,683,325	18,118,027	100,245,014
Fund balances:				
Nonspendable:				
Advances	1,002,473			1,002,473
Restricted for:				
General government			220,799	220,799
Public safety			18,312,458	18,312,458
Public works		23,514,809	35,707,904	59,222,713
Health and welfare			208,993	208,993
Culture and recreation			281	281
Conservation of natural resources			11,191,770	11,191,770
Economic development and assistance			219,570	219,570
Unemployment compensation			226,663	226,663
Tort claims	1,571,513			1,571,513
Debt service			17,517,283	17,517,283
Unassigned	63,289,044			63,289,044
Total Fund Balances	65,863,030	23,514,809	83,605,721	172,983,560
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 138,378,145	41,701,684	121,035,010	301,114,839

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

JACKSON COUNTY
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 September 30, 2022

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 172,983,560
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 \$203,555,316.	315,869,508
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	5,341,570
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(58,488,245)
Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(2,874,235)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(105,574,970)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(391,793)
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition, and therefore, are not reported in the funds.	1,347,000
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	13,343,278
Deferred inflows of resources related to pensions	(2,243,608)
Deferred outflows related to other postemployment benefits	946,286
Deferred inflows related to other postemployment benefits	(2,240,102)
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>4,812,219</u>
Total Net Position - Governmental Activities	\$ <u>342,830,468</u>

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

JACKSON COUNTY

Exhibit 4

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

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Road Fund		
REVENUES				
Property taxes	\$ 58,430,415	16,669,178	16,454,331	91,553,924
Road and bridge privilege taxes		1,901,740		1,901,740
Licenses, commissions and other revenue	3,638,335			3,638,335
Fines and forfeitures	1,375,629		29,960	1,405,589
In lieu taxes - Mississippi Power	6,178,410			6,178,410
Intergovernmental revenues	4,121,458	3,858,071	34,613,934	42,593,463
Charges for services	1,205,929		46,840	1,252,769
Interest income	1,299,643	383,832	604,789	2,288,264
Miscellaneous revenues	3,258,411	102,041	1,963,458	5,323,910
Total Revenues	79,508,230	22,914,862	53,713,312	156,136,404
EXPENDITURES				
Current:				
General government	38,280,093		255,410	38,535,503
Public safety	21,497,918	172	6,761,131	28,259,221
Public works	2,552,445	20,044,619	32,010,928	54,607,992
Health and welfare	2,698,720		3,932,538	6,631,258
Culture and recreation	5,960,573		2,305,434	8,266,007
Education	384,357			384,357
Conservation of natural resources	253,966		3,425,642	3,679,608
Economic development and assistance	2,374,607			2,374,607
Debt service:				
Principal	19,294,451	4,675	757,193	20,056,319
Interest	934,430	576	963,079	1,898,085
Bond issue costs	350,538			350,538
Total Expenditures	94,582,098	20,050,042	50,411,355	165,043,495
Excess of Revenues over (under) Expenditures	(15,073,868)	2,864,820	3,301,957	(8,907,091)
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued	18,465,000			18,465,000
Leases issued	1,305,907	21,461		1,327,368
Proceeds from sale of capital assets	366	11,141	20	11,527
Transfers in	6,290		13,816,395	13,822,685
Transfers out	(14,502,033)		(1,320,652)	(15,822,685)
Total Other Financing Sources and Uses	5,275,530	32,602	12,495,763	17,803,895
SPECIAL ITEM - KPMG settlement	20,000,000			20,000,000
Net Changes in Fund Balances	10,201,662	2,897,422	15,797,720	28,896,804
Fund Balances - Beginning, as previously reported	55,773,028	20,763,081	67,832,540	144,368,649
Prior period adjustments	(111,660)	(145,694)	(24,539)	(281,893)
Fund Balances - Beginning, as restated	55,661,368	20,617,387	67,808,001	144,086,756
Fund Balances - Ending	\$ 65,863,030	23,514,809	83,605,721	172,983,560

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

JACKSON COUNTY
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2022

Exhibit 4-1

	Amount
Net Changes in Fund Balances - Governmental Funds	\$ 28,896,804
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 \$30,880,220 exceeded depreciation of \$11,770,863 in the current period.	19,109,357
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 \$67,276 and the proceeds from the sale of \$11,527 in the current period.	(78,803)
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.	386,554
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 \$20,056,319 exceeded debt proceeds of \$19,792,368.	263,951
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
The amount of increase in compensated absences liability.	(64,724)
The amount of increase in accrued interest payable.	(147,419)
The decrease in other postemployment benefits payable.	62,786
The decrease in other payables.	1,017,856
Under the modified accrual basis of accounting used in the Governmental Funds, prepaid items are reported as expenditures. However, in the Statement of Activities, only the portion of expenses related to the current period are reported. Thus, the change in net position differs from the change in fund balance by the amount of increase in prepaid items.	358,560

JACKSON COUNTY
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2022

Exhibit 4-1 Cont

	Amount
<p>Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:</p>	
Recording of pension expense for the current period	(9,893,247)
Recording of contributions made during the year	6,211,250
<p>Some items reported in the Statement of Activities relating to the implementation of GASB 75 are not reported in the governmental funds. These activities include:</p>	
Amortization of other postemployment benefits deferred outflows/inflows	(162,309)
<p>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.</p>	
	602,988
Change in Net Position of Governmental Activities	\$ 46,563,604

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

JACKSON COUNTY
Statement of Net Position - Proprietary Funds
September 30, 2022

Exhibit 5

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
ASSETS		
Current assets:		
Cash	\$	4,986,590
Restricted assets - cash	1,097,530	
Due from other funds		695,410
Total Current Assets	<u>1,097,530</u>	<u>5,682,000</u>
Noncurrent assets:		
Capital assets:		
Land and construction in progress	211,867	
Other capital assets, net	7,007,308	
Total Noncurrent Assets	<u>7,219,175</u>	<u>0</u>
Total Assets	<u>8,316,705</u>	<u>5,682,000</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	179,101	
Total Deferred Outflows of Resources	<u>179,101</u>	<u>0</u>
LIABILITIES		
Current liabilities:		
Claims payable	36,197	
Claims and judgments payable		866,458
Intergovernmental payables	565	3,083
Due to other funds		240
Accrued interest payable	13,942	
Capital debt:		
Leases payable	18,121	
Total Current Liabilities	<u>68,825</u>	<u>869,781</u>
Noncurrent liabilities:		
Capital debt:		
Leases payable	446,592	
Non-capital debt:		
Compensated absences payable	44,961	
Net pension liability	1,224,888	
Total Noncurrent Liabilities	<u>1,716,441</u>	<u>0</u>
Total Liabilities	<u>1,785,266</u>	<u>869,781</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	50,322	
Total Deferred Inflows of Resources	<u>50,322</u>	<u>0</u>
NET POSITION		
Net investment in capital assets	6,754,462	
Restricted for:		
Health and welfare		4,812,219
Public safety	178,400	
Culture and recreation	7,653	
Unrestricted	(280,297)	
Total Net Position	<u>\$ 6,660,218</u>	<u>4,812,219</u>

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

JACKSON COUNTY

Exhibit 6

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
Operating Revenues		
Sales and charges for services	\$ 1,311,756	
Premiums		8,810,875
Miscellaneous	32,601	369,371
Total Operating Revenues	<u>1,344,357</u>	<u>9,180,246</u>
Operating Expenses		
Personal services	574,501	
Contractual services	233,940	
Materials and supplies	444,030	
Depreciation expense	443,177	
Claims payments		10,114,562
Pension expense	114,782	
Total Operating Expenses	<u>1,810,430</u>	<u>10,114,562</u>
Operating Income (Loss)	<u>(466,073)</u>	<u>(934,316)</u>
Nonoperating Revenues (Expenses)		
Other income (expenses)	(156,339)	
Interest income	19,660	37,304
Interest expense	(19,485)	
Net Nonoperating Revenue (Expenses)	<u>(156,164)</u>	<u>37,304</u>
Net Income (Loss) Before Transfers	(622,237)	(897,012)
Transfers in	500,000	1,500,000
Changes in Net Position	<u>(122,237)</u>	<u>602,988</u>
Net Position - Beginning, as previously reported	6,457,963	4,209,231
Prior period adjustment	324,492	
Net Position - Beginning, as restated	<u>6,782,455</u>	<u>4,209,231</u>
Net Position - Ending	<u>\$ 6,660,218</u>	<u>4,812,219</u>

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

JACKSON COUNTY
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2022

Exhibit 7

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
Cash Flows From Operating Activities		
Receipts from customers	\$ 1,311,756	
Receipts for premiums		8,810,875
Payments to suppliers	(703,344)	
Payments to employees	(810,774)	
Payments for claims		(9,943,274)
Other operating cash receipts	32,601	369,371
Net Cash Provided (Used) by Operating Activities	<u>(169,761)</u>	<u>(763,028)</u>
Cash Flows From Noncapital Financing Activities		
Cash received from other funds:		
Operating transfers in	500,000	1,500,000
Other receipts	11,714	
Net Cash Provided (Used) by Noncapital Financing Activities	<u>511,714</u>	<u>1,500,000</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(118,732)	
Principal paid on long-term debt	(31,166)	
Interest paid on debt	(5,543)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(155,441)</u>	<u>0</u>
Cash Flows From Investing Activities		
Interest on deposits	19,660	37,304
Net Cash Provided (Used) by Investing Activities	<u>19,660</u>	<u>37,304</u>
Net Increase (Decrease) in Cash and Cash Equivalents	206,172	774,276
Cash and Cash Equivalents at Beginning of Year	<u>891,358</u>	<u>4,212,314</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,097,530</u>	<u>4,986,590</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (466,073)	(934,316)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	443,177	
(Increase) decrease in interfund receivables		(695,410)
Increase (decrease) in claims payable	(25,374)	
Increase (decrease) in claims and judgments liability		866,698
Increase (decrease) in compensated absences liability	4,530	
Increase (decrease) in net pension liability, deferred	(126,021)	
Total Adjustments	<u>296,312</u>	<u>171,288</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (169,761)</u>	<u>(763,028)</u>

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

JACKSON COUNTY
Statement of Fiduciary Net Position
September 30, 2022

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 3,555,371
Intergovernmental receivables	9,873
Due from other funds	<u>46,150</u>
Total Assets	<u><u>3,611,394</u></u>
LIABILITIES	
Intergovernmental payables	569,811
Due to other funds	<u>31,795</u>
Total Liabilities	<u><u>601,606</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>3,009,788</u>
Total Net Position	<u><u>\$ 3,009,788</u></u>

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

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

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 14,188,885
Other taxes and fees collected for other governments	2,044,043
Licenses and fees collected for State	<u>827,816</u>
Total Additions	<u>17,060,744</u>
DEDUCTIONS	
Payments of tax to other governments	14,037,887
Payments of licenses and fees to State	<u>827,816</u>
Total Deductions	<u>14,865,703</u>
Net increase (decrease) in fiduciary net position	2,195,041
Net Position - Beginning, as previously reported	804,838
Prior period adjustment	<u>9,909</u>
Net Position - Beginning, as restated	<u>814,747</u>
Net Position - Ending	<u>\$ 3,009,788</u>

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

JACKSON COUNTY
Component Units - Combining Statement of Net Position
September 30, 2022

	Component Units						Total
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	
ASSETS							
Cash	\$ 1,385,668	69,600,788	2,223,567	2,334,667	21,318,756	1,980,277	98,843,723
Restricted assets - cash			3,435,226		7,869,252		11,304,478
Investments		46,283,592	8,217,802				54,501,394
Deposits	2,680						2,680
Grants receivable	828,711						828,711
Receivables, net of allowance	341,666	65,881,310	836,908	114,699	3,376,366	166,736	70,717,685
Other receivables		3,063,516					3,063,516
Lease receivables		854,890			30,498,495		31,353,385
Due from other funds							0
Due from third-party payors							0
Inventories and prepaid items	134,515	14,805,855	409,019	38,807	612,391	96,631	16,097,218
Trustee bond funds		1,452,600					1,452,600
Held by trustees for self insurance-funding		3,648,311					3,648,311
Held by trustees for pension funding							0
Investment in equity investments		4,162,083					4,162,083
Capital assets:							
Land and construction in progress		15,259,835	8,653,401		20,392,071		44,305,307
Right to use leased assets, net				752,935			752,935
Other capital assets, net	3,825,402	207,636,407	51,481,371	165,260	62,651,104	1,126,974	326,886,518
Intangible assets, net		688,012					688,012
Long-term lease receivables		4,102,204					4,102,204
Other Assets		1,011,396					1,011,396
Total Assets	<u>6,518,642</u>	<u>438,450,799</u>	<u>75,257,294</u>	<u>3,406,368</u>	<u>146,718,435</u>	<u>3,370,618</u>	<u>673,722,156</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions	1,398,291		469,092	44,068	1,188,731	753,816	3,853,998
Deferred outflows related to other postemployment benefits						51,547	51,547
Deferred amount on refunding		2,322,438					2,322,438
Total Deferred Outflows of Resources	<u>1,398,291</u>	<u>2,322,438</u>	<u>469,092</u>	<u>44,068</u>	<u>1,188,731</u>	<u>805,363</u>	<u>6,227,983</u>
LIABILITIES							
Accounts payable	19,158	22,604,243	622,408	33,076	2,304,703	90,153	25,673,741
Payroll Liabilities	127,962	21,426,859	128,925				21,683,746
Due to other funds							0
Due to third-party payors		29,780,903					29,780,903
Accrued Liabilities	562,493	8,179,555					8,742,048
Accrued interest payable			264,047	2,762			266,809
Unearned revenues					2,650,665		2,650,665
Customer deposits			723,280				723,280

JACKSON COUNTY
Component Units - Combining Statement of Net Position Con't
September 30, 2022

	Component Units						
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	Total
Long-term liabilities							
Due within one year:							
Capital debt		4,621,000	2,384,909				7,005,909
Non-capital debt	41,969	670,561		4,271	89,772	81,052	887,625
Leases Payable		7,504,109		22,972		5,916	7,532,997
Due in more than one year:							0
Capital debt		29,887,000	47,613,249		36,812,935		114,313,184
Non-capital debt	87,126	881,572		4,270	141,200	81,053	1,195,221
Leases Payable		34,762,521		733,168		11,891	35,507,580
Pension settlement liability		62,913,615					62,913,615
Net pension liability	13,807,505		4,004,190	396,647	10,291,819	6,586,764	35,086,925
Net OPEB liability						268,950	268,950
Total Liabilities	<u>14,646,213</u>	<u>227,431,938</u>	<u>55,741,008</u>	<u>1,197,166</u>	<u>52,291,094</u>	<u>7,125,779</u>	<u>358,433,198</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions				50,757	63,699	232,985	347,441
Deferred inflows related to leases		4,700,668			30,049,090		34,749,758
Deferred inflows related to OPEB						155,829	155,829
Total deferred inflows of resources	<u>0</u>	<u>4,700,668</u>	<u>0</u>	<u>50,757</u>	<u>30,112,789</u>	<u>388,814</u>	<u>35,253,028</u>
NET POSITION							
Net investment in capital assets	3,825,402	146,891,917	9,782,394	162,055	46,230,240	1,109,167	208,001,175
Restricted for:							
Debt service		1,452,600	10,326,866		1,396		11,780,862
Capital projects			603,382		2,791,168		3,394,550
Customer deposits			722,780				722,780
Special revenue funds					209		209
Indigent care		2,211,196					2,211,196
Harbor maintenance					6,060,695		6,060,695
Unemployment fund reserve					15,000		15,000
Other purposes		430,231				23,688	453,919
Unrestricted	(10,554,682)	57,654,687	(1,450,044)	2,040,458	10,404,575	(4,471,467)	53,623,527
Total Net Position	<u>\$ (6,729,280)</u>	<u>208,640,631</u>	<u>19,985,378</u>	<u>2,202,513</u>	<u>65,503,283</u>	<u>(3,338,612)</u>	<u>286,263,913</u>

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

JACKSON COUNTY
Component Units - Combining Statement of Revenues, Expenses, and Changes in Net Position
September 30, 2022

	Component Units						Total
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	
Operating Revenues							
Charges for services	\$ 3,663,831				16,565,548	83,572	20,312,951
Connection fees			631,065				631,065
County revenue	453,000						453,000
Government grants	5,795,805						5,795,805
Grants and contributions					347,711	54,951	402,662
Other grants	72,500						72,500
Other revenues		36,499,584	338,661				36,838,245
Patient services revenue		516,409,130					516,409,130
Sales to customers			9,736,833				9,736,833
Surcharges				1,446,132			1,446,132
Total Operating Revenues	<u>9,985,136</u>	<u>552,908,714</u>	<u>10,706,559</u>	<u>1,446,132</u>	<u>16,913,259</u>	<u>138,523</u>	<u>592,098,323</u>
Operating Expenses							
Administrative and general			1,115,144		3,451,325	4,334,282	8,900,751
Bayou Casotte					6,165,886		6,165,886
Black Creek					781,620		781,620
Commodities	375,166						375,166
Contractual services	2,426,592						2,426,592
Depreciation and amortization	241,604	35,296,973	2,544,196	221,851			38,304,624
Employee benefits		33,176,435					33,176,435
Insurance				67,773			67,773
Industrial parks					239,891		239,891
Law library						60,976	60,976
Maintenance and operation			2,850,538	96,884			2,947,422
Other expenses		48,683,395					48,683,395
Personnel costs	6,494,714						6,494,714
Port operations					20,562,130		20,562,130
Professional fees		17,455,964		32,596			17,488,560
Purchased services		60,349,825					60,349,825
Salaries and wages		213,925,691		193,400			214,119,091
Singing River Island					1,363,161		1,363,161
Supplies		150,348,224		9,158			150,357,382
Travel	79,059						79,059
Treatment and collection fees			2,142,084				2,142,084
Utilities and telephone				498,011			498,011
Total Operating Expenses	<u>9,617,135</u>	<u>559,236,507</u>	<u>8,651,962</u>	<u>1,119,673</u>	<u>32,564,013</u>	<u>4,395,258</u>	<u>615,584,548</u>
Operating Income (Loss)	<u>368,001</u>	<u>(6,327,793)</u>	<u>2,054,597</u>	<u>326,459</u>	<u>(15,650,754)</u>	<u>(4,256,735)</u>	<u>(23,486,225)</u>

JACKSON COUNTY
Component Units - Combining Statement of Revenues, Expenses, and Changes in Net Position Con't
September 30, 2022

	Component Units						Total
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	
Non-Operating Revenues (Expenses)							
Ad valorem taxes			319,109			3,968,969	4,288,078
Earnings on equity investements		220,797					220,797
Gain (loss) on disposal of assets	(840)	(701,278)		(15,231)			(717,349)
Grant Revenue		652,908					652,908
Interest and investment income (expense)	588	(10,169,065)	(1,162,231)	(5,447)	683,737	9,024	(10,643,394)
Pension liability adjustment due to GASB 68 and 71	(457,399)						(457,399)
Lease revenue			40,708				40,708
Non capital contribution - Jackson County		195,300					195,300
Miscellaneous income					12,088,895	4,315	12,093,210
Disaster assistance grants			9,292				9,292
Legal settlement			80,000				80,000
State health grant						289,798	289,798
State life grant						3,730	3,730
State personnel grant						174,220	174,220
CARES ACT grant		18,648,016					18,648,016
Transfer (to) from other governments					662,816		662,816
Total Non-Operating Revenues (Expenses)	(457,651)	8,846,678	(713,122)	(20,678)	13,435,448	4,450,056	25,540,731
Change in Net Position	(89,650)	2,518,885	1,341,475	305,781	(2,215,306)	193,321	2,054,506
Net Position - Beginning	(6,639,630)	195,692,795	18,643,903	1,907,203	67,677,133	(3,531,933)	273,749,471
Prior Period Adjustment		10,428,951		(10,471)	41,456		10,459,936
Net Position - Ending	(6,729,280)	208,640,631	19,985,378	2,202,513	65,503,283	(3,338,612)	286,263,913

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

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

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

B. Individual Component Unit Disclosures.

Discretely Presented Component Units

The component units' columns in the financial statements include the financial data of the following component units of the County. They are reported in a separate column to emphasize that they are legally separate from the County.

Singing River Mental Health/Mental Retardation Services ("the Agency"), established by *Section 41-19-31, Mississippi Code of 1972 Annotated*, authorizes the Agency to establish facilities within which to operate and maintain programs to serve the mentally ill and mentally retarded patients in Jackson County and George County. The Agency is governed by a two-member Board of Commissioners with each county's Board of Supervisors appointing one member. Each of these Commissioners sits on the fifteen-member Board of Directors for the Agency which manages the day-to-day operations of the Agency.

Singing River Health System ("the Public Hospital"), established by *Section 41-13-15, Mississippi Code of 1972 Annotated*, authorizes the Public Hospital to provide for the establishment, maintenance and operation of health facilities to serve community health needs in Jackson County. Facilities operated by the Public Hospital include: 1) Singing River Hospital, 2) Ocean Springs Hospital, 3) Singing River Medical Park and Ocean Springs Medical Park, 4) the Neuroscience Center, 5) the Regional Cancer Center and 6) five primary care clinics throughout the County. The Public Hospital is governed by a nine-member Board of Trustees with the Jackson County Board of Supervisors appointing seven members.

West Jackson County Utility District ("the Utility District") was created in 1974 by the Jackson County Board of Supervisors under the provisions of Senate Bill 2251, under the Laws of the State of Mississippi 1966. The Utility District provides water and sewer collection services to user customers in the unincorporated areas of Western Jackson County. The Utility District is governed by a five-member Board of Commissioners appointed by the Jackson County Board of Supervisors.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2022

Jackson County Emergency Communications District (“the Communications District”) was established by *Section 19-5-305, Mississippi Code of 1972 Annotated*, to provide E-911 services to Jackson county residents. The seven-member Board of Commissioners is appointed entirely by the Jackson County Board of Supervisors.

Jackson County Port Authority (“the Port Authority”) was established in 1956 under Chapter 199 of the Laws of the State of Mississippi. The Port Authority was provided exclusive jurisdiction over improvements resulting from the acts (harbors, waters, vessels, etc.) for the purpose of importing and exporting under a tariff approved by the Federal Maritime Commission. The Port Authority is also charged with the operations of an industrial water supply, a water pollution control system and a water cooling lake. The Jackson County Board of Supervisors appoints five members to the nine-member Port Commission with the remaining members appointed by the Governor of Mississippi.

Jackson-George Regional Library System (“The Library System”) was created by contract between the Jackson County Board of Supervisors and the George County Board of Supervisors under *Section 39-3-9, Mississippi Code of 1972 Annotated*. Eight library facilities are maintained that provide services to the residents of both counties. The Library System is governed by a regional Board of Trustees with appointees made by each county’s Board of Supervisors.

Certified public accounting firms other than the primary government auditor prepare audited financial statement information for each discretely presented component unit listed above and are provided to the County as the primary government. Financial information may be obtained from the Jackson County Chancery Clerk’s office at Post Office Box 998, Pascagoula, Mississippi 39568-0998.

C. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2022

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

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

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

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

The County reports the following major Governmental Funds:

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

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

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

Capital Projects Funds - These funds are used to account for and report financial resources that are

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2022

restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUND TYPES

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

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 funds report on self-insurance programs for employee medical and worker's compensation 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, and all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value.

G. Receivables.

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

H. Interfund Transactions and Balances.

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

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. Prepaid items, such as prepaid

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

insurance, are not reported for Governmental Fund Types since the costs of such items are accounted for as expenditures in the period of acquisition.

J. Restricted Assets.

Cash:

Proprietary Fund and component unit assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

Investments:

Assets required to be held and/or used as specified in bond indentures, bond resolutions, trust agreements, board resolutions and donor specifications have been reported as restricted assets. Certain resources and revenues associated with the County's revenue bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "bond proceeds" fund is used to receive the proceeds of the bonds which shall be used to pay the cost of issuance of the bonds. The "capitalized interest" fund is used to pay the initial debt service payments on the bonds. The "construction" fund is used to receive the proceeds of the bond and shall be applied by the borrower to the costs of the project. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

K. Capital Assets.

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

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because noncapitalization of interest does not have a material effect on the County's financial statements. Donated capital assets are recorded at their fair value at the time of donation.

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

	<u>Capitalization Thresholds</u>	<u>Estimated Useful Life</u>
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

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Furniture and equipment	5,000	3-7 years
Intangible assets	**	**

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

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

L. 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 outflows related to pensions - This amount represents the proportionate share of the deferred outflows of resources reported by the pension plan in which the County, as well as the Singing River Mental Health / Mental Retardation Services, the West Jackson County Utility District, the Jackson County Emergency Communications District, the Jackson County Port Authority and the Jackson-George Regional Library System, all discretely presented component units of the County, participate. See Note 13 for additional details.

Deferred outflows related to other postemployment benefits (OPEB) - This amount represents the proportionate share of the deferred outflows of resources reported by the OPEB plans in which the County, as well as the Jackson-George Regional Library System, a component unit of the County, participate. See Note 12 for additional details.

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

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

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

Deferred inflows related to pensions - This amount represents the proportionate share of the deferred inflows of resources reported by the pension plan in which the County, as well as the Singing River Mental Health/Mental Retardation Services, the West Jackson County Utility District, the Jackson County Emergency Communications District, the Jackson County Port Authority and the Jackson-George Regional Library System, all discretely presented component units of the County, participate. See Note 13 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.

Deferred inflows related to other postemployment benefits (OPEB) - This amount represents the proportionate share of the County’s deferred inflows of resources reported by the OPEB plan in which the County, as well as the Jackson-George Regional Library System, a component unit of the County, participate. See Note 12 for additional details.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

M. Leases.

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

The County uses the Federal Prime Borrowing Rate to calculate the present value of lease payments when the rate implicit in the lease is not known.

N. Long-term Liabilities.

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

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

In the fund financial statements, the face amount of the debt issued is reported as other financing sources. 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, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Other Postemployment Benefits.

Plan Description

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

Component Unit – Jackson George Regional Library System

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State and School Employee's Life and Health Plan (OPEB Plan) and additions to / deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recorded when the OPEB benefits come due. Investments

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

are reported at fair value as determined by the State.

Q. Compensated Absences.

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

R. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2022

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

Fund Balance Flow Assumption:

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

S. Property Tax Revenues:

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

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

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

T. 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.

U. Changes in Accounting Standards.

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

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

(2) Prior Period Adjustments.

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

Exhibit 2 – Statement of Activities – Governmental Activities.

Explanation	Amount
To correct prior year errors in compensated absenses liability	\$ (220,878)
To correct prior year errors in recording claims payable	(304,511)
To correct prior year errors in recording revenues	10,256
To correct prior year errors in recording pensions	(168,738)
To correct prior year errors in recording deferred inflows	12,362
To correct prior year errors in recording capital assets	(704,115)
Total prior period adjustments	\$ (1,375,624)

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

Explanation	Amount
To correct prior year errors in compensated absenses liability	\$ (1,438)
To correct prior year errors in recording claims payable	(372)
To correct prior year errors in recording pensions	168,740
To correct prior year errors in recording capital assets	157,562
Total prior period adjustments	\$ 324,492

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

Explanation	Amount
To correct prior year errors in recording claims payable	\$ (304,511)
To correct prior year errors in recording deferred inflows	12,362
To correct prior year errors in recording revenues	10,256
Total prior period adjustments	\$ (281,893)

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

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

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in compensated absences liability	\$ (1,438)
To correct prior year errors in recording claims payable	(372)
To correct prior year errors in recording pensions	168,740
To correct prior year errors in recording capital assets	<u>157,562</u>
Total prior period adjustments	<u>\$ 324,492</u>

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$189,395,771, and the bank balance was \$192,812,106. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by *Section 27-105-5, Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

Investments:

As provided in *Section 91-13-8, Mississippi Code of 1972 Annotated*, the following investments of the County are handled through a trust indenture between the County and the trustee related to qualified GOMESA projects.

Investments balances at September 30, 2022, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>	<u>Rating</u>
Goldman Sachs Financial Square Government Fund	Less than on year	1	\$ <u>11,092,727</u>	AAA

The investment in the Goldman Sachs Financial Square Government Fund is uninsured and unregistered and is not backed by the full faith and credit of the federal government.

The County categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

the asset. Level 1 inputs include U.S. government and agency securities, foreign government debt, listed equities and money market securities.

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, *Section 19-9-29, Mississippi Code of 1972 Annotated* limits the maturity period of any investment to no more than one year.

Credit Risk. State law limits investments to those authorized by *Sections 19-9-29 and 91-13-8, Mississippi Code of 1972 Annotated*. The County does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. Of the County's investments, all of the underlying securities were uninsured, unregistered, and held in trust accounts by the investment's counterparty on behalf of the County, not in the name of the County.

Concentration of Credit Risk. The County places no limit on the amount the County may invest in any one issuer. All of the County's investments are in the Goldman Sachs Financial Square Government Fund and are reported in the Capital Projects - GOMESA Fund.

(4) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 5,839,364
General Fund	Internal Service Funds	240
General Fund	Custodial Funds	31,795
Custodial Funds	General Fund	46,150
Internal Service Fund	General Fund	<u>695,410</u>
Total		<u>\$ 6,612,959</u>

The receivables represent operating loans for cash flow and grant reimbursements. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ <u>1,002,473</u>

The advances to other governmental funds represent prior year loans made to funds in the anticipation of grant receipts.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 6,290
Other Governmental Funds	General Fund	12,502,033
Other Governmental Funds	Other Governmental Funds	1,314,362
Enterprise Funds	General Fund	500,000
Internal Service Funds	General Fund	1,500,000
		<u>1,500,000</u>
Total		<u>\$ 15,822,685</u>

The principal purpose of interfund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Intergovernmental Receivables.

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

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 1,416,697
Emergency management performance grants reimbursement	98,816
GOMESA grant reimbursement	74,925
Airport improvement grant reimbursement	320,102
Reimbursement for housing prisoners	133,675
Radio communications grant reimbursement	68,200
Disaster grant reimbursement - hurricane Zeta	467,448
Disaster grant reimbursement - hurricane Nate	243,994
Disaster grant reimbursement - COVID	118,370
Various expense reimbursements	130,581
Various reimbursement grants	56,106
	<u>56,106</u>
Total Governmental Activities	<u>\$ 3,128,914</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

(6) Loans Receivable.

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

<u>Description</u>	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Receivable Balance</u>
Sandco Industries*	10/01/91	4.00%	11/04/04	\$ 50,000
Bayou Blend*	09/22/94	4.00%	09/01/99	<u>86,254</u>
Total				136,254
Less: Allowance for doubtful accounts*				<u>(136,254)</u>
Loans Receivable				<u>\$ 0</u>

(7) Restricted Assets – Cash.

As of September 30, 2022, restricted assets – cash consisted of:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
MS Tort Claims Trust (cash)	\$ 1,571,513	
ADC Canteen (cash)		186,331
Golf Course (cash)		256,838
Ocean Springs Harbor (cash)		<u>654,361</u>
Total restricted assets	<u>\$ 1,571,513</u>	<u>1,097,530</u>

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For the Year Ended September 30, 2022

Business-type activities:

	Balance Oct. 1, 2021	Additions	Adjustments*	Balance Sept. 30, 2022
<u>Non-depreciable capital assets:</u>				
Land	\$ 199,029			199,029
Construction in progress		28,141	(15,303)	12,838
Total non-depreciable capital assets	199,029	28,141	(15,303)	211,867
<u>Depreciable capital assets:</u>				
Buildings	1,370,247			1,370,247
Improvements other than buildings	7,660,033		174,819	7,834,852
Mobile equipment	577,425	35,500	(19,537)	593,388
Furniture and equipment	238,591	55,091		293,682
Intangible right-to-use land		495,879		495,879
Total depreciable capital assets	9,846,296	586,470	155,282	10,588,048
<u>Less accumulated depreciation for:</u>				
Buildings	109,624	27,405		137,029
Improvements other than buildings	2,451,232	311,499		2,762,731
Mobile equipment	390,034	63,059	(17,583)	435,510
Furniture and equipment	204,256	15,570		219,826
Intangible right-to-use land		25,644		25,644
Total accumulated depreciation	3,155,146	443,177	(17,583)	3,580,740
Total depreciable capital assets, net	6,691,150	143,293	172,865	7,007,308
Business-type activities capital assets, net	\$ 6,890,179	171,434	157,562	7,219,175

* Adjustments are for the reclassification of completed construction in progress and to correct prior year errors in capital assets.

Depreciation expense was charged to the following functions:

	Amount
Governmental activities:	
General government	\$ 1,656,956
Public safety	2,416,590
Public works	6,484,209
Health and welfare	142,953
Culture and recreation	1,055,442
Economic development and assistance	14,713
Total governmental activities depreciation expense	\$ 11,770,863

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

	<u>Amount</u>
Business-type activities:	
Ocean Springs Harbor	\$ 323,618
Golf Course	<u>119,559</u>
Total business-type activities depreciation expense	<u>\$ 443,177</u>

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

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
Avtech Turn Lane/Saracennia Road	\$ 600,000	4/1/2024
Beach Blvd Bridge #566	700,000	6/1/2025
Beachview Drive Improvements (Proj #167456)	2,000,000	6/1/2025
Beachview Drive Improvements Phase II (Proj #183836)	2,500,000	12/1/2026
Daisy Vestry Road Bridge (SA30-125)	1,500,000	12/1/2023
Davis Sawmill #006	600,000	4/1/2023
Espana Woods Drainiage Ditch Rehabilitation (PRJ000139)	1,500,000	6/1/2025
Glendale (East) 2019-09-562	100,000	12/1/2024
Graveline Road Elevation Proj (Graveline & Old Spanish)	122,543	4/1/2023
Graveline Bridge (STP-BR-9191 (1)B)	9,000,000	6/1/2025
Hallstrom Cul De Sac (2021-02-648)	50,000	12/1/2023
Hanshaw Rd Bridge (SA116)	1,900,000	6/1/2025
Hwy 90 at Audubon Lane	60,000	12/1/2023
Hwy SR609&Old Fort Bayou Rd (STP-9385-00(015))LPA/106888-701000	2,200,000	12/1/2025
Jericho Road Drainage (2021-02-647)	6,311	4/1/2023
Lemoyne Blvd Drainage (2015-02-293)	68,190	10/1/2022
Letort Lane Drainage & Erosion Control Projects off Lemoyne (PRJ000147)	2,162,459	4/1/2024
Louise Street Bridge (Bond) (PRJ000007)	737,417	4/1/2023
Magnolia Street @ Bryant Street (City of Moss Point Bond Project) (PRJ000071)	6,876	4/1/2023
Main Street - Biddix Evans Road	1,250,000	12/1/2025
Ocean Springs/Vancleave Overlay STP-9065(2)B	1,700,000	10/1/2023
Old Biloxi Road (SAP-30(27))	2,000,000	6/1/2025
Old Fort Bayou Impr. from Rose Farm (2017-04-420)	1,500,000	12/1/2023
Omas Pine Grove Estates Drainage (PRJ000149)	10,000	12/1/2024

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Notes to Financial Statements
For the Year Ended September 30, 2022

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Parkers Lake Bridge	\$ 200,000	8/1/2023
Pine Avenue (Loreman) (2021-09-688)	25,000	12/1/2022
Belle Fontaine Drainage Outfall #2	100,000	12/1/2024
Belle Fontaine Drainage Outfall #1	100,000	12/1/2024
St Andrews Park Drainage Improvements	156,119	7/1/2023
Poticaw/Johns Bayou Rd Realign (2017-03-414)	200,000	4/1/2023
Roy Cumbest Bridge PRJ000009	21,000,000	6/1/2025
Rue Beaux Chenes Drainage	750,000	12/1/2025
Sampson Bridge (SA-180)	150,000	12/1/2023
Seaman Road Bridge #124	650,000	6/1/2024
St Andrew West Drainage	300,000	6/1/2023
Shelby Lane (2013-08-333)	1,200,000	12/1/2024
Tantallon Drive Drainage (2021-07-675)	25,000	12/1/2023
Windsor Drainage	400,000	10/1/2022
Cool Ridge Road Drainage Improvements 2022-04-714	1,200,000	12/1/2024
Constitution Road Bridge/Box Culvert	1,700,000	12/1/2025
Daisy Vestry Road Drainage (Zettle)	10,000	12/1/2023
North Street Drainage Improvements Phase 2 (North St to Center St)	90,000	6/1/2024
Indian Lane Widening Project Easement	100,000	12/1/2023
Greenfield Rd. Drainage Project	2,000,000	12/1/2025
Pointe Aux Chenes Rd Guardrail Replacement	8,125	4/23/2023
Trent Lott Airport Taxiway Rehabilitation, Phase I	1,688,941	4/1/2023
Fort Bayou Boat Launch Fishing Pier Extension & Shade Roofs	260,955	12/1/2023
Helena Area Drainage Improvements, Wildwood Rd (Phase I)	1,125,947	12/1/2024
Jackson County (Vancleave) Fire Station Renovations and Addition	1,219,092	6/1/2023
Ocean Springs Highway 90 Fishing Pier Repairs (FEMA)	679,814	4/1/2023
Lake Mars Pier Expansion	337,923	9/30/2023
New Justice Court Building	6,078,531	1/1/2024
Jackson County Soccer Complex (Gautier - Phase III) Restroom Pavilion	272,200	6/30/2024
Racetrack Rd Boat Launch (Phase I)	175,244	12/31/2023
Multipurpose Arena at Lum Cumbest	1,339,744	12/31/2023
Whispering Pines Golf Course Maintenance Facility	1,033,300	12/1/2024
West Jackson County Soccer Complex Improvements (Phase II)	572,101	1/1/2023
Fort Bayou Launch Improvements - Phase IV	274,806	3/1/2023
Animal Shelter - Phase II	2,265,974	8/23/2023

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Component Units:

The Singing River Mental Health/Mental Retardation Services' capital asset balance at June 30, 2022 are as follows:

Singing River Mental Health/Mental Retardation Services:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<u>Non-depreciable capital assets:</u>				
Land	\$ 10,000			10,000
Total non-depreciable capital assets	10,000	0	0	10,000
<u>Depreciable capital assets:</u>				
Buildings	3,259,212			3,259,212
Building improvements	611,618	64,347		675,965
Equipment	2,031,952	42,750	35,017	2,039,685
Software	414,667	1,805		416,472
Total depreciable capital assets	6,317,449	108,902	35,017	6,391,334
<u>Less accumulated depreciation for:</u>	2,368,168	241,604	33,840	2,575,932
Total depreciable capital assets, net	3,949,281	(132,702)	1,177	3,815,402
Component unit capital assets, net	\$ 3,959,281	(132,702)	1,177	3,825,402

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Notes to Financial Statements
For the Year Ended September 30, 2022

The Singing River Health System's capital asset balances at September 30, 2022 are as follows:

Singing River Health System:

	(As Restated) Balance Oct. 1, 2021	Additions	Deletions	Balance Sept. 30, 2022
<u>Non-depreciable capital assets:</u>				
Land	\$ 9,047,289	19,161		9,066,450
Construction in progress	5,065,474	7,737,697	6,609,786	6,193,385
Total non-depreciable capital assets	14,112,763	7,756,858	6,609,786	15,259,835
<u>Depreciable capital assets:</u>				
Land improvements	7,615,842	38,900		7,654,742
Buildings and improvements	247,211,694	6,740,375	143,667	253,808,402
Fixed equipment	14,388,141	167,247		14,555,388
Movable equipment	309,240,594	6,828,171	3,297,217	312,771,548
Total depreciable capital assets	578,456,271	13,774,693	3,440,884	588,790,080
<u>Less accumulated depreciation for:</u>				
Land improvements	5,469,045	234,576		5,703,621
Buildings and improvements	144,318,364	8,213,216	506,371	153,037,951
Fixed equipment	12,828,930	210,583		13,039,513
Movable equipment	233,644,061	16,819,309	11,075	250,474,445
Total accumulated depreciation	396,260,400	25,477,684	517,446	422,255,530
Total depreciable capital assets, net	182,195,871	(11,702,991)	3,958,330	166,534,550
Component unit capital assets, net	\$ 196,308,634	(3,946,133)	10,568,116	181,794,385

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

The West Jackson County Utility District's capital asset balances at September 30, 2022 are as follows:

West Jackson County Utility District:

	Balance Oct. 1, 2021	Additions	Deletions	Balance Sept. 30, 2022
<u>Non-depreciable capital assets:</u>				
Land and easements	\$ 150,495	104,867		255,362
Construction in progress	4,721,393	3,676,646		8,398,039
Total non-depreciable capital assets	4,871,888	3,781,513	0	8,653,401
<u>Depreciable capital assets:</u>				
Office furniture and equipment	502,655	21,315	9,000	514,970
Buildings	4,693,425			4,693,425
Machinery and equipment	781,428	21,894		803,322
Vehicles	1,144,817	124,188		1,269,005
Utility systems	72,127,266	841,145		72,968,411
Total depreciable capital assets	79,249,591	1,008,542	9,000	80,249,133
Less accumulated depreciation for:	26,232,566	2,544,196	9,000	28,767,762
Total depreciable capital assets, net	53,017,025	(1,535,654)	0	51,481,371
Component unit capital assets, net	\$ 57,888,913	2,245,859	0	60,134,772

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

The Jackson County Emergency Communications District's capital asset balances at September 30, 2022 are as follows:

Jackson County Emergency Communications District:

	Balance Oct. 1, 2021	Additions	Deletions	Balance Sept. 30, 2022
<u>Depreciable capital assets:</u>				
Furniture and fixtures	473,468		224,265	249,203
Auto	26,642			26,642
Communications system	12,570,886	35,122		12,606,008
	<u>13,070,996</u>	<u>35,122</u>	<u>224,265</u>	<u>12,881,853</u>
<u>Less accumulated depreciation for:</u>				
Furniture and fixtures	429,087	20,154	209,034	240,207
Auto	26,642			26,642
Communications system	12,272,499	177,245		12,449,744
	<u>12,728,228</u>	<u>197,399</u>	<u>209,034</u>	<u>12,716,593</u>
Total depreciable capital assets, net	<u>342,768</u>	<u>(162,277)</u>	<u>15,231</u>	<u>165,260</u>
Component unit capital assets, net	<u>\$ 342,768</u>	<u>(162,277)</u>	<u>15,231</u>	<u>165,260</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

The Jackson County Port Authority's capital asset balances at September 30, 2022 are as follows:

Jackson County Port Authority:

	Balance Oct. 1, 2021	Additions	Deletions	Balance Sept. 30, 2022
<u>Non-depreciable capital assets:</u>				
Land	\$ 5,856,920			5,856,920
Construction in progress	12,695,013	2,378,717	355,414	14,718,316
Total non-depreciable capital assets	18,551,933	2,378,717	355,414	20,575,236
<u>Depreciable capital assets:</u>				
Infrastructure	73,556,556			73,556,556
Buildings and improvements	62,936,274	355,414		63,291,688
Furniture fixtures and other equipment	1,977,108	45,722	2,000	2,020,830
Bayou Casotte Water Supply System	57,566,415	156,238	10,355	57,712,298
Black Creek Cooling Facility	4,090,509	20,600	800	4,110,309
Industrial Parks	900,312			900,312
Singing River Island	265,844	1,110,912	10,000	1,366,756
Total depreciable capital assets	201,293,018	1,688,886	23,155	202,958,749
<u>Less accumulated depreciation for:</u>				
Buildings and Improvements	82,252,717	1,701,678		83,954,395
Furniture fixtures and other equipment	3,752,933	128,848	16,588	3,865,193
Infrastructure	47,828,607	4,842,615		52,671,222
Total accumulated depreciation	133,834,257	6,673,141	16,588	140,490,810
Total depreciable capital assets, net	67,458,761	(4,984,255)	6,567	62,467,939
Component unit capital assets, net	\$ 86,010,694	(2,605,538)	361,981	83,043,175

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

The Jackson-George Regional Library System’s capital asset balances at September 30, 2022 are as follows:

Jackson-George Regional Library System:

	Balance Oct. 1, 2021	Additions	Deletions	Balance Sept. 30, 2022
<u>Depreciable capital assets:</u>				
Library materials	9,267,486	337,110		9,604,596
Furniture and equipment	419,348			419,348
Computer equipment	262,666	53,457	2,658	313,465
Intangible right-to-use equipment		23,535		23,535
	<u>9,949,500</u>	<u>414,102</u>	<u>2,658</u>	<u>10,360,944</u>
<u>Less accumulated depreciation for:</u>				
Library materials	8,201,481	370,484		8,571,965
Furniture and equipment	384,717	10,536		395,253
Computer equipment	248,673	14,728	2,658	260,743
Intangible right-to-use equipment		6,009		6,009
	<u>8,834,871</u>	<u>401,757</u>	<u>2,658</u>	<u>9,233,970</u>
Total depreciable capital assets, net	<u>1,114,629</u>	<u>12,345</u>	<u>0</u>	<u>1,126,974</u>
Component unit capital assets, net	<u>\$ 1,114,629</u>	<u>12,345</u>	<u>0</u>	<u>1,126,974</u>

(9) Claims and Judgments.

Risk Financing.

Worker’s Compensation Benefits

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

Health and Accident Benefits

The County is exposed to risk of loss relating to employee health, accident and dental coverage. Beginning in 1990 and pursuant to *Section 25-15-101, Mississippi Code of 1972 Annotated*, the County established a risk management fund (included as an Internal Service Fund) to account for and finance its uninsured risk of loss.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Under the plan, amounts payable to the risk management fund are based on actuarial estimates. Jackson 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 implemented the following plans to minimize this potential loss:

The County has purchased coinsurance, which functions on two separate stop loss coverages: 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 \$200,000.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At September 30, 2022, the amount of these liabilities was \$866,458. An analysis of claims activities is presented below:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2020 - 2021	\$ 474,567	8,918,065	(9,392,632)	0
2021 - 2022	\$ 0	10,274,502	(9,408,044)	866,458

(10) Leases.

The County is a lessee for various non-cancellable leases of land and equipment. For leases that have a maximum possible term of 12 months or less at commencement, the County recognizes expense based on the provisions of the lease contract. For all other leases, other than short-term, the County recognized a lease liability 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 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 rate used to measure leases of 16th section real property was 4.00% in accordance with *Section 29-3-113, Mississippi Code of 1972 Annotated*.

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.

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Notes to Financial Statements
For the Year Ended September 30, 2022

As Lessee:

Lease Assets

Governmental Activities:

	Balance 10/1/2021	Additions	Amortization	Balance 9/30/2022
Intangible right-to-use land	\$	1,236,117	69,819	1,166,298
Intangible right-to-use equipment		91,251	35,358	55,893
Total	\$ 0	1,327,368	105,177	1,222,191

Business-type Activities:

	Balance 10/1/2021	Additions	Amortization	Balance 9/30/2022
Intangible right-to-use land	\$	495,879	25,644	470,235

See Note 8 for further details regarding intangible right-to-use assets, which represents leased assets.

Lease Liabilities

Governmental Activities:

	Balance 10/1/2021	Additions	Principal Payments	Balance 9/30/2022
Land	\$	1,236,117	71,127	1,164,990
Copier Leases		91,251	30,999	60,252
Total	\$ 0	1,327,368	102,126	1,225,242

Business-type Activities:

	Balance 10/1/2021	Additions	Principal Payments	Balance 9/30/2022
Land	\$	495,879	31,166	464,713

From 1989 through 2017, Jackson County entered into various non-cancellable lease agreements with the Jackson County School District for the lease of several parcels of 16th section land owned by the School District. The leases stipulated that the lessee would pay lease payments ranging from \$450 to \$48,828 per year for terms of 25 to 40 years.

From 2019 to 2021, Jackson County entered into various non-cancellable lease agreements with Dex Imaging for the lease of copiers owned by Dex Imaging. The leases stipulated that the lessee would pay \$192 to \$2,111 per month in lease payments for terms of four to five years.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

On June 8, 2021, Jackson County entered into a non-cancellable lease agreement with RJ Young for the lease of a copier owned by RJ Young. The lease stipulated that the lessee would pay \$300 per month in lease payments for a term of four years.

Governmental Activities:

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
16th Section Lease	4.00%	40 years	05/1989	04/2029	\$ 531 *	\$ 33,419
16th Section Lease	4.00%	40 years	11/1995	11/2035	104 *	12,482
16th Section Lease	4.00%	40 years	08/2007	08/2047	38 *	6,686
16th Section Lease	4.00%	25 years	01/2009	01/2034	246 *	23,927
16th Section Lease	4.00%	25 years	02/2010	02/2035	140 *	15,720
16th Section Lease	4.00%	25 years	07/2014	07/2039	3,092 *	432,300
16th Section Lease	4.00%	25 years	01/2016	01/2041	4,069 *	618,128
16th Section Lease	4.00%	25 years	03/2017	02/2042	142 *	22,328
Copier Lease	3.25%	48 months	09/2019	09/2023	2,111	24,892
Copier Lease	3.25%	60 months	10/2020	10/2025	477	16,786
Copier Lease	3.25%	48 months	06/2021	06/2025	300	9,732
Copier Lease	3.25%	60 months	12/2021	12/2026	192	8,842
					\$ 11,442	\$ 1,225,242

Business-type Activities:

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
16th Section Lease	4.00%	25 Years	01/2016	01/2041	\$ 3,059 *	\$ 464,713

* Lease payment made annually, but is shown monthly for reporting purposes.

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

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 89,281	48,011	18,121	18,588
2024	66,885	45,075	18,846	17,863
2025	68,877	42,483	19,599	17,110
2026	63,173	39,935	20,383	16,326
2027	63,047	37,473	21,199	15,510
2028-2032	326,988	149,152	119,410	64,135
2033-2037	366,612	80,878	145,282	38,263
2038-2042	179,130	13,504	101,873	8,254
2043-2047	1,249	102		
Total	\$ 1,225,242	456,613	464,713	196,049

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

As Lessor:

On September 1, 2021, Jackson County entered into a non-cancellable lease agreement with the Mississippi Department of Corrections for the lease of a County owned building for the purpose of housing the Jackson County Probation and Parole Office. The lease stipulated that the lessee would pay \$3,552.50 per month in lease payments for a term of five (5) years. The County is to receive \$42,630 in rent annually with an implicit interest rate of 3.25%. Total income received was \$46,183 for the year ended September 30, 2022.

On July 14, 2021, Jackson County entered into a fixed base operator (FBO) lease agreement with Southern Sky Aviation KPQL, LLC (SSA). The lease allows SSA to operate a commercial fixed base operation business at the County owned Trent Lott International Airport. The lease stipulated that the lessee would pay a minimum amount of \$10,000 per month in lease payments as well as other variable fees and commissions related to the FBO, commencing July 15, 2021 for a term of twenty (20) years. On September 27, 2022, Jackson County and SSA agreed to amend the FBO lease to add Hanger 6 to the leased property for a term of three (3) years. The lease amendment stipulated that the lessee would pay a minimum amount of \$14,750 per month, commencing November 1, 2022 and continuing for the period Hanger 6 was leased. After the expiration of the Hanger 6 lease term, the minimum lease payment will revert to \$10,000 per month. The County is to receive between \$157,500 and \$100,000 annually with an implicit interest rate of 6.25%.

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 109,820	86,757
2024	131,511	88,119
2025	138,736	80,894
2026	89,201	74,626
2027	48,987	71,013
2028 - 2032	296,451	303,549
2033 - 2037	404,871	195,129
2038 - 2042	<u>408,105</u>	<u>51,895</u>
Total	<u>\$ 1,627,682</u>	<u>951,982</u>

Component Units:

Singing River Mental Health/Mental Retardation Services:

As Lessee:

The Agency operates from a leased facility in George County and another in Gautier under lease agreements classified as operating leases for accounting purposes. Leases are renewed bi-annually and tri-annually, respectively. Total rent expense for the fiscal year ending June 30, 2022, was \$159,840.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Required estimated future minimum lease payments are as follows:

<u>Year Ending September 30</u>	
2023	\$ 109,200
2024	109,200
2025	<u>109,200</u>
Total	<u>\$ 327,600</u>

The Agency leases copiers and related accessories for use in Jackson and George Counties under lease agreements classified as operating leases for accounting purposes. Leases are on a 48 month terms with a fair market value purchase option at the end of the lease. Total copier rent expense for the fiscal year ending June 30, 2022, was \$24,018.

Required estimated future minimum lease payments are as follows:

<u>Year Ending September 30</u>	
2023	\$ 19,980
2024	19,980
2025	<u>19,980</u>
Total	<u>\$ 59,940</u>

Singing River Health System:

As Lessee:

The Public Hospital leases equipment, office, and clinic space, the terms of which expire in various years through 2037. Variable payments based upon the use of the underlying assets are not included in the lease liabilities because they are not fixed in substance.

During the years ended September 30, 2022 and 2021, the Public Hospital recognized approximately \$2,000,000 and \$1,100,000, respectively, of rental expense for variable payments not previously included in the measurement of the lease liabilities.

The following is a schedule by year of payments for leases as of September 30, 2022:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 7,504,109	1,447,563
2024	6,623,431	1,191,553
2025	5,929,930	968,435
2026	4,179,108	781,403
2027	2,438,169	655,192
2028-2032	8,734,872	2,223,453
2033-2037	<u>6,857,011</u>	<u>448,539</u>
Total	<u>\$ 42,266,630</u>	<u>7,716,138</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Lease asset activity for the year ended September 30, 2022, was:

	Balance 10/1/2021 (As Restated)	Additions	Terminations	Balance 9/30/2022
Buildings	\$ 36,017,231	4,357,404	160,348	40,214,287
Major movable equipment	<u>12,614,438</u>	<u>3,194,549</u>	<u>1,647,702</u>	<u>14,161,285</u>
	<u>48,631,669</u>	<u>7,551,953</u>	<u>1,808,050</u>	<u>54,375,572</u>
Less accumulated amortization				
Buildings	3,686,067	4,758,481	160,348	8,284,200
Major movable equipment	<u>3,059,258</u>	<u>3,577,959</u>	<u>1,647,702</u>	<u>4,989,515</u>
	<u>6,745,325</u>	<u>8,336,440</u>	<u>1,808,050</u>	<u>13,273,715</u>
Lease assets, net	<u>\$ 41,886,344</u>	<u>(784,487)</u>	<u>0</u>	<u>41,101,857</u>

Lease liabilities activity for the years ended September 30, was:

	Balance 10/1/2021 (As Restated)	Additions	Terminations	Balance 9/30/2022
Buildings	\$ 32,818,382	4,293,665	3,321,033	33,791,014
Major movable equipment	<u>9,539,268</u>	<u>3,193,842</u>	<u>4,257,494</u>	<u>8,475,616</u>
Total lease liabilities	<u>\$ 42,357,650</u>	<u>7,487,507</u>	<u>7,578,527</u>	<u>42,266,630</u>

As Lessor:

The Health System leases a portion of its office space to various third parties, the terms of which expire 2023 through 2032. Revenue recognized under lease contracts during the years ended September 30, 2022 and 2021 were \$1,369,569 and \$1,265,607, respectively, which includes both lease revenue and interest. The Hospital's current and noncurrent lease receivables are included on the accompanying balance sheets in other receivables and other assets, respectively, for the years ended 2022 and 2021.

Year Ending September 30

2023	\$ 854,890
2024	590,889
2025	572,444
2026	545,234
2027	448,032
2028 - 2032	<u>1,945,605</u>
Total	<u>\$ 4,957,094</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

West Jackson County Utility District:

As Lessee:

The District has a lease agreements with the Jackson County Board of Education for a portion of sixteenth section land. The lease term is forty years beginning in fiscal year 2000, with an annual minimum rental of \$495, based on 10% of the appraised value of the property. The agreement provides for reappraisal each eight years and an adjustment of rent based on 10% of the appraised value of the property. The agreement provides for reappraisal each eight years and an adjustment of rent based on 10% of the new appraised value. In 2016, the property was reappraised and a new annual rent of \$650 was established.

Future minimum payments under the remaining term of the lease are as follows:

<u>Year Ending September 30</u>	<u>Future Minimum Rentals</u>
2023	\$ 650
2024	650
2025	650
2026	650
2027	650
2028-2032	3,250
2033-2037	3,250
2038-2042	<u>1,300</u>
Total	\$ <u>11,050</u>

Jackson County Emergency Communications District:

As Lessee:

The District has entered into agreements to lease cell tower sites. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed on February 24, 2021, to lease a cell tower site and requires 54 monthly payments of \$50. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2.96%, which is the implicit rate received from the lessor. As a result of the lease, the District has recorded a right to use asset with a net book value of \$1,919 at September 30, 2022.

The second agreement was executed on October 1, 2021, to lease a cell tower site and requires 180 monthly payments of \$1,600. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.00%, which is the implicit rate received from the lessor. As a result of the lease, the District has recorded a right to use asset with a net book value of \$218,426 at September 30, 2022.

The third agreement was executed on December 20, 2021, to lease a cell tower site and requires 24 monthly payments of \$500. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2.96%, which is the implicit rate received from the lessor. As a result of the lease, the District has recorded a right to use asset with a net book value of \$7,283 at September 30, 2022.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

The fourth agreement was executed on August 1, 2022, to lease a cell tower site and requires 300 monthly payments. There are no variable payment components of the lease. The monthly lease payment escalates at 2% each year on the anniversary of the lease execution date. The monthly payment amount at September 30, 2022 was \$2,600. The lease liability is measured at a discount rate of 5.26%, which is the implicit rate received from the lessor. As a result of the lease, the District has recorded a right to use asset with a net book value of \$525,307 at September 30, 2022.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022, were as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 22,972	34,132
2024	19,847	33,383
2025	19,668	32,700
2026	20,704	31,966
2027	21,904	31,181
2028-2032	134,251	141,612
2033-2037	166,911	110,072
2038-2042	144,466	74,643
2043-2047	<u>205,417</u>	<u>28,124</u>
Total	<u>\$ 756,140</u>	<u>517,813</u>

Jackson County Port Authority

As Lessor:

The Port Authority leases numerous pieces of property to organizations with lease terms ranging from 10 to 60 years. The Port Authority uses the prime rate at date of lease to calculate the present value of the lease payments when the rate implicit in the lease is not known. The Port Authority's financial statements have not been restated nor has a cumulative effect been reflected for the restatement of the beginning net position of the Port Authority. The Port Authority has, however, included in its financial statements at year end the net present value of \$30,498,495 for future lease payments as a lease receivable and \$30,049,090 as deferred inflows of resources.

The total amount of inflows of resources including lease revenue and interest revenue recognized during the current fiscal year is \$1,472,204. The following schedule represents the net present value of future rental payments to be made to the Port Authority for the use of the lands. These future rental payments are from existing leases, including the renewal options expected to be exercised.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

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

Year Ending September 30	Principal	Interest
2023	\$ 973,106	1,010,116
2024	936,598	978,514
2025	969,221	946,595
2026	867,380	913,574
2027	862,408	887,433
2028 - 2032	2,031,579	4,157,123
2033 - 2037	2,049,325	3,825,069
2038 - 2042	2,432,149	3,459,709
2043 - 2047	2,741,856	3,035,287
2048-2058	7,315,953	4,811,625
Thereafter	9,318,920	3,520,511
Total	\$ 30,498,495	27,545,556

Jackson-George Regional Library System:

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

At lease commencement, the Library System 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, less 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 and amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The Library System generally uses its estimated incremental borrowing rate as the discount rate for leases unless the rate that the lessor charges is known. The estimated incremental borrowing rate is the rate the Library System would expect to obtain for a similar financed purchase at the date of lease inception.

The lease term includes the noncancellable period of the lease plus any additional periods covered by either the Library System 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 Library System and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

As Lessee:

The Library System has entered into a 48 month lease of copiers from SMBM for a fixed \$534 per month. The lease agreement can only be cancelled if both parties agree. There are no options to extend the lease agreement and no variable payment options.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Lease Assets

	Balance 10/1/2021	Additions	Amortization	Balance 9/30/2022
Copiers	\$ 0	23,535	6,009	17,526

Lease Liabilities

	Balance 10/1/2021	Additions	Principal Payments	Balance 9/30/2022
Copiers	\$ 0	23,535	5,728	17,807

The following is a description of leases outstanding as of September 30, 2022:

<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>
Copiers	3.25%	48 months	8/18/2021	8/18/2025	\$ 534	\$ 17,807

The following is a schedule by years of the total payments due on this debt:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 5,916	491	6,407
2024	6,112	296	6,408
2025	5,779	94	5,873
Total	\$ 17,807	881	18,688

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

(11) Long-term Debt.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Taxable Port, Series 2015	\$ 13,147,600	1.99%	06/2024
G.O. Bonds, Series 2017	3,852,000	2.30%	12/2027
Special Obligation Bond, Series 2021	15,000,000	3.63%	11/2036
Correctional Facility Series 2021A	<u>18,263,000</u>	1.47%	07/2032
Total General Obligation Bonds	<u>\$ 50,262,600</u>		
B. Other Loans:			
Rail Loan, Series 2011	\$ 227,773	0.00%	03/2026
Rail Loan, Series 2019	<u>1,377,681</u>	0.75%	06/2034
Total Other Loans	<u>\$ 1,605,454</u>		

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

Year Ending September 30	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2023	\$ 2,307,000	1,207,225	180,040	10,016
2024	15,496,600	1,270,189	180,893	9,163
2025	3,311,000	806,252	181,752	8,303
2026	3,393,000	731,804	143,724	7,437
2027	3,469,000	655,238	116,824	6,564
2028 - 2032	15,671,000	2,151,965	597,442	19,501
2033 - 2037	<u>6,615,000</u>	<u>616,701</u>	<u>204,779</u>	<u>1,478</u>
Total	<u>\$ 50,262,600</u>	<u>7,439,374</u>	<u>1,605,454</u>	<u>62,462</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2022, the amount of outstanding debt was equal to 2.17 percent (2.17%) of the latest property assessments.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Current Refunding - On October 1, 2021, the County issued \$18,465,000 in general obligation refunding bonds with an average interest rate of 1.474% to refund \$18,995,000 of the following outstanding bond issue:

<u>Issue</u>	<u>Average Interest Rate</u>	<u>Outstanding Amount Refunded</u>
Correctional Facility Series 2013	3.50%	\$ 18,995,000

The County refunded the above bonds to reduce its total debt service payments over the next eleven years by almost \$1,312,094 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,211,910.

Certificates of Participation - In accordance with *Section 31-8-1, Mississippi Code of 1972 Annotated*, the County issued Certificates of Participation and transferred the proceeds to the Jackson County Governmental Facilities Corporation. The funds are to be used to construct a County Jail Complex. At completion, the Corporation will enter into a twenty year lease with the County. The County is obligated to pay the principal and interest on the debt. At the completion of the lease, the County will assume ownership of the facility. This obligation is not a general obligation and does not constitute a pledge of full faith and credit of the County.

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

	<u>Balance Oct. 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments</u>	<u>Balance Sept. 30, 2022</u>	<u>Amount due within one year</u>
Governmental Activities:						
Compensated absences	\$ 2,898,151	64,724		220,878	3,183,753	
General obligation bonds	32,577,600	18,465,000	780,000		50,262,600	2,307,000
Limited obligation bonds	18,995,000		18,995,000		0	
Leases payable		1,327,368	102,126		1,225,242	89,281
Other loans	1,784,647		179,193		1,605,454	180,040
Total	\$ 56,255,398	19,857,092	20,056,319	220,878	56,277,049	2,576,321

	<u>Balance Oct. 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments</u>	<u>Balance Sept. 30, 2022</u>	<u>Amount due within one year</u>
Business-type Activities:						
Compensated absences	\$ 40,431	3,092		1,438	44,961	
Leases payable		495,879	31,166		464,713	18,121
Total	\$ 40,431	498,971	31,166	1,438	509,674	18,121

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Road Fund, Solid Waste Fund, and the Jackson County Fire District Fund.

Contribution Agreement (Other Payables). On January 2, 2016, the County entered into a contribution agreement with Singing River Health Systems (SRHS), a county owned hospital established pursuant to the laws of the State of Mississippi. SRHS established an Employee Defined Benefit Plan in 1983 and ceased making contributions to said Pension Plan in 2009. Annual audits of SRHS show losses for the years 2012 through 2014. Due to the alleged failure to fund the Pension Plan, SRHS is subject to a multiplicity of lawsuits and there exists a real danger of default in the payment of bonds issued of which Jackson County guaranteed for the benefit of SRHS. Jackson County has offered to contribute \$13,600,000 over a period of 10 years for support of indigent care at SRHS and, principally, to prevent bond default. As of September 30, 2022, the County has recorded a payable of \$2,400,000 discounted at the net present value over four years at SRHS's incremental borrowing rate. The balance at September 30, 2022 for this payable was \$2,211,196.

Component Units:

Singing River Mental Health/Mental Retardation Services:

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

	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amount due within one year
Notes payable	\$ 1,283,056	0	1,153,961	129,095	41,969

Singing River Health System:

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

	Balance Oct. 1, 2021	Additions	Reductions	Balance Sept. 30, 2022	Amount due within one year
Bonds payable	\$ 43,332,000		8,824,000	34,508,000	4,621,000
Total	\$ 43,332,000	0	8,824,000	34,508,000	4,621,000

	Balance Oct. 1, 2021	Additions	Reductions	Balance Sept. 30, 2022	Amount due within one year
ForcePoint SBITA	\$ 188,752		94,377	94,375	94,375
Stryker Defibrillators	248,780		248,780		
EA License	678,644		678,644		
Stryker SRH	615,001		255,001	360,000	270,000
Stryker OSH	1,110,000		160,000	950,000	270,000
Fibrosan		180,928	33,170	147,758	36,186
Total	\$ 2,841,177	180,928	1,469,972	1,552,133	670,561

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Lease liabilities:

Asset Type	Balance			Balance
	October 1, 2021 (As Restated)	Additions	Terminations	September 30, 2022
Buildings	\$ 32,818,382	4,293,665	3,321,033	33,791,014
Major movable equipment	9,539,268	3,193,842	4,257,494	8,475,616
Total lease liabilities	<u>42,357,650</u>	<u>7,487,507</u>	<u>7,578,527</u>	<u>42,266,630</u>

West Jackson County Utility District:

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

	Balance			Balance	Amount due
	Oct. 1, 2021	Additions	Reductions	Sept. 30, 2022	within one year
State revolving fund loans	\$ 21,923,320	4,956,271	1,748,433	25,131,158	1,027,000
Revenue bonds	25,858,000		991,000	24,867,000	1,357,909
Total	<u>\$ 47,781,320</u>	<u>4,956,271</u>	<u>2,739,433</u>	<u>49,998,158</u>	<u>2,384,909</u>

Jackson County Emergency Communications District:

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

	Balance			Balance	Amount due
	Oct. 1, 2021	Additions	Reductions	Sept. 30, 2022	within one year
Compensated absences	\$ 34,167		25,626	8,541	4,271
Leases payable		777,387	21,247	756,140	22,972
Total	<u>\$ 34,167</u>	<u>777,387</u>	<u>46,873</u>	<u>764,681</u>	<u>27,243</u>

Jackson County Port Authority:

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

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

	Balance Oct. 1, 2021	Additions	Reductions	Balance Sept. 30, 2022	Amount due within one year
Compensated absences	\$ 244,699		13,727	230,972	89,772
Bonds payable	36,840,000			36,840,000	
Less: unamortized discount	(40,597)		13,532	(27,065)	
Total	\$ 37,044,102	0	27,259	37,043,907	89,772

Jackson-George Regional Library System:

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

	Balance Oct. 1, 2021	Additions	Reductions	Balance Sept. 30, 2022	Amount due within one year
Leases payable	\$	23,535	5,728	17,807	5,916
Compensated absences	191,203		29,098	162,105	81,052
Net OPEB Liability	359,235		90,285	268,950	
Net Pension Liability	5,025,349	1,561,415		6,586,764	
Total	\$ 5,575,787	1,584,950	125,111	7,035,626	86,968

(12) Other Postemployment Benefits.

Plan Description

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

Funding Policy

Employees' premiums are funded by the County with additional funding provided by retired employees and by active employees for spouse and dependent medical coverage. The Plan is financed on a pay-as-you-go basis. The

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Board of Supervisors, acting in conjunction with the commercial insurance company, has the sole authority for setting health insurance premiums for the County's health insurance plan.

Per *Section 25-15-103, Mississippi Code of 1972 Annotated*, any retired employee electing to purchase retiree health insurance must pay the full cost of the insurance premium monthly to the County. For the year ended September 30, 2022, retiree premiums range from \$799 to \$1,049 depending on dependent coverage and Medicare eligibility.

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

Inactive employees or beneficiaries currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>771</u>
Total	<u><u>771</u></u>

Total OPEB Liability

The County's total OPEB liability of \$2,874,235 was measured as of September 30, 2022, and was determined by an actuarial valuation as of October 1, 2022. The County's Health Insurance Plan's Report of the Actuary on the Other Postemployment Benefits Valuation was prepared as of October 1, 2022 for the years ending September 30, 2022 and 2023.

Actuarial Assumptions and Other Inputs

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

Salary increases	2.00%, average, including inflation
Discount rate	4.77%
Healthcare cost trend rates	6.00% for 2022, grading down to 5.50% uniformly over 2 years, and trending to the ultimate rate of 3.94% in 2075 following the updated Getzen Model
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees

The actuarial assumptions used in the October 1, 2022 valuation have been prepared using employee data and plan documentation furnished by the County as of October 1, 2022.

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index of September 30, 2022.

Mortality rates were based on the Pub-2010 General Headcount Weighted Table projected using Scale MP-2021.

Medical claims costs below age 65 are adjusted down based on the male/female and pre-Medicare factors listed in the Yamamoto Aging Tables.

Changes in the Total OPEB Liability

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Notes to Financial Statements
For the Year Ended September 30, 2022

	Total OPEB Liability
Balance at September 30, 2021	\$ <u>2,937,021</u>
Changes for the year:	
Service cost	318,698
Interest	67,795
Differences between expected and actual experience	491,557
Changes in assumptions or other inputs	(853,128)
Benefit payments	<u>(87,708)</u>
Net changes	<u>(62,786)</u>
Balance at September 30, 2022	\$ <u><u>2,874,235</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.14% percent in 2021 to 4.77% percent in 2022.

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

	1% Decrease <u>(3.77%)</u>	Current Discount Rate <u>(4.77%)</u>	1% Increase <u>(5.77%)</u>
Total OPEB Liability	\$ 3,137,565	\$ 2,874,235	\$ 2,634,941

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

	<u>1% Decrease</u>	Healthcare Cost Trend Rates	<u>1% Increase</u>
Total OPEB Liability	\$ 2,549,681	\$ 2,874,235	\$ 3,260,986

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

For the year ended September 30, 2022, the County recognized OPEB expense of \$187,231. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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Notes to Financial Statements
For the Year Ended September 30, 2022

medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per *Section 12-15-15 (10) Mississippi Code of 1972 Annotated*, a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

Contributions. The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. The Library System's contributions to OPEB for the year ended September 30, 2022 was \$10,960, which was equal to the required contributions for the year.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At September 30, 2022, the Library System reported a liability of \$268,950 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the Library System's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2022, the Library System's proportion was 0.0546 percent. This was a decrease of 0.0012 percent from the proportionate share as of the measurement date as of June 30, 2021.

For the year ended September 30, 2022, the Library System recognized OPEB expense of \$34,868. At September 30, 2022, the Library System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 223	\$ 116,520
Changes of assumptions	41,947	24,901
Net difference between projected and actual earnings on OPEB plan investments	19	
Changes in proportion and differences between Library System contributions and proportionate share of contributions	9,358	14,408
Total	\$ 51,547	\$ 155,829

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

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Notes to Financial Statements
For the Year Ended September 30, 2022

Year ended September 30:		
2023	\$	(23,056)
2024		(21,307)
2025		(24,148)
2026		(20,503)
2027		(10,907)
Thereafter		<u>(4,361)</u>
Total	\$	<u><u>(104,282)</u></u>

Actuarial assumptions. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary increases	2.65%-17.90%, including wage inflation
Municipal Bond Index Rate	
Measurement Date	3.37%
Prior Measurement Date	2.13%
Year FNP is projected to be depleted	
Measurement Date	2022
Prior Measurement Date	2021
Single Equivalent Interest Rate, Net of OPEB Plan investment expense, including inflation	
Measurement Date	3.37%
Prior Measurement Date	2.13%
Healthcare cost trend rates	7.00% for 2023 decreasing to an ultimate rate of
Medicare Supplement Claims Pre-Medicare	4.50% by 2029 FYE

Mortality rates were based on 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 the 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 demographic actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study dated April 20, 2021.

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Notes to Financial Statements
For the Year Ended September 30, 2022

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Discount rate

The discount rate used to measure the total OPEB liability at June 30, 2022 was 3.37%. Since the Prior Measurement Date, the Discount Rate has changed from 2.13% to 3.37%.

The trust was established on June 28, 2018, with an initial contribution of \$1,000,000. As of June 30, 2022, the trust has \$1,049,208. The fiduciary net position is projected to be depleted immediately, therefore, the Municipal Bond Index Rate is used in the determination of the discount rate for both the June 30, 2021 and the June 30, 2022 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2022 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

Sensitivity of the Library System’s proportionate share of the net OPEB liability to changes in the discount rate

The following presents the Library System’s proportionate share of the net OPEB liability, as well as what the Library System’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.37%) or 1-percentage-point higher (4.37%) than the current discount rate:

	1% Decrease <u>(2.37%)</u>	Current Discount Rate <u>(3.37%)</u>	1% Increase <u>(4.37%)</u>
Total OPEB Liability	\$ 296,281	268,950	245,472

Sensitivity of the Library System’s proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents the Library System’s proportionate share of the net OPEB liability, as well as what the Library System’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u> </u>	Healthcare Cost Trend Rates <u> </u>	1% Increase <u> </u>
Total OPEB Liability	\$ 250,238	268,950	290,007

OPEB plan fiduciary net position

The fiduciary net position for the OPEB plan was \$1,049,208 as of June 30, 2022, the measurement date. Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued OPEB financial report.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

(13) Defined Benefit Pension Plan.

General Information about the Pension Plan

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

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

Contributions. At September 30, 2022, 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, 2022 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2022, 2021 and 2020 were \$6,274,592, \$6,234,416 and \$6,067,237, respectively, equal to the required contributions for each year. The Singing River Mental Health/Mental Retardation Services' contributions to PERS for the fiscal years ending June 30, 2022, 2021 and 2020 were \$803,530, \$1,167,013 and \$1,164,875, respectively, equal to the required contributions for each year. The West Jackson County Utility District's contributions to PERS for the fiscal years ending September 30, 2022, 2021 and 2020 were \$238,252, \$225,678 and \$220,028, respectively, equal to the required contributions for each year. The Jackson County Emergency Communications District's contributions to PERS for the fiscal years ending September 30, 2022, 2021 and 2020 were \$22,158, \$24,715 and \$28,638, respectively, equal to the required contributions for each year. The Jackson County Port Authority's contributions to PERS for the fiscal years ending September 30, 2022, 2021 and 2020 were \$564,128, \$555,067 and \$529,253, respectively, equal to the required contributions for each year. The Jackson-George Regional Library System's contributions to PERS for the fiscal years ending September 30, 2022, 2021 and 2020 were \$370,364, \$390,323 and \$395,317, 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

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For the Year Ended September 30, 2022

At September 30, 2022, the County reported a liability of \$106,799,858 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2022 net pension liability was 0.518858 percent, which was based on a measurement date of June 30, 2022. This was a decrease of 0.020744 percent from its proportionate share used to calculate the September 30, 2021 net pension liability, which was based on a measurement date of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$10,008,029. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,529,529	
Net difference between projected and actual earnings on pension plan investments	4,121,494	
Changes of assumptions	3,841,470	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	2,333,481	2,293,930
County contributions subsequent to the measurement date	<u>1,696,405</u>	
Total	<u>\$ 13,522,379</u>	<u>2,293,930</u>

\$1,696,405 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2023	\$ 3,034,861
2024	2,444,855
2025	(1,749,307)
2026	<u>5,801,635</u>
Total	<u>\$ 9,532,044</u>

Component Unit – Singing River Mental Health/Mental Retardation Services

At June 30, 2022, the Singing River Mental Health/Mental Retardation Services ("The Agency") reported a liability of \$13,807,505 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

of the Agency's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Agency's proportion was 0.067080 percent.

For the year ended June 30, 2022, the Agency recognized pension expense of \$803,530. At June 30, 2022 the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 725,237	
Net difference between projected and actual earnings on pension plan investments		
Changes of assumptions	477,549	
Changes in the proportion and differences between the Agency's contributions and proportionate share of contributions		
Agency contributions subsequent to the measurement date		
	<hr/>	<hr/>
Total	\$ <u>1,202,786</u>	<u>0</u>

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>
2023	\$ 437,802
2024	322,536
2025	(111,282)
2026	<u>749,235</u>
Total	\$ <u>1,398,291</u>

Component Unit – West Jackson County Utility District

At September 30, 2022, the West Jackson County Utility District ("The Utility District") reported a liability of \$4,004,190 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Utility District's proportion of the net pension liability was based on a projection of the Utility District's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Utility District's proportion was 0.019453 percent, which was a decrease of 0.000032 from its proportion as of the prior year.

For the year ended September 30, 2022, the Utility District recognized pension expense of \$342,069. At September 30, 2022, the Utility District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Financial Statements
For the Year Ended September 30, 2022

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 56,696
Net difference between projected and actual earnings on pension plan investments	210,317
Changes of assumptions	138,488
Changes in the proportion and differences between the District's contributions and proportionate share of contributions	(12,136)
District contributions subsequent to the measurement date	<u>75,727</u>
Total	<u>\$ 469,092</u>

Deferred outflows of resources related to pensions resulting from the Utility District's contributions subsequent to the measurement date totaling \$75,727 will be recognized as a reduction to the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2023	\$ 124,693
2024	82,576
2025	(31,181)
2026	<u>217,277</u>
Total	<u>\$ 393,365</u>

Component Unit – Jackson County Emergency Communications District

At September 30, 2022, the Jackson County Emergency Communications District ("The Communications District") reported a liability of \$396,647 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Communications District's proportion of the net pension liability was based on a projection of the Communications District's long-term share of contributions to the pension plan relative to projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Communications District's was 0.0019%, which was a decrease of 0.0004 from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Communications District recognized pension expense of \$26,607. At September 30, 2022, the Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,616	
Net difference between projected and actual earnings on pension plan investments	20,835	
Changes of assumptions	13,718	
Changes in the proportion and differences between the District contributions and proportionate share of contributions		50,757
District contributions subsequent to the measurement date	<u>3,899</u>	
Total	<u>\$ 44,068</u>	<u>50,757</u>

\$3,899 reported as deferred outflows of resources related to pensions resulting from the Communications District's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2023	\$ (3,138)
2024	(12,740)
2025	(16,233)
2026	<u>21,523</u>
Total	<u>\$ (10,588)</u>

Component Unit – Jackson County Port Authority

At September 30, 2022, the Jackson County Port Authority (“The Port Authority”) reported a liability of \$10,291,819 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Port Authority’s proportion of the net pension liability was based on a projection of the Port Authority’s long-term share of contribution to the pension plan relative to projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Port Authority’s proportion was 0.05 percent, which was unchanged from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Port Authority recognized pension expense of \$889,906. At September 30, 2022, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 145,725	
Net difference between projected and actual earnings on pension plan investments	540,576	
Changes of assumptions	355,954	
Changes in the proportion and differences between the Port Authority's contributions and proportionate share of contributions		63,699
Port Authority contributions subsequent to the measurement date	<u>146,476</u>	
Total	<u>\$ 1,188,731</u>	<u>63,699</u>

\$146,476 reported as deferred outflows of resources related to pensions resulting from the Port Authority's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2023	\$ 294,735
2024	219,184
2025	(93,825)
2026	<u>558,462</u>
Total	<u>\$ 978,556</u>

Component Unit – Jackson-George Regional Library System

At September 30, 2022, the Jackson-George Regional Library System (“The Library System”) reported a liability of \$6,586,764 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Library System's proportion of the net pension liability was based on a projection of the Library System's long-term share of contribution to the pension plan relative to projected contributions of all participating employers, actuarially determined. The Library System's proportion was 0.032 percent, which was a 0.02 decrease from its proportion measured as of June 30, 2021.

For the year ended September 30, 2022, the Library System recognized pension expense of \$538,400. At September 30, 2022, the Library System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 93,264	
Net difference between projected and actual earnings on pension plan investments	345,968	
Changes of assumptions	227,811	
Changes in the proportion and differences between the Library System's contributions and proportionate share of contributions		232,985
Library System contributions subsequent to the measurement date	<u>86,773</u>	
Total	<u>\$ 753,816</u>	<u>232,985</u>

\$86,773 reported as deferred outflows of resources related to pensions resulting from the Library System's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2023	\$ 142,956
2024	57,279
2025	(123,593)
2026	<u>357,416</u>
Total	<u>\$ 434,058</u>

Actuarial Assumptions. The collective total pension liability was determined by an actuarial valuation as of June 30, 2021 and a measurement date determined as of June 30, 2022 using standard rollforward techniques, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	2.65 – 17.90%, including inflation
Investment rate of return	7.55%, net of pension plan investments expense, including inflation

Mortality rates were based on the Pub.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 will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the four-year period from July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.60 %
International Equity	22.00	4.50
Global Equity	12.00	4.80
Debt securities	20.00	(0.25)
Real Estate	10.00	3.75
Private Equity	8.00	6.00
Cash Equivalents	1.00	(1.00)
Total	100.00 %	

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 139,384,721	106,799,858	79,935,295
Component Units:			
Singing River Mental Health/Mental Retardation Services' proportionate share of the net pension liability	18,020,204	13,807,505	10,334,349
West Jackson County Utility District's proportionate share of the net pension liability	5,225,877	4,004,190	2,996,971
Jackson County Emergency Communications District's proportionate share of the net pension liability	510,411	396,647	292,714
Jackson County Port Authority's proportionate share of the net pension liability	13,431,876	10,291,819	7,703,003
Jackson-George Regional Library System's proportionate share of the net pension liability	8,596,400	6,586,764	4,929,922

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

(14) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balances at September 30, 2022:

<u>Fund</u>	<u>Deficit Amount</u>
COVID-19 Crisis Fund	\$ 1,764,737
Tropical Storm Zeta Fund	99,991
Hurricane Nate Fund	4,266,413
Rail Loan Fund	15,838
Tideland Fund	470,721
General Debt Service Fund	3,409
2018 Cook Road Corridor Fund	36

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

(15) Contingencies.

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

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

The County has been named as a defendant in various lawsuits seeking unspecified damages for incidents involving the Sheriff's Department and the County Road Department. The County has excess liability insurance coverage that it believes would cover any judgement against the County up to a limit of \$1,000,000. No provisions have been made in the accompanying financial statements for these contingent liabilities since the amount of the potential loss, if any, cannot be reasonably determined.

Hospital Revenue Bond Contingencies - The County issues revenue bonds with maturities ranging from July 1, 2035 through July 1, 2038, to provide funds for constructing and improving capital facilities for the Singing River Hospital. Revenue bonds are reported as a liability of the hospital because such debt is payable primarily from the hospital's pledged revenues. However, the County remains contingently liable for the retirement of these bonds because the full faith, credit and taxing power of the County is secondarily pledged in case of default by the hospital. In addition, the bonds are supported by a five mill pledge on the assessed value of real property by Jackson County. The principal amount of hospital revenue bonds outstanding at September 30, 2022, is \$34,508,000.

(16) No Commitment Debt – From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. These bonds either bear the County's name or constitute a moral responsibility of the County that is not an enforceable promise to pay. However, because the debt includes an explicit statement as to the absence of obligation of the County, other than possibly an agreement to assist creditors in exercising their rights in the event of default, these bonds are classified as no commitment debt and are not reported as liabilities in the accompanying financial statements. Default on these bonds may adversely affect the County's ability to borrow; accordingly, outstanding issuances of such debt are disclosed as follows:

<u>Description</u>	<u>Balance at Sept. 30, 2022</u>
Industrial revenue bonds and notes	\$ <u>12,840,000</u>

(17) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$31,486,700) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$1,676,636 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. The \$11,666,642 balance of the deferred outflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next four years. The \$2,243,608 balance of the deferred inflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next three years.

The governmental activities' unrestricted net position amount of (\$31,486,700) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from other postemployment benefits (OPEB). The

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

\$946,286 balance of deferred outflows of resources related to OPEB, at September 30, 2022, will be recognized as an expense and will decrease the unrestricted net position over the next eight years.

The governmental activities' unrestricted net position amount of (\$31,486,700) includes the effect of deferring the recognition of revenue resulting from a deferred inflows from other postemployment benefits (OPEB). The \$2,240,102 balance of deferred inflows of resources related to OPEB, at September 30, 2022, will be recognized as revenue and will increase the unrestricted net position over the next eight years.

The governmental activities' unrestricted net position amount of (\$31,486,700) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$1,625,071 balance of deferred inflows of resources related to leases at September 30, 2022, will be recognized as revenue and will increase the unrestricted net position over the next nineteen years.

The business-type activities' unrestricted net position amount of (\$280,297) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$19,769 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. The \$159,332 balance of the deferred outflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next four years. The \$50,322 balance of the deferred inflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next three years.

(18) Segment Information for Enterprise Funds.

The County maintains three enterprise funds, which provide recreation and community services, rental services and food services. Summary financial information for each enterprise fund is presented for the year ended September 30, 2022.

Condensed Statement of Net Position:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Current Assets	\$ 186,331	256,838	654,361	1,097,530
Capital assets	4,204	5,174,209	2,040,762	7,219,175
Deferred outflows of resources		38,714	140,387	179,101
Total Assets and Deferred Outflows of Resources	<u>190,535</u>	<u>5,469,761</u>	<u>2,835,510</u>	<u>8,495,806</u>
Current liabilities	\$ 7,931	4,182	56,712	68,825
Noncurrent liabilities		272,839	1,443,602	1,716,441
Deferred inflows of Resources		10,878	39,444	50,322
Total Liabilities and Deferred inflows of Resources	<u>7,931</u>	<u>287,899</u>	<u>1,539,758</u>	<u>1,835,588</u>
Net position:				
Net Investment in capital assets	\$ 4,204	5,174,209	1,576,049	6,754,462
Restricted	178,400	7,653		186,053
Unrestricted			(280,297)	(280,297)
Total Net Position	<u>182,604</u>	<u>5,181,862</u>	<u>1,295,752</u>	<u>6,660,218</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

Condensed Statement of Revenues, Expenses and Changes in Net Position:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Operating revenues	\$ 166,709	291,879	885,769	1,344,357
Operating expenses	(151,462)	(237,053)	(978,738)	(1,367,253)
Depreciation expenses		(323,618)	(119,559)	(443,177)
Operating Income (Loss)	<u>15,247</u>	<u>(268,792)</u>	<u>(212,528)</u>	<u>(466,073)</u>
Nonoperating revenues	\$ 3,160	4,522	11,978	19,660
Nonoperating expenses			(175,824)	(175,824)
Transfers in			500,000	500,000
Change in Net Position	<u>18,407</u>	<u>(264,270)</u>	<u>123,626</u>	<u>(122,237)</u>
Net position - Beginning, as previously reported	\$ 164,183	5,450,977	842,803	6,457,963
Prior Period Adjustment		11,974	312,518	324,492
Net Position - Beginning, as restated	<u>164,183</u>	<u>5,462,951</u>	<u>1,155,321</u>	<u>6,782,455</u>
Net Position - Ending	<u><u>182,590</u></u>	<u><u>5,198,681</u></u>	<u><u>1,278,947</u></u>	<u><u>6,660,218</u></u>

Condensed Statement of Cash Flows:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Net cash provided (used) by:				
Operating activities	\$ 19,748	31,610	(221,119)	(169,761)
Noncapital financing activities			511,714	511,714
Capital and related financing activities		(45,912)	(109,529)	(155,441)
Investing activities	<u>3,158</u>	<u>4,522</u>	<u>11,980</u>	<u>19,660</u>
Net increase (decrease) in cash	<u>22,906</u>	<u>(9,780)</u>	<u>193,046</u>	<u>206,172</u>
Cash - Beginning of Year	162,303	267,741	461,314	891,358
Cash - End of Year	<u><u>\$ 185,209</u></u>	<u><u>257,961</u></u>	<u><u>654,360</u></u>	<u><u>1,097,530</u></u>

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2022

(19) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southern Mississippi Planning and Development District operates in a district composed of the counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The governing body is a 27 member board of directors, one appointed by the Board of Supervisors of each member county, one from each of the six participating cities and six appointed at large by minority members. The County appropriated \$34,917 for support of Southern Mississippi Planning and Development District in fiscal year 2022.

Jackson County Civic Action is jointly governed by various public entities, as well as by certain corporations and civic groups. The Jackson County Board of Supervisors appoints two of the 15 members of the board of directors. The County appropriated \$163,260 for support of the Jackson County Civic Action in fiscal year 2022.

Jackson County Economic Development Foundation is jointly governed by various public entities, as well as by certain corporations. The Jackson County Board of Supervisors appoints two of the 16 members of the board of directors. The County appropriated \$512,121 for support of the Jackson County Economic Development Foundation in fiscal year 2022.

Gulf Regional Planning and Development District operates in a district composed of the counties of Hancock, Harrison and Jackson. The governing body is a nine-member board of directors; three appointed by the Board of Supervisors of each member county. The County appropriated \$30,835 for support of Gulf Regional Planning and Development District in fiscal year 2022.

Harrison-Jackson County Emergency Medical Service District operates in a district composed of the counties of Harrison and Jackson and the Cities of Biloxi, Gulfport and Ocean Springs. The district's board is composed of five members, one appointed by each government. The County provided no financial support to Harrison-Jackson County Emergency Medical Service District in fiscal year 2022.

LA Pointe-Krebs Foundation is jointly governed by Jackson County, the City of Pascagoula and Jackson County Historical and Genealogical Society. The Jackson County Board of Supervisors appoints two of the five members of the board of directors. The County appropriated \$50,000 for financial support to the LaPointe-Krebs Foundation in fiscal year 2022.

Mississippi Gulf Coast Community College operates in a district composed of the counties of George, Harrison, Jackson and Stone. The College's board of trustees is composed of 23 members; three each appointed by George and Stone counties, eight each appointed by Harrison and Jackson counties, and one appointed at large. The County appropriated \$9,007,630 for maintenance and support of the college in the fiscal year 2022.

Mississippi Regional Housing Authority IV operates in a district composed of the counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The governing body is a 15-member board of commissioners; one appointed by the Board of Supervisors of each of the member counties and one appointed at large. The counties generally provide no financial support to the organization.

(20) Tax Abatements.

As of September 30, 2022, Jackson County provides tax exempt status to ten property holdings companies, two industrial engineering companies, one power plant, one pharmaceutical company, one oil refinery, one maritime transportation provider, one shipbuilder, one natural gas company, one optical lab, one flooring contractor, one metal working company, one bait manufacturing company, and one assisted living facility subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for the levies involving the school, community college, mandatory mill and other non-exempt tax levy millage for general county and road maintenance. The exemptions are authorized under *Section 27-31-*

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2022

101, 27-31-104, 27-31-105 and 17-21-7 of the Mississippi Code of 1972 Annotated. The exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2022 totaled \$13,527,507.

(21) Special Items.

Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. In fiscal year 2022, Jackson County received a settlement payment of \$20,000,000 related to the civil action case between Singing River Health System v. KPMG, LLP.

(22) 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 Jackson County evaluated the activity of the County through October 15, 2024, and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2022, the County issued the following debt obligation:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
06/22/2023	4.74%	\$ 11,370,000	General Obligation Refunding Bonds, Series 2023	Jackson County Port Authority

JACKSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON COUNTY

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JACKSON COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (GAAP Basis)
 General Fund
 For the Year Ended September 30, 2022
 UNAUDITED

	Original Budget	Final Budget	Actual (GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 57,300,166	58,683,713	58,430,415	(253,298)
Licenses, commissions and other revenue	2,669,200	3,620,310	3,638,335	18,025
Fines and forfeitures	1,123,500	1,324,101	1,375,629	51,528
In lieu taxes - Mississippi Power			6,178,410	6,178,410
Intergovernmental revenues	10,226,140	26,373,915	4,121,458	(22,252,457)
Charges for services	770,000	1,175,063	1,205,929	30,866
Interest income	1,429,000	1,296,399	1,299,643	3,244
Miscellaneous revenues	1,196,013	1,500,353	3,258,411	1,758,058
Total Revenues	<u>74,714,019</u>	<u>93,973,854</u>	<u>79,508,230</u>	<u>(14,465,624)</u>
EXPENDITURES				
Current:				
General government	39,080,353	35,427,722	38,280,093	(2,852,371)
Public safety	23,883,395	22,663,468	21,497,918	1,165,550
Public works	3,219,733	2,433,595	2,552,445	(118,850)
Health and welfare	2,925,929	2,841,446	2,698,720	142,726
Culture and recreation	4,919,583	5,018,804	5,960,573	(941,769)
Education	350,000	384,357	384,357	0
Conservation of natural resources	285,748	249,622	253,966	(4,344)
Economic development and assistance	2,830,060	2,428,786	2,374,607	54,179
Debt service:				
Principal		1,544,873	19,294,451	(17,749,578)
Interest		330,303	934,430	(604,127)
Bond issue costs		7,600	350,538	(342,938)
Total Expenditures	<u>77,494,801</u>	<u>73,330,576</u>	<u>94,582,098</u>	<u>(21,251,522)</u>
Excess of Revenues over (under) Expenditures	<u>(2,780,782)</u>	<u>20,643,278</u>	<u>(15,073,868)</u>	<u>(35,717,146)</u>
OTHER FINANCING SOURCES (USES)				
Compensation for loss of capital assets			366	366
Transfers in	50,000		6,290	6,290
Transfers out	635,000	(15,099,705)	(14,502,033)	597,672
Other financing sources		6,656	19,770,907	19,764,251
Total Other Financing Sources and Uses	<u>685,000</u>	<u>(15,093,049)</u>	<u>5,275,530</u>	<u>20,368,579</u>
SPECIAL ITEM - KPMG settlement				
			20,000,000	20,000,000
Net Change in Fund Balance	(2,095,782)	5,550,229	10,201,662	4,651,433
Fund Balances - Beginning	<u>47,477,956</u>	<u>55,661,368</u>	<u>55,661,368</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 45,382,174</u>	<u>61,211,597</u>	<u>65,863,030</u>	<u>4,651,433</u>

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

JACKSON COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (GAAP Basis)
 Road Fund
 For the Year Ended September 30, 2022
 UNAUDITED

	Original Budget	Final Budget	Actual (GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 16,519,567	14,902,215	16,669,178	1,766,963
Road and bridge privilege taxes	1,800,000	1,909,846	1,901,740	(8,106)
Intergovernmental revenues	1,385,000	3,203,802	3,858,071	654,269
Interest income		383,832	383,832	0
Miscellaneous revenues	80,000	93,553	102,041	8,488
Total Revenues	<u>19,784,567</u>	<u>20,493,248</u>	<u>22,914,862</u>	<u>2,421,614</u>
EXPENDITURES				
Current:				
Public safety			172	(172)
Public works	23,488,816	19,587,563	20,044,619	(457,056)
Debt service:				
Principal			4,675	(4,675)
Interest			576	(576)
Total Expenditures	<u>23,488,816</u>	<u>19,587,563</u>	<u>20,050,042</u>	<u>(462,479)</u>
Excess of Revenues over (under) Expenditures	<u>(3,704,249)</u>	<u>905,685</u>	<u>2,864,820</u>	<u>1,959,135</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets		11,141	11,141	0
Transfers in		154,138		(154,138)
Other financing sources	3,300,000		21,461	21,461
Total Other Financing Sources and Uses	<u>3,300,000</u>	<u>165,279</u>	<u>32,602</u>	<u>(132,677)</u>
Net Change in Fund Balance	(404,249)	1,070,964	2,897,422	1,826,458
Fund Balances - Beginning	<u>18,714,876</u>	<u>20,617,387</u>	<u>20,617,387</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 18,310,627</u>	<u>21,688,351</u>	<u>23,514,809</u>	<u>1,826,458</u>

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

JACKSON COUNTY

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

Last 10 Fiscal Years*

For the Year Ended September 30, 2022

UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.518858%	0.539602%	0.516617%	0.509584%	0.501612%	0.489852%	0.473641%	0.471858%	0.473705%
County's proportionate share of the net pension liability (asset)	\$ 106,799,858	79,755,535	100,011,048	89,645,880	83,432,978	81,430,028	84,604,109	72,939,942	57,499,113
Covered payroll	\$ 35,719,817	35,878,008	34,397,933	33,228,661	32,032,743	31,424,337	30,299,987	29,478,997	28,932,660
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	298.99%	222.30%	290.75%	269.78%	260.46%	259.13%	279.22%	247.43%	198.73%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

JACKSON COUNTY
Schedule of County Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 6,274,592	6,234,416	6,067,237	5,444,252	5,083,533	4,969,910	4,987,616	4,672,783	4,374,610
Contributions in relation to the contractually required contribution	<u>6,274,592</u>	<u>6,234,416</u>	<u>6,067,237</u>	<u>5,444,252</u>	<u>5,083,533</u>	<u>4,969,910</u>	<u>4,987,616</u>	<u>4,672,783</u>	<u>4,374,610</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>							
Covered payroll	\$ 36,060,867	35,829,975	34,869,178	33,627,252	32,276,394	31,554,984	31,667,403	29,668,463	27,775,302
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY
Schedule of Singing River Mental Health/Mental Retardation Service's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended June 30, 2022
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Agency's proportion of the net pension liability (asset)	0.067080%	0.066927%	0.066409%	0.06449%	0.06370%	0.06374%	0.05918%	0.05775%	0.06584%
Agency's proportionate share of the net pension liability (asset)	\$ 13,807,505	9,892,103	12,856,011	11,345,415	10,595,203	10,595,918	10,570,668	8,927,011	7,991,528
Covered payroll	\$ 4,217,615	4,207,996	4,175,427	3,798,259	4,074,235	4,094,756	3,798,451	3,607,867	4,023,060
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	327.38%	235.08%	307.90%	298.70%	260.05%	258.77%	278.29%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

JACKSON COUNTY
Schedule of Singing River Mental Health/Mental Retardation Services' Contributions
Last 10 Fiscal Years*
For the Year Ended June 30, 2022
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually determined contribution	\$ 803,530	774,293	769,443	659,331	641,692	644,924	598,256	568,239	633,632
Contributions in relation to the contractually required contribution	<u>803,530</u>	<u>774,293</u>	<u>769,443</u>	<u>659,331</u>	<u>641,692</u>	<u>644,924</u>	<u>598,256</u>	<u>568,239</u>	<u>633,632</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>							
Covered-employee payroll	\$ 4,617,989	4,449,960	4,422,086	3,789,259	4,074,235	4,094,756	3,798,451	3,607,867	4,023,060
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY
Schedule of the West Jackson County Utility District's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportionate share of the net pension liability	0.019453%	0.019484%	0.019785%	0.019458%	0.019325%	0.018702%	0.017428%	0.017788%
District's proportion of the net pension liability	\$ 4,004,190	2,879,885	3,830,066	3,422,981	3,214,322	3,108,847	3,113,046	2,749,674
District's Covered - employee payroll	\$ 1,369,264	1,295,517	1,317,408	1,267,225	1,159,351	1,199,721	1,049,607	1,050,351
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	292.43%	222.23%	290.73%	286.29%	277.25%	259.13%	296.59%	261.79%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

JACKSON COUNTY
Schedule of West Jackson County Utility District's Contributions
Last 10 Fiscal Years*
For the Year Ended June 30, 2022
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 238,252	225,678	220,028	205,438	195,483	194,477	181,573	176,083
Contributions in relation to contractually required contribution	<u>238,252</u>	<u>225,678</u>	<u>220,028</u>	<u>205,438</u>	<u>195,483</u>	<u>194,477</u>	<u>181,573</u>	<u>176,083</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>						
District's covered-employee payroll	\$ 1,369,234	1,297,002	1,264,529	1,269,154	1,241,162	1,234,775	1,152,844	1,117,987
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY
Schedule of the Jackson County Emergency Communications District's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.0019%	0.0023%	0.0024%	0.0024%	0.0022%	0.0021%	0.0020%	0.0019%
District's proportionate share of the net pension liability (asset)	\$ 396,647	339,950	464,612	422,207	365,925	349,091	357,250	293,703
Covered payroll	\$ 138,790	153,103	162,476	149,937	143,228	133,507	131,013	122,469
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	285.79%	222.04%	285.96%	281.59%	255.48%	261.48%	272.68%	239.82%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

JACKSON COUNTY
Schedule of Jackson County Emergency Communications District's Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 22,158	24,715	28,638	24,785	22,948	21,563	20,741	19,557
Contributions in relation to the contractually required contribution	<u>22,158</u>	<u>24,715</u>	<u>28,638</u>	<u>24,785</u>	<u>22,948</u>	<u>21,563</u>	<u>20,741</u>	<u>19,557</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>						
District's covered payroll	\$ 127,347	142,041	164,581	152,880	145,700	136,907	131,687	124,172
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.21%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY
Schedule of the Jackson County Port Authority's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Port Authority's Proportion of the net pension liability	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.04%	0.04%
Port Authority's proportionate share (amount) of the net pension liability	\$ 10,291,820	7,390,219	9,679,418	8,795,987	8,316,486	8,311,697	8,931,249	6,183,211	4,855,268
Port Authority's covered payroll	\$ 3,122,714	3,164,212	3,026,509	3,039,943	2,934,751	3,044,989	2,934,854	2,705,372	2,601,067
Port Authority's proportionate share (amount) of the collective net pension liability as a percentage of its covered payroll	329.58%	233.56%	319.82%	289.35%	283.38%	272.96%	304.32%	228.55%	186.66%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

JACKSON COUNTY
Schedule of Jackson County Port Authority Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 564,128	555,067	529,253	492,684	462,097	463,312	460,853	436,597	409,981
Contributions in relation to the contractually required contribution	<u>564,128</u>	<u>555,067</u>	<u>529,253</u>	<u>492,684</u>	<u>462,097</u>	<u>463,312</u>	<u>460,853</u>	<u>436,597</u>	<u>409,981</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>							
Port Authority's covered payroll	\$ 3,242,111	3,190,489	3,041,686	3,056,771	2,933,947	2,941,658	2,926,051	2,772,041	2,603,053
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.12%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY
Schedule of the Jackson-George Library's System's County's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library System's proportion of the net pension liability	0.032%	0.034%	0.034%	0.033%	0.033%	0.032%	0.032%	0.033%
Library System's proportionate share (amount) of the net pension liability	\$ 6,586,764	5,025,349	6,582,005	5,805,351	5,488,880	5,319,486	5,715,999	5,101,149
Library System's covered payroll	\$ 2,185,169	2,256,400	2,229,425	2,136,660	2,112,499	2,073,154	2,052,064	2,052,828
Library System's proportionate share (amount) of the net pension liability as a percentage of the Library System's covered payroll	301.43%	222.72%	295.23%	271.70%	259.83%	256.59%	278.55%	248.49%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

JACKSON COUNTY
Schedule of Jackson-George Regional Library System's Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually determined contribution	\$ 370,364	390,323	395,317	344,018	337,846	326,930	323,364	323,513
Contributions in relation to the contractually required contribution	<u>370,364</u>	<u>390,323</u>	<u>395,317</u>	<u>344,018</u>	<u>337,846</u>	<u>326,930</u>	<u>323,364</u>	<u>323,513</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>						
Library System's covered payroll	\$ 2,128,529	2,243,236	2,271,926	2,128,916	2,144,467	2,075,751	2,053,104	2,054,046
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.16%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	2022	2021	2020	2019	2018
Service cost	\$ 318,698	312,021	393,097	378,342	272,457
Interest	67,795	61,535	86,884	121,473	102,250
Changes of benefit terms					
Difference between expected and actual experience	491,557		14,000		(950,451)
Changes in assumptions or other inputs	(853,128)		(1,550,507)		1,060,569
Benefit payments / refunds	(87,708)	(46,914)	(27,295)	(25,332)	(34,885)
Net change in total OPEB liability	\$ (62,786)	326,642	(1,083,821)	474,483	449,940
Total OPEB liability - beginning	2,937,021	2,610,379	3,694,200	3,219,717	2,769,777
Total OPEB liability - ending	<u>2,874,235</u>	<u>2,937,021</u>	<u>2,610,379</u>	<u>3,694,200</u>	<u>3,219,717</u>
Covered-employee payroll	\$ 33,637,299	30,416,360	29,819,961	28,278,060	27,723,588
Total OPEB liability as a percentage of covered-employee payroll	8.5%	9.7%	8.8%	13.1%	11.6%

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in discount rate each period. The following are the discount ratios used in each period:

2022	4.77%
2021	2.14%
2020	2.14%
2019	3.40%
2018	3.40%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until, a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

JACKSON COUNTY

Schedule of the Jackson-George Regional Library System's Proportionate Share of the Net OPEB Liability

Last 10 Fiscal Years*

For the Year Ended September 30, 2022

UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Agency's proportion of the net OPEB liability (asset)	0.0546%	0.0558%	0.0567%	0.0560%	0.0560%
Agency's proportionate share of the net OPEB liability (asset)	\$ 268,950	359,235	441,477	470,737	432,991
Agency's covered-employee payroll	\$ 2,185,169	2,256,400	2,229,425	2,136,660	2,112,499
Agency's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	12.31%	15.92%	19.80%	22.03%	20.50%
Plan fiduciary net position as a percentage of the total OPEB liability	0.21%	0.16%	0.13%	0.12%	0.13%

* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the fiscal year prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until a full 10 year trend is compiled, the Library System has only presented information for the years in which information is available.

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

JACKSON COUNTY
Schedule of Jackson-George Regional Library System's Contributions - OPEB
Last 10 Fiscal Years*
For the Year Ended September 30, 2022
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 10,960	14,436	17,606	18,869	19,284
Contributions in relation to the actuarially determined contribution	<u>(10,960)</u>	<u>(14,436)</u>	<u>(17,606)</u>	<u>(18,869)</u>	<u>(19,284)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered-employee payroll	\$ 2,128,529	2,243,236	2,271,926	2,128,916	2,144,467
Contributions as a percentage of covered-employee payroll	0.51%	0.64%	0.77%	0.89%	0.90%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until, a full 10 year trend is compiled, the Library System has only presented information for the years in which information is available.

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

JACKSON COUNTY

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JACKSON COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2022
UNAUDITED

A. Budgetary Information.

Statutory requirements dictate how and when the County’s budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor 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 GAAP basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary 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 is a part of required supplementary information.

C. Excess of Actual Expenditures Over Budget in Individual Funds.

The following funds had an excess of actual expenditures over budget for the year ended September 30, 2022:

Fund	Excess
General Fund	\$ 21,251,522
Road Fund	462,479

All the funds listed above are in violation of *Section 19-11-17, Mississippi Code of 1972 Annotated*. However, the County has no liability associated with these violations.

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.

JACKSON COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2022
UNAUDITED

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

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

2016

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

2017

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

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

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

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

2019

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

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

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

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

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

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

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

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

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%.

JACKSON COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2022 UNAUDITED

2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Changes in benefit provisions.

2016

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

JACKSON COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2022
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, 2020 valuation for the June 30, 2022 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	27.7 years
Asset valuation method	5-year smoothed market
Price inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

OPEB Schedules

Component Unit – Jackson-George Regional Library System

A. Changes of assumptions.

2017

The discount rate was changed from 3.01% for the prior Measurement Date to 3.56% for the current Measurement Date.

2018

The discount rate was changed from 3.56% for the prior Measurement Date to 3.89% for the current Measurement Date.

2019

The discount rate was changed from 3.89% for the prior Measurement Date to 3.50% for the current Measurement Date.

2020

The discount rate was changed from 3.50% for the prior Measurement Date to 2.19% for the current Measurement Date.

2021

The discount rate was changed from 2.19% for the prior Measurement Date to 2.13% for the current Measurement Date.

2022

The discount rate was changed from 2.13% for the prior Measurement Date to 3.37% for the current Measurement Date.

JACKSON COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2022
UNAUDITED

B. Changes in Benefit Provisions.

2017: None.

2018: None.

2019: None.

2020: The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for the Select coverage and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

2021: The schedule of monthly retiree contributions was increased as of January 1, 2022. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

2022: The schedule of monthly retiree contributions was increased as of January 1, 2023. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2023.

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

The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from June 30, 2020 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2022:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75 percent
Salary increases, including wage inflation	3.00 percent to 18.25 percent
Initial health care cost trend rate	
Medicare Supplemental Claims Pre-Medicare	6.50 percent
Ultimate health care cost trend rates	
Medicare Supplemental Claims Pre-Medicare	4.75 percent
Years of ultimate trend rates	
Medicare Supplemental Claims Pre-Medicare	2030
Long-term investment rate of return, net of OPEB plan investment expense	2.13 percent

JACKSON COUNTY

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JACKSON COUNTY

SUPPLEMENTARY INFORMATION

JACKSON COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service			
Passed-through the Mississippi State Treasurer's Office			
Forest service schools and roads cluster			
School and roads - grants to states	10.665	Unknown	\$ 74,180
Total Forest service schools and roads cluster			<u>74,180</u>
Total U.S. Department of Agriculture			<u>74,180</u>
U.S. Department of the Interior - Fish and Wildlife Service			
National wildlife refuge fund (Direct Award)	15.659	N/A	<u>59,073</u>
U.S. Department of the Interior - National Park Service			
Passed-through the Mississippi Department of Marine Resources			
Heritage partnership	15.939	S-NBT-2021-002	<u>20,000</u>
Total U.S. Department of the Interior			<u>79,073</u>
U.S. Department of Justice - Office of Justice Programs			
Coronavirus emergency supplemental funding program (Direct Award)	16.034	N/A	<u>17,689</u>
Treatment court discretionary grant program (Direct Award)	16.585	N/A	<u>57,917</u>
Total U.S. Department of Justice			<u>75,606</u>
U.S. Department of Transportation - Federal Aviation Administration			
Airport improvement program (Direct Award)*	20.106	N/A	1,441,036
COVID-19 - Airport improvement program (Direct Award)*	20.106	N/A	25,295
Airport improvement program (Direct Award)*	20.106	N/A	107,946
Airport improvement program (Direct Award)*	20.106	N/A	102,782
COVID-19 - Airport improvement program (Direct Award)*	20.106	N/A	59,000
Subtotal			<u>1,736,059</u>
U.S. Department of Transportation - Federal Highway Administration			
Passed-through the Mississippi Department of Transportation			
Highway planning and construction cluster			
Highway planning and construction	20.205	STP-9385-00(022)LPA 108514-711000	<u>71,978</u>
Total Highway planning and construction cluster			<u>71,978</u>
Total U.S. Department of Transportation			<u>1,808,037</u>
U.S. Department of the Treasury			
Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	<u>3,868,125</u>
Total U.S. Department of Treasury			<u>3,868,125</u>
Executive Office of the President			
Passed-through the Mississippi Department of Public Safety			
High intensity drug trafficking areas program	95.001	G20-GC0003A	<u>12,700</u>
Total Executive Office of the President			<u>12,700</u>

JACKSON COUNTY
Schedule of Expenditures of Federal Awards - Cont'd
For the Year Ended September 30, 2022

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security			
Passed-through the Mississippi Emergency Management Agency			
Disaster grants - public assistance (Presidentially declared disasters)*	97.036	4350-DR-MS	943,491
Disaster grants - public assistance (Presidentially declared disasters)*	97.036	4576-DR-MS	2,251,559
Covid-19 Disaster grants - public assistance (Presidentially declared disasters)*	97.036	4576-DR-MS	56,822
Disaster grants - public assistance (Presidentially declared disasters)*	97.036	4626-DR-MS	187,813
Covid-19 Disaster grants - public assistance (Presidentially declared disasters)*	97.036	4626-DR-MS	302,047
Subtotal			<u>3,741,732</u>
Emergency management performance grants	97.042	EMA-2022-EP-00007-S01	<u>98,816</u>
Total U.S. Department of Homeland Security			<u>3,840,548</u>
Total Expenditures of Federal Awards			<u>\$ 9,758,269</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Jackson County under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jackson County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Jackson County.

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

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

Note D - ALN 10.665, Schools and roads - grants to states

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$37,090 to subrecipients during the year ended September 30, 2022.

Note E - ALN 15.659, National wildlife refuge fund

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$33,045 to subrecipients during the year ended September 30, 2022.

Note F - ALN 21.027, Coronavirus state and local fiscal recovery funds

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$3,868,125 to subrecipients during the year ended September 30, 2022.

Note G - ALN 97.036, Disaster grants - public assistance (Presidentially declared disasters)

After a Presidentialy declared disaster, FEMA provides Disaster grants - public assistance (Presidentially declared disasters) (ALN 97.036) to reimburse eligible costs associated with repair, replacement or restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. In fiscal year 2022, FEMA approved \$1,274,032 of federal expenditures related to event 4576-DR-MS and \$76,741 of federal expenditures related to event 4626-DR-MS were incurred prior to the year ended September 30, 2022. These approved eligible expenditures are included on the SEFA for the year ended September 30, 2022.

* Denotes major federal award program

JACKSON COUNTY

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JACKSON COUNTY

OTHER INFORMATION

JACKSON COUNTY

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Jackson County
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2022
UNAUDITED

Name	Position	Company	Bond
Barry Cumbest	Supervisor District 1	State Farm	\$100,000
Ennit Morris	Supervisor District 2	State Farm	\$100,000
Ken Taylor	Supervisor District 3	State Farm	\$100,000
Joseph Troy Ross	Supervisor District 4	State Farm	\$100,000
Randy Bosarge	Supervisor District 5	State Farm	\$100,000
Brian Fulton	County Administrator	RLI Insurance Company	\$100,000
Joshua Eldridge	Chancery Clerk	RLI Insurance Company	\$100,000
Cynthia Steen	Purchase Clerk	RLI Insurance Company	\$100,000
Susanne Samples	Assistant Purchase Clerk	RLI Insurance Company	\$75,000
Meleana Overstreet	Receiving Clerk	RLI Insurance Company	\$75,000
Aimee Caroll	Assistant Receiving Clerk	Travelers	\$50,000
Brenna Carson	Assistant Receiving Clerk	Travelers	\$50,000
Carey Crosby	Assistant Receiving Clerk	Travelers	\$50,000
Darcie Crew	Assistant Receiving Clerk	Travelers	\$50,000
David Cunningham	Assistant Receiving Clerk	Travelers	\$50,000
Katie Dees	Assistant Receiving Clerk	Travelers	\$50,000
Mary Ferguson	Assistant Receiving Clerk	Travelers	\$50,000
Laura Fortman	Assistant Receiving Clerk	Travelers	\$50,000
Brandi Gilliland	Assistant Receiving Clerk	Travelers	\$50,000
Jeremy Gregory	Assistant Receiving Clerk	Travelers	\$50,000
Eloria Jacob	Assistant Receiving Clerk	Travelers	\$50,000
Jessica Kasinec	Assistant Receiving Clerk	Travelers	\$50,000
Brooke Monk	Assistant Receiving Clerk	Travelers	\$50,000
Joseph Nicholson	Assistant Receiving Clerk	Travelers	\$50,000
Dagmar Ruffin	Assistant Receiving Clerk	Travelers	\$50,000
Kimberly Stewart	Assistant Receiving Clerk	Travelers	\$50,000
Stephanie Tagert	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Sonya Vaughn	Assistant Receiving Clerk	Travelers	\$50,000
Marcus Watson	Assistant Receiving Clerk	Travelers	\$50,000
Melissa Werner	Assistant Receiving Clerk	Travelers	\$50,000
Alecia Wilson	Assistant Receiving Clerk	Travelers	\$50,000
Nancy Anglada	Inventory Control Clerk	Travelers	\$75,000
Diana Dixon	Assistant Inventory Control Clerk	RLI Insurance Company	\$50,000
Joe O'Neal	Road Manager	Old Republic Safety	\$50,000
Kerry Fountain	Constable	Travelers	\$50,000
Clavin Hutchins	Constable	Travelers	\$50,000
Kenneth Shane Langfitt	Constable	Travelers	\$50,000
Tymothe Thompson	Constable	Travelers	\$50,000

JACKSON COUNTY
Schedule of Surety Bonds for County Officials - Cont'd
For the Year Ended September 30, 2022
UNAUDITED

Name	Position	Company	Bond
Randy Carney	Circuit Clerk	Travelers	\$100,000
Walter Ezell	Sheriff	State Farm	\$100,000
Daniel Guice	Justice Court Judge	Travelers	\$50,000
Matthew Lachaussee	Justice Court Judge	Travelers	\$50,000
Jason Thornton	Justice Court Judge	State Farm	\$50,000
Lisa Fairley	Justice Court Clerk	State Farm	\$100,000
Jessica Ferguson	Deputy Justice Court Clerk	Travelers	\$50,000
Pamela Johnson	Deputy Justice Court Clerk	Travelers	\$50,000
Marilynn Miller-Evans	Deputy Justice Court Clerk	Travelers	\$50,000
Marsha Moore	Deputy Justice Court Clerk	Travelers	\$50,000
Julia Peterson	Deputy Justice Court Clerk	Travelers	\$50,000
Sherri White	Deputy Justice Court Clerk	Travelers	\$50,000
Theresa Wooten	Deputy Justice Court Clerk	Travelers	\$50,000
Lizzie Worthy	Deputy Justice Court Clerk	Travelers	\$50,000
Kevin James Miller	Tax Collector	FCCI	\$100,000
Nicholas Elmore	Tax Assessor	State Farm	\$100,000
Mary Ann Fontenot	Deputy Tax Assessor	State Farm	\$10,000
Jenna Pitts-Hamilton	Deputy Tax Assessor	State Farm	\$10,000
Crystal Ables	Deputy Tax Collector	Travelers	\$50,000
Jessica Alexander	Deputy Tax Collector	Travelers	\$50,000
Shalimar Bliss	Deputy Tax Collector	RLI Insurance Company	\$50,000
Stephanie Chambers	Deputy Tax Collector	Travelers	\$50,000
Carey Crosby	Deputy Tax Collector	RLI Insurance Company	\$50,000
Angela Guy	Deputy Tax Collector	Travelers	\$50,000
Jill Lamey	Deputy Tax Collector	Travelers	\$50,000
Valerie Mason	Deputy Tax Collector	Travelers	\$50,000
Jamison Palmer	Deputy Tax Collector	Travelers	\$50,000
Janice Sharp	Deputy Tax Collector	Travelers	\$50,000
Kayla Sutherland	Deputy Tax Collector	Travelers	\$50,000
Stephanie Tagert	Deputy Tax Collector	RLI Insurance Company	\$50,000
April Thompson	Deputy Tax Collector	Travelers	\$50,000
Jennifer Waltman	Deputy Tax Collector	Travelers	\$50,000
Cathy Wells	Deputy Tax Collector	Travelers	\$50,000
Suzanne Dombrowski	Comptroller	Western Surety Company	\$100,000
Samantha Wells	Finance Director	Travelers	\$100,000
Mary Angela Benigno	Assistant Finance Director	Travelers	\$100,000

JACKSON COUNTY

SPECIAL REPORTS

JACKSON COUNTY

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

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

Members of the Board of Supervisors
Jackson County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, the major funds, and the aggregate remaining fund information of Jackson County, Mississippi (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 15, 2024.

Our report includes a reference to other auditors who audited the financial statements of Singing River Mental Health/Mental Retardation Services, Singing River Health System, West Jackson County Utility District, Jackson County Emergency Communications District, Jackson County Port Authority and Jackson-George Regional Library System, 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 on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 have not been identified.

Report on Compliance and Other Matters

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

We noted certain matters that we reported to the management of Jackson County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated October 15, 2024, 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

October 15, 2024



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

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

Members of the Board of Supervisors
Jackson County, Mississippi

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jackson County, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jackson County, Mississippi's major federal programs for the year ended September 30, 2022. Jackson County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Jackson County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



JOE E. MCKNIGHT CPA
Director, County Audit Section

October 15, 2024

JACKSON COUNTY

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

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

Members of the Board of Supervisors
Jackson County, Mississippi

We have examined Jackson County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated* during the year ended September 30, 2022. The Board of Supervisors of Jackson 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 Jackson County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

The results of our audit procedures disclosed a certain instance of noncompliance with the aforementioned code sections. This instance of noncompliance was considered in forming our opinion on compliance. Our finding and recommendation and your response is disclosed below:

Purchase Clerk.

1. Assistant Receiving Clerks should be properly bonded.

Repeat Finding No

Criteria *Section 31-7-124, Mississippi Code of 1972 Annotated*, requires assistant receiving clerks to execute a bond in a penalty not less than \$50,000, to be payable, conditioned and approved as provided by law.

Condition During our review of the County's surety bonds, it was noted that one assistant receiving clerk was not bonded for fiscal year 2022.

Cause	The County did not comply with state laws.
Effect	Failure to comply with the state laws would limit the amount available for recovery if loss occurred.
Recommendation	The assistant receiving clerks should be bonded in accordance with state law.
Views of Responsible Official(s)	The county will comply with having all receiving clerks bonded.

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

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

Jackson 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 for use in evaluating Jackson 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.



JOE E. MCKNIGHT, CPA
 Director, County Audit Section
 October 15, 2024

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

Schedule 1

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
3/7/2022	plot scanner	\$ 9,322	Bay Area Printing	\$ 9,303	Purchase included onsite training and service maintenance

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

Schedule 2

Our tests did not identify any emergency purchases.

JACKSON COUNTY

Schedule 3

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

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
11/15/2021	Taser 7 energy weapons certification plan	\$ 406,750	Axon Enterprises

JACKSON COUNTY

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

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Jackson County, Mississippi

In planning and performing our audit of the financial statements of Jackson County, Mississippi for the year ended September 30, 2022, we considered Jackson 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 Jackson 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 October 15, 2024, on the financial statements of Jackson County, Mississippi.

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

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

Board of Supervisors.

1. The Board of Supervisors should ensure compliance with state laws over the Public Employees' Retirement and Disability Benefits.

Repeat Finding Yes

Criteria *Section 25-11-103, Mississippi Code of 1972 Annotated*, defines earned compensation as the full amount earned during a fiscal year by an employee not to exceed the employee compensation limit set pursuant to Section 401(a)(17) of the Internal Revenue Code. Furthermore, *Section 25-11-103(1)(k)(v), Mississippi Code of 1972 Annotated*, states compensation in addition to an employees' base salary that is paid to the employee under the vacation and sick leave policies of a municipality or other political subdivision of the state that employees him or her that exceeds the maximum authorized by *Section 25-3-91 et seq.* shall be excluded from the calculation of earned compensation.

Condition As noted in the prior year’s audit report, deficiencies were noted during our test work for contributions made to the Public Employees’ Retirement System (PERS). We noted eight (8) payments to employees did not include the required employee withholdings for PERS contributions. Three (3) employees did not have PERS contributions deducted from regular wages and five (5) employees, upon their termination, did not have PERS contributions deducted from the lump sum payments for accrued vacation leave. The amounts paid for accrued vacation leave did not exceed the maximum amount authorized by *Section 25-3-91*.

Cause The County lacked internal controls to ensure the required employee contributions to PERS are being made.

Effect Failure to withhold required amounts from employee wages could result in insufficient payments to PERS.

Recommendation The County should ensure employee contributions to PERS are withheld on all earned compensation as required by state law.

Views of Responsible Official(s) Management will develop controls to mitigate these PERS concerns.

2. The Board of Supervisors should ensure compliance with state laws over the re-employment of retired service employees.

Repeat Finding No

Criteria The Mississippi Public Employees Retirement System (PERS) requires, under the re-employment provisions of *Section 25-11-127, Mississippi Code of 1972 Annotated*, counties hiring PERS service retirees to file PERS Form 4B, “Certification/Acknowledgement of Re-employment of Retirees”, with the PERS office within five (5) days from the date of employment of the retiree. Furthermore, *Section 25-11-127(4), Mississippi Code of 1972 Annotated*, requires retirees, who make the election, to receive no more than one-half or twenty-five percent (25%) as elected, of their average compensation used in calculating the retiree’s service retirement allowance.

Condition During our test work of the County’s rehired retirees, we noted the following deficiencies:

- a. Five retirees were paid more than the retiree’s service retirement allowance elected per their PERS form 4B.
- b. Nine retirees did not file a PERS form 4B for the fiscal year 2022.

Cause The County did not comply with state laws.

Effect Failure to file the Form 4B and pay retirees within the allowable amounts resulted in the violation of state law.

Recommendation The County should strengthen controls to ensure compliance with state law by submitting the Form 4B to PERS within five (5) days from the date of the retiree’s employment. The County should also strengthen controls to ensure retirees are not paid more than allowable amounts, as required by law.

Views of Responsible Official(s) Management will develop controls to mitigate these PERS concerns.

3. Actual expenditures exceeded final budget amounts.

Repeat Finding No

Criteria Section 19-11-17, *Mississippi Code of 1972 Annotated*, prohibits the incurring of expenditures in excess of the final budget as approved by the Board of Supervisors.

Condition Actual expenditures exceeded budgeted amounts in the General Fund by \$21,251,522 and in the Road Fund by \$462,479.

Cause The County did not have the necessary controls in place to ensure actual expenditures did not exceed budgeted amounts.

Effect Failure to limit actual expenditures to budgeted amounts could result in the County having insufficient funds to pay expenditures.

Recommendation The Board of Supervisors should not make expenditures in excess of budgeted amounts.

Views of Responsible Official(s) The Board of Supervisors adopted the budget to final actuals at fiscal year-end. However, an adjustment was made after fiscal year-end that caused the discrepancies.

Circuit Clerk.

4. Deputy Circuit Clerks should be bonded.

Repeat Finding No

Criteria Section 9-7-123(2), *Mississippi Code of 1972 Annotated*, states each deputy circuit clerk shall give bond, with sufficient surety, to be payable, conditioned and approved as provided by law, in a penalty equal to 3% of prior year's taxes. However, the amount of such bond shall not be less than Fifty Thousand Dollars (\$50,000) nor more than One Hundred Thousand Dollars (\$100,000).

Condition It was noted that no Deputy Circuit Clerks were bonded for fiscal year 2022.

Cause The County lacked the necessary controls to ensure compliance with state laws over surety bonds.

Effect Failure to comply with state laws over surety bonds would limit the amount available for recovery if a loss occurred.

Recommendation Upon employment, each Deputy Circuit Clerk should be bonded as required by state law.

Views of Responsible Official(s) We will comply.

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

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

October 15, 2024

JACKSON COUNTY

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JACKSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JACKSON COUNTY

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JACKSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|---|---------------|
| 1. Type of auditor's report issued on the financial statements: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness 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 weakness identified? | No |
| b. Significant deficiency identified? | None Reported |
| 5. Type of auditor's report issued on compliance for each major federal program: | Unmodified |
| 6. Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. Identification of major federal programs: | |
| a. ALN 20.106, Airport Improvement Program | |
| b. ALN 21.027, Coronavirus State and Local Fiscal Recovery Funds | |
| c. ALN 97.036, Disaster grants - public assistance (Presidentially declared disasters) | |
| 8. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | No |
| 10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | Yes |

JACKSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

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 and questioned costs related to federal awards.

JACKSON COUNTY

AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

JACKSON COUNTY

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JACKSON COUNTY BOARD OF SUPERVISORS

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Gateway to the
Mississippi Gulf Coast



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

August 7, 2024

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

Gentlemen:

Jackson County respectfully submits the following Summary Schedule of Prior Audit Findings for the year ended September 30, 2022.

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

SECTION 2: FINANCIAL STATEMENT FINDINGS

2021-001. The County should maintain adequate subsidiary records for construction in progress.

CORRECTED.

2021-002. The County did not complete the federal grant activity schedule.

CORRECTED.

2021-003. The Board of Supervisors should have adequate controls over beginning cash balances.

CORRECTED.

Sincerely,

A handwritten signature in blue ink that reads "Troy Ross".

President, Jackson County Board of Supervisors