

JACKSON COUNTY, MISSISSIPPI

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



SHAD WHITE

STATE AUDITOR

Jeff Goodwin, CPA
Director, Financial and Compliance Audit Division

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

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

Shad White
AUDITOR

July 16, 2025

Members of the Board of Supervisors
Jackson County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2023 financial and compliance audit report for Jackson County. This audit was performed pursuant to *Section 7-7-211(e), Mississippi Code Annotated (1972)*. The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

I appreciate the cooperation and courtesy extended by the officials and employees of 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 0.90%, 65.03%, 12.01%, 0.42%, 21.09% and 0.55%, respectively, of the assets, (3.07%), 74.81%, 7.38%, 0.59%, 21.43% and (1.14%), respectively, of the net position, and 1.55%, 92.47%, 1.98%, 0.23%, 3.05% and 0.72%, 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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2025 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

July 16, 2025

JACKSON COUNTY

FINANCIAL STATEMENTS

JACKSON COUNTY

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JACKSON COUNTY
Statement of Net Position
September 30, 2023

Exhibit 1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash	\$ 177,487,071		177,487,071	97,533,767
Restricted assets - cash	1,645,018	958,479	2,603,497	7,244,290
Restricted assets - investments	8,765,153		8,765,153	7,852,719
Investments				48,142,811
Deposits				2,680
Grants receivable				774,603
Property tax receivable	95,106,697		95,106,697	
Receivables, net of allowance				75,175,099
Fines receivable (net of allowance for uncollectibles of \$23,609,836)	5,583,770		5,583,770	
Loans receivable (net of allowance for uncollectibles of \$136,254)	0		0	
Leases receivable	7,475,033		7,475,033	31,403,165
Intergovernmental receivables	3,091,597		3,091,597	
Other receivables	13,352		13,352	3,064,137
Internal balances	36,709	(36,709)	0	
Prepaid expenses	1,978,261		1,978,261	5,242,543
Inventories and prepaid items				12,535,421
Trustee bond funds				1,251,980
Held by trustees for self-insurance funding				4,858,693
Investment in equity investments				4,119,204
Capital assets:				
Land and construction in progress	38,261,599	211,867	38,473,466	35,174,319
Other capital assets, net	294,741,585	6,706,915	301,448,500	332,961,561
Intangible assets, net				117,500
Long-term lease receivables				3,694,252
Total Assets	634,185,845	7,840,552	642,026,397	671,148,744
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	27,223,792	341,914	27,565,706	8,273,854
Deferred outflows related to OPEB	778,002		778,002	79,840
Deferred amount on refunding				2,606,463
Total Deferred Outflows of Resources	28,001,794	341,914	28,343,708	10,960,157
LIABILITIES				
Claims payable	8,198,331	62,046	8,260,377	127,808
Accounts payable				40,254,231
Payroll liabilities				23,440,117
Due to other agencies				10,814
Due to third-party payors				6,115,472
Accrued liabilities				7,338,957
Intergovernmental payables	2,905,149	565	2,905,714	
Accrued interest payable	543,569	13,398	556,967	211,046
Unearned revenue	14,027,794		14,027,794	6,930,289
Customer deposits				762,145
Current installments of pension settlement liability				5,700,000
Claims and judgments payable	9,906		9,906	
Long-term liabilities				
Due within one year:				
Capital debt	3,095,895		3,095,895	12,643,098
Non-capital debt				1,085,173
Lease liabilities	93,766	18,846	112,612	8,077,002
SBITA liabilities	333,754		333,754	2,676,544

JACKSON COUNTY
Statement of Net Position
September 30, 2023

Exhibit 1 - cont'd

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
Due in more than one year:				
Capital debt	44,506,959		44,506,959	107,121,652
Non-capital debt	3,405,686	57,594	3,463,280	2,027,438
Lease liabilities	1,158,957	427,746	1,586,703	25,517,880
SBITA liabilities				2,864,595
Net pension liability	131,525,374	1,529,133	133,054,507	40,295,665
Net OPEB liability	3,179,103		3,179,103	297,543
Other payables	1,135,925		1,135,925	
Pension settlement liability				61,601,172
Total Liabilities	<u>214,120,168</u>	<u>2,109,328</u>	<u>216,229,496</u>	<u>355,098,641</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	1,413,078	40,585	1,453,663	2,250,708
Deferred inflows related to OPEB	1,872,555		1,872,555	122,077
Deferred inflows related to leases	7,375,096		7,375,096	33,847,740
Deferred revenues - property taxes	95,106,697		95,106,697	
Total Deferred Inflows of Resources	<u>105,767,426</u>	<u>40,585</u>	<u>105,808,011</u>	<u>36,220,525</u>
NET POSITION				
Net investment in capital assets	283,813,853	6,472,190	290,286,043	208,281,602
Restricted for:				
Expendable:				
General government	52,760		52,760	
Public safety	5,842,062	267,778	6,109,840	
Public works	49,651,737		49,651,737	
Health and welfare	6,311,619		6,311,619	
Culture and recreation	117,759	8,083	125,842	
Conservation of natural resources	21,763,880		21,763,880	
Economic development and assistance	228,545		228,545	
Unemployment compensation	238,909		238,909	
Debt service	19,132,517		19,132,517	11,221,321
Indigent care				1,135,925
Harbor maintenance				4,695,080
Capital projects				3,570,560
Customer deposits				761,645
Special revenue funds				209
Unemployment fund reserve				15,000
Other purposes				628,283
Nonspendable				123,494
Unrestricted	(44,853,596)	(715,498)	(45,569,094)	60,356,616
Total Net Position	<u>\$ 342,300,045</u>	<u>6,032,553</u>	<u>348,332,598</u>	<u>290,789,735</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, 2023

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	\$ 44,110,368	4,463,971	3,471,918		(36,174,479)		(36,174,479)	
Public safety	29,092,799	1,112,845	17,396,374		(10,583,580)		(10,583,580)	
Public works	39,406,010		4,246,025	5,264,550	(29,895,435)		(29,895,435)	
Health and welfare	5,499,639		237,668		(5,261,971)		(5,261,971)	
Culture and recreation	8,861,242		14,847		(8,846,395)		(8,846,395)	
Education	120,817				(120,817)		(120,817)	
Conservation of natural resources	395,631				(395,631)		(395,631)	
Economic development and assistance	2,424,414	712,653	6,476		(1,705,285)		(1,705,285)	
Interest on long-term debt	1,531,193				(1,531,193)		(1,531,193)	
Bond issue costs	240,739				(240,739)		(240,739)	
Pension expense	17,861,901				(17,861,901)		(17,861,901)	
OPEB expense	198,580				(198,580)		(198,580)	
Total Governmental Activities	<u>149,743,333</u>	<u>6,289,469</u>	<u>25,373,308</u>	<u>5,264,550</u>	<u>(112,816,006)</u>		<u>(112,816,006)</u>	
Business-type activities:								
Adult detention center canteen fund	119,601	195,061				75,460	75,460	
Harbor	602,440	299,974				(302,466)	(302,466)	
Golf course	1,395,242	958,767				(436,475)	(436,475)	
Total Business-type Activities	<u>2,117,283</u>	<u>1,453,802</u>	<u>0</u>	<u>0</u>		<u>(663,481)</u>	<u>(663,481)</u>	
Total Primary Government	<u>\$ 151,860,616</u>	<u>7,743,271</u>	<u>25,373,308</u>	<u>5,264,550</u>	<u>(112,816,006)</u>	<u>(663,481)</u>	<u>(113,479,487)</u>	
Component units:								
Singing River Mental Health / Mental Retardation Services	\$ 12,135,226	3,508,198	6,167,717					(2,459,311)
Singing River Health System	571,310,038	528,121,620	44,587,447					1,399,029
West Jackson County Utility District	10,983,428	11,949,936						966,508
Jackson County Emergency Communications District	1,930,072	1,443,371						(486,701)
Jackson County Port Authority	22,552,255	13,286,213	1,373,484					(7,892,558)
Jackson-George Regional Library System	4,515,332	59,200	24,938					(4,431,194)
Total Component Units	<u>\$ 623,426,351</u>	<u>558,368,538</u>	<u>52,153,586</u>	<u>0</u>				<u>(12,904,227)</u>

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

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 Government Governmental Activities	Business-type Activities		Total
General revenues:								
Property taxes					\$ 95,379,018		95,379,018	4,273,504
Road & bridge privilege taxes					1,918,840		1,918,840	
Grants and contributions not restricted to specific programs					5,435,382		5,435,382	
In lieu taxes - Mississippi Power					6,178,410		6,178,410	
Unrestricted gifts and donations					483,770		483,770	
Unrestricted interest income					9,678,296	68,339	9,746,635	1,192,669
Miscellaneous					8,927,393	1,678	8,929,071	11,691,509
Transfers					34,201	(34,201)	0	567,411
Total General Revenues and Transfers					<u>128,035,310</u>	<u>35,816</u>	<u>128,071,126</u>	<u>17,725,093</u>
Changes in Net Position					<u>15,219,304</u>	<u>(627,665)</u>	<u>14,591,639</u>	<u>4,820,866</u>
Net Position - Beginning, as previously reported					342,830,468	6,660,218	349,490,686	286,263,913
Prior period adjustments					<u>(15,749,727)</u>		<u>(15,749,727)</u>	<u>(295,044)</u>
Net Position - Beginning, as restated					<u>327,080,741</u>	<u>6,660,218</u>	<u>333,740,959</u>	<u>285,968,869</u>
Net Position - Ending					<u>\$ 342,300,045</u>	<u>6,032,553</u>	<u>348,332,598</u>	<u>290,789,735</u>

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

JACKSON COUNTY
Balance Sheet - Governmental Funds
September 30, 2023

Exhibit 3

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Road Fund		
ASSETS				
Cash	\$ 67,513,443	26,090,810	77,718,463	171,322,716
Restricted assets - cash	1,645,018			1,645,018
Restricted assets - investments			8,765,153	8,765,153
Property tax receivable	61,432,116	17,110,662	16,563,919	95,106,697
Fines receivable (net of allowance for uncollectibles of \$23,609,836)	5,583,770			5,583,770
Loans receivable (net of allowance for uncollectibles of \$136,254)			0	0
Lease receivable	5,957,171		1,517,862	7,475,033
Intergovernmental receivables	1,638,393	652,316	800,888	3,091,597
Other receivables	13,352			13,352
Due from other funds	2,035,690	359,384	2,063,992	4,459,066
Advances to other funds	3,972,070			3,972,070
Total Assets	\$ 149,791,023	44,213,172	107,430,277	301,434,472
LIABILITIES				
Liabilities:				
Claims payable	\$ 3,870,571	1,104,291	3,223,469	8,198,331
Intergovernmental payables	2,759,771	11,741	5,224	2,776,736
Due to other funds	2,563,954	116,796	1,746,890	4,427,640
Advances from other funds			3,972,070	3,972,070
Unearned revenue			14,027,794	14,027,794
Total Liabilities	9,194,296	1,232,828	22,975,447	33,402,571
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	61,432,116	17,110,662	16,563,919	95,106,697
Unavailable revenue - fines	5,583,770			5,583,770
Leases	5,858,169		1,516,927	7,375,096
Total Deferred Inflows of Resources	72,874,055	17,110,662	18,080,846	108,065,563
Fund balances:				
Nonspendable:				
Advances	3,972,070			3,972,070
Restricted for:				
General government			52,760	52,760
Public safety			5,842,062	5,842,062
Public works		25,869,682	23,782,055	49,651,737
Health and welfare			280,300	280,300
Culture and recreation			117,759	117,759
Conservation of natural resources			21,763,880	21,763,880
Economic development and assistance			228,545	228,545
Unemployment compensation			238,909	238,909
Tort claims	1,645,018			1,645,018
Debt service			19,676,086	19,676,086
Unassigned	62,105,584		(5,608,372)	56,497,212
Total Fund Balances	67,722,672	25,869,682	66,373,984	159,966,338
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 149,791,023	44,213,172	107,430,277	301,434,472

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, 2023

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 159,966,338
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 \$214,536,652 and accumulated amortization of \$503,418.	333,003,184
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	5,583,770
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(53,730,942)
Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(3,179,103)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(131,525,374)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(543,569)
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition, and therefore, are not reported in the funds.	1,978,261
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	27,223,792
Deferred inflows of resources related to pensions	(1,413,078)
Deferred outflows related to other postemployment benefits	778,002
Deferred inflows related to other postemployment benefits	(1,872,555)
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>6,031,319</u>
Total Net Position - Governmental Activities	\$ <u>342,300,045</u>

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

JACKSON COUNTY

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

Exhibit 4

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Road Fund		
REVENUES				
Property taxes	\$ 61,529,517	16,583,297	17,266,204	95,379,018
Road and bridge privilege taxes		1,918,840		1,918,840
Licenses, commissions and other revenue	3,094,378			3,094,378
Fines and forfeitures	1,120,479		676,346	1,796,825
In lieu taxes - Mississippi Power	6,178,410			6,178,410
Intergovernmental revenues	4,246,321	9,374,241	22,936,448	36,557,010
Charges for services	1,148,128	7,938		1,156,066
Interest income	4,902,499	1,333,579	3,179,220	9,415,298
Miscellaneous revenues	3,710,170	248,563	4,086,912	8,045,645
Total Revenues	85,929,902	29,466,458	48,145,130	163,541,490
EXPENDITURES				
Current:				
General government	47,763,422		3,383,623	51,147,045
Public safety	22,236,636	19	10,154,039	32,390,694
Public works	3,364,370	28,760,380	19,771,816	51,896,566
Health and welfare	2,971,651		4,751,614	7,723,265
Culture and recreation	5,423,487		5,381,410	10,804,897
Education	120,817			120,817
Conservation of natural resources	221,070		609,573	830,643
Economic development and assistance	2,634,805			2,634,805
Debt service:				
Principal	2,118,739	5,261	13,909,791	16,033,791
Interest	348,611	468	1,030,338	1,379,417
Bond issue costs			240,739	240,739
Total Expenditures	87,203,608	28,766,128	59,232,943	175,202,679
Excess of Revenues over (under) Expenditures	(1,273,706)	700,330	(11,087,813)	(11,661,189)
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued			11,370,000	11,370,000
Leases issued	121,861			121,861
SBITA issued	652,373			652,373
Proceeds from sale of capital assets	112,087	154,543	68,120	334,750
Compensation for loss of capital assets	41,929			41,929
Transfers in	7,653,817	1,500,000	8,602,209	17,756,026
Transfers out	(5,484,756)		(12,237,069)	(17,721,825)
Total Other Financing Sources and Uses	3,097,311	1,654,543	7,803,260	12,555,114
Net Changes in Fund Balances	1,823,605	2,354,873	(3,284,553)	893,925
Fund Balances - Beginning, as previously reported	65,863,030	23,514,809	83,605,721	172,983,560
Prior period adjustments	36,037		(13,947,184)	(13,911,147)
Fund Balances - Beginning, as restated	65,899,067	23,514,809	69,658,537	159,072,413
Fund Balances - Ending	\$ 67,722,672	25,869,682	66,373,984	159,966,338

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, 2023

Exhibit 4-1

	Amount
Net Changes in Fund Balances - Governmental Funds	\$ 893,925
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$32,333,975 exceeded depreciation of \$12,566,793 and amortization of \$398,241 in the current period.	19,368,941
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 \$11,984 and the proceeds from the sale of \$334,750 and the compensation for loss of \$41,929 in the current period.	(388,663)
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.	242,200
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 \$16,033,791 exceeded debt proceeds of \$12,144,234.	3,889,557
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.	(221,933)
The amount of increase in accrued interest payable.	(151,776)
The increase in other postemployment benefits payable.	(304,868)
The decrease in other payables.	1,075,271
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.	631,261

JACKSON COUNTY

Exhibit 4-1 - cont'd

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

	<u>Amount</u>
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period.	(17,861,901)
Recording of contributions made during the year.	6,628,927
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:	
Amortization of other postemployment benefits deferred outflows/inflows	199,263
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.	1,219,100
Change in Net Position of Governmental Activities	\$ 15,219,304

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

JACKSON COUNTY
Statement of Net Position - Proprietary Funds
September 30, 2023

Exhibit 5

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
ASSETS		
Current assets:		
Cash	\$	6,164,355
Restricted assets - cash	958,479	
Due from other funds		82,605
Total Current Assets	<u>958,479</u>	<u>6,246,960</u>
Noncurrent assets:		
Capital assets:		
Land and construction in progress	211,867	
Other capital assets, net	6,706,915	
Total Noncurrent Assets	<u>6,918,782</u>	<u>0</u>
Total Assets	<u>7,877,261</u>	<u>6,246,960</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	341,914	
Total Deferred Outflows of Resources	<u>341,914</u>	<u>0</u>
LIABILITIES		
Current liabilities:		
Claims payable	62,046	
Claims and judgments payable		9,906
Intergovernmental payables	565	3,083
Due to other funds	36,709	202,652
Accrued interest payable	13,398	
Capital debt:		
Lease liabilities	18,846	
Total Current Liabilities	<u>131,564</u>	<u>215,641</u>
Noncurrent liabilities:		
Capital debt:		
Lease liabilities	427,746	
Non-capital debt:		
Compensated absences payable	57,594	
Net pension liability	1,529,133	
Total Noncurrent Liabilities	<u>2,014,473</u>	<u>0</u>
Total Liabilities	<u>2,146,037</u>	<u>215,641</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	40,585	
Total Deferred Inflows of Resources	<u>40,585</u>	<u>0</u>
NET POSITION		
Net investment in capital assets	6,472,190	
Restricted for:		
Public safety	267,778	
Health and welfare		6,031,319
Culture and recreation	8,083	
Unrestricted	(715,498)	
Total Net Position	<u>\$ 6,032,553</u>	<u>6,031,319</u>

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

JACKSON COUNTY

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

Exhibit 6

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
Operating Revenues		
Sales and charges for services	\$ 1,453,802	
Premiums		10,778,089
Miscellaneous	1,161	881,748
Total Operating Revenues	<u>1,454,963</u>	<u>11,659,837</u>
Operating Expenses		
Personal services	709,318	
Contractual services	268,303	
Materials and supplies	476,894	
Depreciation expense	435,308	
Claims payments		10,703,735
Pension expense	209,416	
Total Operating Expenses	<u>2,099,239</u>	<u>10,703,735</u>
Operating Income (Loss)	<u>(644,276)</u>	<u>956,102</u>
Nonoperating Revenues (Expenses)		
Interest income	68,339	262,998
Gain (loss) on sale of capital assets	517	
Interest expense	(18,044)	
Net Nonoperating Revenue (Expenses)	<u>50,812</u>	<u>262,998</u>
Net Income (Loss) Before Transfers	<u>(593,464)</u>	<u>1,219,100</u>
Transfers in	93,406	
Transfers out	(127,607)	
Changes in Net Position	<u>(627,665)</u>	<u>1,219,100</u>
Net Position - Beginning	<u>6,660,218</u>	<u>4,812,219</u>
Net Position - Ending	<u>\$ 6,032,553</u>	<u>6,031,319</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, 2023

Exhibit 7

	Business-type	Governmental
	Activities - Enterprise Funds	Activities
	Non-major Funds	Internal Service Funds
Cash Flows From Operating Activities		
Receipts from customers	\$ 1,453,802	10,778,089
Receipts for premiums		
Payments to suppliers	(682,639)	
Payments to employees	(774,406)	
Payments for claims		(11,357,875)
Other operating cash receipts	1,161	881,748
Net Cash Provided (Used) by Operating Activities	<u>(2,082)</u>	<u>301,962</u>
Cash Flows From Noncapital Financing Activities		
Cash received from other funds:		
Operating transfers in	93,406	
Interfund loan repayments		695,410
Cash paid to other funds:		
Operating transfers out	(127,607)	
Loans made to other funds		(82,605)
Other receipts	2,192	
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(32,009)</u>	<u>612,805</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from sale of capital assets	7,035	
Acquisition and construction of capital assets	(144,141)	
Principal paid on long-term debt	(18,121)	
Interest paid on debt	(18,589)	
Other receipts (payments)	517	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(173,299)</u>	<u>0</u>
Cash Flows From Investing Activities		
Interest on deposits	68,339	262,998
Net Cash Provided (Used) by Investing Activities	<u>68,339</u>	<u>262,998</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(139,051)	1,177,765
Cash and Cash Equivalents at Beginning of Year	<u>1,097,530</u>	<u>4,986,590</u>
Cash and Cash Equivalents at End of Year	<u>\$ 958,479</u>	<u>6,164,355</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (644,276)	956,102
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	435,308	
Changes in assets and liabilities:		
Increase (decrease) in claims payable	25,849	
Increase (decrease) in claims and judgments liability		(856,552)
Increase (decrease) in compensated absences liability	12,633	
Increase (decrease) in interfund payables	36,709	202,412
Increase (decrease) in net pension liability, deferred	131,695	
Total Adjustments	<u>642,194</u>	<u>(654,140)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,082)</u>	<u>301,962</u>

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

JACKSON COUNTY
Statement of Fiduciary Net Position
September 30, 2023

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 2,589,655
Receivables:	
Due from other funds	<u>125,330</u>
Total Assets	<u><u>2,714,985</u></u>
LIABILITIES	
Intergovernmental payables	<u>740,170</u>
Total Liabilities	<u><u>740,170</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>1,974,815</u>
Total Net Position	<u><u>\$ 1,974,815</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, 2023

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 14,474,086
Other taxes and fees collected for other governments	304,537
Licenses and fees collected for State	<u>897,985</u>
Total Additions	<u>15,676,608</u>
DEDUCTIONS	
Payments of tax to other governments	15,813,596
Payments of licenses and fees to State	<u>897,985</u>
Total Deductions	<u>16,711,581</u>
Net increase (decrease) in fiduciary net position	(1,034,973)
Net Position - Beginning	<u>3,009,788</u>
Net Position - Ending	<u>\$ 1,974,815</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, 2023

	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	\$ 173,491	68,677,420	2,002,984	1,795,693	22,536,045	2,348,134	97,533,767
Restricted assets - cash	10,814		3,870,888		3,362,588		7,244,290
Restricted assets - investments			7,852,719				7,852,719
Investments	794,701	47,348,110					48,142,811
Deposits	2,680						2,680
Grants receivable	774,603						774,603
Receivables, net of allowance	494,676	70,398,347	933,829	219,367	2,977,499	151,381	75,175,099
Leases receivable		598,468			30,804,697		31,403,165
Other receivables	9,129	3,055,008					3,064,137
Prepaid expenses		5,242,543					5,242,543
Inventories and prepaid items	123,494	11,103,099	536,651	38,807	591,433	141,937	12,535,421
Trustee bond funds		1,251,980					1,251,980
Held by trustees for self-insurance funding		4,858,693					4,858,693
Investment in equity investments		4,119,204					4,119,204
Capital assets:							
Land and construction in progress	10,000	21,080,480	6,981,961		7,101,878		35,174,319
Other capital assets, net	3,653,613	194,912,901	58,415,385	797,474	74,148,715	1,033,473	332,961,561
Intangible assets, net		117,500					117,500
Long-term lease receivables		3,694,252					3,694,252
Total Assets	6,047,201	436,458,005	80,594,417	2,851,341	141,522,855	3,674,925	671,148,744
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions	3,762,619		1,108,691	55,354	1,977,083	1,370,107	8,273,854
Deferred outflows related to OPEB						79,840	79,840
Deferred amount on refunding		2,606,463					2,606,463
Total Deferred Outflows of Resources	3,762,619	2,606,463	1,108,691	55,354	1,977,083	1,449,947	10,960,157
LIABILITIES							
Claims payable	127,808						127,808
Accounts payable		36,809,334	1,143,484	19,037	2,256,019	26,357	40,254,231
Payroll liabilities	414,710	22,920,112	105,295				23,440,117
Due to other agencies	10,814						10,814
Due to third-party payors		6,115,472					6,115,472
Accrued liabilities		7,338,957					7,338,957
Accrued interest payable			208,335	2,711			211,046
Unearned revenue	37,104	6,319,626			573,559		6,930,289
Customer deposits			762,145				762,145
Current installments of pension settlement liability		5,700,000					5,700,000

JACKSON COUNTY
Component Units - Combining Statement of Net Position - cont'd
September 30, 2023

	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	
Long-term liabilities							
Due within one year:							
Capital debt	91,952	1,685,000	10,866,146				12,643,098
Non-capital debt	40,445	895,393		3,482	58,523	87,330	1,085,173
Lease liabilities		8,051,043		19,847		6,112	8,077,002
SBITA liabilities		2,676,544					2,676,544
Due in more than one year:							
Capital debt	60,046	28,202,000	42,033,139		36,826,467		107,121,652
Non-capital debt	161,780	1,624,545		3,481	150,301	87,331	2,027,438
Lease liabilities		24,798,780		713,321		5,779	25,517,880
SBITA liabilities		2,864,595					2,864,595
Net pension liability	17,789,025		5,116,765	286,977	10,060,528	7,042,370	40,295,665
Net OPEB liability						297,543	297,543
Pension settlement liability		61,601,172					61,601,172
Total Liabilities	<u>18,733,684</u>	<u>217,602,573</u>	<u>60,235,309</u>	<u>1,048,856</u>	<u>49,925,397</u>	<u>7,552,822</u>	<u>355,098,641</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions	12,938			139,942	1,337,901	759,927	2,250,708
Deferred inflows related to OPEB						122,077	122,077
Deferred inflows related to leases		3,919,684			29,928,056		33,847,740
Total Deferred Inflows of Resources	<u>12,938</u>	<u>3,919,684</u>	<u>0</u>	<u>139,942</u>	<u>31,265,957</u>	<u>882,004</u>	<u>36,220,525</u>
NET POSITION							
Net investment in capital assets	3,511,615	147,801,944	11,458,029	64,306	44,424,126	1,021,582	208,281,602
Restricted for:							
Expendable:							
Debt service		1,251,980	9,967,941		1,400		11,221,321
Indigent care		1,135,925					1,135,925
Harbor maintenance					4,695,080		4,695,080
Capital projects			994,021		2,576,539		3,570,560
Customer deposits			761,645				761,645
Special revenue funds					209		209
Unemployment fund reserve					15,000		15,000
Other purposes		597,617				30,666	628,283
Nonspendable	123,494						123,494
Unrestricted	(12,571,911)	66,754,745	(1,713,837)	1,653,591	10,596,230	(4,362,202)	60,356,616
Total Net Position	<u>\$ (8,936,802)</u>	<u>217,542,211</u>	<u>21,467,799</u>	<u>1,717,897</u>	<u>62,308,584</u>	<u>(3,309,954)</u>	<u>290,789,735</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, 2023

	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	\$ 3,508,198				13,286,213	59,200	16,853,611
Connection fees			680,806				680,806
County revenue	453,000						453,000
Government grants	5,605,653						5,605,653
Grants and contributions					1,373,484	24,938	1,398,422
Other grants	64,500						64,500
Other revenues	44,564	44,587,447	338,088				44,970,099
Patient services revenue		528,121,620					528,121,620
Sales to customers			10,931,042				10,931,042
Surcharges				1,443,371			1,443,371
Total Operating Revenues	<u>9,675,915</u>	<u>572,709,067</u>	<u>11,949,936</u>	<u>1,443,371</u>	<u>14,659,697</u>	<u>84,138</u>	<u>610,522,124</u>
Operating Expenses							
Administrative and general			1,152,611		3,947,572	4,465,828	9,566,011
Advertising and promotion	74,198						74,198
Bayou Casotte					6,667,518		6,667,518
Black Creek					658,219		658,219
Contractual services	119,465						119,465
Depreciation and amortization	242,983	34,036,005	2,727,289	177,228			37,183,505
Employee benefits	1,353,983	37,428,177					38,782,160
Insurance	358,857			56,608			415,465
Industrial parks					284,898		284,898
Law library						49,504	49,504
Maintenance and operation	592,202		3,477,412	111,661			4,181,275
Managed communications services				797,958			797,958
Other expenses		47,956,311					47,956,311
Personnel costs	5,768,052						5,768,052
Port operations					9,364,585		9,364,585
Professional fees	1,082,668			119,808			18,450,585
Purchased services		50,643,283					50,643,283
Salaries and wages		229,230,012		86,878			229,316,890
Singing River Island					1,629,463		1,629,463
Supplies	594,491	150,727,566		20,156			151,342,213
Travel	200,397						200,397
Treatment and collection fees			2,414,520				2,414,520
Utilities and telephone				530,124			530,124
Total Operating Expenses	<u>10,387,296</u>	<u>567,269,463</u>	<u>9,771,832</u>	<u>1,900,421</u>	<u>22,552,255</u>	<u>4,515,332</u>	<u>616,396,599</u>
Operating Income (Loss)	<u>(711,381)</u>	<u>5,439,604</u>	<u>2,178,104</u>	<u>(457,050)</u>	<u>(7,892,558)</u>	<u>(4,431,194)</u>	<u>(5,874,475)</u>

JACKSON COUNTY

Component Units - Combining Statement of Revenues, Expenses, and Changes in Net Position - cont'd

September 30, 2023

	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			313,522			3,959,982	4,273,504
Earnings on equity investments		278,118					278,118
Gain (loss) on disposal of assets		81,189		2,085			83,274
Grant revenue		7,640,006					7,640,006
Interest and investment income (expense)	(4,868)	(4,040,575)	(1,211,596)	(29,651)	1,175,772	16,897	(4,094,021)
Insurance claims	8,109						8,109
Pension liability adjustment due to GASB 68 and 71	(1,743,062)						(1,743,062)
Lease revenue			44,026				44,026
Miscellaneous income	130,749				2,865,889	3,021	2,999,659
Disaster assistance grants			42,788				42,788
State health grant						299,470	299,470
State life grant						4,204	4,204
State personnel grant						176,278	176,278
Sewer system development agreements			115,577				115,577
Transfer (to) from other governments					567,411		567,411
Total Non-Operating Revenues (Expenses)	<u>(1,609,072)</u>	<u>3,958,738</u>	<u>(695,683)</u>	<u>(27,566)</u>	<u>4,609,072</u>	<u>4,459,852</u>	<u>10,695,341</u>
Change in Net Position	<u>(2,320,453)</u>	<u>9,398,342</u>	<u>1,482,421</u>	<u>(484,616)</u>	<u>(3,283,486)</u>	<u>28,658</u>	<u>4,820,866</u>
Net Position - Beginning	(6,729,280)	208,640,631	19,985,378	2,202,513	65,503,283	(3,338,612)	286,263,913
Prior Period Adjustment	112,931	(496,762)			88,787		(295,044)
Net Position - Ending	<u>(8,936,802)</u>	<u>217,542,211</u>	<u>21,467,799</u>	<u>1,717,897</u>	<u>62,308,584</u>	<u>(3,309,954)</u>	<u>290,789,735</u>

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, 2023

(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 Heart Center, 5) the Regional Cancer Center and 6) nine primary care clinics throughout the Mississippi Gulf Coast. 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, 2023

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

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

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.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

Capital Projects Funds - These funds are used to account for and report financial resources that are 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 reports 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. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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 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, trustee 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 "debt service" fund is used to pay the interest on the bonds as it becomes due. 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. The "debt service reserve fund" is used to receive pledged revenues. 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:

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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

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

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

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 discretely presented 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.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

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 plus any payments received at or before the commencement of the lease term that relates to future periods.

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

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. Subscription-Based Information Technology Arrangements.

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

O. 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.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

P. Pensions.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public 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.

Q. 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 are reported at fair value as determined by the State.

R. 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.

S. 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.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

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

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

Fund Balance Flow Assumption:

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

T. 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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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

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

U. 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.

V. Changes in Accounting Standards.

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

(2) Prior Period Adjustments.

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

Exhibit 2 – Statement of Activities – Governmental Activities.

Explanation	Amount
To correct prior year errors in recording claims payable.	\$ 36,812
To correct prior year errors in recording long-term debt.	14,408
To correct prior year errors in recording unearned revenue.	(13,947,959)
To correct prior year errors in recording deferred outflows related to pensions.	(6,386)
To correct prior year errors in recording capital assets, net.	(1,846,602)
Total prior period adjustments	\$ <u>(15,749,727)</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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

<u>Explanation</u>	<u>Amount</u>
General Fund:	
To correct prior year errors in recording claims payable.	\$ 36,037
Other Governmental Funds:	
To correct prior year errors in recording claims payable.	775
To correct prior year errors in recording unearned revenue.	<u>(13,947,959)</u>
Total prior period adjustments	<u>\$ (13,911,147)</u>

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2023, was \$182,680,223, and the bank balance was \$183,498,582. 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, 2023, 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 one year	1	\$ <u>8,765,153</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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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 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 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, 2023:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,702,033
General Fund	Road Fund	94,296
General Fund	Internal Service Funds	202,652
General Fund	Enterprise Funds	36,709
Road Fund	General Fund	336,125
Road Fund	Other Governmental Funds	23,259
Other Governmental Funds	General Fund	2,019,894
Other Governmental Funds	Road Fund	22,500
Other Governmental Funds	Other Governmental Funds	21,598
Custodial Funds	General Fund	125,330
Internal Service Funds	General Fund	82,605
		<u>\$ 4,667,001</u>
Total		

The receivables represent the tax revenue collected in September, 2023, but not settled until October, 2023 and 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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ <u>3,972,070</u>

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

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 7,526,210
General Fund	Enterprise Funds	127,607
Road Fund	Other Governmental Funds	1,500,000
Other Governmental Funds	General Fund	5,391,350
Other Governmental Funds	Other Governmental Funds	3,210,859
Enterprise Funds	General Fund	<u>93,406</u>
Total		\$ <u>17,849,432</u>

The principal purpose of interfund transfers was to expend ARPA grant funds, 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, 2023, consisted of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 1,285,630
Emergency management performance grant reimbursement	98,816
Disaster grant reimbursement - tornado	64,780
Court expense reimbursement	110,416
Reimbursement for housing prisoners	112,310
Restore grant reimbursement	652,316
Fire rebate funds	473,730
Airport improvement grant reimbursement	113,079
Emergency operations center project grant reimbursement	41,179
Port security grant reimbursement	59,930
Various expense reimbursements	<u>79,411</u>
Total Governmental Activities	\$ <u>3,091,597</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

(6) Loans Receivable.

Loans receivable balances at September 30, 2023, 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*	10/01/1991	4.00%	11/04/2004	\$ 50,000
Bayou Blend*	09/22/1994	4.00%	09/01/1999	<u>86,254</u>
Total				136,254
Less: Allowance for doubtful accounts*				<u>(136,254)</u>
Loans Receivable				<u>\$ 0</u>

*The County has deemed these loans to be uncollectible.

(7) Restricted Assets - Cash

As of September 30, 2023, restricted assets – cash consisted of:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Tort Claims Escrow - Hancock (cash)	\$ 1,645,018	
ADC Canteen (cash)		290,033
Golf Course (cash)		368,685
Ocean Springs Harbor (cash)		<u>299,761</u>
Total restricted assets	<u>\$ 1,645,018</u>	<u>958,479</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

(8) Capital Assets.

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

Governmental activities:

	Balance Oct. 1, 2022	Additions	Deletions	Adjustments*	Balance Sept. 30, 2023
<u>Non-depreciable capital assets:</u>					
Land	\$ 15,354,350		2,704	97,872	15,449,518
Construction in progress	19,858,445	28,088,274		(25,134,638)	22,812,081
Total non-depreciable capital assets	<u>35,212,795</u>	<u>28,088,274</u>	<u>2,704</u>	<u>(25,036,766)</u>	<u>38,261,599</u>
<u>Depreciable capital assets:</u>					
Infrastructure	240,149,795			15,542,183	255,691,978
Buildings	119,354,424		143,772	1,271,603	120,482,255
Improvements other than buildings	71,568,789	26,111		6,325,025	77,919,925
Mobile equipment	42,638,932	2,462,607	1,593,201	51,965	43,560,303
Furniture and equipment	9,172,721	982,749	129,974	96	10,025,592
Total depreciable capital assets	<u>482,884,661</u>	<u>3,471,467</u>	<u>1,866,947</u>	<u>23,190,872</u>	<u>507,680,053</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	117,686,076	3,882,481		106	121,568,663
Buildings	35,731,490	2,199,644	50,119	1	37,881,016
Improvements other than buildings	13,416,629	2,937,880		(9,028)	16,345,481
Mobile equipment	29,282,494	2,845,749	1,315,528	46,258	30,858,973
Furniture and equipment	7,333,450	701,039	115,341	(36,629)	7,882,519
Total accumulated depreciation	<u>203,450,139</u>	<u>12,566,793</u>	<u>1,480,988</u>	<u>708</u>	<u>214,536,652</u>
Total depreciable capital assets, net	<u>279,434,522</u>	<u>(9,095,326)</u>	<u>385,959</u>	<u>23,190,164</u>	<u>293,143,401</u>
Governmental activities capital assets, net	<u>\$ 314,647,317</u>	<u>18,992,948</u>	<u>388,663</u>	<u>(1,846,602)</u>	<u>331,405,000</u>
Lease and subscription IT assets, net (Note 9)					<u>1,598,184</u>
Total capital assets, net, as reported in the statement of net position					<u>\$ 333,003,184</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Business-type activities:

	Balance Oct. 1, 2022	Additions	Deletions	Adjustments*	Balance Sept. 30, 2023
<u>Non-depreciable capital assets:</u>					
Land	\$ 199,029				199,029
Construction in progress	12,838				12,838
Total non-depreciable capital assets	<u>211,867</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>211,867</u>
<u>Depreciable capital assets:</u>					
Buildings	1,370,247				1,370,247
Improvements other than buildings	7,834,852			1	7,834,853
Mobile equipment	593,388	144,141	65,182	(27,101)	645,246
Furniture and equipment	293,682				293,682
Total depreciable capital assets	<u>10,092,169</u>	<u>144,141</u>	<u>65,182</u>	<u>(27,100)</u>	<u>10,144,028</u>
<u>Less accumulated depreciation for:</u>					
Buildings	137,029	27,405			164,434
Improvements other than buildings	2,762,731	314,367		(1)	3,077,097
Mobile equipment	435,510	55,782	58,664	(24,390)	408,238
Furniture and equipment	219,826	12,110		(1)	231,935
Total accumulated depreciation	<u>3,555,096</u>	<u>409,664</u>	<u>58,664</u>	<u>(24,392)</u>	<u>3,881,704</u>
Total depreciable capital assets, net	<u>6,537,073</u>	<u>(265,523)</u>	<u>6,518</u>	<u>(2,708)</u>	<u>6,262,324</u>
Business-type activities capital assets, net	<u>\$ 6,748,940</u>	<u>(265,523)</u>	<u>6,518</u>	<u>(2,708)</u>	<u>6,474,191</u>
Lease and subscription IT assets, net (Note 9)					<u>444,591</u>
Total capital assets, net, as reported in the statement of net position					<u>\$ 6,918,782</u>

* 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	\$ 1,631,740
Public safety	2,417,316
Public works	7,246,664
Health and welfare	128,954
Culture and recreation	1,133,217
Economic development and assistance	<u>8,902</u>
Total governmental activities depreciation expense	<u>\$ 12,566,793</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

	<u>Amount</u>
Business-type activities:	
Ocean Springs Harbor	\$ 325,210
Golf Course	<u>84,454</u>
 Total business-type activities depreciation expense	 \$ <u><u>409,664</u></u>

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

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
Avtech Turn Lane/Saracennia Road	\$ 500,000	12/1/2025
Beachview Drive Improvements (Proj #167456)	2,000,000	3/1/2025
Beachview Drive Improvements Phase II (Proj #183836)	2,500,000	12/1/2025
Cedar Grove Subdivision (PRJ000070)	54,833	6/1/2024
Daisy Vestry Road Bridge (SA30-125)	1,500,000	12/1/2023
Espana Woods Drainage Ditch Rehabilitation (PRJ000139)	58,509	12/1/2024
Glendale (East) 2019-09-562	1,300	1/1/2024
Hallstrom Cul De Sac (2021-02-648)	100,000	6/1/2024
Hanshaw Rd Bridge (SA116)	1,900,000	6/1/2025
Hwy SR609 & Old Fort Bayou Rd (STP-9385-00(015))LPA/106888-701000	5,000,000	3/1/2026
Letort Lane Drainage & Erosion Control Projects off Lemoyne (PRJ000147)	1,229,700	4/1/2024
Main Street - Biddix Evans Road	2,000,000	3/1/2025
Old Biloxi Road (SAP-30(27))	2,400,000	12/1/2026
Old Fort Bayou Improvement from Rose Farm (2017-04-420)	1,500,000	1/1/2024
Omas Pine Grove Estates Drainage (PRJ000149)	800,000	12/1/2025
St Andrews Park Drainage Improvements	56,169	12/1/2023
Roy Cumbest Bridge PRJ000009	2,000,000	6/1/2025
Rue Beaux Chenes Drainage	600,000	12/1/2025
Sampson Bridge (SA-180)	250,000	12/1/2023
Seaman Road Bridge #124	700,000	12/1/2024
Shelby Lane (2013-08-333)	300,000	12/1/2025
Constitution Road Bridge/Box Culvert	1,300,000	12/1/2026
Daisy Vestry Road Drainage (Zettle)	3,000	6/1/2024
I-10 Connector Road Phase II	1,500,000	3/1/2024
North Street Drainage Improvements Phase 2 (North St to Center St)	220,000	10/1/2023
Indian Lane Widening Project Easement	300,000	6/1/2024
Greenfield Rd. Drainage Project	1,000,000	12/1/2025
Parker Road Drainage Project (Purchase of Property)	20,000	6/1/2024
Fort Bayou Boat Launch Fishing Pier Extension & Shade Roofs	14,400	12/1/2024
Helena Area Drainage Improvements, Wildwood Rd (Phase I)	60,894	12/1/2024
Lake Mars Pier Expansion	274,484	3/1/2024
New Justice Court Building	4,503,941	7/1/2024
Jackson County Soccer Complex (Gautier - Phase III) Restroom Pavilion	272,200	6/30/2024

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Notes to Financial Statements
For the Year Ended September 30, 2023

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Racetrack Rd Boat Launch (Phase I)	\$ 20,000	12/1/2024
Multipurpose Arena at Lum Cumbest	1,200,000	12/31/2023
Whispering Pines Golf Course Maintenance Facility	1,033,300	12/1/2024
Animal Shelter - Phase II	111,252	10/1/2023
Larue Road Realignment Project	1,250,000	12/1/2026
Emergency Operations Center Façade and Roof Repair	150,000	12/1/2023
Shore Drive Drainage Project/Bridge	750,000	12/1/2025
Cool Ridge Drainage Improvements 2022-04-714	300,000	12/1/2025
Brodnax Road Widening Project	200,000	12/1/2024
Jackson County Emergency Operations Center New Building	7,500,000	6/30/2025
Overstreet Road Drainage Project	20,000	6/1/2024
Hugh Seymour Lane	75,000	1/1/2024
Lemoyne Blvd Sidewalk Improvement Project	350,000	12/1/2024
Parking Improvements and New Basketball Courts at Khayat Park	25,000	12/1/2024
St. Martin Youth Complex Renovations Ph. 1	150,000	12/1/2024
East Jackson County Services Complex Roof Repair and Repainting	56,750	12/1/2024
St. Andrews Drainage Projects	10,000	3/1/2024
Saracennia Road Turn Lane Project	350,000	12/1/2024
Racetrack Rd Boat Launch (Phase 2)	17,200	12/31/2024
Pollock Ferry Bridge	500,000	12/1/2024
Antioch Bridge (SA75)	350,000	12/1/2024
Burnt Oak Drive Project Lots 36 & 37	35,000	1/1/2024
Antioch Bridge (SA76)	300,000	6/1/2025
McClelland Road Box Culvert	1,700,000	12/1/2025
Coast Wide Beach & Dune Ecosystem Restoration	750,000	6/1/2026
Exceptional School Gym Roof Replacement	220,000	12/1/2024
Jim Ramsay and Old Fort Bayou Intersection Project	1,200,000	12/1/2025
Tanner Williams Bridge Replacement SA-30	500,000	12/1/2025
Trent Lott Airport Taxiway Rehabilitation, Phase 2	1,000,000	12/31/2025
Gulf Park Estates Drainage & Outfall Project	60,000	12/1/2024

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Component Units:

The Singing River Mental Health/Mental Retardation Services' capital asset balances at June 30, 2023 are as follows:

Singing River Mental Health/Mental Retardation Services:

	Balance July 1, 2022	Additions	Adjustments/ Sales	Balance June 30, 2023
<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		(124,521)	3,134,691
Building improvements	675,965		67,348	743,313
Equipment	2,039,685	81,194	23,065	2,143,944
Software	416,472		(9,270)	407,202
Total depreciable capital assets	6,391,334	81,194	(43,378)	6,429,150
<u>Less accumulated depreciation for:</u>				
Buildings	476,816	45,682		522,498
Building improvements	433,328	7,023		440,351
Equipment	1,493,081	189,917	(43,378)	1,639,620
Software	172,707	361		173,068
Total accumulated depreciation	2,575,932	242,983	(43,378)	2,775,537
Total depreciable capital assets, net	3,815,402	(161,789)	0	3,653,613
Component unit capital assets, net	\$ 3,825,402	(161,789)	0	3,663,613

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

The Singing River Health System's capital asset balances at September 30, 2023 are as follows:

Singing River Health System:

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023
<u>Non-depreciable capital assets:</u>				
Land	\$ 9,066,450		45,000	9,021,450
Construction in progress	<u>6,193,385</u>	<u>20,121,510</u>	<u>14,255,865</u>	<u>12,059,030</u>
Total non-depreciable capital assets	<u>15,259,835</u>	<u>20,121,510</u>	<u>14,300,865</u>	<u>21,080,480</u>
<u>Depreciable capital assets:</u>				
Land improvements	7,654,742			7,654,742
Buildings and improvements	253,808,402	1,985,226	56,227	255,737,401
Fixed equipment	14,555,388	2,803,252		17,358,640
Movable equipment	<u>312,771,548</u>	<u>7,124,872</u>	<u>3,344,819</u>	<u>316,551,601</u>
Total depreciable capital assets	<u>588,790,080</u>	<u>11,913,350</u>	<u>3,401,046</u>	<u>597,302,384</u>
<u>Less accumulated depreciation for:</u>				
Land improvements	5,703,621	202,570		5,906,191
Buildings and improvements	153,037,951	6,775,090	47,867	159,765,174
Fixed equipment	13,039,513	319,172		13,358,685
Movable equipment	<u>250,474,445</u>	<u>14,769,145</u>	<u>3,248,666</u>	<u>261,994,924</u>
Total accumulated depreciation	<u>422,255,530</u>	<u>22,065,977</u>	<u>3,296,533</u>	<u>441,024,974</u>
Total depreciable capital assets, net	<u>166,534,550</u>	<u>(10,152,627)</u>	<u>104,513</u>	<u>156,277,410</u>
Component unit capital assets, net	<u>\$ 181,794,385</u>	<u>9,968,883</u>	<u>14,405,378</u>	<u>177,357,890</u>
Lease and subscription IT assets, net (Note 9)				<u>38,635,491</u>
Total capital assets, net, as reported in the component unit's statement of net position				<u>\$ 215,993,381</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

The West Jackson County Utility District's capital asset balances at September 30, 2023 are as follows:

West Jackson County Utility District:

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023
<u>Non-depreciable capital assets:</u>				
Land and easements	\$ 255,362	43,383		298,745
Construction in progress	8,398,039	6,662,115	8,376,938	6,683,216
Total non-depreciable capital assets	8,653,401	6,705,498	8,376,938	6,981,961
<u>Depreciable capital assets:</u>				
Office furniture and equipment	514,970	36,478	7,007	544,441
Buildings	4,693,425			4,693,425
Machinery and equipment	803,322	118,859		922,181
Vehicles	1,269,005	75,582		1,344,587
Utility systems	72,968,411	9,430,382		82,398,793
Total depreciable capital assets	80,249,133	9,661,301	7,007	89,903,427
<u>Less accumulated depreciation for:</u>	28,767,762	2,727,287	7,007	31,488,042
Total depreciable capital assets, net	51,481,371	6,934,014	0	58,415,385
Component unit capital assets, net	\$ 60,134,772	13,639,512	8,376,938	65,397,346

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

The Jackson County Emergency Communications District's capital asset balances at September 30, 2023 are as follows:

Jackson County Emergency Communications District:

	Balance Oct. 1, 2022	Additions	Deletions	Balance Sept. 30, 2023
<u>Depreciable capital assets:</u>				
Furniture and fixtures	249,203	3,889	1,279	251,813
Auto	26,642	52,618	26,642	52,618
Communications system	12,606,008			12,606,008
Total depreciable capital assets	<u>12,881,853</u>	<u>56,507</u>	<u>27,921</u>	<u>12,910,439</u>
<u>Less accumulated depreciation for:</u>				
Furniture and fixtures	240,207	6,874	27,921	219,160
Auto	26,642	8,759		35,401
Communications system	12,449,744	118,549		12,568,293
Total accumulated depreciation	<u>12,716,593</u>	<u>134,182</u>	<u>27,921</u>	<u>12,822,854</u>
Total depreciable capital assets, net	<u>165,260</u>	<u>(77,675)</u>	<u>0</u>	<u>87,585</u>
Component unit capital assets, net	<u>\$ 165,260</u>	<u>(77,675)</u>	<u>0</u>	<u>87,585</u>
Lease assets, net (Note 9)				<u>709,889</u>
Total capital assets, net, as reported in the component unit's statement of net position				<u>\$ 797,474</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

The Jackson County Port Authority's capital asset balances at September 30, 2023 are as follows:

Jackson County Port Authority:

	Balance Oct. 1, 2022	Additions	Deletions	Adjustments	Balance Sept. 30, 2023
<u>Non-depreciable capital assets:</u>					
Land and improvements	\$ 5,856,920				5,856,920
Construction in progress	14,718,316	1,676,982		(14,967,175)	1,428,123
Total non-depreciable capital assets	<u>20,575,236</u>	<u>1,676,982</u>	<u>0</u>	<u>(14,967,175)</u>	<u>7,285,043</u>
<u>Depreciable capital assets:</u>					
Infrastructure	73,556,556			14,665,648	88,222,204
Buildings and improvements	63,291,688	74,652	4,513,200		58,853,140
Furniture fixtures and other equipment	2,020,830	12,600	1,926	28,562	2,060,066
Bayou Casotte Water Supply System	57,712,298	278,967	34,991	272,965	58,229,239
Black Creek Cooling Facility	4,110,309	53,491			4,163,800
Industrial Parks	900,312				900,312
Singing River Island	1,366,756	99,144			1,465,900
Total depreciable capital assets	<u>202,958,749</u>	<u>518,854</u>	<u>4,550,117</u>	<u>14,967,175</u>	<u>213,894,661</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	52,671,222	2,341,665			55,012,887
Buildings and improvements	83,954,395	1,435,468	4,513,200		80,876,663
Furniture fixtures and other equipment	3,865,193	211,285	36,917		4,039,561
Total accumulated depreciation	<u>140,490,810</u>	<u>3,988,418</u>	<u>4,550,117</u>	<u>0</u>	<u>139,929,111</u>
Total depreciable capital assets, net	<u>62,467,939</u>	<u>(3,469,564)</u>	<u>0</u>	<u>14,967,175</u>	<u>73,965,550</u>
Component unit capital assets, net	<u>\$ 83,043,175</u>	<u>(1,792,582)</u>	<u>0</u>	<u>0</u>	<u>81,250,593</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

The Jackson-George Regional Library System's capital asset balances at September 30, 2023 are as follows:

Jackson-George Regional Library System:

	<u>Balance Oct. 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2023</u>
<u>Depreciable capital assets:</u>				
Library materials	9,604,596	276,958		9,881,554
Furniture and equipment	419,348		11,965	407,383
Computer equipment	313,465	7,970	27,921	293,514
Total depreciable capital assets	<u>10,337,409</u>	<u>284,928</u>	<u>39,886</u>	<u>10,582,451</u>
<u>Less accumulated depreciation for:</u>				
Library materials	8,571,965	347,245		8,919,210
Furniture and equipment	395,253	8,752	11,965	392,040
Computer equipment	260,743	16,423	27,921	249,245
Total accumulated depreciation	<u>9,227,961</u>	<u>372,420</u>	<u>39,886</u>	<u>9,560,495</u>
Total depreciable capital assets, net	<u>1,109,448</u>	<u>(87,492)</u>	<u>0</u>	<u>1,021,956</u>
Component unit capital assets, net	<u>\$ 1,109,448</u>	<u>(87,492)</u>	<u>0</u>	<u>1,021,956</u>
Lease assets, net (Note 9)				<u>11,517</u>
Total capital assets, net, as reported in the component unit's statement of net position				<u>\$ 1,033,473</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

(9) Intangible Right-to-Use Leases and Subscription Based IT Assets.

A summary of lease and subscription IT asset activity during the year ended September 30, 2023 is as follows:

Governmental activities:

	Balance Oct. 1, 2022	Additions	Balance Sept. 30, 2023
<u>Lease assets:</u>			
Land	\$ 1,236,117		1,236,117
Furniture and equipment	91,251	121,861	213,112
Total lease assets	<u>1,327,368</u>	<u>121,861</u>	<u>1,449,229</u>
<u>Less accumulated amortization for:</u>			
Lease assets:			
Land	69,819	69,819	139,638
Furniture and equipment	35,358	38,478	73,836
Total accumulated amortization	<u>105,177</u>	<u>108,297</u>	<u>213,474</u>
Total lease assets, net	<u>1,222,191</u>	<u>13,564</u>	<u>1,235,755</u>
Subscription IT assets	0	652,373	652,373
Less accumulated amortization	0	289,944	289,944
Subscription IT assets, net	<u>0</u>	<u>362,429</u>	<u>362,429</u>
Total lease and subscription IT assets, net	<u>\$ 1,222,191</u>	<u>375,993</u>	<u>1,598,184</u>

Business-type activities:

	Balance Oct. 1, 2022	Additions	Balance Sept. 30, 2023
<u>Lease assets:</u>			
Land	\$ 495,879		495,879
Total lease assets	<u>495,879</u>	<u>0</u>	<u>495,879</u>
<u>Less accumulated amortization for:</u>			
Lease assets:			
Land	25,644	25,644	51,288
Total accumulated amortization	<u>25,644</u>	<u>25,644</u>	<u>51,288</u>
Total lease assets, net	<u>470,235</u>	<u>(25,644)</u>	<u>444,591</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

A summary of lease and subscription IT liabilities during the year ended September 30, 2023 is as follows:

Governmental Activities:

	Balance 10/1/2022	Additions	Deductions	Balance 9/30/2023	Amounts due within one year
Lease liabilities	\$ 1,225,242	121,861	94,380	1,252,723	93,766
Subscription IT liabilities		652,373	318,619	333,754	333,754
Total	\$ 1,225,242	774,234	412,999	1,586,477	427,520

Business-type Activities:

	Balance 10/1/2022	Deductions	Balance 9/30/2023	Amounts due within one year
Lease liabilities	\$ 464,713	18,121	446,592	18,846

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 to agree to extend) are excluded from the lease term.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

As Lessee:

Lease Assets

Governmental Activities:

	Balance 10/1/2022	Additions	Amortization	Balance 9/30/2023
Intangible right-to-use land	\$ 1,166,298		69,819	1,096,479
Intangible right-to-use equipment	55,893	121,861	38,478	139,276
Total	\$ <u>1,222,191</u>	<u>121,861</u>	<u>108,297</u>	<u>1,235,755</u>

Business-type Activities:

	Balance 10/1/2022	Amortization	Balance 9/30/2023
Intangible right-to-use land	\$ <u>470,235</u>	<u>25,644</u>	<u>444,591</u>

Lease Liabilities

Governmental Activities:

	Balance 10/1/2022	Additions	Principal Payments	Balance 9/30/2023
Land	\$ 1,164,990		53,729	1,111,261
Copier Leases	60,252	121,861	40,651	141,462
Total	\$ <u>1,225,242</u>	<u>121,861</u>	<u>94,380</u>	<u>1,252,723</u>

Business-type Activities:

	Balance 10/1/2022	Additions	Principal Payments	Balance 9/30/2023
Land	\$ <u>464,713</u>	<u>0</u>	<u>18,121</u>	<u>446,592</u>

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 2023, 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 \$2,983 per month in lease payments for terms of four to five years.

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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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 *	\$ 28,381
16th section lease	4.00%	40 years	11/1995	11/2035	104 *	11,731
16th section lease	4.00%	40 years	08/2007	08/2047	38 *	6,503
16th section lease	4.00%	25 years	01/2009	01/2034	246 *	21,934
16th section lease	4.00%	25 years	02/2010	02/2035	140 *	14,674
16th section lease	4.00%	25 years	07/2014	07/2039	3,092 *	412,492
16th section lease	4.00%	25 years	01/2016	01/2041	4,069 *	594,025
16th section lease	4.00%	25 years	03/2017	02/2042	142 *	21,521
Copier lease	3.25%	60 months	10/2020	10/2025	477	11,525
Copier lease	3.25%	48 months	06/2021	06/2025	300	6,399
Copier lease	3.25%	60 months	12/2021	12/2026	192	6,800
Copier lease	8.50%	48 months	08/2023	07/2027	2,983	116,738
					<u>\$ 12,314</u>	<u>\$ 1,252,723</u>

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 *	\$ 446,592

*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, 2023:

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 93,766	53,966	18,846	17,863
2025	98,154	48,996	19,599	17,110
2026	95,038	43,860	20,383	16,326
2027	91,786	38,603	21,199	15,510
2028	65,370	34,958	22,046	14,663
2029 - 2033	330,741	136,074	124,187	59,358
2034 - 2038	378,353	66,212	151,093	32,452
2039 - 2043	98,666	6,340	69,239	4,179
2044 - 2048	849	52		
Total	<u>\$ 1,252,723</u>	<u>429,061</u>	<u>446,592</u>	<u>177,461</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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 \$39,078 for the year ended September 30, 2023.

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 \$100,000 and \$177,000 annually with an implicit interest rate of 6.25%.

On April 1, 2023, Jackson County entered into a non-cancellable lease agreement with Singing River Health System for the lease of a County owned building for the purpose of operating a medical facility for a term of sixty (60) months concluding on March 31, 2028. The lease terms were established by judgment of the Chancery Court. The lease stipulated the lessee would pay \$146,503.80 per month, less a \$20,000 monthly credit, until October 2023. Beginning in November 2023, the rent increases to \$148,701.35 per month, less the \$20,000 monthly credit. The lease payment increases 1.50% each November until the end of the term. The County is to receive between \$759,023 and \$1,612,974 annually with an implicit interest rate of 8.00%.

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

Year Ending September 30	Principal	Interest
2024	\$ 1,237,026	524,822
2025	1,360,331	424,950
2026	1,436,553	316,412
2027	1,532,897	200,077
2028	850,937	86,638
2029 - 2033	315,519	284,481
2034 - 2038	430,914	169,086
2039 - 2043	310,856	29,143
Total	\$ 7,475,033	2,035,609

SBITA

The County is party to a non-cancellable subscription-based information technology arrangement (SBITA contract) that conveys control of the right to use a vendor's information technology (IT) software. For contracts that have a maximum possible term of 12 months or less at commencement, the County recognizes expense based on the provisions of the contract. For all other contracts, other than short-term, the County recognized a subscription liability and an intangible right-to-use subscription asset.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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

The County generally uses the historical federal prime borrowing rate as the discount rate for subscriptions unless the rate the lessor charges is known.

The subscription term includes the non-cancellable period of the subscription plus any additional periods covered by either a County or vendor 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 vendor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the subscription term.

Subscription Asset

Governmental Activities:

	Balance 10/1/2022	Additions	Amortization	Balance 9/30/2023
Intangible right-to-use subscription	\$ 0	652,373	289,944	362,429

Subscription Liability

Governmental Activities:

	Balance 10/1/2022	Additions	Principal Payments	Balance 9/30/2023
Workday subscription contract	\$ 0	652,373	318,619	333,754

On January 20, 2020, Jackson County entered into a SBITA with Workday, Inc. for the right-to-use software owned by Workday, Inc. The contract stipulated that the County would pay \$349,607 per year in payments for a term of five (5) years.

The following is a description of the SBITA outstanding as of September 30, 2023:

Governmental Activities:

<u>Description</u>	<u>Discount Rate</u>	<u>Term</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Annual Payment</u>	<u>Amount Outstanding</u>
Workday subscription contract	4.75%	5 years	01/2020	01/2024	\$ 349,607	\$ 333,754

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

The following is a schedule by years of the total payments due as of September 30, 2023:

Year Ending September 30	Principal Payments	Interest Payments
2024	\$ <u>333,754</u>	<u>15,853</u>

Component Units:

Singing River Mental Health/Mental Retardation Services:

Leases

As Lessee:

The Governmental Accounting Standards Board (GASB) Statement No. 87 - Leases has been implemented for the year ended June 30, 2023. The cumulative effect of implementing the change in accounting principle had no effect on Singing River Services' net position. At June 30, 2023, Singing River Services does not have any leases that are required to be reported under GASB 87.

Singing River Services does, however, have several operating lease commitments as of June 30, 2023. Rental payments are made to lease the facility located in George County, property in Lucedale and the facility in the City of Gautier. These leases are renewed bi-annually and tri-annually, respectively. Both of the leases can be cancelled by either party with written 30-day notice. Total rent payments equaled \$109,000 for the year ended June 30, 2023.

Singing River Health System:

A summary of lease and subscription IT asset activity during the year ended September 30, 2023 is as follows:

	Balance Oct. 1, 2022	Additions	Terminations	Balance Sept. 30, 2023
<u>Lease assets:</u>				
Buildings	\$ 40,214,287	15,867,472	27,441,725	28,640,034
Major movable equipment	<u>14,161,285</u>	<u>5,947,709</u>	<u>1,286,997</u>	<u>18,821,997</u>
Total lease assets	<u>54,375,572</u>	<u>21,815,181</u>	<u>28,728,722</u>	<u>47,462,031</u>
<u>Less accumulated amortization for:</u>				
Lease assets:				
Buildings	8,284,200	4,825,698	6,492,863	6,617,035
Major movable equipment	<u>4,989,515</u>	<u>4,301,446</u>	<u>1,286,996</u>	<u>8,003,965</u>
Total accumulated amortization	<u>13,273,715</u>	<u>9,127,144</u>	<u>7,779,859</u>	<u>14,621,000</u>
Total lease assets, net	<u>41,101,857</u>	<u>12,688,037</u>	<u>20,948,863</u>	<u>32,841,031</u>
Subscription IT assets	6,975,778	4,293,264	1,165,001	10,104,041
Less accumulated amortization	<u>2,631,698</u>	<u>2,842,884</u>	<u>1,165,001</u>	<u>4,309,581</u>
Subscription IT assets, net	<u>4,344,080</u>	<u>1,450,380</u>	<u>0</u>	<u>5,794,460</u>
Total lease and subscription IT assets, net	<u>\$ 45,445,937</u>	<u>14,138,417</u>	<u>20,948,863</u>	<u>38,635,491</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

A summary of lease and subscription IT liabilities during the year ended September 30, 2023 is as follows:

	Balance 10/1/2022	Additions	Terminations	Balance 9/30/2023	Amounts due within one year
Lease liabilities	\$ 42,266,630	21,392,110	30,808,917	32,849,823	8,051,043
Subscription IT liabilities	4,030,775	4,293,264	2,782,900	5,541,139	2,676,544
Total	<u>\$ 46,297,405</u>	<u>25,685,374</u>	<u>33,591,817</u>	<u>38,390,962</u>	<u>10,727,587</u>

Leases

The Health System is a lessee for noncancellable leases. The Health System recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. At the commencement of a lease, the Health 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, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The Health System monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

As Lessee:

The Health System 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, 2023 and 2022, the Health System recognized approximately \$2,056,000 and \$2,000,000, 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, 2023:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 8,051,043	1,177,889
2025	7,478,549	887,123
2026	5,490,504	630,486
2027	2,526,846	469,286
2028	1,427,058	393,106
2029 - 2033	<u>7,875,823</u>	<u>838,334</u>
Total	<u>\$ 32,849,823</u>	<u>4,396,224</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

As Lessor:

The Health System leases a portion of its office space to various third parties, the terms of which expire 2024 through 2037. Revenue recognized under lease contracts during the years ended September 30, 2023 and 2022 were \$1,113,931 and \$1,369,569, respectively, which includes both lease revenue and interest and is included in operating revenues. 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 2023 and 2022.

Year Ending September 30

2024	\$ 598,468
2025	598,936
2026	573,428
2027	530,637
2028	510,311
2029 - 2031	<u>1,480,940</u>
Total	<u>\$ 4,292,720</u>

SBITA

The Health System has entered noncancellable contracts for SBITAs (intangible assets). The Health System recognizes a subscription liability and a SBITA asset in the financial statements. At the commencement of a SBITA, the Health System initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

The Health System monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at, and certain prepayments made before, the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term, or the useful life of the underlying IT asset.

Subscription Assets

	<u>Balance</u> <u>10/1/2022</u>	<u>Additions</u>	<u>Amortization</u>	<u>Balance</u> <u>9/30/2023</u>
Intangible right-to-use subscription	\$ <u>4,344,080</u>	<u>4,293,264</u>	<u>2,842,884</u>	<u>5,794,460</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Subscription Liabilities

	<u>Balance 10/1/2022</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 9/30/2023</u>
Subscription liabilities	\$ 4,030,775	4,293,264	2,782,900	5,541,139

The Health System has various SBITAs, the terms of which expire in various years through 2026. Variable payments of certain subscriptions are based upon the Consumer Price Index (CPI). The subscriptions were measured based upon the CPI at commencement of the SBITA term. Variable payments based upon the use of the underlying asset are not included in the subscription liabilities because they are not fixed in substance.

The following is a schedule by year of payments under the SBITAs as of September 30, 2023:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,676,544	237,476
2025	2,497,097	95,016
2026	367,498	
Total	\$ 5,541,139	332,492

West Jackson County Utility District:

Leases

As Lessee:

The District has a lease agreement 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 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>
2024	\$ 650
2025	650
2026	650
2027	650
2028	650
2029 - 2033	3,250
2034 - 2038	3,250
2039	650
Total	\$ 10,400

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Jackson County Emergency Communications District:

A summary of lease asset activity during the year ended September 30, 2023 is as follows:

	Balance Oct. 1, 2022	Increases	Decreases	Balance Sept. 30, 2023
<u>Lease assets:</u>				
Leased tower sites	\$ 777,387			777,387
Total lease assets	777,387	0	0	777,387
<u>Less accumulated amortization for:</u>				
<u>Lease assets:</u>				
Leased tower sites	24,452		43,046	67,498
Total accumulated amortization	24,452	0	43,046	67,498
Total lease assets, net	\$ 752,935	0	43,046	709,889

A summary of lease liabilities during the year ended September 30, 2023 is as follows:

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023	Amounts due within one year
Lease liabilities	\$ 756,140		22,972	733,168	19,847

Leases

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 \$1,362 at September 30, 2023.

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 \$202,916 at September 30, 2023.

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 \$1,457 at September 30, 2023.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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, 2023 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 \$504,154 at September 30, 2023.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2023, were as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 19,847	33,383
2025	19,668	32,700
2026	20,704	31,966
2027	21,904	31,181
2028	23,433	30,329
2029 - 2033	143,283	136,176
2034 - 2038	158,750	103,005
2039 - 2043	156,743	66,751
2044 - 2048	168,836	18,190
Total	\$ 733,168	483,681

Jackson County Port Authority:

Leases

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 \$30,763,978 for future lease payments as a lease receivable, \$40,719 of accrued interest receivable, and \$29,928,056 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, 2023

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,770,693	1,021,377
2025	1,140,953	967,043
2026	970,253	926,969
2027	972,130	893,979
2028	502,135	859,013
2029 - 2033	1,934,585	4,089,901
2034 - 2038	2,117,397	3,756,842
2039 - 2043	2,489,976	3,378,833
2044 - 2048	2,835,884	3,110,297
2049 - 2059	7,899,837	4,569,818
Thereafter	8,130,135	3,211,233
Total	\$ <u>30,763,978</u>	<u>26,785,305</u>

Jackson-George Regional Library System:

A summary of lease asset activity during the year ended September 30, 2023 is as follows:

	<u>Balance Oct. 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Sept. 30, 2023</u>
<u>Lease assets:</u>				
Copiers	\$ 23,535			23,535
Total lease assets	<u>23,535</u>	<u>0</u>	<u>0</u>	<u>23,535</u>
<u>Less accumulated amortization for:</u>				
Lease assets:				
Copiers	6,009	6,009	0	12,018
Total accumulated amortization	<u>6,009</u>	<u>6,009</u>	<u>0</u>	<u>12,018</u>
Total lease assets, net	\$ <u>17,526</u>	<u>(6,009)</u>	<u>0</u>	<u>11,517</u>

A summary of lease liabilities during the year ended September 30, 2023 is as follows:

	<u>Balance 10/1/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2023</u>	<u>Amounts due within one year</u>
Lease liabilities	\$ <u>17,807</u>		<u>5,916</u>	<u>11,891</u>	<u>6,112</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Leases

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:

Lease Assets

	Balance 10/1/2022	Additions	Amortization	Balance 9/30/2023
Copiers	\$ 17,526		6,009	11,517

Lease Liabilities

	Balance 10/1/2022	Additions	Amortization	Balance 9/30/2023
Copiers	\$ 17,807		5,916	11,891

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.

The following is a description of leases outstanding as of September 30, 2023:

<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	\$ 11,891

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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

Year Ending September 30	Principal	Interest
2024	\$ 6,112	296
2025	5,779	94
Total	\$ 11,891	390

(10) 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, 2023, to January 1, 2024. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

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.

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, 2023, the amount of these liabilities was \$9,906. An analysis of claims activities is presented below:

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2021 - 2022	\$ 0	10,274,502	(9,408,044)	866,458
2022 - 2023	\$ 866,458	9,847,183	(10,703,735)	9,906

(11) Long-term Debt.

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

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
Governmental Activities:			
A. General Obligation Bonds:			
G.O. Bonds, Series 2017	\$ 3,256,000	2.30%	12/2027
Special Obligation Bond, Series 2021	15,000,000	3.63%	11/2036
Correctional Facility Series 2021A	16,552,000	1.47%	07/2032
General Obligation Bond, Series 2023	<u>11,370,000</u>	4.74%	09/2038
Total General Obligation Bonds	<u>\$ 46,178,000</u>		
B. Other Loans:			
Rail Loan, Series 2011	\$ 161,106	0.00%	03/2026
Rail Loan, Series 2019	<u>1,263,748</u>	0.75%	06/2034
Total Other Loans	<u>\$ 1,424,854</u>		

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

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>		<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,915,000	1,370,114	180,895	9,163
2025	3,872,000	1,318,362	181,752	8,303
2026	3,981,000	1,217,322	143,724	7,437
2027	4,085,000	1,112,885	116,824	6,564
2028	4,198,000	1,005,090	117,703	5,685
2029 - 2033	17,061,000	3,446,515	601,939	15,005
2034 - 2038	<u>10,066,000</u>	<u>1,085,316</u>	<u>82,017</u>	<u>289</u>
Total	<u>\$ 46,178,000</u>	<u>10,555,604</u>	<u>1,424,854</u>	<u>52,446</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2023, the amount of outstanding debt was equal to 1.99 percent (1.99%) of the latest property assessments.

Current Refunding - On June 22, 2023, the County issued \$11,370,000 in general obligation refunding bonds with an average interest rate of 4.74% to refund \$11,052,172 of the following outstanding bond issue:

Issue	Average Interest Rate	Outstanding Amount Refunded
Taxable Port, Series 2015	1.99%	\$ 11,052,172

At the request of Jackson County Port Authority, the County refunded the General Obligation Bond, Series 2015. This request was made following Enviva Inc.'s (lessee) notification to the Port Authority that it would be unable to reimburse the County for the upcoming bond payment of \$11,052,172. Without the refunding, the County would have been ultimately responsible for covering the payment. The economic loss of the current refunding was \$317,828 to be recovered from payments from the lessee.

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 agreement with the County. The County is obligated to pay the principal and interest on the debt. At the completion of the agreement, 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, 2023:

	Balance Oct. 1, 2022	Additions	Reductions	Adjustments*	Balance Sept. 30, 2023	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 3,183,753	221,933			3,405,686	
General obligation bonds	50,262,600	11,370,000	15,454,600		46,178,000	2,915,000
Obligations under leases	1,225,242	121,861	94,380		1,252,723	93,766
Obligations under SBITA		652,373	318,619		333,754	333,754
Other loans	1,605,454		166,192	(14,408)	1,424,854	180,895
Total	\$ 56,277,049	12,366,167	16,033,791	(14,408)	52,595,017	3,523,415

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

	Balance Oct. 1, 2022	Additions	Reductions	Balance Sept. 30, 2023	Amount due within one year
Business-type Activities:					
Compensated absences	\$ 44,961	12,633		57,594	
Obligations under leases	464,713		18,121	446,592	18,846
Total	\$ 509,674	12,633	18,121	504,186	18,846

*Adjustments for other loans are to correct prior year errors in long-term debt.

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, 2023, the County has recorded a payable of \$1,200,000 discounted at the net present value over five years at SRHS's incremental borrowing rate. The balance at September 30, 2023 for this payable was \$1,135,925.

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, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount due within one year
Notes payable	\$ 129,095	66,629	43,726	151,998	91,952
Compensated absences	230,483		28,258	202,225	40,445
Total	\$ 359,578	66,629	71,984	354,223	132,397

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Singing River Health System:

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

	Balance <u>Oct. 1, 2022</u>	<u>Additions</u>	<u>Retired</u>	Balance <u>Sept. 30, 2023</u>	Amount due within one year
Bonds payable	\$ 34,508,000		4,621,000	29,887,000	1,685,000
	Balance <u>Oct. 1, 2022</u>	<u>Additions</u>	<u>Retired</u>	Balance <u>Sept. 30, 2023</u>	Amount due within one year
Siemens MRI	\$	1,174,514	141,945	1,032,569	214,642
Coast Cardio Clinic Client List		898,260	449,130	449,130	224,565
Stryker SRH	360,000		210,000	150,000	150,000
Stryker OSH	950,000		173,333	776,667	270,000
Fibroscan	147,758		36,186	111,572	36,186
Total	\$ <u>1,457,758</u>	<u>2,072,774</u>	<u>1,010,594</u>	<u>2,519,938</u>	<u>895,393</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, 2023:

	Balance <u>Oct. 1, 2022</u>	<u>Additions</u>	Principal Payments/ <u>Reductions</u>	Balance <u>Sept. 30, 2023</u>	Amount due within one year
State revolving fund loans	\$ 25,131,158	5,269,519	1,341,392	29,059,285	1,513,146
Revenue bonds	24,867,000		1,027,000	23,840,000	9,353,000
Total	\$ <u>49,998,158</u>	<u>5,269,519</u>	<u>2,368,392</u>	<u>52,899,285</u>	<u>10,866,146</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Jackson County Emergency Communications District:

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

	Balance Oct. 1, 2022	Additions	Reductions	Balance Sept. 30, 2023	Amount due within one year
Leases payable	\$ 756,140		22,972	733,168	19,847
Compensated absences	8,541		1,578	6,963	3,482
Total	<u>\$ 764,681</u>	<u>0</u>	<u>24,550</u>	<u>740,131</u>	<u>23,329</u>

Jackson County Port Authority:

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

	Balance Oct. 1, 2022	Additions	Reductions	Balance Sept. 30, 2023	Amount due within one year
Compensated absences	\$ 230,972	18,144	40,292	208,824	58,523
Bonds payable	36,840,000			36,840,000	
Less: unamortized discount	(27,065)		(13,532)	(13,533)	
Total	<u>\$ 37,043,907</u>	<u>18,144</u>	<u>26,760</u>	<u>37,035,291</u>	<u>58,523</u>

Jackson-George Regional Library System:

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

	Balance Oct. 1, 2022	Additions	Reductions	Balance Sept. 30, 2023	Amount due within one year
Leases payable	\$ 17,807		5,916	11,891	6,112
Compensated absences	162,105	12,556		174,661	87,330
Total	<u>\$ 179,912</u>	<u>12,556</u>	<u>5,916</u>	<u>186,552</u>	<u>93,442</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

(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 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, 2023, retiree premiums range from \$799 to \$1,049 depending on dependent coverage and Medicare eligibility.

Employees covered by benefit terms. At September 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	771
Total	<u>780</u>

Total OPEB Liability

The County’s total OPEB liability of \$3,179,103 was measured as of September 30, 2023, 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:

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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

	<u>Total OPEB Liability</u>
Balance at September 30, 2022	\$ <u>2,874,235</u>
Changes for the year:	
Service cost	253,099
Interest	144,739
Benefit payments	<u>(92,970)</u>
Net changes	<u>304,868</u>
Balance at September 30, 2023	\$ <u>3,179,103</u>

Changes of assumptions and other inputs did not reflect a change in the discount rate for 2023 from 4.77 percent (4.77%) reported 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:

	<u>1% Decrease (3.77%)</u>	<u>Current Discount Rate (4.77%)</u>	<u>1% Increase (5.77%)</u>
Total OPEB Liability	\$ 3,468,513	\$ 3,179,103	\$ 2,916,300

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,796,390	\$ 3,179,103	\$ 3,638,135

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

For the year ended September 30, 2023, the County recognized OPEB expense of \$198,580. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 390,099	\$ 347,625
Changes of assumptions or other inputs	<u>387,903</u>	<u>1,524,930</u>
Total	<u>\$ 778,002</u>	<u>\$ 1,872,555</u>

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

<u>Year ending September 30</u>	<u>Amount</u>
2024	\$ (199,258)
2025	(199,258)
2026	(199,258)
2027	(205,540)
2028	(210,898)
Thereafter	<u>(80,341)</u>
Total	<u>\$ (1,094,553)</u>

Component Unit – Jackson-George Regional Library System

General Information about the OPEB Plan

Plan description. State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by *Section 25-15-3 et seq., Mississippi Code of 1972 Annotated*, which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of the law governing the Plan. The Plan is self-insured and is financed through premiums collected

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2023

from employers, employees, retirees and COBRA participants. The Plan provides for Other Postemployment Benefits (OPEB) as a multiple-employer defined benefit OPEB plan. The plan issues a publicly available financial report that can be obtained at <http://knowyourbenefits.dfa.ms.gov/>.

Benefits provided. The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent 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, 2023 was \$13,047, 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, 2023, the Library System reported a liability of \$297,543 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2023, the Library System's proportion was 0.0538 percent. This was a decrease of 0.0008 percent from the proportionate share as of the measurement date as of June 30, 2022.

For the year ended September 30, 2023, the Library System recognized OPEB expense of \$20,405. At September 30, 2023, the Library System 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, 2023

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 48,773	\$ 84,004
Changes of assumption	26,581	22,384
Net difference between projected and actual earnings on OPEB plan investments	18	
Changes in proportion and differences between Library System contributions and proportionate share of contributions	<u>4,468</u>	<u>15,689</u>
Total	\$ <u>79,840</u>	\$ <u>122,077</u>

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

<u>Year ending September 30</u>	<u>Amount</u>
2024	\$ (13,984)
2025	(16,791)
2026	(13,221)
2027	(3,752)
2028	2,706
Thereafter	<u>2,805</u>
Total	\$ <u>(42,237)</u>

Actuarial assumptions

The total OPEB liability in the June 30, 2023 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	3.66%
Prior Measurement Date	3.37%
Year FNP is projected to be depleted	
Measurement Date	2023
Prior Measurement Date	2022
Single Equivalent Interest Rate, Net of OPEB Plan investment expense, including inflation	
Measurement Date	3.66%
Prior Measurement Date	3.37%
Health Care Cost Trends	6.50% for 2024 decreasing to an ultimate rate of
Medicare Supplement Claims Pre-Medicare	4.50% by 2029 FYE

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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, 2023 valuation were based on the results of an actuarial experience study dated April 21, 2023.

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, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

Discount rate

The discount rate used to measure the total OPEB liability at June 30, 2023 was 3.66%. Since the Prior Measurement Date, the Discount Rate has changed from 3.37% to 3.66%.

The trust was established on June 28, 2018, with an initial contribution of \$1,000,000. As of June 30, 2023, the trust has \$1,067,750. 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, 2022 and the June 30, 2023 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2023 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 (2.66%) or 1-percentage-point higher (4.66%) than the current discount rate:

	1% Decrease <u>(2.66%)</u>	Current Discount Rate <u>(3.66%)</u>	1% Increase <u>(4.66%)</u>
Net OPEB Liability	\$ 325,913	297,543	272,947

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:

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Notes to Financial Statements
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	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 277,246	297,543	320,277

OPEB plan fiduciary net position

The fiduciary net position for the OPEB plan was \$1,067,750 as of June 30, 2023, the measurement date. Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued OPEB financial report.

(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, 2023, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer’s rate at September 30, 2023 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County’s contributions (employer share only) to PERS for the years ending September 30, 2023, 2022,

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Notes to Financial Statements
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and 2021 were \$6,706,648, \$6,274,592, and \$6,234,416 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, 2023, 2022, and 2021 were \$892,675, \$803,530, and \$774,293, 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, 2023, 2022, and 2021 were \$266,384, \$238,252, and \$225,678, 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, 2023, 2022, and 2021 were \$14,059, \$22,158, and \$24,715, 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, 2023, 2022, and 2021 were \$559,679, \$564,128, and \$555,067, 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, 2023, 2022, and 2021 were \$360,992, \$370,364, and \$390,323, respectively, equal to the required contributions for each year.

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

At September 30, 2023, the County reported a liability of \$133,054,507 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2023 net pension liability was 0.529016 percent, which was based on a measurement date of June 30, 2023. This was an increase of 0.010158 percent from its proportionate share used to calculate the September 30, 2022 net pension liability, which was based on a measurement date of June 30, 2022.

For the year ended September 30, 2023, the County recognized pension expense of \$18,071,317. At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,325,331	
Net difference between projected and actual earnings on pension plan investments	4,552,719	
Changes of assumptions	15,658,366	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	2,449,592	1,453,663
County contributions subsequent to the measurement date	1,579,698	
Total	\$ 27,565,706	1,453,663

\$1,579,698 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Notes to Financial Statements
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Year ending September 30	Amount
2024	\$ 9,389,165
2025	5,195,002
2026	9,908,615
2027	<u>39,563</u>
Total	<u>\$ 24,532,345</u>

Component Unit – Singing River Mental Health/Mental Retardation Services

At September 30, 2023, the Singing River Mental Health/Mental Retardation Services (“The Agency”) reported a liability of \$17,789,025 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency’s proportion of the PERS net pension liability was based on a projection 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, 2023, the Agency’s proportion was .071%.

For the year ended June 30, 2023, the Agency recognized additional PERS pension expense for their proportionate share of \$1,743,062. This amount is recorded as a non-operating expense in the Statement of Revenues, Expense and Changes in Net Position. This amount is in addition to the \$892,675 that the Agency contributed to the plan throughout the year that is classified as operating expense.

At June 30, 2023, the Agency reported deferred outflows and 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	\$ 445,411	
Changes of assumptions	2,088,765	
Net difference between projected and actual earnings on pension plan investments	695,988	
Changes in proportion and differences between contributions and proportionate share on contributions	<u>532,455</u>	<u>12,938</u>
Total	<u>\$ 3,762,619</u>	<u>12,938</u>

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The deferrals netting to \$3,749,681 will be recognized in pension expense in future years as follows:

Year ending June 30	Amount
2024	\$ 1,387,258
2025	910,700
2026	1,446,433
2027	5,290
Total	\$ 3,749,681

Component Unit – West Jackson County Utility District

At September 30, 2023, the West Jackson County Utility District (“The Utility District”) recognized \$5,116,765 as its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation prepared as of June 30, 2022. 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, 2023, the Utility District’s proportion was 0.020344 percent; which was an increase of 0.000891% from its proportion as of the prior year.

For the year ended September 30, 2023, the Utility District recognized pension expense of \$809,925. At September 30, 2023, the Utility District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 128,116
Net difference between projected and actual earnings on pension plan investments	200,192
Changes of assumptions	600,807
Changes in proportion and differences between the Utility District's contributions and proportionate share of overall contributions	109,011
Utility District contributions subsequent to the measurement date	70,565
Total	\$ 1,108,691

Deferred outflows of resources related to pensions resulting from the Utility District’s contributions subsequent to the measurement date totaling \$70,565 will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

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Year ending September 30	Amount
2024	\$ 378,193
2025	258,674
2026	399,736
2027	<u>1,523</u>
Total	<u>\$ 1,038,126</u>

Component Unit – Jackson County Emergency Communications District

At September 30, 2023, the Jackson County Emergency Communications District (“The Communications District”) reported a liability of \$286,977 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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, 2023, the Communications District’s proportion was 0.0011%, which was a decrease of 0.0008% from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the Communications District recognized pension expense of \$(17,710). At September 30, 2023, the Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 7,185	
Changes of assumptions	33,697	
Net difference between projected and actual earnings on pension plan investments	11,228	
Changes in proportion and differences between Communications District's contributions and proportionate share of contributions		139,942
Communications District contributions subsequent to the measurement date	<u>3,244</u>	
Total	<u>\$ 55,354</u>	<u>139,942</u>

\$3,244 reported as deferred outflows of resources related to pensions resulting from Communications District contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ending September 30	Amount
2024	\$ (43,255)
2025	(41,666)
2026	(2,996)
2027	<u>85</u>
Total	<u>\$ (87,832)</u>

Component Unit – Jackson County Port Authority

At September 30, 2023, the Jackson County Port Authority (“The Port Authority”) reported a liability of \$10,060,528 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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 the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Port Authority’s proportion was 0.04 percent, which is a 0.01 decrease from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the Port Authority recognized pension expense of \$814,578. At September 30, 2023, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 251,900	
Changes of assumptions	1,181,294	
Net difference between projected and actual earnings on pension plan investments	393,614	
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions		1,337,901
Port Authority contributions subsequent to the measurement date	<u>150,275</u>	
Total	<u>\$ 1,977,083</u>	<u>1,337,901</u>

\$150,275 reported as deferred outflows of resources related to pensions resulting from Port Authority contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Notes to Financial Statements
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Year ending September 30	Amount
2024	\$ 149,502
2025	(98,836)
2026	435,252
2027	<u>2,989</u>
Total	<u>\$ 488,907</u>

Component Unit – Jackson-George Regional Library System

At September 30, 2023, the Jackson-George Regional Library System (“The Library System”) reported a liability of \$7,042,370 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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. At June 30, 2023, the Library System’s proportion was 0.028 percent, which was a 0.04 decrease from its proportion measured as of June 30, 2022.

For the year ended September 30, 2023, the Library System recognized pension expense of \$727,250. At September 30, 2023, the Library System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 176,330	
Net difference between projected and actual earnings on pension plan investments	275,530	
Changes of assumptions	826,906	
Changes in the proportion and differences between Library System contributions and proportionate share of contributions		759,927
Library System contributions subsequent to the measurement date	<u>91,341</u>	
Total	<u>\$ 1,370,107</u>	<u>759,927</u>

\$91,341 reported as deferred outflows of resources related to pensions resulting from Library System contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ending September 30	Amount
2024	\$ 146,949
2025	(8,054)
2026	377,850
2027	2,094
Total	\$ <u>518,839</u>

Actuarial Assumptions. The total pension liability as of June 30, 2023 was determined by an actuarial valuation prepared as of June 30, 2022, and by the investment experience for the fiscal year ending June 30, 2023. The following actuarial assumptions are applied to all periods in the measurement:

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 171,577,161	133,054,507	101,442,389
Component Units:			
Singing River Mental Health/Mental Retardation Services' proportionate share of the net pension liability	22,939,400	17,789,025	13,562,571
West Jackson County Utility District's proportionate share of the net pension liability	6,598,199	5,116,765	3,901,085
Jackson County Emergency Communications District's proportionate share of the net pension liability	356,766	286,977	210,932
Jackson County Port Authority's proportionate share of the net pension liability	12,973,306	10,060,528	7,670,270
Jackson-George Regional Library System's proportionate share of the net pension liability	9,081,314	7,042,370	5,369,189

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

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Notes to Financial Statements
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(14) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balances at September 30, 2023:

Fund	Deficit Amount
COVID-19 Crisis Fund	\$ 317,888
Port Security Grant Fund	18,767
Hurricane Ida Fund	416,497
Tropical Storm Zeta Fund	395,741
Hurricane Nate Fund	4,004,038
Rail Loan Fund	6,613
Tideland Fund	435,871
2017 Road & Bridge Bonds Fund	12,957

(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 of 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, 2023, is \$29,887,000.

(16) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$44,853,596) 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 \$1,561,392 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. The \$25,662,400 balance of the deferred outflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next four years. The \$1,413,078 balance of the deferred inflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next two years.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

The governmental activities' unrestricted net position amount of (\$44,853,596) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from other postemployment benefits (OPEB). The \$778,002 balance of deferred outflows of resources related to OPEB, at September 30, 2023, will be recognized as an expense and will decrease the unrestricted net position over the next seven years.

The governmental activities' unrestricted net position amount of (\$44,853,596) includes the effect of deferring the recognition of revenue resulting from a deferred inflows from other postemployment benefits (OPEB). The \$1,872,555 balance of deferred inflows of resources related to OPEB, at September 30, 2023, will be recognized as revenue and will increase the unrestricted net position over the next seven years.

The governmental activities' unrestricted net position amount of (\$44,853,596) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$7,375,096 balance of deferred inflows of resources related to leases at September 30, 2023, will be recognized as revenue and will increase the unrestricted net position over the next eighteen years.

The business-type activities' unrestricted net position amount of (\$715,498) 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 \$14,349 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. The \$260,949 balance of the deferred outflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next four years. The \$35,558 balance of the deferred inflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next two years.

The business-type activities' restricted for culture and recreation net position amount of \$8,083 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 \$3,957 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024. The \$62,659 balance of the deferred outflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next four years. The \$5,027 balance of the deferred inflows of resources related to pensions at September 30, 2023, will be recognized in pension expense over the next two years.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

(17) 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, 2023.

Condensed Statement of Net Position:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Current assets	\$ 290,033	299,761	368,685	958,479
Capital assets	4,204	4,872,259	2,042,319	6,918,782
Deferred outflows of resources		73,907	268,007	341,914
Total Assets and Deferred Outflows of Resources	<u>294,237</u>	<u>5,245,927</u>	<u>2,679,011</u>	<u>8,219,175</u>
Current liabilities	22,255	12,719	96,590	131,564
Noncurrent liabilities		344,093	1,670,380	2,014,473
Deferred inflows of resources		8,773	31,812	40,585
Total Liabilities and Deferred Inflows of Resources	<u>22,255</u>	<u>365,585</u>	<u>1,798,782</u>	<u>2,186,622</u>
Net position:				
Net investment in capital assets	4,204	4,872,259	1,595,727	6,472,190
Restricted	267,778	8,083		275,861
Unrestricted			(715,498)	(715,498)
Total Net Position	<u>\$ 271,982</u>	<u>4,880,342</u>	<u>880,229</u>	<u>6,032,553</u>

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

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Operating revenues	\$ 195,720	273,100	986,143	1,454,963
Operating expenses	(119,601)	(282,330)	(1,262,000)	(1,663,931)
Depreciation expense		(325,210)	(110,098)	(435,308)
Operating Income (Loss)	<u>76,119</u>	<u>(334,440)</u>	<u>(385,955)</u>	<u>(644,276)</u>
Nonoperating revenues	13,273	16,101	39,482	68,856
Nonoperating expenses			(18,044)	(18,044)
Transfers in			93,406	93,406
Transfers out			(127,607)	(127,607)
Change in Net Position	<u>89,392</u>	<u>(318,339)</u>	<u>(398,718)</u>	<u>(627,665)</u>
Net Position - Beginning	<u>182,590</u>	<u>5,198,681</u>	<u>1,278,947</u>	<u>6,660,218</u>
Net Position - Ending	<u>\$ 271,982</u>	<u>4,880,342</u>	<u>880,229</u>	<u>6,032,553</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

Condensed Statement of Cash Flows:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Net cash provided (used) by:				
Operating activities	\$ 91,551	55,766	(149,399)	(2,082)
Noncapital financing activities			(32,009)	(32,009)
Capital and related financing activities		(30,067)	(143,232)	(173,299)
Investing activities	<u>13,273</u>	<u>16,101</u>	<u>38,965</u>	<u>68,339</u>
Net increase (decrease) in cash	<u>104,824</u>	<u>41,800</u>	<u>(285,675)</u>	<u>(139,051)</u>
Cash - Beginning of year	<u>185,209</u>	<u>257,961</u>	<u>654,360</u>	<u>1,097,530</u>
Cash - End of year	<u>\$ 290,033</u>	<u>299,761</u>	<u>368,685</u>	<u>958,479</u>

(18) 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 \$35,813 for support of Southern Mississippi Planning and Development District in fiscal year 2023.

Community Action of South Mississippi 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 \$195,340 for support of the Community Action of South Mississippi in fiscal year 2023.

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 \$550,000 for support of the Jackson County Economic Development Foundation in fiscal year 2023.

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 2023.

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 2023.

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 2023.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

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 \$9,165,810 for maintenance and support of the college in the fiscal year 2023.

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.

(19) Tax Abatements.

As of September 30, 2023, Jackson County provides tax exempt status to ten property holding 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 27-31-101, 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 2023 totaled \$10,596,299.

(20) 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 July 16, 2025, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2023, the County entered into various leases and IT subscriptions:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/14/2024	8.00%	\$ 33,750	Software subscription	Ad valorem taxes
11/10/2024	7.75%	147,500	Harbor lease	Ad valorem taxes
11/18/2024	4.00%	1,243,750	16th section land lease	Ad valorem taxes
01/30/2025	7.50%	1,817,940	Software subscription	Ad valorem taxes
03/01/2025	6.64%	529,990	Software subscription	Ad valorem taxes
03/01/2025	5.17%	232,298	Lease liability	Ad valorem taxes
04/01/2025	7.50%	82,762	Software subscription	Ad valorem taxes

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2023

(21) Going Concern - Substantial Doubt.

Component Unit – Singing River Mental Health/Mental Retardation Services

On May 7, 2024, Jackson County, one of the governing agencies of Singing River Mental Health/Mental Retardation Services filed a lawsuit against Singing River Mental Health/Mental Retardation Services and one of its commissioners in her official capacity. In its complaint, Jackson County claims that various issues have plagued Singing River Mental Health/Mental Retardation Services, including but not limited to, the ineffective structure of Singing River Mental Health/Mental Retardation Services' Board (namely each county appoints one Commissioner), and issues arising from an investigation by the Mississippi Office of the State Auditor.

Jackson County's Complaint further alleges the "partnership" between Jackson and George Counties has broken down, leading Jackson County to vote to terminate the "partnership" on February 20, 2024. The Complaint seeks no monetary relief from Singing River Mental Health/Mental Retardation Services or any other defendant. Instead, it asks the Chancery Court to either (a) declare Singing River Mental Health/Mental Retardation Services be comprised solely of Jackson County, or alternatively (b) dissolve Singing River Mental Health/Mental Retardation Services. Either way, Jackson County requests the Court equitably divide the assets and liabilities of Singing River Mental Health/Mental Retardation Services between Jackson and George counties.

In addition, Jackson County has pulled its annual funding of Singing River Mental Health/Mental Retardation Services which has caused management to determine that it has substantial doubt it will be able to continue operations. Management has made several proposals to "offset" this loss of revenues; however, implementation of these proposals have been limited by the pending lawsuit for dissolution.

JACKSON COUNTY

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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, 2023
 UNAUDITED

	Original Budget	Final Budget	Actual (GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 60,342,092	60,988,256	61,529,517	541,261
Licenses, commissions and other revenue	2,765,700	2,904,208	3,094,378	190,170
Fines and forfeitures	1,145,000	706,981	1,120,479	413,498
In lieu taxes - Mississippi Power			6,178,410	6,178,410
Intergovernmental revenues	10,906,605	11,037,197	4,246,321	(6,790,876)
Charges for services	820,000	1,299,669	1,148,128	(151,541)
Interest income	1,452,000	4,669,208	4,902,499	233,291
Miscellaneous revenues	1,430,367	3,019,274	3,710,170	690,896
Total Revenues	<u>78,861,764</u>	<u>84,624,793</u>	<u>85,929,902</u>	<u>1,305,109</u>
EXPENDITURES				
Current:				
General government	39,742,537	112,376,338	47,763,422	64,612,916
Public safety	21,002,158	23,519,169	22,236,636	1,282,533
Public works	2,628,770	12,500,486	3,364,370	9,136,116
Health and welfare	3,475,920	8,099,874	2,971,651	5,128,223
Culture and recreation	6,039,690	15,224,181	5,423,487	9,800,694
Education	350,000	105,786	120,817	(15,031)
Conservation of natural resources	289,620	216,887	221,070	(4,183)
Economic development and assistance	2,623,233	3,055,068	2,634,805	420,263
Debt service:				
Principal			2,118,739	(2,118,739)
Interest			348,611	(348,611)
Total Expenditures	<u>76,151,928</u>	<u>175,097,789</u>	<u>87,203,608</u>	<u>87,894,181</u>
Excess of Revenues over (under) Expenditures	<u>2,709,836</u>	<u>(90,472,996)</u>	<u>(1,273,706)</u>	<u>89,199,290</u>
OTHER FINANCING SOURCES (USES)				
Leases issued			121,861	121,861
SBITA issued			652,373	652,373
Proceeds from sale of capital assets			112,087	112,087
Compensation for loss of capital assets			41,929	41,929
Transfers in		7,878,879	7,653,817	(225,062)
Transfers out	(1,614,500)	(5,485,992)	(5,484,756)	1,236
Total Other Financing Sources and Uses	<u>(1,614,500)</u>	<u>2,392,887</u>	<u>3,097,311</u>	<u>704,424</u>
Net Change in Fund Balance	1,095,336	(88,080,109)	1,823,605	89,903,714
Fund Balances - Beginning	65,899,065	64,107,883	65,899,067	1,791,184
Fund Balances - Ending	<u>\$ 66,994,401</u>	<u>(23,972,226)</u>	<u>67,722,672</u>	<u>91,694,898</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, 2023
 UNAUDITED

	Original Budget	Final Budget	Actual (GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 16,683,325	16,418,515	16,583,297	164,782
Road and bridge privilege taxes	1,800,000	1,765,097	1,918,840	153,743
Intergovernmental revenues	1,775,000	9,186,371	9,374,241	187,870
Charges for services		7,937	7,938	1
Interest income		1,333,579	1,333,579	
Miscellaneous revenues	75,000	248,564	248,563	(1)
Total Revenues	<u>20,333,325</u>	<u>28,960,063</u>	<u>29,466,458</u>	<u>506,395</u>
EXPENDITURES				
Current:				
General government		694,346		694,346
Public safety		19	19	
Public works	28,771,138	132,130,451	28,760,380	103,370,071
Culture and recreation		2,959		2,959
Debt service:				
Principal			5,261	(5,261)
Interest			468	(468)
Total Expenditures	<u>28,771,138</u>	<u>132,827,775</u>	<u>28,766,128</u>	<u>104,061,647</u>
Excess of Revenues over (under) Expenditures	<u>(8,437,813)</u>	<u>(103,867,712)</u>	<u>700,330</u>	<u>104,568,042</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			154,543	154,543
Transfers in	1,500,000	1,652,106	1,500,000	(152,106)
Total Other Financing Sources and Uses	<u>1,500,000</u>	<u>1,652,106</u>	<u>1,654,543</u>	<u>2,437</u>
Net Change in Fund Balance	(6,937,813)	(102,215,606)	2,354,873	104,570,479
Fund Balances - Beginning	<u>23,514,809</u>	<u>25,018,359</u>	<u>23,514,809</u>	<u>(1,503,550)</u>
Fund Balances - Ending	<u>\$ 16,576,996</u>	<u>(77,197,247)</u>	<u>25,869,682</u>	<u>103,066,929</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, 2023
UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.529016%	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)	\$ 133,054,507	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	\$ 39,214,698	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	339.30%	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	55.70%	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 requirements to show information for 10 years. GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015.

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, 2023
UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 6,706,648	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>6,706,648</u>	<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>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 38,543,954	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%	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. GASB Statement No. 68 was implemented in the fiscal year ended September 30, 2015.

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' Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended June 30, 2023
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability (asset)	0.071%	0.067%	0.067%	0.066%	0.064%	0.064%	0.637%	0.059%	0.058%
Agency's proportionate share of the net pension liability (asset) \$	17,789,025	13,807,505	9,892,103	12,856,011	11,345,415	10,595,203	10,595,918	10,570,668	8,927,011
Agency's covered payroll \$	5,242,891	4,217,615	4,207,996	4,175,427	3,798,259	4,074,235	4,094,756	3,798,451	3,607,867
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	339.30%	327.38%	235.08%	307.90%	298.70%	260.05%	258.77%	278.29%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

* GASB 68 was implemented in fiscal year 2015, information is not available to present the full ten years. The agency has presented information for the years for which it is available. The amounts presented were determined as of the measurement date of June 30 of the fiscal year presented.

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, 2023

UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 892,675	803,530	774,293	769,443	659,331	641,692	644,924	598,256	568,239
Contributions in relation to the contractually required contribution	<u>892,675</u>	<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>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>							
Agency's covered payroll	\$ 5,130,316	4,617,989	4,449,960	4,422,086	3,789,259	4,074,235	4,094,756	3,798,451	3,607,867
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	16.16%	15.75%	15.75%	15.75%	15.75%

* GASB 68 was implemented in fiscal year 2015, information is not available to present the full ten years.

The Agency has presented information for the years for which it is available. The amounts presented were determined as of fiscal year presented.

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 Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2023
UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.020344%	0.019453%	0.019484%	0.019785%	0.019458%	0.019325%	0.018702%	0.017428%	0.017788%
District's proportionate share of the net pension liability (asset)	\$ 5,116,765	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 payroll	\$ 1,530,943	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 (asset) as a percentage of its covered payroll	292.43%	292.43%	222.23%	290.73%	286.29%	277.25%	275.30%	296.59%	261.79%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	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 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 68 was implemented in FYE 9/30/15, 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 September 30, 2023
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 266,384	238,252	225,678	220,028	205,438	195,483	194,477	181,573	176,083
Contributions in relation to the contractually required contribution	<u>266,384</u>	<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 payroll	\$ 1,530,943	1,369,264	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 payroll	17.40%	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 68 was implemented in FYE 9/30/15 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 Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

For the Year Ended September 30, 2023

UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.0011%	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)	\$ 286,977	396,647	339,950	464,612	422,207	365,925	349,091	357,250	293,703
District's covered payroll	\$ 84,560	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	339.38%	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	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

* The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for 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, 2023
UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 14,059	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>14,059</u>	<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>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
District's covered payroll	\$ 80,796	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%	17.40%	16.21%	15.75%	15.75%	15.75%	15.75%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for 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's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2023
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Port Authority's proportion of the net pension liability (asset)	0.04%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.04%	0.04%
Port Authority's proportionate share of the net pension liability (asset)	\$ 10,060,528	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	\$ 3,194,710	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 of the net pension liability (asset) as a percentage of its covered payroll	314.91%	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	55.70%	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 measurement date of June 30 of the fiscal year presented.

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

JACKSON COUNTY
Schedule of Jackson County Port Authority's Contributions
Last 10 Fiscal Years
For the Year Ended September 30, 2023
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 559,679	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	559,679	564,128	555,067	529,253	492,684	462,097	463,312	460,853	436,597	409,981
Contribution deficiency (excess)	\$ 0	0	0	0	0	0	0	0	0	0
Port Authority's covered payroll	\$ 3,216,544	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%	17.40%	16.12%	15.75%	15.75%	15.75%	15.75%	15.75%

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 Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2023
UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library System's proportion of the net pension liability (asset)	0.028%	0.032%	0.034%	0.034%	0.033%	0.033%	0.032%	0.032%	0.033%
Library System's proportionate share of the net pension liability (asset)	\$ 7,042,370	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	\$ 2,048,403	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 of the net pension liability (asset) as a percentage of its covered payroll	343.80%	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	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

* The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented.
This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for 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, 2023
UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 360,992	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>360,992</u>	<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	\$ 2,074,657	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%	17.40%	16.16%	15.75%	15.75%	15.75%	15.75%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for 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, 2023

UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	\$					
Service cost	253,099	318,698	312,021	393,097	378,342	272,457
Interest	144,739	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	<u>(92,970)</u>	<u>(87,708)</u>	<u>(46,914)</u>	<u>(27,295)</u>	<u>(25,332)</u>	<u>(34,885)</u>
Net change in total OPEB liability	\$ 304,868	(62,786)	326,642	(1,083,821)	474,483	449,940
Total OPEB liability - beginning	<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>	<u>2,769,777</u>
Total OPEB liability - ending	\$ <u>3,179,103</u>	<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	\$ 34,310,045	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	9.3%	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:

2023	4.77%
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 Jackson-George Regional Library System's Proportionate Share of the Net OPEB Liability

Last 10 Fiscal Years*

For the Year Ended September 30, 2023

UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Library System's proportion of the net OPEB liability (asset)	0.0538%	0.0546%	0.0558%	0.0567%	0.0560%	0.0560%
Library System's proportionate share of the net OPEB liability (asset)	\$ 297,543	268,950	359,235	441,477	470,737	432,991
Library System's covered-employee payroll	\$ 2,048,403	2,185,169	2,256,400	2,229,425	2,136,660	2,112,499
Library System's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	14.53%	12.31%	15.92%	19.80%	22.03%	20.50%
Plan fiduciary net position as a percentage of the total OPEB liability	0.19%	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 June 30 of the fiscal year presented. This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for 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, 2023
UNAUDITED

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 13,047	10,960	14,436	17,606	18,869	19,284
Contributions in relation to the contractually required contribution	<u>13,047</u>	<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>	<u>0</u>
Library System's covered-employee payroll	\$ 2,074,657	2,128,529	2,243,236	2,271,926	2,128,916	2,144,467
Contributions as a percentage of covered-employee payroll	0.63%	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 in FYE September 30, 2018, until a full 10-year trend is compiled, information is presented for those years for 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, 2023 UNAUDITED

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor 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 the major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual is a part of required supplementary information.

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

JACKSON COUNTY

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

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%.

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.

JACKSON COUNTY

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

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

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

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

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

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

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

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

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

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

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

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

2023

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

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

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

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

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

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

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

B. Changes in benefit provisions.

2016

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

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

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

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

JACKSON COUNTY

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

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.

2023

The discount rate was changed from 3.37% for the prior Measurement Date to 3.66% for the current Measurement Date.

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.

JACKSON COUNTY

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

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.

2023: The schedule of monthly retiree contributions was increased as of January 1, 2024. In addition, the medical deductible was increased for the Base Family coverage beginning January 1, 2024.

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, 2023 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2023:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.40 percent
Salary increases, including wage inflation	2.65 percent to 17.90 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	4.50 percent
Years of ultimate trend rates Medicare Supplemental Claims Pre-Medicare	2029
Long-term investment rate of return, net of pension plan investment expense, including price inflation	3.66 percent

JACKSON COUNTY

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JACKSON COUNTY

SUPPLEMENTARY INFORMATION

JACKSON COUNTY

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service Passed-through the Mississippi State Treasurer's Office Forest service schools and roads cluster: School and roads - grants to states Total Forest service schools and roads cluster	10.665	Unknown	\$ <u>66,952</u> <u>66,952</u>
Total U.S. Department of Agriculture			<u>66,952</u>
U.S. Department of Housing and Urban Development Passed-through the Mississippi Development Authority Community development block grants / state's program and non-entitlement grants in Hawaii	14.228	R-109-030-03-KCR	<u>354,999</u>
Total U.S. Department of Housing and Urban Development			<u>354,999</u>
U.S. Department of the Interior National wildlife refuge fund (Direct Award)	15.659	N/A	<u>66,101</u>
U.S. Department of the Interior - National Park Service Passed-through the Mississippi Department of Marine Resources Heritage partnership	15.939	S-NBT-2023-001	<u>19,821</u>
Total U.S. Department of the Interior			<u>85,922</u>
U.S. Department of Justice - Office of Justice Programs Treatment court discretionary grant program (Direct Award)	16.585	N/A	<u>31,287</u>
Total U.S. Department of Justice			<u>31,287</u>
U.S. Department of Transportation - Federal Aviation Administration Airport improvement program (Direct Award) Airport improvement program (Direct Award) Airport improvement program (Direct Award) Subtotal	20.106 20.106 20.106	N/A N/A N/A	85,480 1,292,242 <u>7,551</u> <u>1,385,273</u>
Total U.S. Department of Transportation			<u>1,385,273</u>
U.S. Department of the Treasury Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	<u>10,000,000</u>
Local assistance and tribal consistency fund (Direct Award)	21.032	N/A	<u>191,339</u>
Total U.S. Department of the Treasury			<u>10,191,339</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>5,430</u>
Total Executive Office of the President			<u>5,430</u>
U.S. Department of Homeland Security Passed-through the Mississippi Emergency Management Agency Disaster grants - public assistance (Presidentially declared disasters) Disaster grants - public assistance (Presidentially declared disasters) Subtotal	97.036 97.036	4350-DR-MS 4576-DR-MS	130,045 <u>87,397</u> <u>217,442</u>
Emergency management performance grants	97.042	EMA-2023-EP-00009-S01	<u>98,816</u>
U.S. Department of Homeland Security Port security grant program (Direct Award)	97.056	N/A	<u>59,023</u>
U.S. Department of Homeland Security Passed-through the Mississippi Department of Public Safety Homeland security grant program	97.067	S21LE030	<u>10,427</u>
Total U.S. Department of Homeland Security			<u>385,708</u>
Total Expenditures of Federal Awards			\$ <u>12,506,910</u>

JACKSON COUNTY
Schedule of Expenditures of Federal Awards - cont'd
For the Year Ended September 30, 2023

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, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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 the 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 \$33,476 to subrecipients during the year ended September 30, 2023.

Note E - ALN 15.659, National wildlife refuge fund

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$29,124 to subrecipients during the year ended September 30, 2023.

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 \$2,500,000 to subrecipients during the year ended September 30, 2023.

* Denotes major federal award program

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, 2023
UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
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	State Farm	\$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 Carroll	Assistant Receiving Clerk	Travelers	\$50,000
Aimee Culpepper	Assistant Receiving Clerk	Travelers	\$50,000
Alecia Wilson	Assistant Receiving Clerk	Travelers	\$50,000
Belinda Tadlock	Assistant Receiving Clerk	Travelers	\$50,000
Brandi Gilliland	Assistant Receiving Clerk	Travelers	\$50,000
Carey Crosby	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Charles Long	Assistant Receiving Clerk	Travelers	\$50,000
Christian Robinson	Assistant Receiving Clerk	Travelers	\$50,000
Christina Schmidt	Assistant Receiving Clerk	Travelers	\$50,000
Cinnamon Synder	Assistant Receiving Clerk	Travelers	\$50,000
Cortney Hyer	Assistant Receiving Clerk	Travelers	\$50,000
Crystal Ables	Assistant Receiving Clerk	Travelers	\$50,000
Crystal Evans	Assistant Receiving Clerk	Travelers	\$50,000
Dagmar Ruffin	Assistant Receiving Clerk	Travelers	\$50,000
Darcie Crew	Assistant Receiving Clerk	Travelers	\$50,000
David Cunningham	Assistant Receiving Clerk	Travelers	\$50,000
Eloria Jacob	Assistant Receiving Clerk	Travelers	\$50,000
Heather Wallace	Assistant Receiving Clerk	Travelers	\$50,000
Jeremy Gregory	Assistant Receiving Clerk	Travelers	\$50,000
Jeremy Smith	Assistant Receiving Clerk	Travelers	\$50,000
Jessica Kasinec	Assistant Receiving Clerk	Travelers	\$50,000
Joseph Nicholson	Assistant Receiving Clerk	Travelers	\$50,000
Katie Dees	Assistant Receiving Clerk	Travelers	\$50,000
Kimberly Stewart	Assistant Receiving Clerk	Travelers	\$50,000
Kritin Hodge	Assistant Receiving Clerk	Travelers	\$50,000
Laura Fortman	Assistant Receiving Clerk	Travelers	\$50,000
Marcus Watson	Assistant Receiving Clerk	Travelers	\$50,000
Mary Ferguson	Assistant Receiving Clerk	Travelers	\$50,000
Meagan Albritton	Assistant Receiving Clerk	Travelers	\$50,000
Melissa Werner	Assistant Receiving Clerk	Travelers	\$50,000
Sonya Vaughn	Assistant Receiving Clerk	Travelers	\$50,000
Stephanie Packer	Assistant Receiving Clerk	Travelers	\$50,000
Stephanie Tagert	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Traci Barnett	Assistant Receiving Clerk	Travelers	\$50,000
William Sigrest	Assistant Receiving Clerk	Travelers	\$50,000
Nancy Anglada	Inventory Control Clerk	RLI Insurance Company	\$75,000
Diana Dixon	Assistant Inventory Control Clerk	RLI Insurance Company	\$50,000
Joe O'Neal	Road Manager	RLI Insurance Company	\$50,000
Kerry Fountain	Constable	State Farm	\$50,000
Calvin Hutchins	Constable	State Farm	\$50,000
Kenneth Shane Langfitt	Constable	State Farm	\$50,000
Tymothe Thompson	Constable	State Farm	\$50,000
Randy Carney	Circuit Clerk	Travelers	\$100,000
John Ledbetter	Sheriff	RLI Insurance Company	\$100,000

JACKSON COUNTY
Schedule of Surety Bonds for County Officials - cont'd
For the Year Ended September 30, 2023
UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Daniel Guice	Justice Court Judge	Travelers	\$50,000
Matthew Lachaussee	Justice Court Judge	Travelers	\$50,000
Jason Thornton	Justice Court Judge	RLI Insurance Company	\$50,000
Lisa Fairley	Justice Court Clerk	State Farm	\$100,000
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
Theresa Wooten	Deputy Justice Court Clerk	Travelers	\$50,000
Lizzie Worthy	Deputy Justice Court Clerk	Travelers	\$50,000
Amber Fields	Deputy Justice Court Clerk	Travelers	\$50,000
Mikaila Odom	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	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	RLI Insurance Company	\$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	RLI Insurance Company	\$50,000
Cathy Wells	Deputy Tax Collector	Travelers	\$50,000
Gloria Saavedra	Deputy Tax Collector	Western Surety	\$50,000
Cody Nash	Deputy Tax Collector	Western Surety	\$50,000
Brittany Meek	Deputy Tax Collector	Western Surety	\$50,000
Bliss Shalimar	Deputy Tax Collector	RLI Insurance Company	\$50,000
Kevin Alexander	Deputy Tax Collector	Travelers	\$50,000
Charitie Oakes	Deputy Tax Collector	RLI Insurance Company	\$50,000
Tannas Alexander	Deputy Tax Collector	RLI Insurance Company	\$50,000
Ragina Ward	Deputy Tax Collector	Travelers	\$50,000
Jeri Heidel	Deputy Tax Collector	Travelers	\$50,000
Melodye Dungun	Deputy Tax Collector	RLI Insurance Company	\$50,000
Jamie Sidaway	Deputy Tax Collector	RLI Insurance Company	\$50,000
Devinn Moss	Deputy Tax Collector	RLI Insurance Company	\$50,000

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, each major fund, and the aggregate remaining fund information of Jackson County, Mississippi (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 16, 2025.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 a certain matter that we reported to the management of Jackson County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated July 16, 2025, included within this document.

Jackson County's Response to Finding

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

Purpose of this Report

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

July 16, 2025



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

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

Members of the Board of Supervisors
Jackson County, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the 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 Jackson County, Mississippi's major federal program for the year ended September 30, 2023. Jackson County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on the Major Federal Program

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

We are required to be independent of 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 the 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 the major federal program as a whole.

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

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

July 16, 2025

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, 2023. 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.

In our opinion, Jackson County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2023.

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

This report is intended for use in evaluating 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
July 16, 2025

JACKSON COUNTY
 Schedule of Purchases From Other Than the Lowest Bidder
 For the Year Ended September 30, 2023

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>
9/5/2023	Beach Blvd drainage improvement project	\$ 438,891	JLB Contractors, LLC	\$ 352,868	Failure of lowest bidder to achieve quality of work and time requirements on prior County projects.

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
6/5/2023	Garbage truck	\$ 168,218	Sansom Equipment Company	Delay in the repair of a garbage truck involved in an accident adversely impacted the County's ability to provide solid waste services.

JACKSON COUNTY

Schedule 3Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2023

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
11/7/2022	Court reporting system and maintenance agreement	\$ 9,740	Infoware, Inc.
12/5/2022	Inmate clothing vacuum sealer	9,495	Cleawater Packaging, Inc. dba CPI/Guardian
12/5/2022	Four station voting booths and express vote adapters	62,964	Inclusion Solutions
1/17/2023	Voting system	31,355	Election Systems & Software
4/17/2023	Repair parts for asphalt zipper	17,059	Asphalt Zipper Factory
5/15/2023	Docking system	50,547	Jet Dock Systems, Inc.
7/3/2023	Lucas chest compression devices	138,298	Stryker Medical

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, 2023, 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 July 16, 2025, 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 a certain immaterial instance of noncompliance that is an opportunity for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response are disclosed below:

Board of Supervisors.

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

Repeat Finding Yes

Criteria The Mississippi Public Employees Retirement System (PERS) requires, under the reemployment provisions of *Section 25-11-127, Mississippi Code of 1972 Annotated*, counties hiring PERS service retirees to file PERS Form 4B, "Certification/Acknowledgement of Reemployment of Retirees", with the PERS office within five (5) days from the date of employment of the retiree.

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

a. One (1) retiree's Form 4B for fiscal year 2023 was not on file with the County's Human Resources Department.

Cause The County did not comply with state laws.

Effect Failure to file the Form 4B 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.

Views of Responsible Official(s) The County will comply with auditor recommendation.

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 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

July 16, 2025

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, 2023

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? | Yes |
| b. Significant deficiency identified? | None Reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|---|---------------|
| 4. Internal control over major federal program: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None Reported |
| 5. Type of auditor's report issued on compliance for 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 program: | |
| a. ALN 21.027, Coronavirus state and local fiscal recovery funds | |
| 8. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | No |
| 10. Prior fiscal year audit findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | No |

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

2023-001. The Board of Supervisors should have adequate controls over the fiscal year end cutoff dates of the financial accounting software subledgers.

Repeat Finding No

Criteria An effective system of internal controls should ensure that the financial accounting software subledgers have a fiscal year end cutoff date.

JACKSON COUNTY

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

Condition	During our audit, it was noted that the subledgers did not have a fiscal year end cutoff date and that the books did not close at the end of the fiscal year, which caused the totals for the subledgers to change over the course of the audit.
Cause	The County lacks the necessary internal controls to ensure the recording of financial data at the end of the fiscal year is accurate.
Effect	Failure to have a fiscal year end cutoff date that closes out the books for the year could result in a misappropriation of public funds.
Recommendation	The Board of Supervisors should improve internal controls over the fiscal year end cutoff date of the financial accounting software subledgers.
Views of Responsible Official(s)	See Auditee's Corrective Action Plan.

Section 3: Federal Award Findings and Questioned Costs

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

JACKSON COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN

JACKSON COUNTY

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JACKSON COUNTY BOARD OF SUPERVISORS

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Gateway to the
Mississippi Gulf Coast



Corrective Action Plan

June 10, 2025

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

Gentlemen:

The Jackson County Board of Supervisors respectfully submits the following corrective action plan for the year ended September 30, 2023.

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

Section 2: FINANCIAL STATEMENT FINDINGS

2023-001 Corrective action planned: We will comply with the auditor's recommendations.

Anticipated completion date: 09/30/2025.

Name of contact person responsible for corrective action: Samantha Wells,
Finance Director.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy Bosarge".

President, Board of Supervisors