

JACKSON COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2024

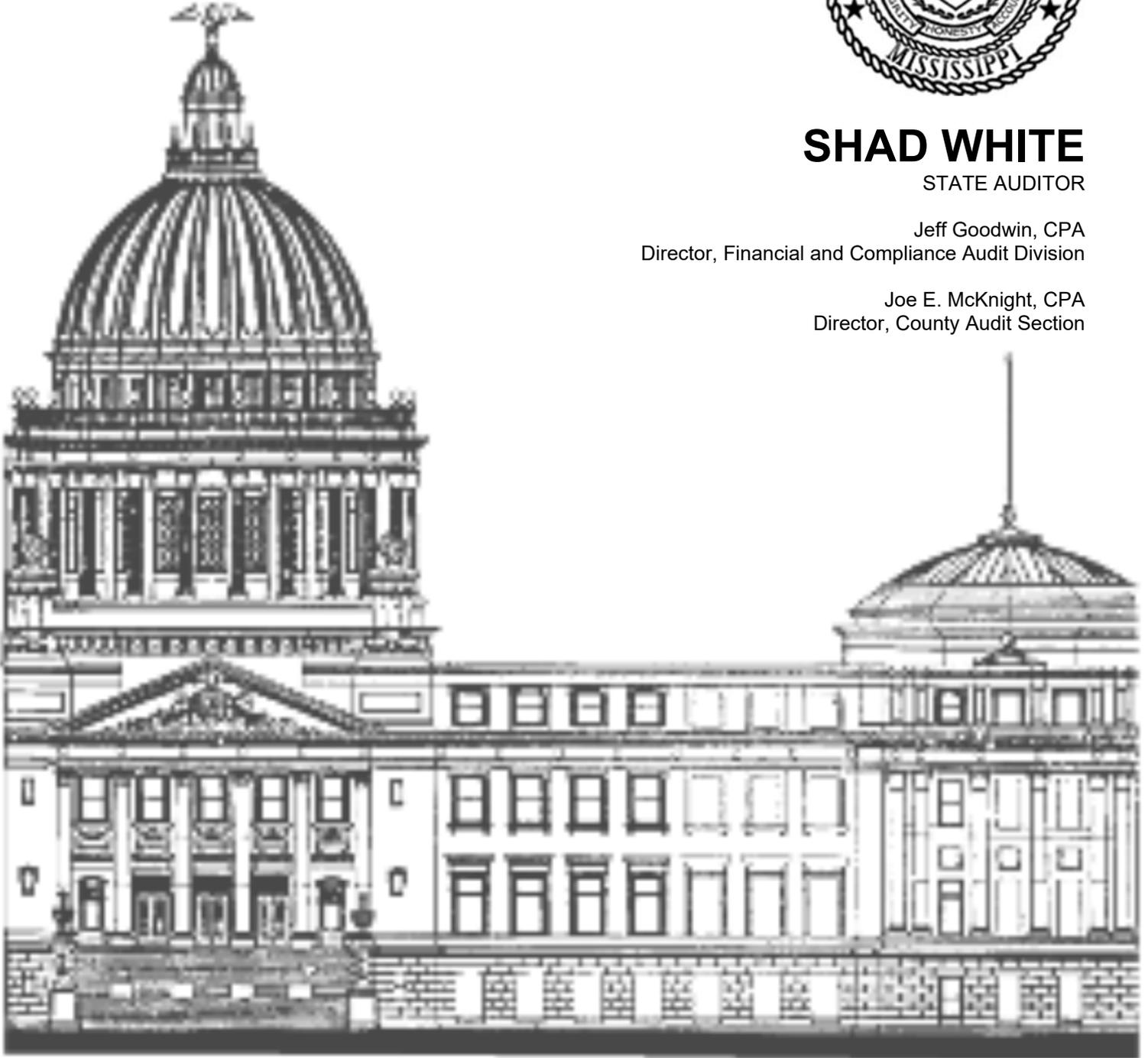


SHAD WHITE

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

December 15, 2025

Members of the Board of Supervisors
Jackson County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2024 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".

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

Adverse and Unmodified Opinions

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

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of Jackson County, Mississippi, as of September 30, 2024, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-type Activities, Each Major Fund and the Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Jackson County, Mississippi, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 adverse and unmodified opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component units on the aggregate discretely presented component units has not been determined.

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, and the Schedule of County Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 December 15, 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

December 15, 2025

JACKSON COUNTY

FINANCIAL STATEMENTS

JACKSON COUNTY

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JACKSON COUNTY
Statement of Net Position
September 30, 2024

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash	\$ 175,868,849		175,868,849
Restricted assets - cash	1,730,693	1,272,792	3,003,485
Restricted assets - investments	2,753,887		2,753,887
Property tax receivable	95,951,494		95,951,494
Fines receivable (net of allowance for uncollectibles of \$26,930,842)	6,030,496		6,030,496
Loans receivable (net of allowance for uncollectibles of \$136,254)	3,800,000		3,800,000
Leases receivable	6,238,008		6,238,008
Intergovernmental receivables	2,155,325		2,155,325
Other receivables	28,119		28,119
Prepaid expenses	2,019,352		2,019,352
Capital assets:			
Land and construction in progress	35,099,322	211,867	35,311,189
Other capital assets, net	309,374,387	6,369,845	315,744,232
Total Assets	641,049,932	7,854,504	648,904,436
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	18,361,728	225,856	18,587,584
Deferred outflows related to OPEB	1,456,699		1,456,699
Total Deferred Outflows of Resources	19,818,427	225,856	20,044,283
LIABILITIES			
Claims payable	10,333,458	55,008	10,388,466
Intergovernmental payables	3,562,708	565	3,563,273
Accrued interest payable	511,707	12,833	524,540
Unearned revenue	10,981,401		10,981,401
Claims and judgments payable	350,541		350,541
Long-term liabilities			
Due within one year:			
Capital debt	4,423,749		4,423,749
Lease liabilities	98,154	19,599	117,753
Due in more than one year:			
Capital debt	39,303,056		39,303,056
Non-capital debt	3,419,863	59,841	3,479,704
Lease liabilities	1,060,803	408,147	1,468,950
Net pension liability	135,246,835	1,577,870	136,824,705
Net OPEB liability	4,430,741		4,430,741
Total Liabilities	213,723,016	2,133,863	215,856,879
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,415,818	40,620	1,456,438
Deferred inflows related to OPEB	1,505,018		1,505,018
Deferred inflows related to leases	5,955,306		5,955,306
Deferred revenues - property taxes	95,951,494		95,951,494
Total Deferred Inflows of Resources	104,827,636	40,620	104,868,256
NET POSITION			
Net investment in capital assets	299,587,947	6,153,966	305,741,913
Restricted for:			
Expendable:			
General government	265,318		265,318
Public safety	4,563,981	317,712	4,881,693
Public works	40,057,112		40,057,112
Health and welfare	6,871,524		6,871,524
Culture and recreation		112,213	112,213
Conservation of natural resources	18,012,821		18,012,821
Economic development and assistance	239,685		239,685
Unemployment compensation	249,286		249,286
Debt service	20,476,018		20,476,018
Unrestricted	(48,005,985)	(678,014)	(48,683,999)
Total Net Position	\$ 342,317,707	5,905,877	348,223,584

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 39,816,360	4,368,146	8,502,028		(26,946,186)		(26,946,186)	
Public safety	30,844,843	1,336,592	1,348,705		(28,159,546)		(28,159,546)	
Public works	55,554,624	91,746	8,863,728	3,429,070	(43,170,080)		(43,170,080)	
Health and welfare	3,190,810	72,319	3,135,185		16,694		16,694	
Culture and recreation	7,502,165	961,094	1,488,369		(5,052,702)		(5,052,702)	
Education	825,649				(825,649)		(825,649)	
Conservation of natural resources	2,372,247		34,779		(2,337,468)		(2,337,468)	
Economic development and assistance	2,680,746	179,455			(2,501,291)		(2,501,291)	
Interest on long-term debt	1,440,528				(1,440,528)		(1,440,528)	
Pension expense	19,654,610				(19,654,610)		(19,654,610)	
OPEB expense	309,918				(309,918)		(309,918)	
Total Governmental Activities	<u>164,192,500</u>	<u>7,009,352</u>	<u>23,372,794</u>	<u>3,429,070</u>	<u>(130,381,284)</u>		<u>(130,381,284)</u>	
Business-type activities:								
Adult detention center canteen fund	151,929	174,482				22,553	22,553	
Harbor	606,862	356,384				(250,478)	(250,478)	
Golf course	1,702,447	1,217,826				(484,621)	(484,621)	
Total Business-type Activities	<u>2,461,238</u>	<u>1,748,692</u>	<u>0</u>	<u>0</u>		<u>(712,546)</u>	<u>(712,546)</u>	
Total Primary Government	<u>\$ 166,653,738</u>	<u>8,758,044</u>	<u>23,372,794</u>	<u>3,429,070</u>	<u>(130,381,284)</u>	<u>(712,546)</u>	<u>(131,093,830)</u>	
General revenues:								
Property taxes					\$ 98,467,431		98,467,431	
Road & bridge privilege taxes					1,926,678		1,926,678	
Grants and contributions not restricted to specific programs					5,181,127		5,181,127	
In lieu taxes - Mississippi Power					6,178,410		6,178,410	
In lieu taxes - Enviva					216,292		216,292	
Unrestricted gifts and donations					308,677		308,677	
Unrestricted interest income					11,529,461	73,386	11,602,847	
Miscellaneous					10,055,704	9,754	10,065,458	
Transfers					(500,000)	500,000	0	
Total General Revenues and Transfers					<u>133,363,780</u>	<u>583,140</u>	<u>133,946,920</u>	
Changes in Net Position					<u>2,982,496</u>	<u>(129,406)</u>	<u>2,853,090</u>	
Net Position - Beginning, as previously reported					342,300,045	6,032,553	348,332,598	290,789,735
Change within the financial reporting entity								
Change in component unit presentation								(290,789,735)
Error corrections					(2,964,834)	2,730	(2,962,104)	
Net Position - Beginning, as restated					<u>339,335,211</u>	<u>6,035,283</u>	<u>345,370,494</u>	<u>0</u>
Net Position - Ending					<u>\$ 342,317,707</u>	<u>5,905,877</u>	<u>348,223,584</u>	<u>0</u>

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

JACKSON COUNTY
Balance Sheet - Governmental Funds
September 30, 2024

Exhibit 3

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Road Fund		
ASSETS				
Cash	\$ 75,058,272	20,640,841	73,226,132	168,925,245
Restricted assets - cash	1,730,693			1,730,693
Restricted assets - investments			2,753,887	2,753,887
Property tax receivable	62,089,822	17,109,000	16,752,672	95,951,494
Fines receivable (net of allowance for uncollectibles of \$26,930,842)	6,030,496			6,030,496
Loans receivable (net of allowance for uncollectibles of \$136,254)			3,800,000	3,800,000
Leases receivable	4,851,656		1,386,352	6,238,008
Intergovernmental receivables	1,446,851		708,474	2,155,325
Other receivables	28,119			28,119
Due from other funds	1,242,453	291,369	153,614	1,687,436
Advances to other funds	1,488,558			1,488,558
Total Assets	\$ 153,966,920	38,041,210	98,781,131	290,789,261
LIABILITIES				
Liabilities:				
Claims payable	\$ 5,306,801	1,224,064	3,802,593	10,333,458
Intergovernmental payables	2,910,219	11,741	423,576	3,345,536
Due to other funds	743,211		1,046,698	1,789,909
Advances from other funds			1,488,558	1,488,558
Unearned revenue			10,981,401	10,981,401
Total Liabilities	8,960,231	1,235,805	17,742,826	27,938,862
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	62,089,822	17,109,000	16,752,672	95,951,494
Unavailable revenue - fines	6,030,496			6,030,496
Leases	4,556,354		1,398,952	5,955,306
Total Deferred Inflows of Resources	72,676,672	17,109,000	18,151,624	107,937,296
Fund balances:				
Nonspendable:				
Advances	1,488,558			1,488,558
Restricted for:				
General government			265,318	265,318
Public safety			4,563,981	4,563,981
Public works		19,696,405	20,360,707	40,057,112
Health and welfare			393,160	393,160
Conservation of natural resources			18,012,821	18,012,821
Economic development and assistance			239,685	239,685
Unemployment compensation			249,286	249,286
Tort claims	1,730,693			1,730,693
Debt service			20,987,725	20,987,725
Unassigned	69,110,766		(2,186,002)	66,924,764
Total Fund Balances	72,330,017	19,696,405	62,886,681	154,913,103
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 153,966,920	38,041,210	98,781,131	290,789,261

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, 2024

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 154,913,103
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 \$220,341,645 and accumulated amortization of \$904,520.	344,473,709
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	6,030,496
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(48,305,625)
Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(4,430,741)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(135,246,835)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(511,707)
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition, and therefore, are not reported in the funds.	2,019,352
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	18,361,728
Deferred inflows of resources related to pensions	(1,415,818)
Deferred outflows related to other postemployment benefits	1,456,699
Deferred inflows related to other postemployment benefits	(1,505,018)
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>6,478,364</u>
Total Net Position - Governmental Activities	<u>\$ 342,317,707</u>

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

JACKSON COUNTY

Exhibit 4

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

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Road Fund		
REVENUES				
Property taxes	\$ 63,433,816	17,183,508	17,850,107	98,467,431
Road and bridge privilege taxes		1,926,678		1,926,678
Licenses, commissions and other revenue	3,265,501			3,265,501
Fines and forfeitures	1,398,392		508,162	1,906,554
In lieu taxes - Mississippi Power	6,178,410			6,178,410
In lieu taxes - Enviva	216,292			216,292
Intergovernmental revenues	3,951,509	5,422,125	22,918,034	32,291,668
Charges for services	1,390,571			1,390,571
Interest income	6,257,137	1,536,087	3,316,271	11,109,495
Miscellaneous revenues	4,859,820	490,771	3,714,608	9,065,199
Total Revenues	90,951,448	26,559,169	48,307,182	165,817,799
EXPENDITURES				
Current:				
General government	39,424,541	1,573	4,686,060	44,112,174
Public safety	24,155,344	675	10,415,140	34,571,159
Public works	2,742,637	35,831,601	29,211,078	67,785,316
Health and welfare	3,099,354		97,978	3,197,332
Culture and recreation	6,374,403		3,029,565	9,403,968
Education	825,649			825,649
Conservation of natural resources	285,379		2,103,459	2,388,838
Economic development and assistance	2,830,156		225	2,830,381
Debt service:				
Principal	2,156,997	5,435	2,141,137	4,303,569
Interest	312,950	294	1,159,146	1,472,390
Total Expenditures	82,207,410	35,839,578	52,843,788	170,890,776
Excess of Revenues over (under) Expenditures	8,744,038	(9,280,409)	(4,536,606)	(5,072,977)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	30		835	865
Compensation for loss of capital assets	34,269		486,497	520,766
Transfers in	1,883,035	3,110,167	7,888,393	12,881,595
Transfers out	(6,054,178)	(870)	(7,326,547)	(13,381,595)
Total Other Financing Sources and Uses	(4,136,844)	3,109,297	1,049,178	21,631
Net Changes in Fund Balances	4,607,194	(6,171,112)	(3,487,428)	(5,051,346)
Fund Balances - Beginning, as previously reported	67,722,672	25,869,682	66,373,984	159,966,338
Error corrections	151	(2,165)	125	(1,889)
Fund Balances - Beginning, as restated	67,722,823	25,867,517	66,374,109	159,964,449
Fund Balances - Ending	\$ 72,330,017	19,696,405	62,886,681	154,913,103

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, 2024

Exhibit 4-1

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (5,051,346)
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 \$33,069,467 exceeded depreciation of \$13,169,270 and amortization of \$401,102 in the current period.	19,499,095
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 \$4,543,994 and the proceeds from the sale of \$865 and the compensation for loss of \$520,766 in the current period.	(5,065,625)
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.	446,726
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 of debt repayments of \$4,303,569.	4,303,569
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.	(14,177)
The amount of decrease in accrued interest payable.	31,862
The increase in other postemployment benefits payable.	(1,251,638)
The decrease in other payables.	1,135,925
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.	41,091
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	(19,654,610)
Recording of contributions made during the year	7,068,345
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	1,046,234
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.	447,045
Change in Net Position of Governmental Activities	<u>\$ 2,982,496</u>

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

JACKSON COUNTY
Statement of Net Position - Proprietary Funds
September 30, 2024

Exhibit 5

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
ASSETS		
Current assets:		
Cash	\$	6,943,604
Restricted assets - cash	1,272,792	
Due from other funds		84,139
Total Current Assets	<u>1,272,792</u>	<u>7,027,743</u>
Noncurrent assets:		
Capital assets:		
Land and construction in progress	211,867	
Other capital assets, net	6,369,845	
Total Noncurrent Assets	<u>6,581,712</u>	<u>0</u>
Total Assets	<u>7,854,504</u>	<u>7,027,743</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	225,856	
Total Deferred Outflows of Resources	<u>225,856</u>	<u>0</u>
LIABILITIES		
Current liabilities:		
Claims payable	55,008	
Claims and judgments payable		350,541
Intergovernmental payables	565	3,083
Due to other funds		195,755
Accrued interest payable	12,833	
Capital debt:		
Lease liabilities	19,599	
Total Current Liabilities	<u>88,005</u>	<u>549,379</u>
Noncurrent liabilities:		
Capital debt:		
Lease liabilities	408,147	
Non-capital debt:		
Compensated absences payable	59,841	
Net pension liability	1,577,870	
Total Noncurrent Liabilities	<u>2,045,858</u>	<u>0</u>
Total Liabilities	<u>2,133,863</u>	<u>549,379</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	40,620	
Total Deferred Inflows of Resources	<u>40,620</u>	<u>0</u>
NET POSITION		
Net investment in capital assets	6,153,966	
Restricted for:		
Public safety	317,712	
Health and welfare		6,478,364
Culture and recreation	112,213	
Unrestricted	(678,014)	
Total Net Position	<u>\$ 5,905,877</u>	<u>6,478,364</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, 2024

Exhibit 6

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
Operating Revenues		
Sales and charges for services	\$ 1,748,692	
Premiums		10,772,117
Miscellaneous	9,754	990,505
Total Operating Revenues	<u>1,758,446</u>	<u>11,762,622</u>
Operating Expenses		
Personal services	810,000	
Contractual services	416,201	
Materials and supplies	519,495	
Depreciation expense	439,455	
Claims payments		11,735,543
Pension expense	257,400	
Total Operating Expenses	<u>2,442,551</u>	<u>11,735,543</u>
Operating Income (Loss)	<u>(684,105)</u>	<u>27,079</u>
Nonoperating Revenues (Expenses)		
Interest income	73,386	419,966
Gain (loss) on sale of capital assets	(1,389)	
Interest expense	(17,298)	
Net Nonoperating Revenue (Expenses)	<u>54,699</u>	<u>419,966</u>
Net Income (Loss) Before Transfers	<u>(629,406)</u>	<u>447,045</u>
Transfers in	500,000	
Changes in Net Position	<u>(129,406)</u>	<u>447,045</u>
Net Position - Beginning, as previously reported	6,032,553	6,031,319
Error correction	2,730	
Net Position - Beginning, as restated	<u>6,035,283</u>	<u>6,031,319</u>
Net Position - Ending	<u>\$ 5,905,877</u>	<u>6,478,364</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, 2024

Exhibit 7

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
Cash Flows From Operating Activities		
Receipts from customers	\$ 1,748,692	
Receipts for premiums		10,772,117
Payments to suppliers	(900,323)	
Payments to employees	(978,727)	
Payments for claims		(11,401,805)
Other operating cash receipts	9,754	990,505
Net Cash Provided (Used) by Operating Activities	<u>(120,604)</u>	<u>360,817</u>
Cash Flows From Noncapital Financing Activities		
Cash received from other funds:		
Operating transfers in	500,000	
Interfund loan repayments		82,605
Cash paid to other funds:		
Loans made to other funds		(84,139)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>500,000</u>	<u>(1,534)</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(103,774)	
Principal paid on long-term debt	(18,846)	
Interest paid on debt	(17,863)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(140,483)</u>	<u>0</u>
Cash Flows From Investing Activities		
Interest on deposits	73,386	419,966
Net Cash Provided (Used) by Investing Activities	<u>73,386</u>	<u>419,966</u>
Net Increase (Decrease) in Cash and Cash Equivalents	312,299	779,249
Cash and Cash Equivalents at Beginning of Year	958,479	6,164,355
Adjustments to Beginning of Year Cash Due to Error Correction	<u>2,014</u>	
Cash and Cash Equivalents at End of Year	<u>\$ 1,272,792</u>	<u>6,943,604</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (684,105)	27,079
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	439,455	
Changes in assets and liabilities:		
Increase (decrease) in claims payable	(7,038)	
Increase (decrease) in claims and judgments liability		340,635
Increase (decrease) in compensated absences liability	2,247	
Increase (decrease) in interfund payables	(35,993)	(6,897)
Increase (decrease) in net pension liability, deferred outflows/inflows, net	164,830	
Total Adjustments	<u>563,501</u>	<u>333,738</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (120,604)</u>	<u>360,817</u>

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

JACKSON COUNTY
Statement of Fiduciary Net Position
September 30, 2024

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 2,700,879
Receivables:	
Due from other funds	<u>214,089</u>
Total Assets	<u><u>2,914,968</u></u>
LIABILITIES	
Intergovernmental payables	<u>1,244,535</u>
Total Liabilities	<u>1,244,535</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>1,670,433</u>
Total Net Position	<u><u>\$ 1,670,433</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, 2024

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 23,048,835
Other taxes and fees collected for other governments	966,547
Licenses and fees collected for State	<u>944,696</u>
Total Additions	<u>24,960,078</u>
DEDUCTIONS	
Payments of tax to other governments	24,319,764
Payments of licenses and fees to State	<u>944,696</u>
Total Deductions	<u>25,264,460</u>
Net increase (decrease) in fiduciary net position	<u>(304,382)</u>
Net Position - Beginning	<u>1,974,815</u>
Net Position - Ending	<u>\$ 1,670,433</u>

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

JACKSON COUNTY

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JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

(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.

Management has chosen to omit from these financial statements the following component units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary for reporting in accordance with accounting principles generally accepted in the United States of America.

- 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

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. 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. 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 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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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.

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.

C. 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.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

PROPRIETARY FUND TYPES

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

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

FIDUCIARY FUND TYPE

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

D. 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.

E. 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.

F. Receivables.

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

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

G. 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."

H. 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.

I. Restricted Assets.

Cash:

Proprietary Fund 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.

J. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (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

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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:

	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 right-to-use subscription IT assets. Each type of right-to-use asset is capitalized as a group for reporting purposes. The terms right-to-use leased assets and right-to-use subscription IT assets are used interchangeably with the terms leased assets and subscription IT assets, respectively. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized.

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

K. Deferred Outflows/Inflows of Resources.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred outflows related to pensions - This amount represents the County’s proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 13 for additional details.

Deferred outflows related to OPEB - This amount represents the County’s deferred outflows of resources reported by the OPEB plan in which the County participates. 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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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

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

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

L. Leases.

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

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

M. Subscription-Based Information Technology Arrangements.

The Governmental Accounts Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* (GASB 96) to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, reliability, relevance and consistency of information about SBITAs. GASB 96 was implemented during fiscal year 2023.

N. Long-term Liabilities.

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

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

In the fund financial statements, the face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

O. Pensions.

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

P. Other Postemployment Benefits.

Plan Description

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

Q. Compensated Absences.

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

R. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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.

S. Property Tax Revenues:

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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

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

T. Intergovernmental Revenues in Governmental Funds.

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

U. Changes in Accounting Standards.

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

(2) Adjustments and Restatements of Beginning Balances.

Changes to or within the Financial Reporting Entity

Change in Component Unit Presentation

Management has chosen to omit from these financial statements all of the County's component units. An adjustment in the amount of \$(290,789,735) was made to correctly report the combined beginning net position of the County's component units.

Correction of an Error in Previously Issued Financial Statements

An adjustment in the amount of \$(2,962,945) was made to correctly report beginning capital asset balances, net of depreciation, in Governmental Activities.

An adjustment in the amount of \$716 was made to correctly report beginning balances of interfund payables in Business-type Activities and Enterprise Funds.

An adjustment in the amount of \$(2,014) was made to correctly report beginning cash balances in Governmental Activities and the General Fund.

An adjustment in the amount of \$2,014 was made to correctly report beginning cash balances in Business-type Activities and Enterprise Funds.

An adjustment in the amount of \$2,165 and \$(2,165) was made to correct prior year errors in recording payroll expenditures in the General Fund and the Road Fund, respectively.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

An adjustment in the amount of \$125 was made to correctly report beginning intergovernmental receivables balances in Governmental Activities and Other Governmental Funds.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2024, changes to or within the financial reporting entity and error corrections resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances						
	Funds				Government-Wide		Component Units
	General Fund	Road Fund	Other		Governmental Activities	Business-type Activities	Component Units
Governmental Funds			Enterprise Funds				
9/30/2023, as previously reported	\$ 67,722,672	25,869,682	66,373,984	6,032,553	342,300,045	6,032,553	290,789,735
Change in component unit presentation							(290,789,735)
Error corrections	151	(2,165)	125	2,730	(2,964,834)	2,730	
9/30/2023, as adjusted or restated	\$ <u>67,722,823</u>	<u>25,867,517</u>	<u>66,374,109</u>	<u>6,035,283</u>	<u>339,335,211</u>	<u>6,035,283</u>	<u>0</u>

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2024, was \$181,573,213, and the bank balance was \$183,660,426. 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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Investments balances at September 30, 2024, 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>2,753,887</u>	AAA

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

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Level 1 inputs include U.S. government and agency securities, foreign government debt, listed equities and money market securities.

The County has the following recurring fair value measurements as of September 30, 2024:

- Money market securities of \$2,753,887 are valued using quoted market prices (Level 1 inputs).

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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(4) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,046,698
General Fund	Internal Service Funds	195,755
Road Fund	General Fund	291,369
Other Governmental Funds	General Fund	153,614
Internal Service Funds	General Fund	84,139
Custodial Funds	General Fund	<u>214,089</u>
Total		\$ <u>1,985,664</u>

The receivables represent the tax revenue collected in September, 2024, but not settled until October, 2024 and operating loans for cash flow and grant reimbursements. The amount payable to the internal service funds represent unpaid charges. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ <u>1,488,558</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	\$ 1,882,165
General Fund	Road Fund	870
Road Fund	General Fund	89,698
Road Fund	Other Governmental Funds	3,020,469
Other Governmental Funds	General Fund	5,464,480
Other Governmental Funds	Other Governmental Funds	2,423,913
Enterprise Funds	General Fund	<u>500,000</u>
Total		\$ <u>13,381,595</u>

The principal purpose of interfund transfers was to provide funds for the proper and efficient operation of the County and to adhere to the requirements of a bond agreement. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(5) Intergovernmental Receivables.

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

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 1,142,814
Reimbursement for housing prisoners	136,308
Emergency management performance grant reimbursement	98,816
Court expense reimbursement	35,364
Community development block grant reimbursement	151,931
Homeland security grant program reimbursement	110,518
Mississippi Department of Transportation reimbursement	439,402
Various grant reimbursements	21,440
Various expense reimbursements	<u>18,732</u>
Total Governmental Activities	<u>\$ 2,155,325</u>

(6) Loans Receivable.

On September 10, 2024, Jackson County signed a \$3,800,000 loan agreement with Jackson County Utility Authority to fund the Authority's purchase of the Escatawpa Utility District from the City of Moss Point. The note is to be repaid in one hundred twenty (120) equal amortized monthly installments commencing October 1, 2025. The stated interest rate is 4.00%.

Loans receivable balances at September 30, 2024, 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	86,254
Jackson County Utility Authority	09/10/2024	4.00%	10/01/2035	<u>3,800,000</u>
Total				3,936,254
Less: Allowance for doubtful accounts*				<u>(136,254)</u>
Loans receivable, net				<u>\$ 3,800,000</u>

*The County has deemed these loans to be uncollectible.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(7) Restricted Assets - Cash.

As of September 30, 2024, restricted assets - cash consisted of:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Tort Claims Escrow - Hancock (cash)	\$ 1,730,693	
ADC Canteen (cash)		322,266
Golf Course (cash)		566,091
Ocean Springs Harbor (cash)		<u>384,435</u>
Total restricted assets	\$ <u>1,730,693</u>	<u>1,272,792</u>

(8) Capital Assets.

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

Governmental activities:

	<u>Balance Oct. 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments*</u>	<u>Balance Sept. 30, 2024</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 15,449,518		93,147	(88,192)	15,268,179
Construction in progress	<u>22,812,081</u>	<u>21,361,521</u>		<u>(24,342,459)</u>	<u>19,831,143</u>
Total non-depreciable capital assets	<u>38,261,599</u>	<u>21,361,521</u>	<u>93,147</u>	<u>(24,430,651)</u>	<u>35,099,322</u>
<u>Depreciable capital assets:</u>					
Infrastructure	255,691,978	3,882,172	7,554,835	9,305,125	261,324,440
Buildings	120,482,255		71,886	5,398,236	125,808,605
Improvements other than buildings	77,919,925	1,005,933	124,180	4,219,811	83,021,489
Mobile equipment	43,560,303	5,637,426	1,060,016	5,746	48,143,459
Furniture and equipment	<u>10,025,592</u>	<u>1,182,415</u>	<u>1,001,513</u>	<u>14,463</u>	<u>10,220,957</u>
Total depreciable capital assets	<u>507,680,053</u>	<u>11,707,946</u>	<u>9,812,430</u>	<u>18,943,381</u>	<u>528,518,950</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	121,568,663	4,227,229	3,063,341	(2,196,492)	120,536,059
Buildings	37,881,016	2,269,630	26,377		40,124,269
Improvements other than buildings	16,345,481	3,161,434	18,627	(323,805)	19,164,483
Mobile equipment	30,858,973	2,810,948	787,214	(17,319)	32,865,388
Furniture and equipment	<u>7,882,519</u>	<u>700,029</u>	<u>944,393</u>	<u>13,291</u>	<u>7,651,446</u>
Total accumulated depreciation	<u>214,536,652</u>	<u>13,169,270</u>	<u>4,839,952</u>	<u>(2,524,325)</u>	<u>220,341,645</u>
Total depreciable capital assets, net	<u>293,143,401</u>	<u>(1,461,324)</u>	<u>4,972,478</u>	<u>21,467,706</u>	<u>308,177,305</u>
Governmental activities capital assets, net	<u>\$ 331,405,000</u>	<u>19,900,197</u>	<u>5,065,625</u>	<u>(2,962,945)</u>	<u>343,276,627</u>
Lease assets, net (Note 9)					1,124,597
Subscription IT assets, net (Note 9)					<u>72,485</u>
Total capital assets, net, as reported in the statement of net position					<u>\$ 344,473,709</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Business-type activities:

	Balance Oct. 1, 2023	Additions	Deletions	Balance Sept. 30, 2024
<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>211,867</u>
<u>Depreciable capital assets:</u>				
Buildings	1,370,247			1,370,247
Improvements other than buildings	7,834,853			7,834,853
Mobile equipment	645,246	34,921		680,167
Furniture and equipment	293,682	68,853	13,885	348,650
Total depreciable capital assets	<u>10,144,028</u>	<u>103,774</u>	<u>13,885</u>	<u>10,233,917</u>
<u>Less accumulated depreciation for:</u>				
Buildings	164,434	27,405		191,839
Improvements other than buildings	3,077,097	313,284		3,390,381
Mobile equipment	408,238	53,650		461,888
Furniture and equipment	231,935	19,472	12,496	238,911
Total accumulated depreciation	<u>3,881,704</u>	<u>413,811</u>	<u>12,496</u>	<u>4,283,019</u>
Total depreciable capital assets, net	<u>6,262,324</u>	<u>(310,037)</u>	<u>1,389</u>	<u>5,950,898</u>
Business-type activities capital assets, net	<u>\$ 6,474,191</u>	<u>(310,037)</u>	<u>1,389</u>	<u>6,162,765</u>
Lease assets, net (Note 9)				<u>418,947</u>
Total capital assets, net, as reported in the statement of net position				<u>\$ 6,581,712</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	\$ 1,693,274
Public safety	2,188,785
Public works	7,891,655
Health and welfare	179,783
Culture and recreation	1,206,180
Economic development and assistance	<u>9,593</u>
Total governmental activities depreciation expense	<u>\$ 13,169,270</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

	<u>Amount</u>
Business-type activities:	
Ocean Springs Harbor	\$ 328,710
Golf Course	<u>85,101</u>
 Total business-type activities depreciation expense	 \$ <u><u>413,811</u></u>

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

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
Antioch Bridge (SA75)	\$ 350,000	12/1/2025
Antioch Bridge (SA76)	300,000	6/1/2025
Avtech Turn Lane/Saracennia Road	500,000	12/1/2025
Beachview Drive Bridge Replacement	3,500,000	12/1/2027
Beachview Drive Improvements Phase II (Proj #183836)	2,500,000	12/1/2025
Beachview Drive Improvements (Proj #167456)	2,000,000	3/1/2025
Brodnax Road Widening Project	200,000	12/1/2025
Calwell Drive Drainage Improvements	70,000	6/1/2025
Cedar Grove East Detention Pond	1,000,000	12/1/2026
Cedar Grove West Ditch Rehab Phase 2	1,200,000	12/1/2026
Coastal Roadway Hurricane Protection	59,000	12/1/2025
Constitution Road Bridge/Box Culvert	1,500,000	12/1/2026
Cool Ridge Drainage Improvements 2022-04-714	250,000	12/1/2025
Edberg Boulevard Drainage Improvements	100,000	12/1/2025
Eglin Road Bridge Replacement SA-184	250,000	12/1/2025
Gautier Community Center Reroof Project	10,000	12/1/2024
Greenfield Road Drainage Project	1,000,000	12/1/2025
Gulf Park Estates Drainage & Outfall Project	500,000	12/1/2025
Hallstrom Cul De Sac (2021-02-648)	100,000	6/1/2025
Hamill Farm Road Extension Project	50,000	6/1/2025
Health Department & Crisis Stabilization Unit Building Remodel	1,000,000	12/13/2024
Helena Area Drainage Improvements, Wildwood Rd (Phase I)	3,300,000	12/1/2025
Hwy SR609 and Old Fort Bayou Road (STP-9385-00(015))LPA/106888-701000	5,000,000	3/1/2026
Jackson County Emergency Operations Center New Building	7,500,000	6/30/2025
Jackson County Soccer Complex (Gautier - Phase III) Restroom Pavilion	272,200	10/1/2026
Jim Ramsay and Old Fort Bayou Intersection Project	1,200,000	6/1/2026
Joseph Street Park - Renovations	150,000	12/1/2025
Larue Road Realignment Project	2,000,000	12/1/2027
Latimer Community Center Roof Replacement and Façade Repairs	250,000	12/1/2025
Lemoyne Blvd Sidewalk Improvement Project	500,000	12/1/2025
Lum Cumbest Park New Playground Equipment	61,000	11/18/2024
Main Street - Biddix Evans Road	2,200,000	6/1/2026

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
McClelland Road Box Culvert	\$ 1,700,000	12/1/2026
Multipurpose Arena Lum Cumbest Park - Lean-To, Drainage & Site Improvements	130,000	6/1/2025
New Justice Court Building	450,000	12/1/2024
North Apron Expansion and Taxiway Connector	2,000,000	12/1/2025
Old Biloxi Road (SAP-30(27))	2,600,000	6/1/2027
Old Fort Bayou Improvements from Rose Farm (2017-04-420)	900,000	1/1/2025
Overstreet Road Drainage Project	200,000	12/1/2024
Parking Improvements and New Basketball Courts at Khayat Park	100,000	12/1/2024
Pollock Ferry Bridge	500,000	12/1/2025
Racetrack Road Boat Launch (Phase II)	100,000	10/1/2025
Racetrack Road Boat Launch (Phase I)	150,000	10/1/2025
Racetrack Road Boat Launch - Phase III - Tidelands	170,000	10/1/2025
Rayford Shumock Road Drainage Survey	75,000	6/1/2025
Roy Cumbest Bridge PRJ000009	32,000,000	12/1/2027
Rue Beaux Chenes Drainage	750,000	6/1/2026
Saracennia Road Fire Station New Building	1,000,000	7/1/2025
Saracennia Road Turn Lane Project	1,000,000	12/1/2026
Seward Road Drainage Improvements	75,000	6/1/2025
Shady Pine Drive Drainage Improvements	30,000	6/1/2025
Shelby Lane (2013-08-333)	300,000	6/1/2026
Shore Drive Drainage Project/Bridge	750,000	12/1/2025
St. Andrews Park New Basketball and Pickleball Courts	4,200	12/1/2025
St. Martin Youth Complex Renovations Phase I	150,000	12/1/2026
Tanner Williams Bridge Replacement SA-30	9,000,000	12/1/2027
Trent Lott Airport New Terminal Building	3,000,000	12/1/2025
West Jackson County Soccer Complex Parking Improvements	150,000	12/1/2025
Windsor Park Amherst Drive and Moreton Place Drainage Improvements	50,000	6/1/2025
Sampson Bridge (SA-180)	250,000	4/1/2025
Whispering Pines Golf Course Maintenance Facility	250,000	12/1/2025

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(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, 2024 is as follows:

Governmental Activities:

	Balance Oct. 1, 2023	Additions	Balance Sept. 30, 2024
<u>Lease assets:</u>			
Land	\$ 1,236,117		1,236,117
Furniture and equipment	213,112		213,112
Total lease assets	<u>1,449,229</u>	<u>0</u>	<u>1,449,229</u>
<u>Less accumulated amortization for:</u>			
<u>Lease assets:</u>			
Land	139,638	69,819	209,457
Furniture and equipment	73,836	41,339	115,175
Total accumulated amortization	<u>213,474</u>	<u>111,158</u>	<u>324,632</u>
Total lease assets, net	<u>1,235,755</u>	<u>(111,158)</u>	<u>1,124,597</u>
Subscription IT assets	652,373		652,373
Less accumulated amortization	<u>289,944</u>	<u>289,944</u>	<u>579,888</u>
Subscription IT assets, net	<u>362,429</u>	<u>(289,944)</u>	<u>72,485</u>
Total governmental activities lease and subscription IT assets, net	<u>\$ 1,598,184</u>	<u>(401,102)</u>	<u>1,197,082</u>

Business-type Activities:

	Balance Oct. 1, 2023	Additions	Balance Sept. 30, 2024
<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>			
<u>Lease assets:</u>			
Land	51,288	25,644	76,932
Total accumulated amortization	<u>51,288</u>	<u>25,644</u>	<u>76,932</u>
Total business-type activities lease assets, net	<u>\$ 444,591</u>	<u>(25,644)</u>	<u>418,947</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Amortization expense was charged to the following functions:

	<u>Amount</u>
Governmental Activities:	
General government	\$ 323,795
Public safety	2,295
Public works	7,488
Culture and recreation	66,564
Economic development and assistance	<u>960</u>
 Total governmental activities amortization expense	 \$ <u><u>401,102</u></u>
	<u>Amount</u>
Business-type Activities:	
Golf Course	\$ <u><u>25,644</u></u>

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

			Amounts due	
	Balance 10/1/2023	Deductions	Balance 9/30/2024	within one year
Governmental Activities:				
Lease liabilities	\$ 1,252,723	93,766	1,158,957	98,154
Subscription IT liabilities	<u>333,754</u>	<u>333,754</u>	<u>0</u>	<u>0</u>
 Total	 \$ <u><u>1,586,477</u></u>	 <u><u>427,520</u></u>	 <u><u>1,158,957</u></u>	 <u><u>98,154</u></u>
Business-type Activities:				
	Balance 10/1/2023	Deductions	Balance 9/30/2024	Amounts due within one year
Lease liabilities	\$ <u><u>446,592</u></u>	<u><u>18,846</u></u>	<u><u>427,746</u></u>	<u><u>19,599</u></u>

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 expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

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

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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.

As Lessee:

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 \$2,985 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.

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 *	\$ 23,141
16th section lease	4.00%	40 years	11/1995	11/2035	104 *	10,950
16th section lease	4.00%	40 years	08/2007	08/2047	38 *	6,313
16th section lease	4.00%	25 years	01/2009	01/2034	246 *	19,861
16th section lease	4.00%	25 years	02/2010	02/2035	140 *	13,586
16th section lease	4.00%	25 years	07/2014	07/2039	3,092 *	391,892
16th section lease	4.00%	25 years	01/2016	01/2041	4,069 *	568,958
16th section lease	4.00%	25 years	03/2017	02/2042	142 *	20,682
Copier lease	3.25%	60 months	10/2020	10/2025	477	6,090
Copier lease	3.25%	48 months	06/2021	06/2025	300	2,956
Copier lease	3.25%	60 months	12/2021	12/2026	192	4,690
Copier lease	8.50%	48 months	08/2023	07/2027	2,985	89,838
					\$ <u>12,316</u>	\$ <u>1,158,957</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	\$ <u>3,059</u> *	\$ <u>427,746</u>

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

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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

<u>Year Ending September 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	61,609	32,344	22,928	13,781
2030 - 2034	341,018	122,847	129,155	54,390
2035 - 2039	353,464	51,076	157,137	26,408
2040 - 2044	52,085	2,393	35,299	1,410
2045 - 2049	433	18		
Total	\$ <u>1,158,957</u>	<u>375,095</u>	<u>427,746</u>	<u>159,598</u>

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 \$42,629 for the year ended September 30, 2024.

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%. Total income received was \$177,000 for the year ended September 30, 2024.

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%. Total income received was \$1,542,219 for the year ended September 30, 2024.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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

Year Ending September 30	Principal	Interest
2025	\$ 1,360,331	424,950
2026	1,436,553	316,412
2027	1,532,897	200,077
2028	850,937	86,638
2029	55,491	64,509
2030 - 2034	335,814	264,186
2035 - 2039	458,631	141,369
2040 - 2044	207,354	12,645
Total	\$ 6,238,008	1,510,786

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.

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.

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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Governmental Activities:

Description	Discount Rate	Term	Issue Date	Maturity Date	Annual Payment	Amount Outstanding
Workday subscription contract	4.75%	5 years	01/2020	01/2024	\$ 349,607	\$ 0

The subscription contract requires the County to pay each annual payment at the beginning of the period, but the intangible right-to-use asset is amortized on a monthly basis through the end of the contract. Therefore, the liability has been satisfied, but the asset has not been fully amortized at September 30, 2024.

(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, 2024, to January 1, 2025. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

Health and Accident Benefits

The County is exposed to risk of loss relating to employee health, accident, and prescription drug 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 specific stop loss coverage. This coverage is 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, 2024, the amount of these liabilities was \$350,541. An analysis of claims activities is presented below:

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2022 - 2023	\$ 866,458	9,847,183	(10,703,735)	9,906
2023 - 2024	\$ 9,906	12,076,178	(11,735,543)	350,541

(11) Long-term Debt.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
G.O. Bonds, Series 2017	\$ 2,643,000	2.30%	12/2027
Special Obligation Bond, Series 2021	14,220,000	3.63%	11/2036
Correctional Facility, Series 2021A	14,816,000	1.47%	07/2032
General Obligation Bond, Series 2023	<u>10,804,000</u>	4.74%	09/2038
Total General Obligation Bonds	<u>\$ 42,483,000</u>		
B. Other Loans:			
Rail Loan, Series 2011	\$ 94,439	0.00%	03/2026
Rail Loan, Series 2019	<u>1,149,366</u>	0.75%	06/2034
Total Other Loans	<u>\$ 1,243,805</u>		

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

Governmental Activities:

Year Ending September 30	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2025	\$ 4,242,000	1,283,381	181,749	8,304
2026	3,981,000	1,175,634	143,726	7,390
2027	4,085,000	1,071,197	116,824	6,564
2028	4,198,000	963,402	117,703	5,684
2029	3,606,000	851,986	118,600	4,800
2030 - 2034	15,582,000	2,738,379	565,203	10,494
2035 - 2039	<u>6,789,000</u>	<u>587,124</u>		
Total	<u>\$ 42,483,000</u>	<u>8,671,103</u>	<u>1,243,805</u>	<u>43,236</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2024, the amount of outstanding debt was equal to 1.78 percent (1.78%) of the latest property assessments.

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

	Balance Oct. 1, 2023	Additions	Reductions	Balance Sept. 30, 2024	Amount due within one year
Governmental Activities:					
Compensated absences	\$ 3,405,686	14,177		3,419,863	
General obligation bonds	46,178,000		3,695,000	42,483,000	4,242,000
Obligations under leases	1,252,723		93,766	1,158,957	98,154
Obligations under SBITA	333,754		333,754	0	
Other loans	1,424,854		181,049	1,243,805	181,749
Total	\$ 52,595,017	14,177	4,303,569	48,305,625	4,521,903

	Balance Oct. 1, 2023	Additions	Reductions	Balance Sept. 30, 2024	Amount due within one year
Business-type Activities:					
Compensated absences	\$ 57,594	2,247		59,841	
Obligations under leases	446,592		18,846	427,746	19,599
Total	\$ 504,186	2,247	18,846	487,587	19,599

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.

(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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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, 2024, retiree premiums range from \$799 to \$1,049 depending on dependent coverage and Medicare eligibility.

Employees covered by benefit terms. At September 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	660
Total	<u>672</u>

Total OPEB Liability

The County's total OPEB liability of \$4,430,741 was measured as of September 30, 2024, and was determined by an actuarial valuation as of October 1, 2024. The County's Health Insurance Plan's Report of the Actuary on the Other Postemployment Benefits Valuation was prepared as of October 1, 2024 for the years ending September 30, 2024 and 2025.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.00%, average, including inflation
Discount rate	4.06%
Healthcare cost trend rates	7% for 2024, then 7.50% in 2025 grading down to 6.60% uniformly over 3 years, and trending to the ultimate rate of 4.04% 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, 2024 valuation have been prepared using employee data and plan documentation furnished by the County as of October 1, 2024.

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index of September 30, 2024.

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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2023	\$ <u>3,179,103</u>
Changes for the year:	
Service cost	265,172
Interest	159,306
Differences between expected and actual experience	90,361
Changes in assumptions or other inputs	841,318
Benefit payments	<u>(104,519)</u>
Net changes	<u>1,251,638</u>
Balance at September 30, 2024	\$ <u><u>4,430,741</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.77 percent (4.77%) in 2023 to 4.06 percent (4.06%) in 2024.

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

	1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
Total OPEB Liability	\$ 4,876,806	\$ 4,430,741	\$ 4,026,891

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 3,884,992	\$ 4,430,741	\$ 5,086,119

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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

For the year ended September 30, 2024, the County recognized OPEB expense of \$309,918. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 416,072	\$ 247,154
Changes of assumptions or other inputs	<u>1,040,627</u>	<u>1,257,864</u>
Total	<u>\$ 1,456,699</u>	<u>\$ 1,505,018</u>

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

Year ending September 30	Amount
2025	\$ (114,560)
2026	(114,560)
2027	(120,842)
2028	(126,200)
2029	44,523
Thereafter	<u>383,320</u>
Total	<u>\$ (48,319)</u>

(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

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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, 2024, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2024 was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2024, 2023 and 2022 were \$7,160,913, \$6,706,648 and \$6,274,592, respectively, equal to the required contributions for each year.

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

At September 30, 2024, the County reported a liability of \$136,824,705 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2024 net pension liability was 0.526909 percent, which was based on a measurement date of June 30, 2024. This was a decrease of 0.002107 percent from its proportionate share used to calculate the September 30, 2023 net pension liability, which was based on a measurement date of June 30, 2023.

For the year ended September 30, 2024, the County recognized pension expense of \$19,912,010. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,364,461	
Net difference between projected and actual earnings on pension plan investments	105,677	
Changes of assumptions	8,508,790	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	893,845	1,456,438
County contributions subsequent to the measurement date	<u>1,714,811</u>	
Total	<u>\$ 18,587,584</u>	<u>1,456,438</u>

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Notes to Financial Statements
For the Year Ended September 30, 2024

\$1,714,811 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2025	\$ 5,941,438
2026	10,655,048
2027	(68,653)
2028	<u>(1,111,498)</u>
Total	<u>\$ 15,416,335</u>

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

Inflation	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:

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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

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

Sensitivity to the 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	\$ 177,344,729	136,824,705	103,662,132

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

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(14) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balances at September 30, 2024:

Fund	Deficit Amount
Special Grants Fund	\$ 395,124
Port Security Grant Fund	19,978
Hurricane Ida Fund	416,497
Hurricane Zeta Fund	395,741
Hurricane Nate Fund	657,554
Rail Loan Fund	10,282
Tideland Fund	290,826

(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, 2024, is \$28,202,000.

(16) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of \$(48,005,985) 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 \$1,692,644 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. The \$16,669,084 balance of the deferred outflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next three years. The \$1,415,818 balance of the deferred inflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next four years.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

The governmental activities' unrestricted net position amount of \$(48,005,985) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from other postemployment benefits (OPEB). The \$1,456,699 balance of deferred outflows of resources related to OPEB, at September 30, 2024, will be recognized as an expense and will decrease the unrestricted net position over the next eleven years.

The governmental activities' unrestricted net position amount of \$(48,005,985) includes the effect of deferring the recognition of revenue resulting from a deferred inflows from other postemployment benefits (OPEB). The \$1,505,018 balance of deferred inflows of resources related to OPEB, at September 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next eleven years.

The governmental activities' unrestricted net position amount of \$(48,005,985) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$5,955,306 balance of deferred inflows of resources related to leases at September 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next seventeen years.

The business-type activities' unrestricted net position amount of (\$678,014) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$18,115 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. The \$166,457 balance of the deferred outflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next three years. The \$33,195 balance of the deferred inflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next four years.

The business-type activities' restricted for culture and recreation net position amount of \$112,213 includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$4,052 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2025. The \$37,232 balance of the deferred outflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next three years. The \$7,425 balance of the deferred inflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next four years.

(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, 2024.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Condensed Statement of Net Position:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Current assets	\$ 322,266	384,435	566,091	1,272,792
Capital assets	4,204	4,542,829	2,034,679	6,581,712
Deferred outflows of resources		41,284	184,572	225,856
Total Assets and Deferred Outflows of Resources	<u>326,470</u>	<u>4,968,548</u>	<u>2,785,342</u>	<u>8,080,360</u>
Current liabilities	4,554	5,185	78,266	88,005
Noncurrent liabilities		300,896	1,744,962	2,045,858
Deferred inflows of resources		7,425	33,195	40,620
Total Liabilities and Deferred Inflows of Resources	<u>4,554</u>	<u>313,506</u>	<u>1,856,423</u>	<u>2,174,483</u>
Net position:				
Net investment in capital assets	4,204	4,542,829	1,606,933	6,153,966
Restricted	317,712	112,213		429,925
Unrestricted			(678,014)	(678,014)
Total Net Position	<u>\$ 321,916</u>	<u>4,655,042</u>	<u>928,919</u>	<u>5,905,877</u>

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

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Operating revenues	\$ 182,636	356,384	1,219,426	1,758,446
Operating expenses	(151,929)	(277,432)	(1,573,735)	(2,003,096)
Depreciation expense		(328,711)	(110,744)	(439,455)
Operating Income (Loss)	<u>30,707</u>	<u>(249,759)</u>	<u>(465,053)</u>	<u>(684,105)</u>
Nonoperating revenues	19,227	25,178	28,981	73,386
Nonoperating expenses		(719)	(17,968)	(18,687)
Transfers in			500,000	500,000
Change in Net Position	<u>49,934</u>	<u>(225,300)</u>	<u>45,960</u>	<u>(129,406)</u>
Net Position - Beginning, as previously reported	271,982	4,880,342	880,229	6,032,553
Error correction			2,730	2,730
Net Position - Beginning, as restated	<u>271,982</u>	<u>4,880,342</u>	<u>882,959</u>	<u>6,035,283</u>
Net Position - Ending	<u>\$ 321,916</u>	<u>4,655,042</u>	<u>928,919</u>	<u>5,905,877</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Condensed Statement of Cash Flows:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Net cash provided (used) by:				
Operating activities	\$ 13,006	59,496	(193,106)	(120,604)
Noncapital financing activities			500,000	500,000
Capital and related financing activities			(140,483)	(140,483)
Investing activities	19,227	25,178	28,981	73,386
Net increase (decrease) in cash	32,233	84,674	195,392	312,299
Cash - Beginning of year	290,033	299,761	368,685	958,479
Adjustment to beginning of year cash due to error correction			2,014	2,014
Cash - End of year	\$ 322,266	384,435	566,091	1,272,792

(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 2024.

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 \$282,340 for support of the Community Action of South Mississippi in fiscal year 2024.

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 \$890,000 for support of the Jackson County Economic Development Foundation in fiscal year 2024.

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 2024.

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 2024.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

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 2024.

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 \$9,410,217 for maintenance and support of the college in fiscal year 2024.

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, 2024, Jackson County provides tax exempt status to eleven 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, one paving company, one respirator producer, one pellet 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 *Sections 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 2024 totaled \$10,967,141.

(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 December 15, 2025, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2024, 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
10/01/2025	7.25%	110,000	Software subscription	Ad valorem taxes

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, 2024
 UNAUDITED

	Original Budget	Final Budget	Actual (GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 61,672,116	65,166,362	63,433,816	(1,732,546)
Licenses, commissions and other revenue	2,770,450	3,226,432	3,265,501	39,069
Fines and forfeitures	1,163,500	1,294,460	1,398,392	103,932
In lieu taxes - Mississippi Power	6,940,000		6,178,410	6,178,410
In lieu taxes - Enviva			216,292	216,292
Intergovernmental revenues	6,420,787	8,877,060	3,951,509	(4,925,551)
Charges for services	1,070,000	1,262,559	1,390,571	128,012
Interest income	4,820,000	5,799,081	6,257,137	458,056
Miscellaneous revenues	2,985,873	4,338,614	4,859,820	521,206
Total Revenues	<u>87,842,726</u>	<u>89,964,568</u>	<u>90,951,448</u>	<u>986,880</u>
EXPENDITURES				
General government	42,576,956	39,692,761	39,424,541	268,220
Public safety	26,867,497	25,851,239	24,155,344	1,695,895
Public works	2,704,189	2,658,987	2,742,637	(83,650)
Health and welfare	3,673,556	3,021,704	3,099,354	(77,650)
Culture and recreation	5,942,135	6,379,811	6,374,403	5,408
Education	350,000	825,649	825,649	0
Conservation of natural resources	247,817	276,289	285,379	(9,090)
Economic development and assistance	2,737,756	2,826,072	2,830,156	(4,084)
Debt service:				
Principal			2,156,997	(2,156,997)
Interest			312,950	(312,950)
Total Expenditures	<u>85,099,906</u>	<u>81,532,512</u>	<u>82,207,410</u>	<u>(674,898)</u>
Excess of Revenues over (under) Expenditures	<u>2,742,820</u>	<u>8,432,056</u>	<u>8,744,038</u>	<u>311,982</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			30	30
Compensation for loss of capital assets			34,269	34,269
Transfers in	715,000	1,997,148	1,883,035	(114,113)
Transfers out		(6,054,178)	(6,054,178)	0
Total Other Financing Sources and Uses	<u>715,000</u>	<u>(4,057,030)</u>	<u>(4,136,844)</u>	<u>(79,814)</u>
Net Change in Fund Balance	<u>3,457,820</u>	<u>4,375,026</u>	<u>4,607,194</u>	<u>232,168</u>
Fund Balances - Beginning, as previously reported	67,722,672	67,722,672	67,722,672	0
Error correction			151	151
Fund Balances - Beginning, as restated	<u>67,722,672</u>	<u>67,722,672</u>	<u>67,722,823</u>	<u>151</u>
Fund Balances - Ending	<u>\$ 71,180,492</u>	<u>72,097,698</u>	<u>72,330,017</u>	<u>232,319</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, 2024
 UNAUDITED

	Original Budget	Final Budget	Actual (GAAP Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 17,110,662	17,181,080	17,183,508	2,428
Road and bridge privilege taxes	1,800,000	1,928,646	1,926,678	(1,968)
Intergovernmental revenues	1,025,000	6,074,441	5,422,125	(652,316)
Interest income		1,536,087	1,536,087	0
Miscellaneous revenues	75,000	490,771	490,771	0
Total Revenues	<u>20,010,662</u>	<u>27,211,025</u>	<u>26,559,169</u>	<u>(651,856)</u>
EXPENDITURES				
General government		1,573	1,573	0
Public safety		675	675	0
Public works	31,798,475	35,767,223	35,831,601	(64,378)
Debt service:				
Principal			5,435	(5,435)
Interest			294	(294)
Total Expenditures	<u>31,798,475</u>	<u>35,769,471</u>	<u>35,839,578</u>	<u>(70,107)</u>
Excess of Revenues over (under) Expenditures	<u>(11,787,813)</u>	<u>(8,558,446)</u>	<u>(9,280,409)</u>	<u>(721,963)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,800,000	3,110,167	3,110,167	0
Transfers out		(870)	(870)	0
Total Other Financing Sources and Uses	<u>3,800,000</u>	<u>3,109,297</u>	<u>3,109,297</u>	<u>0</u>
Net Change in Fund Balance	<u>(7,987,813)</u>	<u>(5,449,149)</u>	<u>(6,171,112)</u>	<u>(721,963)</u>
Fund Balances - Beginning, as previously reported	25,869,682	25,869,682	25,869,682	0
Error correction			(2,165)	(2,165)
Fund Balances - Beginning, as restated	<u>25,869,682</u>	<u>25,869,682</u>	<u>25,867,517</u>	<u>(2,165)</u>
Fund Balances - Ending	<u>\$ 17,881,869</u>	<u>20,420,533</u>	<u>19,696,405</u>	<u>(724,128)</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, 2024
UNAUDITED

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.526909%	0.529016%	0.518858%	0.539602%	0.516617%	0.509584%	0.501612%	0.489852%	0.473641%	0.471858%
County's proportionate share of the net pension liability (asset)	\$ 136,824,705	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
Covered payroll	\$ 40,378,174	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
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	338.86%	339.30%	298.99%	222.30%	290.75%	269.78%	260.46%	259.13%	279.22%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. 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, 2024
UNAUDITED

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 7,160,913	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
Contributions in relation to the contractually required contribution	<u>7,160,913</u>	<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>
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	\$ 40,872,791	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
Contributions as a percentage of covered payroll	17.52% **	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. GASB Statement No. 68 was implemented in the fiscal year ended September 30, 2015.

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

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

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, 2024

UNAUDITED

	2024	2023	2022	2021	2020	2019	2018
	\$						
Service cost	265,172	253,099	318,698	312,021	393,097	378,342	272,457
Interest	159,306	144,739	67,795	61,535	86,884	121,473	102,250
Changes of benefit terms							
Difference between expected and actual experience	90,361		491,557		14,000		(950,451)
Changes in assumptions or other inputs	841,318		(853,128)		(1,550,507)		1,060,569
Benefit payments / refunds	(104,519)	(92,970)	(87,708)	(46,914)	(27,295)	(25,332)	(34,885)
Net change in total OPEB liability	\$ 1,251,638	304,868	(62,786)	326,642	(1,083,821)	474,483	449,940
Total OPEB liability - beginning	3,179,103	2,874,235	2,937,021	2,610,379	3,694,200	3,219,717	2,769,777
Total OPEB liability - ending	\$ 4,430,741	3,179,103	2,874,235	2,937,021	2,610,379	3,694,200	3,219,717
Covered-employee payroll	\$ 33,528,654	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	13.2%	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:

2024	4.06%
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

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JACKSON COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2024
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, and 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.

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

The following fund had an excess of actual expenditures over budget for the year ended September 30, 2024:

Fund	Excess
Road Fund	\$ 70,107
General Fund	674,898

The fund listed above is in violation of *Section 19-11-17, Mississippi Code of 1972 Annotated*. However, the County has no liability associated with this violation.

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.

JACKSON COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2024
UNAUDITED

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

2016

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

2017

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

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

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

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

2019

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

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

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

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

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

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

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

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

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

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

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

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

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.

JACKSON COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2024 UNAUDITED

For females, 84% of female rates up to age 72, 100% for ages above 76.
Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The percentage of active member deaths assumed to be in 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.

JACKSON COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2024
UNAUDITED

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

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

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

JACKSON COUNTY

SUPPLEMENTARY INFORMATION

JACKSON COUNTY

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JACKSON COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service Passed-through the Mississippi State Treasurer's Office Forest Service schools and roads cluster: School and roads - grants to states	10.665	Unknown	\$ 67,886
Total Forest service schools and roads cluster			<u>67,886</u>
Total U.S. Department of Agriculture			<u>67,886</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	127,686
Total U.S. Department of Housing and Urban Development			<u>127,686</u>
U.S. Department of the Interior National wildlife refuge fund (Direct Award)	15.659	N/A	61,672
U.S. Department of the Interior - National Park Service Passed-through the Mississippi Department of Marine Resources Heritage partnership	15.939	S-NBT-2024-001	20,000
Total U.S. Department of the Interior			<u>81,672</u>
U.S. Department of Justice - Office of Justice Programs Treatment court discretionary grant program (Direct Award)	16.585	N/A	5,123
U.S. Department of Justice - Criminal Division Equitable sharing program (Direct Award)	16.922	N/A	2,653
Total U.S. Department of Justice			<u>7,776</u>
U.S. Department of Transportation - Federal Aviation Administration Airport improvement program (Direct Award)	20.106	N/A	31,274
Airport improvement program (Direct Award)	20.106	N/A	761,625
Subtotal			<u>792,899</u>
Total U.S. Department of Transportation			<u>792,899</u>
U.S. Department of the Treasury Passed-through the Mississippi Department of Environmental Quality Resources and ecosystems sustainability, tourist opportunities, and revived economies of the gulf coast states*	21.015	18-00038	999,209
U.S. Department of the Treasury COVID-19 Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	3,046,393
COVID-19 Local assistance and tribal consistency fund (Direct Award)	21.032	N/A	117,760
Total U.S. Department of the Treasury			<u>4,163,362</u>
Executive Office of the President Passed-through the Mississippi Department of Public Safety High intensity drug trafficking areas program	95.001	G22-GC0003A	4,200
High intensity drug trafficking areas program	95.001	G23-GC0003A	12,987
Subtotal			<u>17,187</u>
Total Executive Office of the President			<u>17,187</u>

JACKSON COUNTY
Schedule of Expenditures of Federal Awards - cont'd
For the Year Ended September 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security			
Passed-through the Mississippi Emergency Management Agency			
Disaster grants - public assistance (Presidentially declared disasters)	97.036	4528-DR-MS	16,111
COVID-19 Disaster grants - public assistance (Presidentially declared disasters)	97.036	4528-DR-MS	<u>58,913</u>
Subtotal			<u>75,024</u>
Emergency management performance grants	97.042	EMA-2024-EP-05008	<u>98,816</u>
U.S. Department of Homeland Security			
Port security grant program (Direct Award)	97.056	N/A	<u>908</u>
U.S. Department of Homeland Security			
Passed-through the Mississippi Department of Public Safety			
Homeland security grant program	97.067	S21LE030	98,172
Homeland security grant program	97.067	S22LE030	<u>33,020</u>
Subtotal			<u>131,192</u>
Total U.S. Department of Homeland Security			<u>305,940</u>
Total Expenditures of Federal Awards			<u>\$ 5,564,408</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Jackson County under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S.Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of 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 \$33,822 to subrecipients during the year ended September 30, 2024.

Note E - ALN 15.659, National wildlife refuge fund

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$27,173 to subrecipients during the year ended September 30, 2024.

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

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$3,046,393 to subrecipients during the year ended September 30, 2024.

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

After a Presidentialy declared disaster, FEMA provides Disaster grants - public assistance (Presidentially declared disasters) reimbursements in the form of cost-shared grants that require state matching funds. In fiscal year 2024, FEMA approved an appeal of \$75,024 of federal expenditures related to event 4528-DR-MS which were incurred prior to the year ended September 30, 2024. These approved eligible expenditures are included on the SEFA for the year ended September 30, 2024.

* 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, 2024
UNAUDITED

Name	Position	Company	Bond
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 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 Snyder	Assistant Receiving Clerk	Travelers	\$50,000
Cortney Abel	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
David Cunningham	Assistant Receiving Clerk	Travelers	\$50,000
Eloria Jacob	Assistant Receiving Clerk	Travelers	\$50,000
Heather Wallace	Assistant Receiving Clerk	Travelers	\$50,000
Jennifer Crosby	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
Katie Dees	Assistant Receiving Clerk	Travelers	\$50,000
Kimberly Stewart	Assistant Receiving Clerk	Travelers	\$50,000
Kristin Hodge	Assistant Receiving Clerk	Travelers	\$50,000
Lance Smith	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 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
Traci Barnett	Inventory Control Clerk	Western Surety	\$50,000
Diana Dixon	Assistant Inventory Control Clerk	RLI Insurance Company	\$50,000
Carl 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

JACKSON COUNTY
Schedule of Surety Bonds for County Officials - cont'd
For the Year Ended September 30, 2024
UNAUDITED

Name	Position	Company	Bond
Randy Carney	Circuit Clerk	Travelers	\$100,000
John Ledbetter	Sheriff	RLI Insurance Company	\$100,000
Daniel Guice	Justice Court Judge	State Farm	\$50,000
Matthew Lachaussee	Justice Court Judge	State Farm	\$50,000
Jason Thornton	Justice Court Judge	State Farm	\$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 Worthly	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
Allison Strength	Deputy Justice Court Clerk	Travelers	\$50,000
Christopher Eplin	Deputy Justice Court Clerk	Travelers	\$50,000
Laura Foreman	Deputy Justice Court Clerk	Travelers	\$50,000
Kevin James Miller	Tax Collector	FCCI	\$100,000
Nicholas Elmore	Tax Assessor	Travelers	\$50,000
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 Roche	Deputy Tax Collector	RLI Insurance Company	\$50,000
Carey Crosby	Deputy Tax Collector	RLI Insurance Company	\$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
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
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
Tannas Alexander	Deputy Tax Collector	RLI Insurance Company	\$50,000
Ragina Ward	Deputy Tax Collector	Travelers	\$50,000
Melodye Dungan	Deputy Tax Collector	RLI Insurance Company	\$50,000
Jamie Sidaway	Deputy Tax Collector	RLI Insurance Company	\$50,000
Wyskesia Geater	Deputy Tax Collector	RLI Insurance Company	\$50,000
Bretley Smith	Deputy Tax Collector	Travelers	\$50,000
Jessica Wade	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, each major fund, and the aggregate remaining fund information of Jackson County, Mississippi (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 15, 2025. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 December 15, 2025, included within this document.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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

December 15, 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 Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jackson County, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jackson County, Mississippi's major federal programs for the year ended September 30, 2024. Jackson County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Jackson County, Mississippi's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jackson County, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jackson County, Mississippi's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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

December 15, 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, 2024. 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, 2024.

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

This report is intended for use in evaluating 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
December 15, 2025

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

Schedule 1

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

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

Schedule 2

Our tests did not identify any emergency purchases.

JACKSON COUNTY

Schedule 3

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

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
10/4/2023	Trimble 900 mhz base, rover, and two machine radios	\$ 38,867	Sitech South Mississippi, LLC
12/4/2023	Election equipment	124,680	Election Systems & Software
12/27/2023	Weather surveillance system	7,375	SDS Weather
5/20/2024	504FH tines for a seawall surf rake	6,882	H Barber & Sons, Inc.
6/6/2024	Access management devices	36,411	Badge Pass

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, 2024, 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 December 15, 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 with state laws and regulations that is an opportunity for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response are disclosed below:

Board of Supervisors.

1. Board of Supervisors should be bonded.

Repeat Finding No

Criteria *Section 19-3-5, Mississippi Code of 1972 Annotated*, requires that each member of the board of supervisors, shall give bond, with sufficient surety, to be payable, conditioned and approved as provided by law, in a penalty equal to five percent (5%) of the prior year's taxes; however, such bond shall not exceed the amount of One Hundred Thousand Dollars (\$100,000).

Condition One supervisor was not bonded during fiscal year 2024.

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

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

Recommendation The Board member should be bonded as required by state law.

Views of Responsible Official(s) We will comply.

Jackson County's response to the finding included in this report were 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

December 15, 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, 2024

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|---|---------------|
| 1. Type of auditor's report issued on the financial statements: | |
| Governmental activities | Unmodified |
| Business-type activities | Unmodified |
| Aggregate discretely presented component units | Adverse |
| General Fund | Unmodified |
| Road Fund | Unmodified |
| Aggregate remaining fund information | Unmodified |
| Enterprise Funds | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None Reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|---|---------------|
| 4. Internal control over major federal programs: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None Reported |
| 5. Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. Identification of major federal programs: | |
| a. ALN 21.015, Resources and ecosystems sustainability, tourist opportunities, and revived economies of the gulf coast states | |
| b. 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)? | Yes |

JACKSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Section 2: Financial Statement Findings

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

Section 3: Federal Award Findings and Questioned Costs

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

JACKSON COUNTY

AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

JACKSON COUNTY

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JACKSON COUNTY BOARD OF SUPERVISORS

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Summary Schedule of Prior Audit Findings

October 14, 2025

BARRY CUMBEST
District One
2915 Canty Street
Pascagoula, MS 39567
228-769-3403
877-542-0976 Toll Free
228-769-3475 Fax
Barry_Cumbest@co.jackson.ms.us

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

ENNIT MORRIS
District Two
2500 Criswell Avenue
Pascagoula, MS 39567
228-769-3170
228-762-6578 Fax
Ennit_Morris@co.jackson.ms.us

Gentlemen:

The Jackson County Board of Supervisors respectfully submits the following Summary Schedule of Prior Audit Findings for the year ended September 30, 2024.

The findings from the prior year's Schedule of Findings and Questioned Costs are discussed below. The findings are numbered with the numbers assigned in the first year of issuance.

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

KENNETH TAYLOR
District Three
2915 Canty Street
Pascagoula, MS 39567
228-762-7641
228-769-3363 Fax
Ken_Taylor@co.jackson.ms.us

Section 2: FINANCIAL STATEMENT FINDINGS

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

CORRECTED.

J. TROY ROSS
District Four
2915 Canty Street
Pascagoula, MS 39567
228-769-3457
877-542-0975 Toll Free
228-769-3482 Fax
Troy_Ross@co.jackson.ms.us

Section 3: FEDERAL AWARD FINDINGS

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

RANDY BOSARGE
District Five
2915 Canty Street
Pascagoula, MS 39567
228-769-3378
228-696-6500 Fax
Randy_Bosarge@co.jackson.ms.us

Sincerely,

A handwritten signature in blue ink, appearing to read "Barry Cumbest".

President, Jackson County Board of Supervisors

Gateway to the
Mississippi Gulf Coast

