

# JACKSON COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports  
For the Year Ended September 30, 2020



## SHAD WHITE

STATE AUDITOR

Stephanie C. Palmertree, 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

November 15, 2021

Members of the Board of Supervisors  
Jackson County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2020 financial and compliance audit report for Jackson County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Respectfully submitted,

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

Shad White



JACKSON COUNTY  
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JACKSON COUNTY

FINANCIAL SECTION

JACKSON COUNTY

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

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
Jackson County, Mississippi

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Mississippi, (the County) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Singing River Health/Mental Retardation Services, Singing River Health System, West Jackson County Utility District, Jackson County Emergency Communications District, Jackson County Port Authority and Jackson-George Regional Library System, which represent 1%, 70%, 10%, 0.50%, 18% and 0.50%, respectively, of the assets, (3%), 73%, 7%, 0.50%, 24% and (1.50%), respectively of the net position, and 2%, 91%, 2%, 0.50%, 4% and 0.50%, respectively of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Unmodified Opinion***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Mississippi, as of September 30, 2020, 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.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules and corresponding notes, the Schedule of Changes in the County's Total OPEB Liability and Related Ratios, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County Contributions, the Schedule of Singing River Mental Health/Mental Retardations Services' Proportionate Share of the Net Pension Liability, the Schedule of Singing River Mental Health/Mental Retardation Services' Contributions, the Schedule of West Jackson County Utility District's Proportionate Share of the Net Pension Liability, the Schedule of West Jackson County Utility District's Contributions, the Schedule of Jackson County Emergency Communications District's Proportionate Share of the Net Pension Liability, the Schedule of Jackson County Emergency Communications District's Contributions, the Schedule of Jackson County Port Authority's Proportionate Share of the Net Pension Liability, the Schedule of Jackson County Port Authority's Contributions, the Schedule of Jackson-George Regional Library System's Proportionate Share of the Net Pension Liability, the Schedule of Jackson-George Regional Library System's Contributions, the Schedule of Jackson-George Regional Library System's Proportionate Share of the Net OPEB Liability and the Schedule of Jackson-George Regional Library System's Contributions – OPEB be presented to supplement the basic financial statements. Such information, 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Omission of Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal

Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the accompanying Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021 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

November 15, 2021

JACKSON COUNTY

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JACKSON COUNTY

FINANCIAL STATEMENTS

JACKSON COUNTY

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Jackson County  
Statement of Net Position  
September 30, 2020

Exhibit 1

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
<b>ASSETS</b>				
Cash	\$ 120,591,358		120,591,358	136,777,254
Restricted assets - cash	1,083,526	964,258	2,047,784	16,185,743
Investments				53,287,792
Deposits				2,680
Grants receivable				359,476
Property tax receivable	84,057,541		84,057,541	
Receivables, net of allowance				49,175,821
Fines receivable (net of allowance for uncollectibles of \$21,218,255)	4,935,050		4,935,050	
Intergovernmental receivables	4,221,070	6,383	4,227,453	
Other receivables	2,979		2,979	4,887,380
Prepaid expenses	873,306		873,306	
Inventories and prepaid items				30,304,625
Trusted bond funds				2,609,832
Held by trustees for self-insurance funding				3,632,842
Investments in surgery centers				4,298,729
Capital assets:				
Land and construction in progress	37,375,221	199,029	37,574,250	18,685,641
Other capital assets, net	244,770,215	7,024,677	251,794,892	322,715,759
Intangible assets, net				2,331,746
Other assets				3,393,857
<b>Total Assets</b>	<b>497,910,266</b>	<b>8,194,347</b>	<b>506,104,613</b>	<b>648,649,177</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	9,390,587	124,266	9,514,853	5,507,768
Deferred outflows related to other postemployment benefits	736,680		736,680	88,880
<b>Total Deferred Outflows of Resources</b>	<b>10,127,267</b>	<b>124,266</b>	<b>10,251,533</b>	<b>5,596,648</b>
<b>LIABILITIES</b>				
Claims payable	5,811,739	50,824	5,862,563	
Accounts payable				17,759,863
Payroll liabilities				27,111,399
Due to third-party payors				77,302,754
Accrued liabilities				1,234,053
Intergovernmental payables	2,692,699		2,692,699	
Accrued interest payable	279,492		279,492	
Unearned revenue				3,976,605
Customer deposits				654,823
Current installments of pension settlement liability				4,200,000
Claims and judgments payable	474,567		474,567	
Long-term liabilities				
Due within one year:				
Capital debt	2,812,046		2,812,046	12,650,234
Non-Capital debt				1,009,830
Due in more than one year:				

Jackson County  
Statement of Net Position  
September 30, 2020

Exhibit 1- Cont'd

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
Due in more than one year:				
Capital debt	25,209,647		25,209,647	145,741,851
Non-Capital debt	2,891,707	33,726	2,925,433	835,482
Net pension liability	98,680,142	1,330,906	100,011,048	33,412,112
Other postemployment benefits payable	2,610,379		2,610,379	
Net OPEB liability				441,477
Other payables	4,192,559		4,192,559	
Pension settlement liability				62,029,109
Total Liabilities	<u>145,654,977</u>	<u>1,415,456</u>	<u>147,070,433</u>	<u>388,359,592</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions				31,732
Deferred inflows related to OPEB	2,027,269		2,027,269	98,319
Deferred revenues - property taxes	84,057,541		84,057,541	
Total Deferred Inflows of Resources	<u>86,084,810</u>	<u>0</u>	<u>86,084,810</u>	<u>130,051</u>
<b>NET POSITION</b>				
Net investment in capital assets	254,123,743	7,223,706	261,347,449	186,738,552
Restricted for:				
Expendable:				
Public safety	998,751	162,002	1,160,753	
Public works	37,029,576		37,029,576	
Conservation of natural resources	7,693,628		7,693,628	
Economic development and assistance	213,917		213,917	
Debt service	15,133,360		15,133,360	4,995,182
Unemployment compensation	258,907		258,907	
Indigent care				4,192,559
Harbor maintenance				8,093,858
Capital projects				5,158,335
Unemployment fund reserve				15,000
Special revenue funds				209
Other purposes				161,160
Unrestricted	<u>(39,154,136)</u>	<u>(482,551)</u>	<u>(39,636,687)</u>	<u>56,401,327</u>
Total Net Position	<u>\$ 276,297,746</u>	<u>6,903,157</u>	<u>283,200,903</u>	<u>265,756,182</u>

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

JACKSON COUNTY  
Statement of Activities  
For the Year Ended September 30, 2020

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 30,420,232	4,272,035	527,625		(25,620,572)		(25,620,572)	
Public safety	22,974,998	1,036,615	2,271,863	88,813	(19,577,707)		(19,577,707)	
Public works	32,352,453		5,040,272	6,219,893	(21,092,288)		(21,092,288)	
Health and welfare	3,580,909		90,079		(3,490,830)		(3,490,830)	
Culture and recreation	4,519,042		347,926		(4,171,116)		(4,171,116)	
Education	350,000				(350,000)		(350,000)	
Conservation of natural resources	1,102,091		4,743,935		3,641,844		3,641,844	
Economic development and assistance	2,219,404				(2,219,404)		(2,219,404)	
Interest on long-term debt	1,044,419				(1,044,419)		(1,044,419)	
Pension expense	10,465,449				(10,465,449)		(10,465,449)	
Other postemployment benefits expense	293,604				(293,604)		(293,604)	
Total Governmental Activities	109,322,601	5,308,650	13,021,700	6,308,706	(84,683,545)		(84,683,545)	
Business-type activities:								
Adult detention center canteen fund	101,601	83,556				(18,045)	(18,045)	
Harbor	499,285	266,408				(232,877)	(232,877)	
Golf course	976,882	703,706				(273,176)	(273,176)	
Total Business-type Activities	1,577,768	1,053,670	0	0		(524,098)	(524,098)	
Total Primary Government	\$ 110,900,369	6,362,320	13,021,700	6,308,706	(84,683,545)	(524,098)	(85,207,643)	
Component units:								
Singing River Health/Mental Retardation Services	\$ 9,335,758	4,516,778	3,287,903					(1,531,077)
Singing River Health System	377,810,035	390,625,411	7,195,713					20,011,089
West Jackson County Utility District	7,739,922	9,752,488						2,012,566
Jackson County Emergency Communications District	1,630,237	1,420,682						(209,555)
Jackson County Port Authority	22,872,320	15,163,018	3,474,248					(4,235,054)
Jackson-George Regional Library System	4,679,261	60,284	822,032					(3,796,945)
Total Component Units	\$ 424,067,533	421,538,661	14,779,896	0				12,251,024

JACKSON COUNTY  
Statement of Activities  
For the Year Ended September 30, 2020

Exhibit 2 -Cont'd

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
General revenues:								
Property taxes					\$ 84,041,788		84,041,788	3,333,803
Road & bridge privilege taxes					1,868,833		1,868,833	
Grants and contributions not restricted to specific programs					2,390,954		2,390,954	
In lieu taxes - Mississippi Power					6,178,410		6,178,410	
Unrestricted gifts and donations					71,790		71,790	
Unrestricted interest income					2,447,814	13,058	2,460,872	(8,605,336)
Miscellaneous					4,303,615	3,548	4,307,163	1,204,063
Special item - loss on sale of asset								(154,378)
Transfers					(635,000)	635,000		2,172,569
Total General Revenues and Transfers					<u>100,668,204</u>	<u>651,606</u>	<u>101,319,810</u>	<u>(2,049,279)</u>
Changes in Net Position					<u>15,984,659</u>	<u>127,508</u>	<u>16,112,167</u>	<u>10,201,745</u>
Net Position - beginning as previously reported					260,010,103	6,776,500	266,786,603	255,075,563
Prior period adjustments					302,984	(851)	302,133	478,874
Net Position - Beginning, as restated					<u>260,313,087</u>	<u>6,775,649</u>	<u>267,088,736</u>	<u>255,554,437</u>
Net Position - Ending					<u>\$ 276,297,746</u>	<u>6,903,157</u>	<u>283,200,903</u>	<u>265,756,182</u>

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

JACKSON COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2020

Exhibit 3

	Major Funds			Total Governmental Funds
	General Fund	Road Fund	Other Governmental Funds	
<b>ASSETS</b>				
Cash	\$ 53,328,558	15,018,592	49,035,289	117,382,439
Restricted assets - cash	1,083,526			1,083,526
Property tax receivable	52,916,378	16,078,742	15,062,421	84,057,541
Fines receivable (net of allowance for uncollectibles of \$21,218,255)	4,935,050			4,935,050
Due from other funds	3,517,210	306,104	113,423	3,936,737
Intergovernmental receivable	1,058,168	1,525,946	1,636,956	4,221,070
Other receivables	2,979			2,979
Advances to other funds	297,802			297,802
<b>Total Assets</b>	<b>\$ 117,139,671</b>	<b>32,929,384</b>	<b>65,848,089</b>	<b>215,917,144</b>
<b>LIABILITIES</b>				
Liabilities:				
Claims payable	\$ 2,876,194	1,284,376	1,651,169	5,811,739
Intergovernmental payables	2,516,183		528	2,516,711
Due to other funds	593,973		3,517,210	4,111,183
Advances from other funds			297,802	297,802
<b>Total Liabilities</b>	<b>5,986,350</b>	<b>1,284,376</b>	<b>5,466,709</b>	<b>12,737,435</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	52,916,378	16,078,742	15,062,421	84,057,541
Unavailable revenue - fines	4,935,050			4,935,050
<b>Total Deferred Inflows of Resources</b>	<b>57,851,428</b>	<b>16,078,742</b>	<b>15,062,421</b>	<b>88,992,591</b>
<b>Fund balances:</b>				
Nonspendable:				
Advances	297,802			297,802
Restricted for:				
General government				
Public safety			998,751	998,751
Public works		15,566,266	21,463,310	37,029,576
Health and welfare			135,719	135,719
Conservation of natural resources			7,693,628	7,693,628
Economic development and assistance			213,917	213,917
Unemployment compensation			258,907	258,907
Tort claims	1,083,526			1,083,526
Debt service			15,412,852	15,412,852
Unassigned	51,920,565		(858,125)	51,062,440
<b>Total Fund Balances</b>	<b>53,301,893</b>	<b>15,566,266</b>	<b>45,318,959</b>	<b>114,187,118</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 117,139,671</b>	<b>32,929,384</b>	<b>65,848,089</b>	<b>215,917,144</b>

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

JACKSON COUNTY

Exhibit 3-1

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2020

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 114,187,118
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 \$183,323,933.	282,145,436
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,935,050
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(35,105,959)
Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(2,610,379)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(98,680,142)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(279,492)
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition, and therefore, are not reported in the funds.	873,306
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	9,390,587
Deferred outflows related to other postemployment benefits	736,680
Deferred inflows related to other postemployment benefits	(2,027,269)
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>2,732,810</u>
Total Net Position - Governmental Activities	<u>\$ 276,297,746</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2020

	Major Funds			Total Governmental Funds
	General Fund	Road Fund	Other Governmental Funds	
<b>REVENUES</b>				
Property taxes	\$ 54,068,880	17,449,877	12,523,031	84,041,788
Road and bridge privilege taxes		1,868,833		1,868,833
Licenses, commissions and other revenue	2,856,750			2,856,750
Fines and forfeitures	1,345,039		49,899	1,394,938
In lieu taxes - Mississippi Power	6,178,410			6,178,410
Intergovernmental revenues	3,199,958	7,317,851	11,275,341	21,793,150
Charges for services	901,415			901,415
Interest income	1,630,609	325,116	492,089	2,447,814
Miscellaneous revenues	2,220,670	87,160	1,995,785	4,303,615
Total Revenues	<u>72,401,731</u>	<u>27,048,837</u>	<u>26,336,145</u>	<u>125,786,713</u>
<b>EXPENDITURES</b>				
Current:				
General government	30,650,252		1,151,245	31,801,497
Public safety	19,091,542		6,594,873	25,686,415
Public works	2,891,123	26,332,630	11,280,917	40,504,670
Health and welfare	2,778,656		670,501	3,449,157
Culture and recreation	4,616,177		2,297,582	6,913,759
Education	350,000			350,000
Conservation of natural resources	240,391		999,825	1,240,216
Economic development and assistance	2,106,205		96,925	2,203,130
Debt service:				
Principal	1,325,000		2,574,288	3,899,288
Interest	779,803		307,404	1,087,207
Total Expenditures	<u>64,829,149</u>	<u>26,332,630</u>	<u>25,973,560</u>	<u>117,135,339</u>
Excess of Revenues over (under) Expenditures	<u>7,572,582</u>	<u>716,207</u>	<u>362,585</u>	<u>8,651,374</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	39,301	73,759	124,637	237,697
Transfers in	425,156	1,798,739	7,722,757	9,946,652
Transfers out	(6,566,872)		(4,014,780)	(10,581,652)
Total Other Financing Sources and Uses	<u>(6,102,415)</u>	<u>1,872,498</u>	<u>3,832,614</u>	<u>(397,303)</u>
Net Changes in Fund Balances	<u>1,470,167</u>	<u>2,588,705</u>	<u>4,195,199</u>	<u>8,254,071</u>
Fund Balances - Beginning, as previously reported	51,831,726	12,977,561	41,630,218	106,439,505
Prior period adjustment			(506,458)	(506,458)
Fund Balances - Beginning, as restated	<u>51,831,726</u>	<u>12,977,561</u>	<u>41,123,760</u>	<u>105,933,047</u>
Fund Balances - Ending	<u>\$ 53,301,893</u>	<u>15,566,266</u>	<u>45,318,959</u>	<u>114,187,118</u>

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, 2020

Exhibit 4-1

	Amount
Net Changes in Fund Balances - Governmental Funds	\$ 8,254,071
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 \$19,898,519 exceeded depreciation of \$11,016,128 in the current period.	8,882,391
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 \$935,364 and the proceeds from the sale of \$237,697 in the current period.	(1,173,061)
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.	155,547
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$3,899,288.	3,899,288
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 absence liability.	(274,165)
The amount of decrease in accrued interest payable.	42,788
The decrease in other postemployment benefits payable.	1,083,821
The decrease in other payables.	912,378
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.	63,904

JACKSON COUNTY

Exhibit 4-1 -Cont'd

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2020

Amount

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	(10,465,449)
Recording of contributions made during the year	5,990,942

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	(1,377,425)
---	-------------

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.

(10,371)

Change in Net Position of Governmental Activities

\$ 15,984,659

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

JACKSON COUNTY  
Statement of Net Position - Proprietary Funds  
September 30, 2020

Exhibit 5

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash	\$	3,208,919
Restricted assets - cash	964,258	
Intergovernmental receivables	6,383	
Total Current Assets	<u>970,641</u>	<u>3,208,919</u>
Noncurrent assets:		
Capital assets:		
Land and construction in progress	199,029	
Other capital assets, net	7,024,677	
Total Noncurrent Assets	<u>7,223,706</u>	<u>0</u>
Total Assets	<u>8,194,347</u>	<u>3,208,919</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	124,266	
Total Deferred Outflows of Resources	<u>124,266</u>	<u>0</u>
<b>LIABILITIES</b>		
Current liabilities:		
Claims payable	50,824	
Claims and judgements payable		474,567
Intergovernmental payables		1,542
Total Current Liabilities	<u>50,824</u>	<u>476,109</u>
Noncurrent liabilities:		
Net pension liability	1,330,906	
Non-capital debt:		
Compensated absences payable	33,726	
Total Noncurrent Liabilities	<u>1,364,632</u>	<u>0</u>
Total Liabilities	<u>1,415,456</u>	<u>476,109</u>
<b>NET POSITION</b>		
Net investment in capital assets	7,223,706	
Restricted for:		
Public safety	162,002	
Unrestricted	(482,551)	2,732,810
Total Net Position	<u>\$ 6,903,157</u>	<u>2,732,810</u>

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

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
For the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
Operating Revenues		
Sales and charges for services	\$ 1,053,670	
Premiums		9,486,250
Miscellaneous	3,548	1,623
Total Operating Revenues	<u>1,057,218</u>	<u>9,487,873</u>
Operating Expenses		
Personal services	604,845	
Contractual services	181,832	
Materials and supplies	249,413	
Depreciation expense	408,399	
Claims payments		7,973,536
Administrative		1,609,786
Pension expense	133,279	
Total Operating Expenses	<u>1,577,768</u>	<u>9,583,322</u>
Operating Income (Loss)	<u>(520,550)</u>	<u>(95,449)</u>
Nonoperating Revenues (Expenses)		
Interest income	13,058	85,078
Net Nonoperating Revenue (Expenses)	<u>13,058</u>	<u>85,078</u>
Net Income (Loss) Before Transfers	(507,492)	(10,371)
Transfers in	635,000	
Changes in Net Position	<u>127,508</u>	<u>(10,371)</u>
Net Position - Beginning, as previously reported	6,776,500	2,743,181
Prior period adjustment	(851)	
Net Position - Beginning, as restated	<u>6,775,649</u>	<u>2,743,181</u>
Net Position - Ending	<u>\$ 6,903,157</u>	<u>2,732,810</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, 2020

Exhibit 7

	Business-type	Governmental
	Activities - Enterprise Funds	Activities
	Non-major Funds	Internal Service Funds
Cash Flows From Operating Activities		
Receipts from customers	\$ 1,047,287	
Receipts for premiums		9,486,250
Payments to suppliers	(434,223)	
Payments to employees	(696,487)	(1,609,786)
Payments for claims		(8,133,408)
Other operating cash payments	3,548	1,623
Net Cash Provided (Used) by Operating Activities	<u>(79,875)</u>	<u>(255,321)</u>
Cash Flows From Noncapital Financing Activities		
Cash received from other funds:		
Operating transfers in	635,000	
Net Cash Provided (Used) by Noncapital Financing Activities	<u>635,000</u>	<u>0</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(56,837)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(56,837)</u>	<u>0</u>
Cash Flows From Investing Activities		
Interest on deposits	13,058	85,078
Net Cash Provided (Used) by Investing Activities	<u>13,058</u>	<u>85,078</u>
Net Increase (Decrease) in Cash and Cash Equivalents	511,346	(170,243)
Cash and Cash Equivalents at Beginning of Year	<u>452,912</u>	<u>3,379,162</u>
Cash and Cash Equivalents at End of Year	<u>\$ 964,258</u>	<u>3,208,919</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (520,550)	(95,449)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	408,399	
Changes in assets and liabilities:		
(Increase) decrease in intergovernmental receivables	(6,383)	
Increase (decrease) in claims payable	(2,978)	
Increase (decrease) in claims and judgments liability		(159,872)
Increase (decrease) in compensated absences liability	(15,347)	
Increase (decrease) in pension liability, deferred inflows/ outflows, net	56,984	
Total Adjustments	<u>440,675</u>	<u>(159,872)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (79,875)</u>	<u>(255,321)</u>

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

JACKSON COUNTY  
Statement of Fiduciary Assets and Liabilities  
September 30, 2020

Exhibit 8

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 3,951,924
Due from other funds	<u>174,446</u>
Total Assets	<u>\$ 4,126,370</u>
<b>LIABILITIES</b>	
Intergovernmental payables	\$ <u>4,126,370</u>
Total Liabilities	<u>\$ 4,126,370</u>

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

**Jackson County, Mississippi**

Component Units - Combining Statement of Net Position

September 30, 2020

	Component Units						Total
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	
<b>ASSETS</b>							
Cash	\$ 1,244,449	111,078,134	1,981,291	1,145,310	19,813,294	1,514,776	136,777,254
Restricted assets - cash	135,922		4,970,479		11,079,342		16,185,743
Investments		53,287,792					53,287,792
Deposits	2,680						2,680
Grants receivable	359,476						359,476
Receivables, net of allowance	695,942	43,878,829	909,203	222,322	3,309,054	160,471	49,175,821
Other receivables		4,887,380					4,887,380
Inventories and prepaid items	99,499	29,138,062	310,724	111,844	545,547	98,949	30,304,625
Trusted bond funds		2,609,832					2,609,832
Held by trustees for self-insurance funding		3,632,842					3,632,842
Investment in surgery centers		4,298,729					4,298,729
Capital assets:							
Land and construction in progress		10,939,190	1,691,724		6,054,727		18,685,641
Other capital assets, net	3,722,734	189,048,590	52,843,819	860,071	75,015,770	1,224,775	322,715,759
Intangible assets, net		2,331,746					2,331,746
Other Assets		3,393,857					3,393,857
<b>Total Assets</b>	<b>6,260,702</b>	<b>458,524,983</b>	<b>62,707,240</b>	<b>2,339,547</b>	<b>115,817,734</b>	<b>2,998,971</b>	<b>648,649,177</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows related to pensions	711,584	3,098,391	362,652	53,062	656,964	625,115	5,507,768
Deferred outflows related to other postemployment benefits						88,880	88,880
<b>Total Deferred Outflows of Resources</b>	<b>711,584</b>	<b>3,098,391</b>	<b>362,652</b>	<b>53,062</b>	<b>656,964</b>	<b>713,995</b>	<b>5,596,648</b>
<b>LIABILITIES</b>							
Accounts payable	89,747	14,973,971	445,838	21,137	2,195,007	34,163	17,759,863
Payroll liabilities	172,015	26,939,384					27,111,399
Due to third-party payors		77,302,754					77,302,754
Accrued liabilities	498,987	454,689	280,377				1,234,053
Unearned revenue					3,976,605		3,976,605
Customer deposits			654,823				654,823

**Jackson County, Mississippi**

Component Units - Combining Statement of Net Position

September 30, 2020

	Component Units						
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	Total
<b>LIABILITIES</b>							
Current installments of pension settlement liability		4,200,000					4,200,000
Long-term liabilities							
Due within one year:							
Capital debt		10,581,786	2,068,448				12,650,234
Non-capital debt	539,275			19,279	96,043	101,207	755,804
Due in more than one year:							
Capital debt		70,869,926	38,086,054		36,785,871		145,741,851
Non-capital debt	793,301			19,279	175,721	101,207	1,089,508
Net pension liability	12,856,011		3,830,066	464,612	9,679,418	6,582,005	33,412,112
Net OPEB liability						441,477	441,477
Pension settlement liability		62,029,109					62,029,109
Total Liabilities	14,949,336	267,351,619	45,365,606	524,307	52,908,665	7,260,059	388,359,592
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows related to pensions					31,732		31,732
Deferred inflows related to other postemployment benefits						98,319	98,319
Total Deferred Inflows of Resources	0	0	0	0	31,732	98,319	130,051
<b>NET POSITION</b>							
Net investment in capital assets	3,722,734	122,655,147	13,991,199	860,071	44,284,626	1,224,775	186,738,552
Restricted for:							
Debt service		2,609,832	2,383,956		1,394		4,995,182
Indigent care		4,192,559					4,192,559
Harbor maintenance					8,093,858		8,093,858
Capital projects			1,932,202		3,226,133		5,158,335
Unemployment fund reserve					15,000		15,000
Special revenue funds					209		209
Other purposes	135,922					25,238	161,160
Unrestricted	(11,835,706)	64,814,217	(603,071)	1,008,231	7,913,081	(4,895,425)	56,401,327
Total Net Position	\$ (7,977,050)	194,271,755	17,704,286	1,868,302	63,534,301	(3,645,412)	265,756,182

JACKSON COUNTY

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

September 30, 2020

	Component Units						Total
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	
Operating Revenues							
Charges for services	\$ 4,516,778				15,163,018	60,284	19,740,080
Connection fees			639,656				639,656
County revenue	453,000						453,000
Government grants	2,614,279						2,614,279
Grants and contributions					3,474,248	822,032	4,296,280
Net assets released from restrictions	140,624						140,624
Other grants	80,000						80,000
Other revenues		23,388,421	250,331				23,638,752
Patient services revenue		367,236,990					367,236,990
Sales to customers			8,862,501				8,862,501
Surcharges				1,420,682			1,420,682
Total Operating Revenues	7,804,681	390,625,411	9,752,488	1,420,682	18,637,266	882,316	429,122,844
Operating Expenses							
Administrative and general			898,472		3,736,247	4,565,053	9,199,772
Bayou Casotte					5,382,568		5,382,568
Black Creek					684,186		684,186
Client fee waiver	131,982						131,982
Commodities	263,061						263,061
Contractual services	1,692,787						1,692,787
Depreciation and amortization	150,730	24,444,102	2,157,407	538,630			27,290,869
Employee benefits		25,811,370					25,811,370
Insurance				53,687			53,687
Industrial parks					298,944		298,944
Law library						60,304	60,304
Maintenance and operation			2,917,515	251,510	2,327,574		5,496,599
Other expenses		36,552,062					36,552,062
Pension liability adjustment due to GASB 68 and 71	780,618						780,618
Personnel costs	6,066,973						6,066,973
Port operations					8,867,438		8,867,438
Professional fees		5,470,878		68,386			5,539,264

JACKSON COUNTY

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

September 30, 2020

	Component Units						Total
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	
Salaries and wages		144,043,553		267,509			144,311,062
Singing River Island					1,575,363		1,575,363
Supplies		103,750,625		43,561			103,794,186
Travel	108,983						108,983
Treatment and collection fees			1,591,548				1,591,548
Utilities and telephone				406,954			406,954
Youth services						53,904	53,904
Total Operating Expenses	9,195,134	377,810,035	7,564,942	1,630,237	22,872,320	4,679,261	423,751,929
Operating Income (Loss)	(1,390,453)	12,815,376	2,187,546	(209,555)	(4,235,054)	(3,796,945)	5,370,915
Non-Operating Revenues (Expenses)							
Ad valorem taxes			320,387			3,013,416	3,333,803
Contributions and grants released from restrictions	(140,624)						(140,624)
Gain (loss) on disposal of assets	(114,044)	(135,354)			95,020	0	(154,378)
Interest and investment income (expense)	(4,349)	(7,786,972)	(1,052,549)	3,028	217,147	18,359	(8,605,336)
Lease revenue			24,119				24,119
Received from LNG for disposal site management					350,000		350,000
Received from Enviva for port bonds					352,824		352,824
Bond issuance costs		0	(174,980)				(174,980)
Non capital contribution - Jackson County		287,622					287,622
Miscellaneous income					619	4,217	4,836
State health grant						288,959	288,959
State life grant						4,122	4,122
State personnel grant						179,203	179,203
State of Mississippi grant		2,563,980					2,563,980
CARES ACT grant		4,344,111					4,344,111
Transfer (to) from other governments					2,172,569		2,172,569
Total Non-Operating Revenues (Expenses)	(259,017)	(726,613)	(883,023)	3,028	3,188,179	3,508,276	4,830,830
Change in Net Position	(1,649,470)	12,088,763	1,304,523	(206,527)	(1,046,875)	(288,669)	10,201,745
Net Position - Beginning, as previously reported	(6,327,580)	182,182,992	16,399,763	2,102,413	64,074,718	(3,356,743)	255,075,563
Prior period adjustment				(27,584)	506,458		478,874
Net Position - Beginning, as restated	(6,327,580)	182,182,992	16,399,763	2,074,829	64,581,176	(3,356,743)	255,554,437
Net Position - Ending	\$ (7,977,050)	194,271,755	17,704,286	1,868,302	63,534,301	(3,645,412)	265,756,182

JACKSON COUNTY

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## JACKSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

#### (1) Summary of Significant Accounting Policies.

##### A. Financial Reporting Entity.

Jackson County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Jackson County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

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

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

##### B. Individual Component Unit Disclosures

###### Discretely Presented Component Units

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

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

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

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

## JACKSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

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

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

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

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

#### C. Basis of Presentation.

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

#### Government-wide Financial Statements:

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

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

# JACKSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2020

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. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

### D. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency 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. Agency funds have no measurement focus, but use the accrual basis of accounting.

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

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

The County reports the following major Governmental Funds:

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

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

Additionally, the County reports the following fund types:

### GOVERNMENTAL FUND TYPES

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

Debt Service Funds - These funds are used to account for and report financial resources that are

## JACKSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

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

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

#### E. Account Classifications.

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

#### F. Deposits and Investments.

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

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the County did not invest in any governmental securities during the fiscal year.

#### G. Receivables.

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

#### H. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of inter-fund 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. Inter-fund receivables and payables between funds within governmental activities are eliminated in the

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

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."

I. Inventories and Prepaid Items.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items, such as prepaid insurance, are not reported for Governmental Fund Types since the costs of such items are accounted for as expenditures in the period of acquisition.

J. Restricted Assets.

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

K. Capital Assets.

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

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

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

	<u>Capitalization Thresholds</u>	<u>Estimated Useful Life</u>
Land	\$ 0	N/A
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

## JACKSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

\* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

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

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

Deferred outflows related to pensions – This amount represents the proportionate share of the deferred outflows of resources reported by the pension plan in which the County and its component units participate. See Note 13 for additional details.

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

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

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

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

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

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

#### M. Long-term Liabilities.

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

In the government-wide financial statements 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.

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, Governmental Fund Types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. 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.

O. 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 Ann. (1972). 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.

P. Compensated Absences.

The County has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements 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.

Q. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

## JACKSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

#### 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 either by an external party or imposed by law through a constitutional provision or enabling legislation.

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

#### Fund Balance Flow Assumption:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned 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.

#### R. Property Tax Revenues:

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

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

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

S. Intergovernmental Revenues in Governmental Funds.

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

T. Changes in Accounting Standards.

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

(2) Prior Period Adjustments.

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

Exhibit 2 – Statement of Activities – Governmental Activities.

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in capital assets, net.	\$ 809,442
To correct prior year errors in recording revenues.	<u>(506,458)</u>
Total prior period adjustments	<u>\$ 302,984</u>

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

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in capital assets, net.	\$ <u>(851)</u>

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

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in recording revenues.	\$ <u>(506,458)</u>

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

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

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in capital assets, net.	\$ <u><u>(851)</u></u>

(3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2020, was \$126,591,066, and the bank balance was \$127,598,345. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

(4) Interfund Transactions and Balances.

The following is a summary of inter-fund balances at September 30, 2020:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 3,517,210
Road Fund	General Fund	306,104
Other Governmental Funds	General Fund	113,423
Agency Funds	General Fund	<u>174,446</u>
Total		<u>\$ 4,111,183</u>

The receivables represent the tax revenue collected in September 2020, but not settled until October, 2020. All inter-fund 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><u>297,802</u></u>

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

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 425,156
Road Fund	General Fund	798,739
Road Fund	Other Governmental Fund	1,000,000
Other Governmental Funds	General Fund	5,133,133
Other Governmental Funds	Other Governmental Funds	2,589,624
Enterprise Funds	General Fund	<u>635,000</u>
Total		<u>\$ 10,581,652</u>

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

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2020, consisted of the following:

<u>Description</u>	<u>Amount</u>
<b>Governmental Activities:</b>	
Legislative tax credit	\$ 750,552
Emergency management performance grants reimbursement	101,188
Mississippi Department of Environmental Quality grants reimbursement	395,703
Coronavirus Relief Fund	1,582,343
GOMESA grant	62,312
Reimbursement for housing prisoners	104,145
State Aid reimbursement	1,091,198
Various expense reimbursements	26,410
Various reimbursement grants	<u>107,219</u>
Total Governmental Activities	<u>\$ 4,221,070</u>
<b>Business-type Activities:</b>	
Various sales income	<u>\$ 6,383</u>

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

(6) Loans Receivable.

Loans receivable balances at September 30, 2020, are as follows:

Description	Date of Loan	Interest Rate	Maturity Date	Receivable Balance
Sandco Industries *	10/01/91	4.00%	11/01/04	50,000
Bayou Blend *	09/22/94	4.00%	09/01/99	86,254
Gulf Breeze Landscaping	05/02/18	0.00%	08/10/20	0
Total				136,254
Less: Allowance for doubtful accounts*				(136,254)
Loans Receivable				<u>0</u>

(7) Restricted Assets.

As of September 30, 2020, restricted assets consisted of:

	Governmental Activities	Business-type Activities
MS Tort Claims Trust (cash)	\$ 1,083,526	
ADC Canteen (cash)		167,415
Golf Course (cash)		572,489
Ocean Springs Harbor (cash)		224,354
Total restricted assets	<u>\$ 1,083,526</u>	<u>964,258</u>

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

(8) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2020:

**Governmental activities:**

	Balance Oct. 1, 2019	Additions	Deletions	Adjustments*	Balance Sept. 30, 2020
<u>Non-depreciable capital assets:</u>					
Land	\$ 15,394,601				15,394,601
Construction in progress	17,299,253	9,794,365		(5,112,998)	21,980,620
Total non-depreciable capital assets	32,693,854	9,794,365	0	(5,112,998)	37,375,221
<u>Depreciable capital assets:</u>					
Infrastructure	212,707,914				212,707,914
Buildings	116,930,940			1,082,844	118,013,784
Improvements other than buildings	38,852,516	4,500,967	326,582	4,907,434	47,934,335
Mobile equipment	39,113,052	4,914,404	3,336,586	47,435	40,738,305
Furniture and equipment	8,337,349	688,783	287,638	(38,684)	8,699,810
Total depreciable capital assets	415,941,771	10,104,154	3,950,806	5,999,029	428,094,148
<u>Less accumulated depreciation for:</u>					
Infrastructure	107,967,950	3,077,155			111,045,105
Buildings	29,214,374	2,168,393			31,382,767
Improvements other than buildings	7,025,713	1,874,424	65,320		8,834,817
Mobile equipment	24,692,494	3,157,448	2,503,833	66,192	25,412,301
Furniture and equipment	6,108,430	738,708	208,592	10,397	6,648,943
Total accumulated depreciation	175,008,961	11,016,128	2,777,745	76,589	183,323,933
Total depreciable capital assets, net	240,932,810	(911,974)	1,173,061	5,922,440	244,770,215
Governmental activities capital assets, net	\$ 273,626,664	8,882,391	1,173,061	809,442	282,145,436

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

**Business-type activities:**

	Balance Oct. 1, 2019	Additions	Adjustments*	Balance Sept. 30, 2020
<u>Non-depreciable capital assets:</u>				
Land	\$ 199,029			199,029
Total non-depreciable capital assets	199,029	0	0	199,029
<u>Depreciable capital assets:</u>				
Buildings	1,370,247			1,370,247
Improvements other than buildings	7,660,033			7,660,033
Mobile equipment	524,705	49,774	(9,162)	565,317
Furniture and equipment	183,009	7,063	6,511	196,583
Total depreciable capital assets	9,737,994	56,837	(2,651)	9,792,180
<u>Less accumulated depreciation for:</u>				
Buildings	54,812	27,406		82,218
Improvements other than buildings	1,838,424	306,404		2,144,828
Mobile equipment	329,913	61,989	(8,246)	383,656
Furniture and equipment	137,755	12,600	6,446	156,801
Total accumulated depreciation	2,360,904	408,399	(1,800)	2,767,503
Total depreciable capital assets, net	7,377,090	(351,562)	(851)	7,024,677
Business-type activities capital assets, net	\$ 7,576,119	(351,562)	(851)	7,223,706

\*Adjustments are for the reclassification of completed construction in progress. Other adjustments were made to correct prior year errors in capital assets.

Depreciation expense was charged to the following functions:

	Amount
<b>Governmental activities:</b>	
General government	\$ 1,601,671
Public safety	2,599,119
Public works	5,882,168
Health and welfare	228,711
Culture and recreation	674,775
Economic development and assistance	29,684
Total governmental activities depreciation expense	\$ 11,016,128
<b>Business-type activities:</b>	
Ocean Springs Harbor	\$ 308,282
Golf Course	100,117
Total business-type activities depreciation expense	\$ 408,399

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

Commitments with respect to unfinished capital projects at September 30, 2020, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Amherst Drive Drainage Project	\$ 135,000	2/1/2021
Avech Turn Lane/Saracennia Road	350,000	12/1/2021
Bayou Talla (2017-03-416)	150,000	6/1/2022
Beachview Drive Improvements (Proj #167456)	1,300,000	6/1/2021
Big Point Road (LSBP-30(16)) #SA037	48,676	1/1/2021
Broadus Road Bridge (SA181)	75,000	12/1/2021
Caraway Road Improvements (2016-01-357)	150,000	12/1/2021
Center St to North St Drainage Proj	350,000	2/1/2021
Daisy Vestry Road Bridge (SA30-125)	600,000	12/1/2022
Glendale (East) 2019-09-562	50,000	12/1/2021
Graveline Road Elevation Proj (Graveline & Old Spanish)	175,000	1/1/2022
Graveline Bridge (STP-BR-9191 (1)B)	6,800,000	1/1/2023
Hanshaw Rd Bridge (SA116)	600,000	12/1/2022
Hwy 63 Frontage Road Bridge (SA094 - County #515)	300,000	6/1/2021
Hwy SR609&Old Fort Bayou Rd (STP-9385-00(015))LPA106888-701000	1,700,000	6/1/2022
I-10 Connector Road (2013-03-159)	8,000,000	12/1/2022
Jefferson Drainage Project	125,000	12/1/2021
Lemoyne Blvd - McCann Rd	2,000	2/1/2021
Main Street - Biddix Evans Road	300,000	12/1/2021
Mars Landing Bridge Project #546	200,000	12/1/2022
Ocean Springs Soccer Complex Entrance on Hwy 90	115,000	4/1/2021
Old Biloxi Road (SAP-30(27))	1,600,000	12/1/2023
Old Fort Bayou Impr. from Rose Farm (2017-04-420)	3,000,000	8/1/2022
Old Fort Bayou/Humphrey Road Guardrails	7,300	6/1/2021
Parkers Lake Bridge	7,959,722	12/1/2022
Pollocks Ferry Road Bridge	250,000	12/1/2021
Poticaw/Johns Bayou Rd Realign (2017-03-414)	500,000	12/1/2021
Roy Cumbest Bridge	15,000,000	12/1/2023
Sampson Bridge (SA-180)	150,000	6/1/2022
Seaman Road Bridge #SA77	636,000	6/1/2022
Seaman Road Bridge #124	784,000	12/1/2021
St Andrew Golf Course East Side	175,000	12/1/2021
Shelby Lane (2013-08-333)	300,000	12/1/2022
Shooting Range Facility (2016-11-400)	150,000	12/1/2021
Solomon Rd Bridge #536	149,395	10/1/2020
Yellow Jacket Road Sidewalks Proj (BSTP-0030-00(039) LPA107508-701000	90,000	3/1/2021
West Jackson County Planning Dept Bldg	287,349	12/1/2020
Jackson County Services Complex Generator Addition	272,710	10/15/2020
Brittany Ave Boat Launch Parking Lot Expansion	364,034	2/28/2021

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

Component Units:

The Singing River Mental Health/Mental Retardation Services' capital asset balance as June 30, 2020 are as follows:

**Singing River Mental Health/Mental Retardation Services:**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>Non-depreciable capital assets:</u>				
Land	\$ 10,000			10,000
Total non-depreciable capital assets	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
<u>Depreciable capital assets:</u>				
Infrastructure				
Buildings	3,296,569			3,296,569
Building improvements	572,185			572,185
Equipment	1,723,181	107,218	201,398	1,629,001
Software	414,667			414,667
Total depreciable capital assets	<u>6,006,602</u>	<u>107,218</u>	<u>201,398</u>	<u>5,912,422</u>
<u>Less accumulated depreciation for:</u>	2,131,311	150,730	82,353	2,199,688
Total depreciable capital assets, net	<u>3,875,291</u>	<u>(43,512)</u>	<u>119,045</u>	<u>3,712,734</u>
Component unit capital assets, net	<u>\$ 3,885,291</u>	<u>(43,512)</u>	<u>119,045</u>	<u>3,722,734</u>

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

The Singing River Health System's capital asset balances at September 30, 2020 are as follows:

**Singing River Health System:**

	Balance Oct. 1, 2019	Additions	Deletions	Balance Sept. 30, 2020
<u>Non-depreciable capital assets:</u>				
Land	\$ 5,797,289	275,000		6,072,289
Construction in progress	7,032,355	8,350,199	10,515,653	4,866,901
Total non-depreciable capital assets	12,829,644	8,625,199	10,515,653	10,939,190
<u>Depreciable capital assets:</u>				
Land improvements	6,498,528	1,026,063		7,524,591
Buildings and improvements	257,390,464	5,221,669	146,329	262,465,804
Fixed equipment	13,946,381			13,946,381
Movable equipment	272,849,156	21,030,304	2,332,386	291,547,074
Total depreciable capital assets	550,684,529	27,278,036	2,478,715	575,483,850
<u>Less accumulated depreciation for:</u>				
Land improvements	5,049,847	190,316		5,240,163
Buildings and improvements	141,125,843	8,458,224	10,975	149,573,092
Fixed equipment	12,475,336	174,744		12,650,080
Movable equipment	207,129,237	14,175,074	2,332,386	218,971,925
Total accumulated depreciation	365,780,263	22,998,358	2,343,361	386,435,260
Total depreciable capital assets, net	184,904,266	4,279,678	135,354	189,048,590
Component unit capital assets, net	\$ 197,733,910	12,904,877	10,651,007	199,987,780

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

The West Jackson County Utility District's capital asset balance at September 30, 2020 are as follows:

**West Jackson County Utility District:**

	Balance Oct. 1, 2019	Additions	Deletions	Balance Sept. 30, 2020
<u>Non-depreciable capital assets:</u>				
Land	\$ 52,689	40,486		93,175
Construction in progress	7,228,533	2,854,210	8,484,193	1,598,550
Total non-depreciable capital assets	7,281,222	2,894,696	8,484,193	1,691,725
<u>Depreciable capital assets:</u>				
Office furniture and equipment	472,204	8,921	453	480,672
Buildings	4,691,580	1,845		4,693,425
Machinery and equipment	615,220	160,500	31,016	744,704
Vehicles	1,075,726	90,787		1,166,513
Utility systems	60,250,997	9,349,725		69,600,722
Total depreciable capital assets	67,105,727	9,611,778	31,469	76,686,036
<u>Less accumulated depreciation for:</u>	21,716,279	2,157,407	31,468	23,842,218
Total depreciable capital assets, net	45,389,448	7,454,371	1	52,843,818
Component unit capital assets, net	\$ 52,670,670	10,349,067	8,484,194	54,535,543

The Jackson County Emergency Communications District's capital asset balance at September 30, 2020 are as follows:

**Jackson County Emergency Communications District:**

	Balance Oct. 1, 2019	Additions	Balance Sept. 30, 2020
<u>Depreciable capital assets:</u>			
Furniture and fixtures	473,468		473,468
Auto	26,642		26,642
Communications system	12,570,886		12,570,886
Total depreciable capital assets	13,070,996	0	13,070,996
<u>Depreciable capital assets:</u>			
Furniture and fixtures	374,822	32,063	406,885
Auto	26,642		26,642
Communications system	11,270,831	506,567	11,777,398
<u>Less accumulated depreciation for:</u>	11,672,295	538,630	12,210,925
Total depreciable capital assets, net	1,398,701	(538,630)	860,071
Component unit capital assets, net	\$ 1,398,701	(538,630)	860,071

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

The Jackson County Port Authority's capital asset balances at September 30, 2020 are as follows:

**Jackson County Port Authority:**

	Balance Oct. 1, 2019	Additions	Deletions	Balance Sept. 30, 2020
<u>Non-depreciable capital assets:</u>				
Land and improvements	\$ 5,856,920			5,856,920
Construction in progress	20,020,964	3,750,598	23,476,005	295,557
Total non-depreciable capital assets	25,877,884	3,750,598	23,476,005	6,152,477
<u>Depreciable capital assets:</u>				
Infrastructure	50,956,540	22,600,016		73,556,556
Buildings and improvements	62,936,274			62,936,274
Furniture fixtures and other equipment	1,937,247	39,861		1,977,108
Bayou Casotte Water Supply System	56,162,464	966,489	14,554	57,114,399
Black Creek Cooling Facility	4,005,606	84,903		4,090,509
Industrial Parks	1,008,731	22,420	120,170	910,981
Singing River Island	239,339	26,505		265,844
Total depreciable capital assets	177,246,201	23,740,194	134,724	200,851,671
<u>Less accumulated depreciation for:</u>				
Infrastructure	38,651,323	4,302,165		42,953,488
Buildings and improvements	52,212,018	3,100,451		55,312,469
Furniture fixtures and other equipment	1,556,910	71,576		1,628,486
Bayou Casotte Water Supply System	23,142,902	911,683		24,054,585
Black Creek Cooling Facility	1,887,822	111,355	14,554	1,984,623
Total accumulated depreciation	117,450,975	8,497,230	14,554	125,933,651
Total depreciable capital assets, net	59,795,226	15,242,964	120,170	74,918,020
Component unit capital assets, net	\$ 85,673,110	18,993,562	23,596,175	81,070,497

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

The Jackson-George Regional Library System’s capital asset balances at September 30, 2020 are as follows:

**Jackson-George Regional Library System:**

	Balance Oct. 1, 2019	Additions	Deletions	Balance Sept. 30, 2020
<u>Depreciable capital assets:</u>				
Library materials	8,583,157	353,084		8,936,241
Furniture and equipment	430,727	2,254	29,178	403,803
Computer equipment	307,968	16,942		324,910
Total depreciable capital assets	<u>9,321,852</u>	<u>372,280</u>	<u>29,178</u>	<u>9,664,954</u>
<u>Depreciable capital assets:</u>				
Library materials	7,383,060	420,808		7,803,868
Furniture and equipment	392,944	39,116	29,178	402,882
Computer equipment	224,281	9,148		233,429
<u>Less accumulated depreciation for:</u>	<u>8,000,285</u>	<u>469,072</u>	<u>29,178</u>	<u>8,440,179</u>
Total depreciable capital assets, net	<u>1,321,567</u>	<u>(96,792)</u>	<u>0</u>	<u>1,224,775</u>
Component unit capital assets, net	<u>\$ 1,321,567</u>	<u>(96,792)</u>	<u>0</u>	<u>1,224,775</u>

(9) Claims and Judgments.

Risk Financing.

*Worker’s Compensation Benefits*

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2020, to January 1, 2021. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

*Health and Accident Benefits*

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

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 determine 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.

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

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, 2020, the amount of these liabilities was \$474,567. An analysis of claims activities is presented below:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2018 - 2019	\$ 322,157	7,947,490	(7,635,208)	634,439
2019 - 2020	\$ 634,439	7,813,664	(7,973,536)	474,567

(10) Operating Leases.

As Lessor:

On September 20, 1967, Jackson County, the Jackson County Port Authority, the State of Mississippi (through the Mississippi Development Authority) and Ingalls Shipbuilding Corporation, entered into a lease agreement for the lease of a tract of land, located in Jackson County, Mississippi and the facilities located on the premises.

The leased property is used by Ingalls Shipbuilding Corporation to provide ship construction, manufacturing and maintenance services for the general public and for the United States Government. The lease of the leased property to Ingalls Shipbuilding Corporation contributes to the development of the Port of Pascagoula and provides additional gainful employment and promotes the general welfare of the citizens of the Jackson County area and the State of Mississippi and contributes directly to the National Defense.

The lease term is for a total maximum of 99 years, with the initial term being 40 years, with 5 extended terms of 10 years and a sixth extended term of 9 years. In September 2007 Northrop Grumman Ship Systems, Inc. (a successor of Ingalls Shipbuilding Corporation) exercised their right to renew said lease for the first 10 year extended term. On March 24, 2016, Huntington Ingalls Incorporated (a successor of Northrop Grumman Ship Systems, Inc.), provided notice of its intent to renew said lease for the second extended term of an additional 10 years, commencing on September 28, 2017 and ending September 27, 2027. As of March 2008, the operating lease stipulates that the lessee pay \$780,000 in annual lease payments to Jackson County.

The County receives income from property it leases under noncancellable operating leases. Total income from such leases was \$780,000 for the year ended September 30, 2020. The future minimum lease receivables for these leases are as follows:

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

<u>Year Ending September 30</u>	<u>Amount</u>
2021	\$ 780,000
2022	780,000
2023	780,000
2024	780,000
2025	780,000
2026 - 2030	<u>1,560,000</u>
Total Minimum Payments Required	<u>\$ 5,460,000</u>

(11) Long-term Debt.

Debt outstanding as of September 30, 2020, consisted of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
Taxable Port, Series 2015	\$ 147,600	1.99%	12/2021
G.O. Bonds, Series 2017	<u>4,991,000</u>	2.30%	12/2027
Total General Obligation Bonds	<u>\$ 5,138,600</u>		
B. Limited Obligation Bonds:			
Correctional Facility Series 2013	<u>\$ 20,385,000</u>	3.50%	07/2032
C. Other Loans:			
Rail Loan, Series 2011	\$ 361,107	0.00%	03/2026
Rail Loan, Series 2019	1,601,892	0.75%	06/2034
G.O. Notes, Series 2016	<u>535,094</u>	1.58%	11/2021
Total Other Loans	<u>\$ 2,498,093</u>		

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

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

**Governmental Activities:**

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>		<u>Limited Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 708,600	114,793	1,390,000	707,363
2022	578,000	101,890	1,460,000	637,863
2023	596,000	88,596	1,520,000	579,463
2024	613,000	74,888	1,565,000	533,863
2025	632,000	60,789	1,610,000	486,913
2026 - 2030	2,011,000	93,403	8,860,000	1,622,888
2031 - 2035			3,980,000	210,172
<b>Total</b>	<b>\$ 5,138,600</b>	<b>534,359</b>	<b>20,385,000</b>	<b>4,778,525</b>

  

<u>Year Ending September 30</u>	<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 713,446	24,319
2022	179,193	15,090
2023	180,039	10,116
2024	180,895	9,164
2025	181,681	8,375
2026 - 2030	615,954	28,759
2031 - 2035	446,885	6,878
<b>Total</b>	<b>\$ 2,498,093</b>	<b>102,701</b>

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, 2020, the amount of outstanding debt was equal to 0.26% of the latest property assessments.

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

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2020:

	Balance <u>Oct. 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Sept. 30, 2020</u>	Amount due within one year
<b>Governmental Activities:</b>					
Compensated absences	\$ 2,617,542	274,165		2,891,707	
General obligation bonds	7,008,600		1,870,000	5,138,600	708,600
Limited obligation bonds	21,710,000		1,325,000	20,385,000	1,390,000
Other loans	3,202,381		704,288	2,498,093	713,446
Total	\$ <u>34,538,523</u>	<u>274,165</u>	<u>3,899,288</u>	<u>30,913,400</u>	<u>2,812,046</u>

	Balance <u>Oct. 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Sept. 30, 2020</u>	Amounts due within one year
<b>Business-type Activities:</b>					
Compensated absences	\$ <u>49,073</u>		<u>15,347</u>	<u>33,726</u>	

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

**Contribution Agreement (Other Payables).** On January 2, 2016, the County entered into a contribution agreement with Singing River Health Systems (SRHS), a county owned hospital established pursuant to the laws of the State of Mississippi. SRHS established an Employee Defined Benefit Plan in 1983 and ceased making contributions to said Pension Plan in 2009. Annual audits of SRHS show losses for the years 2012 through 2014. Due to the alleged failure to fund the Pension Plan, SRHS is subject to a multiplicity of lawsuits and there exists a real danger of default in the payment of bonds issued of which Jackson County guaranteed for the benefit of SRHS. Jackson County has offered to contribute \$13,600,000 over a period of 10 years for support of indigent care at SRHS and, principally, to prevent bond default. As of September 30, 2020, the County has recorded a payable of \$4,800,000 discounted at the net present value over four years at SRHS's incremental borrowing rate. The balance at September 30, 2020 for this payable was \$4,192,559.

**Component Units:**

*Singing River Mental Health/Mental Retardation Services:*

The following is a summary of changes in long-term liabilities and obligations for the year ended June 30, 2020:

	Balance <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2020</u>	Amount due within one year
Note payables	\$ <u>201,419</u>	<u>1,161,028</u>	<u>29,871</u>	<u>1,332,576</u>	<u>539,275</u>

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

*Singing River Health System:*

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Reductions	Balance Sep. 30, 2020	Amount due within one year
Bonds payable	\$ 59,074,000		7,882,000	51,192,000	8,279,000
Capital leases	27,701,135	1,350,000	929,403	28,121,732	1,207,822
Other loans	805,238	2,782,279	1,449,537	2,137,980	1,094,964
<b>Total</b>	<b>\$ 87,580,373</b>	<b>4,132,279</b>	<b>10,260,940</b>	<b>81,451,712</b>	<b>10,581,786</b>

*West Jackson County Utility District:*

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Reductions	Balance Sep. 30, 2020	Amount due within one year
Long-term debt	\$ 40,210,078	9,735,321	9,790,897	40,154,502	2,068,448

*Jackson County Emergency Communications District:*

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Reductions	Balance Sep. 30, 2020	Amount due within one year
Compensated absence:	\$ 33,829	4,729		38,558	19,279

*Jackson County Port Authority:*

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Reductions	Balance Sep. 30, 2020	Amount due within one year
Compensated absences	\$ 246,885	24,879		271,764	96,043
Bonds payable	36,840,000			36,840,000	
Less: unamortized discount	(67,661)		(13,532)	(54,129)	
<b>Total</b>	<b>\$ 37,019,224</b>	<b>24,879</b>	<b>(13,532)</b>	<b>37,057,635</b>	<b>96,043</b>

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

*Jackson-George Regional Library System:*

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Reductions	Balance Sep. 30, 2020	Amount due within one year
Compensated absence: \$	175,971	26,443		202,414	101,207

(12) Other Postemployment Benefits.

*General Information about the OPEB Plan.*

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

Funding Policy

Employees' premiums are funded by the County with additional funding provided by retired employees and by active employees for spouse and dependent medical coverage. The Plan is financed on a pay-as-you-go basis. The Board of Supervisors, acting in conjunction with the commercial insurance company, has the sole authority for setting health insurance premiums for the County's health insurance plan.

Per Section 25-15-103, Mississippi Code Ann. (1972), 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, 2020, retiree premiums range from \$799 to \$1,049 depending on dependent coverage and Medicare eligibility.

Employees covered by benefit terms. At September 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	664
Total	<u>664</u>

Total OPEB Liability

The County's total OPEB liability of \$2,610,379 was measured as of September 30, 2020, and was determined by an actuarial valuation of October 1, 2020. The County's Health Insurance Plan's Report of the Actuary on the Other Postemployment Benefits Valuation was prepared as of October 1, 2020 for the years ending September 30, 2020 and 2021.

JACKSON COUNTY

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For the Year Ended September 30, 2020

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2020 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	2.14%
Healthcare cost trend rates	6.50% for 2020, grading down to 5.75% uniformly over 3 years, and trending to the ultimate rate of 4.04% in 2075 following the Getzen model.
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees

The actuarial assumptions used in the October 1, 2020 valuation have been prepared using employee data and plan documentation furnished by the County as of October 1, 2019.

The discount rate is 2.14% and was based on the S&P Municipal Bond 20-Year High Grade Index as of September 30, 2020.

Mortality rates were based on the Pub-2010 General Headcount Weighted Table projected using Scale MP-2020.

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 09/30/19	\$ <u>3,694,200</u>
Changes for the year:	
Service cost	393,097
Interest	86,884
Changes of benefit terms	-
Differences between expected and actual experience	14,000
Changes in assumptions or other inputs	(1,550,507)
Benefit payments	<u>(27,295)</u>
Net changes	<u>(1,083,821)</u>
Balance at 09/30/20	\$ <u><u>2,610,379</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.40% in 2019 to 2.14% in 2020.

*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:

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

	1% Decrease <u>(1.14%)</u>	Current Discount Rate <u>(2.14%)</u>	1% Increase <u>(3.14%)</u>
Total OPEB Liability	\$ 2,857,292	\$ 2,610,379	\$ 2,381,574

*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	\$ 2,261,402	\$ 2,610,379	\$ 3,033,970

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

For the year ended September 30, 2020, the County recognized OPEB expense of \$293,604. At September 30, 2020, 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	\$ 736,680	\$
Changes of assumptions or other inputs	<u>                    </u>	<u>2,027,269</u>
Total	<u>\$ 736,680</u>	<u>\$ 2,027,269</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 ended September 30:	
2021	\$ (159,082)
2022	(159,082)
2023	(159,082)
2024	(159,082)
2025	(159,082)
Thereafter	(495,179)

*Component Unit – Jackson-George Regional Library System*

*General Information about the OPEB Plan.*

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

## JACKSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

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

Benefits provided. The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

Contributions. The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. Contributions to the OPEB plan from the Library System were \$17,606 for the year ended September 30, 2020.

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

At September 30, 2020, the Library System reported a liability of \$441,477 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the Library System's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2020, the Library System's proportion was 0.0567 percent. This was an increase of 0.0008 percent from the proportionate share as of the measurement date as of June 30, 2019.

For the year ended September 30, 2020, the Library System recognized OPEB expense of \$13,401. At September 30, 2020, the Library System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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Notes to Financial Statements  
For the Year Ended September 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 563	\$ 76,829
Changes of assumptions	68,543	18,656
Net difference between projected and actual earnings on OPEB plan investments	14	-
Changes in proportion and differences between Library System contributions and proportionate share of contributions	19,760	2,834
Total	\$ 88,880	\$ 98,319

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

Year ended September 30:

2021	\$ (2,592)
2022	(2,592)
2023	(1,710)
2024	192
2025	(2,737)
Therafter	(9,439)

Actuarial assumptions. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	3.00-18.25%, including wage inflation
Long-term Investment Rate of Return, net of OPEB plan investment expense, including inflation	4.50%
Municipal Bond Index Rate	
Measurement Date	2.19%
Prior Measurement Date	3.50%
Year FNP is projected to be depleted	
Measurement Date	2020
Prior Measurement Date	2019
Single Equivalent Interest Rate, Net of OPEB Plan investment expense, including inflation	
Measurement Date	2.19%
Prior Measurement Date	3.50%
Healthcare cost trend rates	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2030

Mortality rates were based on 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. Mortality rates will be projected generationally using the MP- 2018 projection scale to account for future improvements in life expectancy.

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

The demographic actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study dated April 2, 2019.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.19%. Since the Prior Measurement Date, the Discount Rate has changed from 3.50% to 2.19%.

The trust was established on June 28, 2018, with an initial contribution of \$1,000,000. As of June 30, 2020, the trust has \$1,037,000. The fiduciary net position was projected to be depleted immediately, therefore, the Municipal Bond Index Rate is used in the determination of the discount rate for both June 30, 2019 and the June 30, 2020 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2020 was based on a monthly average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rate.

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

The following presents the Library System's proportionate share of the net OPEB liability, as well as what the Library System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current discount rate:

	1% Decrease (1.19%)	Current Discount Rate (2.19%)	1% Increase (3.19%)
Total OPEB Liability	\$ 487,862	\$ 441,477	\$ 401,691

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 407,637	\$ 441,477	\$ 479,817

*OPEB plan fiduciary net position*

The fiduciary net position for the OPEB plan was \$1,037,000 as of June 30, 2020, the measurement date. Detailed information about the OPEB plan's fiduciary net position is available in a separately issued OPEB financial report.

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

(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 Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (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, 2020, 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, 2020 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2020, 2019 and 2018 were \$6,067,237, \$5,444,252 and \$5,083,533, respectively, equal to the required contributions for each year. The Singing River Mental Health/Mental Retardation Services' contributions to PERS for the fiscal years ending June 30, 2020, 2019 and 2018 were \$1,164,875, \$1,032,523 and \$1,003,902, respectively, equal to the required contributions for each year. The West Jackson County Utility District's contributions to PERS for the fiscal years ending September 30, 2020, 2019 and 2018 were \$220,028, \$205,438 and \$195,483, respectively, equal to the required contributions for each year. The Jackson County Emergency Communications District's contributions to PERS for the fiscal years ending September 30, 2020, 2019 and 2018 were \$28,638, \$24,785 and \$22,948, respectively, equal to the required contributions for each year. The Jackson County Port Authority's contributions to PERS for the fiscal years ending September 30, 2020, 2019 and 2018 were \$529,253, \$492,684 and \$462,097, respectively, equal to the required contributions for each year. The Jackson-George Regional Library System's contributions to PERS for the fiscal years ending September 30, 2020, 2019 and 2018 were \$395,317, \$344,018 and \$337,846, respectively, equal to the required contributions for each year.

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

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

At September 30, 2020, the County reported a liability of \$100,011,048 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020 net pension liability was 0.516617 percent, which was based on a measurement date of June 30, 2020. This was an increase of 0.007033 percent from its proportionate share used to calculate the September 30, 2019 net pension liability, which was based on a measurement date of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$10,598,728. At September 30, 2020, 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>
Differences between expected and actual experience	\$ 867,368
Net difference between projected and actual earnings on pension plan investments	4,572,484
Changes of assumptions	551,846
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	1,877,736
County contributions subsequent to the measurement date	<u>1,645,419</u>
Total	<u>\$ 9,514,853</u>

\$1,645,419 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2021	\$ 2,830,139
2022	2,212,724
2023	1,502,818
2024	<u>1,323,753</u>
Total	<u>\$ 7,869,434</u>

*Component Unit – Singing River Mental Health/Mental Retardation Services*

At June 30, 2020, the Singing River Mental Health/Mental Retardation Services ("The Agency") reported a liability of \$12,856,011 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contribution to the pension plan relative to

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

projected contributions of all participating entities, actuarially determined. The Agency's proportionate share used to calculate the June 30, 2020 net pension liability was 0.066409 percent.

For the year ended June 30, 2020, the Agency recognized pension expense of \$776,654. At June 30, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 111,591
Net difference between projected and actual earnings on pension plan investments	528,076
Changes of assumptions	71,917
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	
Agency contributions subsequent to the measurement date	
	<hr/>
Total	\$ <u>711,584</u>

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

<u>Year ending September 30</u>	<u>Amount</u>
2021	\$ 45,441
2022	245,602
2023	250,376
2024	<u>170,165</u>
Total	\$ <u>711,584</u>

*Component Unit – West Jackson County Utility District*

At September 30, 2020, the West Jackson County Utility District ("The Utility District") reported a liability of \$3,830,066 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Utility District's proportion of the net pension liability was based on a projection of the Utility District's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The Utility District's proportionate share used to calculate the June 30, 2020 net pension liability was 0.019785 percent.

For the year ended September 30, 2020, the Utility District recognized pension expense of \$441,515. At September 30, 2020, the Utility District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 33,246
Net difference between projected and actual earnings on pension plan investments	157,328
Changes of assumptions	21,426
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	92,159
District contributions subsequent to the measurement date	<u>58,493</u>
Total	<u>\$ 362,652</u>

\$58,493 reported as deferred outflows of resources related to pensions resulting from the Utility District's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2021	\$ 68,262
2022	99,145
2023	86,056
2024	<u>50,696</u>
Total	<u>\$ 304,159</u>

*Component Unit – Jackson County Emergency Communications District*

At September 30, 2020, the Jackson County Emergency Communications District (“The Communications District”) reported a liability of \$464,612 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Communications District’s proportion of the net pension liability was based on a projection of the Communications District’s long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The Communications District’s proportionate share used to calculate the June 30, 2020 net pension liability was 0.0024 percent.

For the year ended September 30, 2020, the Communications District recognized pension expense of \$59,174. At September 30, 2020, the Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Financial Statements  
For the Year Ended September 30, 2020

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 4,033
Net difference between projected and actual earnings on pension plan investments	19,084
Changes of assumptions	2,599
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	19,531
District contributions subsequent to the measurement date	<u>7,815</u>
Total	<u>\$ 53,062</u>

\$7,815 reported as deferred outflows of resources related to pensions resulting from the Communications District's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2021	\$ 14,316
2022	15,732
2023	9,049
2024	<u>6,150</u>
Total	<u>\$ 45,247</u>

*Component Unit – Jackson County Port Authority*

At September 30, 2020, the Jackson County Port Authority ("The Port Authority") reported a liability of \$9,679,418 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Port Authority's proportion of the net pension liability was based on a projection of the Port Authority's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The Port Authority's proportionate share used to calculate the June 30, 2020 net pension liability was 0.05 percent.

For the year ended September 30, 2020, the Port Authority recognized pension expense of \$904,971. At September 30, 2020, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 84,018	
Net difference between projected and actual earnings on pension plan investments	397,594	
Changes of assumptions	54,147	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions		31,732
Port Authority contributions subsequent to the measurement date	<u>121,205</u>	
Total	<u>\$ 656,964</u>	<u>31,732</u>

\$121,205 reported as deferred outflows of resources related to pensions resulting from the Port Authority's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2021	\$ 19,493
2022	177,408
2023	179,008
2024	<u>128,118</u>
Total	<u>\$ 504,027</u>

*Component Unit – Jackson-George Regional Library*

At September 30, 2020, the Jackson-George Regional Library System ("The Library System") reported a liability of \$6,582,005 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library System's proportion of the net pension liability was based on a projection of the Library System's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The Library System's proportionate share used to calculate the June 30, 2020 net pension liability was 0.034 percent.

For the year ended September 30, 2020, the Library System recognized pension expense of \$709,593. At September 30, 2020, the Library System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 57,132
Net difference between projected and actual earnings on pension plan investments	270,364
Changes of assumptions	36,820
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	161,488
Library system contributions subsequent to the measurement date	<u>99,311</u>
Total	<u>\$ 625,115</u>

\$99,311 reported as deferred outflows of resources related to pensions resulting from the Library System's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2021	\$ 107,562
2022	172,244
2023	158,878
2024	<u>87,120</u>
Total	<u>\$ 525,804</u>

Actuarial Assumptions. The total pension liability as of June 30, 2020 was determined by an actuarial valuation prepared as of June 30, 2019, using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.75 percent
Salary increases	3.00 – 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on 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. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2014 to June 30, 2018. The experience report is dated April 2, 2019.

JACKSON COUNTY

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.90
International Equity	22.00	4.75
Global Equity	12.00	5.00
Debt Securities	20.00	0.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	1.00	0.00
Total	100.00 %	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.75 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 129,452,013	100,011,048	75,710,423
<b>Component Units:</b>			
Singing River Mental Health/Mental Retardation Services' proportionate share of the net pension liability	16,640,526	12,856,011	9,732,265
West Jackson County Utility District's proportionate share of the net pension liability	4,957,550	3,830,066	2,899,439
Jackson County Emergency Communications District's proportionate share of the net pension liability	601,383	464,612	351,721
Jackson County Port Authority's proportionate share of the net pension liability	12,528,819	9,679,418	7,327,520
Jackson-George Regional Library System's proportionate share of the net pension liability	8,519,597	6,582,005	4,982,713

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

(14) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balances at September 30, 2020:

<u>Fund</u>	<u>Deficit Amount</u>
Special Grants Fund	\$ 94,644
COVID 19 Crisis Fund	1,230,708
Tropical Storm Christobal Fund	1,675
Hurricane Marco Fund	135,755
Tropical Storm Sally Fund	78,726
Hurricane Nate Fund	755,275
Non-Federal Share Fund	173,897
Tideland Fund	116,623
St. Andrews Fund	5,916

(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

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

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 and notes with maturities ranging from July 1, 2035 through July 1, 2038, to provide funds for constructing and improving capital facilities for the Singing River Hospital. Revenue bonds and notes 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 and notes because the full faith, credit and taxing power of the County is secondarily pledged in the 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 and notes outstanding at September 30, 2020, is \$51,192,000.

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

<u>Description</u>	<u>Balance at Sept. 30, 2020</u>
Industrial revenue bonds and notes	\$ <u>12,840,000</u>

(16) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of \$(39,154,136) 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 \$1,624,728 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, 2021. The \$7,765,859 balance of the deferred outflows of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next four years.

The governmental activities' unrestricted net position amount of \$(39,154,136) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from other postemployment benefits (OPEB). The \$736,680 balance of deferred outflows of resources related to OPEB, at September 30, 2020, will be recognized as an expense and will decrease the unrestricted net position over the next eight years.

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

The governmental activities' unrestricted net position amount of \$(39,154,136) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from other postemployment benefits (OPEB). The \$2,027,269 balance of deferred inflows of resources related to OPEB, at September 30, 2020, will be recognized as revenue and will increase the unrestricted net position over the next eight years.

The business-type activities' unrestricted net position amount of \$(482,551) 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 \$20,691 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, 2021. The \$103,575 balance of the deferred outflows of resources related to pensions at September 30, 2020, 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, 2020.

Condensed Statement of Net Position:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Current assets	\$ 173,798	224,354	572,489	970,641
Intergovernmental Receivables				-
Capital assets	4,204	5,707,501	1,512,001	7,223,706
Deferred outflows of resources		22,481	101,785	124,266
Total Assets and Deferred Outflows of Resources	<u>178,002</u>	<u>5,954,336</u>	<u>2,186,275</u>	<u>8,318,613</u>
Current liabilities	\$ 11,796	6,535	32,493	50,824
Noncurrent liabilities		244,460	1,120,172	1,364,632
Total Liabilities and Deferred Inflows of Resources	<u>11,796</u>	<u>250,995</u>	<u>1,152,665</u>	<u>1,415,456</u>
Net position:				
Net Investment in capital assets	\$ 4,204	5,707,501	1,512,001	7,223,706
Restricted	162,002			162,002
Unrestricted		(4,160)	(478,391)	(482,551)
Total Net Position	<u>\$ 166,206</u>	<u>5,703,341</u>	<u>1,033,610</u>	<u>6,903,157</u>

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

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

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Operating revenues	\$ 83,556	266,964	706,698	1,057,218
Operating expenses	101,601	191,003	876,765	1,169,369
Depreciation expense		308,282	100,117	408,399
Operating Income (Loss)	<u>(18,045)</u>	<u>(232,321)</u>	<u>(270,184)</u>	<u>(520,550)</u>
Nonoperating revenues	\$ 3,540	3,668	5,850	13,058
Transfers In			635,000	635,000
Change in Net Position	<u>(14,505)</u>	<u>(228,653)</u>	<u>370,666</u>	<u>127,508</u>
Net Position - Beginning, as previously reported	\$ 180,711	5,931,994	663,795	6,776,500
Prior Period Adjustment			(851)	(851)
Net Position - Beginning, as restated	<u>180,711</u>	<u>5,931,994</u>	<u>662,944</u>	<u>6,775,649</u>
Net Position - Ending	<u>\$ 166,206</u>	<u>5,703,341</u>	<u>1,033,610</u>	<u>6,903,157</u>

Condensed Statement of Cash Flows:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Net cash provided (used) by:				
Operating activities	\$ (30,439)	84,370	(133,806)	(79,875)
Noncapital financing activities			635,000	635,000
Capital and related financing activities			(56,837)	(56,837)
Investing activities	<u>3,540</u>	<u>3,668</u>	<u>5,850</u>	<u>13,058</u>
Net increase (decrease) in cash	<u>(26,899)</u>	<u>88,038</u>	<u>450,207</u>	<u>511,346</u>
Cash - Beginning of Year	<u>194,314</u>	<u>136,316</u>	<u>122,282</u>	<u>452,912</u>
Cash - End of Year	<u>\$ 167,415</u>	<u>224,354</u>	<u>572,489</u>	<u>964,258</u>

(18) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southern Mississippi Planning and Development District operates in a district composed of the counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The governing body is a 27-member board of directors, one appointed by the Board of Supervisors of each member county, one from each of the six participating cities and six appointed at large by minority members. The County appropriated \$34,917 for support of Southern Mississippi Planning and Development District in fiscal year 2020.

Jackson County Civic Action is jointly governed by various public entities, as well as by certain corporations and civic groups. The Jackson County Board of Supervisors appoints two of the 15 members of the board

## JACKSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2020

of directors. The County appropriated \$188,000 for support of the Jackson County Civic Action in fiscal year 2020.

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 \$472,045 for support of the Jackson County Economic Development Foundation in fiscal year 2020.

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 2020.

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 member, one appointed by each government. The County provided no financial support to Harrison-Jackson County Emergency Medical Service District in fiscal year 2020.

LaPointe-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 5 members of the board of directors. The County appropriated \$50,000 for financial support to the LaPointe-Krebs Foundation in fiscal year 2020.

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 \$8,637,096 for maintenance and support of the college in the fiscal year 2020.

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, 2020, Jackson County provides tax exempt status to seven property holdings companies, two industrial engineering companies, two pharmaceutical companies, one oil refinery, one maritime transportation provider, one shipbuilder, one natural gas company, one optical lab, one flooring contractor, and one industrial laundry service provider subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for the levies involving the school, community college, mandatory mill and other non-exempt tax levy millage for general county and road maintenance. The exemptions are authorized under Section 27-31-101, 27-31-104, 27-31-105 and 17-21-7 of the Miss. Code Ann. (1972). The exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2020 totaled \$19,079,514.

#### (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 November 15, 2021, and

JACKSON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2020

determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2020, the County issued the following debt obligation:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
08/16/2021	1.87%	\$ 19,000,000	General obligation bond	Ad valorem taxes

JACKSON COUNTY

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JACKSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON COUNTY

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JACKSON COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2020  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 52,354,630	52,354,630	53,383,499	1,028,869
Licenses, commissions and other revenue	2,474,620	2,474,620	2,783,284	308,664
Fines and forfeitures	1,255,000	1,415,370	1,352,036	(63,334)
Intergovernmental revenues	10,267,800	10,692,714	10,906,980	214,266
Charges for services	70,000	70,000	907,230	837,230
Interest income	1,850,000	1,850,000	1,629,239	(220,761)
Miscellaneous revenues	1,352,857	1,356,657	1,671,641	314,984
Total Revenues	<u>69,624,907</u>	<u>70,213,991</u>	<u>72,633,909</u>	<u>2,419,918</u>
<b>EXPENDITURES</b>				
Current:				
General government	37,842,667	38,590,462	30,223,030	8,367,432
Public safety	19,548,647	19,637,532	16,840,595	2,796,937
Public works	3,221,553	3,990,847	2,798,427	1,192,420
Health and welfare	2,950,908	3,035,779	2,856,651	179,128
Culture and recreation	5,089,305	5,637,908	4,965,921	671,987
Education	350,000	350,000	350,000	-
Conservation of natural resources	270,907	270,907	237,805	33,102
Economic development and assistance	2,376,130	2,393,220	2,100,408	292,812
Debt service:				
Principal	1,260,000	1,260,000	1,328,000	(68,000)
Interest	836,612	844,803	779,803	65,000
Total Expenditures	<u>73,746,729</u>	<u>76,011,458</u>	<u>62,480,640</u>	<u>13,530,818</u>
Excess of Revenues over (under) Expenditures	<u>(4,121,822)</u>	<u>(5,797,467)</u>	<u>10,153,269</u>	<u>15,950,736</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets			39,810	39,810
Compensation for loss of capital assets			52,500	52,500
Transfers in	43,000	2,623,323	2,620,453	(2,870)
Transfers out	(1,340,185)	(3,547,791)	(8,866,282)	(5,318,491)
Total Other Financing Sources and Uses	<u>(1,297,185)</u>	<u>(924,468)</u>	<u>(6,153,519)</u>	<u>(5,229,051)</u>
Net Change in Fund Balance	(5,419,007)	(6,721,935)	3,999,750	10,721,685
Fund Balances - Beginning	<u>51,831,726</u>	<u>51,831,726</u>	<u>51,831,726</u>	
Fund Balances - Ending	<u>\$ 46,412,719</u>	<u>45,109,791</u>	<u>55,831,476</u>	<u>10,721,685</u>

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

JACKSON COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Road Fund  
 For the Year Ended September 30, 2020  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 17,240,754	17,240,754	17,446,520	205,766
Road and bridge privilege taxes	1,750,000	1,750,000	1,865,314	115,314
Intergovernmental revenues	1,015,000	2,883,178	5,525,166	2,641,988
Interest income			325,116	325,116
Miscellaneous revenues	75,000	75,000	87,150	12,150
Total Revenues	<u>20,080,754</u>	<u>21,948,932</u>	<u>25,249,266</u>	<u>3,300,334</u>
<b>EXPENDITURES</b>				
Current:				
Public works	27,197,863	34,028,241	25,053,471	8,974,770
Total Expenditures	<u>27,197,863</u>	<u>34,028,241</u>	<u>25,053,471</u>	<u>8,974,770</u>
Excess of Revenues over (under) Expenditures	<u>(7,117,109)</u>	<u>(12,079,309)</u>	<u>195,795</u>	<u>12,275,104</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets			73,769	73,769
Transfers in	1,500,000	1,500,000	1,920,138	420,138
Total Other Financing Sources and Uses	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,993,907</u>	<u>493,907</u>
Net Change in Fund Balance	(5,617,109)	(10,579,309)	2,189,702	12,769,011
Fund Balances - Beginning	<u>12,977,561</u>	<u>12,977,561</u>	<u>12,977,561</u>	
Fund Balances - Ending	<u>\$ 7,360,452</u>	<u>2,398,252</u>	<u>15,167,263</u>	<u>12,769,011</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, 2020  
UNAUDITED

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

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

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

JACKSON COUNTY  
Schedule of County Contributions - Net Pension Liability  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2020  
UNAUDITED

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

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

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

JACKSON COUNTY  
Schedule of the Singing River Mental Health/Mental Retardation Services' Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*  
For the Year Ended June 30, 2020  
UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Agency's proportion of the net pension liability (asset)	0.06641%	0.06449%	0.06370%	0.06374%	0.05918%	0.05775%	0.06584%
Agency's proportionate share of the net pension liability (asset) \$	12,856,011	11,345,415	10,595,203	10,595,918	10,570,668	8,927,011	7,991,528
Covered payroll \$	4,175,427	3,798,259	4,074,235	4,094,756	3,798,451	3,607,867	4,023,060
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	307.90%	298.70%	260.05%	258.77%	278.29%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

JACKSON COUNTY  
Schedule of the Singing River Mental Health/Mental Retardation Services' Contributions  
Last 10 Fiscal Years\*  
For the Year Ended June 30, 2020  
UNAUDITED

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

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

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

JACKSON COUNTY  
Schedule of the West Jackson County Utility District's Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2020  
UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Agency's proportion of the net pension liability (asset)	0.019785%	0.019458%	0.019325%	0.018702%	0.017428%	0.017788%
Agency's proportionate share of the net pension liability (asset)	\$ 3,830,066	3,422,981	3,214,322	3,108,847	3,113,046	2,749,674
Covered payroll	\$ 1,317,408	1,267,225	1,159,351	1,199,721	1,049,607	1,050,351
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	290.73%	270.12%	277.25%	259.13%	296.59%	261.79%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

JACKSON COUNTY  
Schedule of the West Jackson County Utility District's Contributions  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2020  
UNAUDITED

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

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

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

JACKSON COUNTY

Schedule of the Jackson County Emergency Communications District's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years\*

For the Year Ended September 30, 2020

UNAUDITED

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

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

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

JACKSON COUNTY  
Schedule of the Jackson County Emergency Communications District's Contributions  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2020  
UNAUDITED

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

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

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

JACKSON COUNTY

Schedule of the Jackson County Port Authority's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years\*

For the Year Ended September 30, 2020

UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Agency's proportion of the net pension liability (asset)	0.05%	0.05%	0.05%	0.05%	0.05%	0.04%	0.04%
Agency's proportionate share of the net pension liability (asset \$	9,679,418	8,795,987	8,316,486	8,311,697	8,931,249	6,183,211	4,855,268
Covered payroll \$	3,026,509	3,039,943	2,934,751	3,044,989	2,934,854	2,705,372	2,601,067
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	319.82%	289.35%	283.38%	272.96%	304.32%	228.55%	186.66%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

JACKSON COUNTY  
Schedule of the Jackson County Port Authority's Contributions  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2020  
UNAUDITED

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

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

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

JACKSON COUNTY  
Schedule of the Jackson-George Regional Library System's Proportionate Share of the Net Pension Liability  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2020  
UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Agency's proportion of the net pension liability (asset)	0.034%	0.033%	0.033%	0.032%	0.032%	0.033%
Agency's proportionate share of the net pension liability (asset)	\$ 6,582,005	5,805,351	5,488,880	5,319,486	5,715,999	5,101,149
Covered payroll	\$ 2,229,425	2,136,660	2,112,499	2,073,154	2,052,064	2,052,828
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	295.23%	271.70%	259.83%	256.59%	278.55%	248.49%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

JACKSON COUNTY  
 Schedule of the Jackson-George Regional Library System's Contributions  
 Last 10 Fiscal Years\*  
 For the Year Ended September 30, 2020  
 UNAUDITED

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

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

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

JACKSON COUNTY  
 Schedule of Changes in the County's Total OPEB Liability and Related Ratios  
 Last 10 Fiscal Years\*  
 For the Year Ended September 30, 2020  
 UNAUDITED

	2020	2019	2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 393,097	378,342	272,457
Interest	86,884	121,473	102,250
Changes of benefit terms			
Differences between expected and actual experience	14,000		(950,451)
Changes of assumptions or other inputs	(1,550,507)		1,060,569
Benefit payments	<u>(27,295)</u>	<u>(25,332)</u>	<u>(34,885)</u>
<b>Net change in total OPEB liability</b>	<u>(1,083,821)</u>	474,483	449,940
<b>Total OPEB liability - beginning</b>	<u>3,694,200</u>	<u>3,219,717</u>	<u>2,769,777</u>
<b>Total OPEB liability - ending</b>	<u>\$ 2,610,379</u>	<u>3,694,200</u>	<u>3,219,717</u>
<b>Covered-employee payroll</b>	\$ 29,819,961	28,278,060	27,723,588
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	8.8%	13.1%	11.6%

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

2020	2.14%
2019	3.40%
2018	3.40%

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

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

JACKSON COUNTY  
 Schedule of the Jackson-George Regional Library System's Proportionate Share of the Net OPEB Liability  
 Last 10 Fiscal Years\*  
 For the Year Ended September 30, 2020  
 UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Agency's proportion of the net OPEB liability (asset)	0.0567%	0.0550%	0.0560%
Agency's proportionate share of the net OPEB liability (asset)	\$ 441,477	470,737	432,991
Agency's covered-employee payroll	\$ 2,229,425	2,136,660	2,112,499
Agency's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	19.80%	22.03%	20.50%
Plan fiduciary net position as a percentage of the total OPEB liability	0.13%	0.12%	0.13%

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

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

JACKSON COUNTY  
 Schedule of the Jackson-George Regional Library System's Contributions - OPEB  
 Last 10 Fiscal Years\*  
 For the Year Ended September 30, 2020  
 UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 17,606	18,869	19,284
Contributions in relation to the contractually required contribution	<u>17,606</u>	<u>18,869</u>	<u>19,284</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>
Agency's Covered employee payroll	\$ 2,271,926	2,128,916	2,144,467
Contributions as a percentage of covered employee payroll	0.77%	0.89%	0.90%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until, a full 10 year trend is compiled, the 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, 2020

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

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

C. Budget/GAAP Reconciliation.

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

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

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

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Road</u>
	<u>Fund</u>	<u>Fund</u>
Budget (Cash Basis)	\$ 3,999,750	2,189,702
Increase (Decrease)		
Net adjustments for revenue accruals	(2,480,484)	1,678,162
Net adjustments for expenditure accruals	(49,099)	(1,279,159)
	<u>1,470,167</u>	<u>2,588,705</u>
GAAP Basis	\$ <u>1,470,167</u>	<u>2,588,705</u>

## JACKSON COUNTY

### Notes to the Required Supplementary Information For the Year Ended September 30, 2020

#### Pension Schedules

##### A. Changes of assumptions.

###### 2015

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

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

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

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

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

###### 2016

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

###### 2017

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

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

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

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

###### 2019

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

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

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%.

JACKSON COUNTY

Notes to the Required Supplementary Information  
For the Year Ended September 30, 2020

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%.

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.

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2018 valuation for the June 30, 2020 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	30.9 years
Asset valuation method	5-year smoothed market
Price Inflation	3.00 percent
Salary increase	3.25 percent to 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

OPEB Schedules

*Component Unit – Jackson-George Regional Library System*

A. Changes of assumptions.

2017

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

2018

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

2019

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

JACKSON COUNTY

Notes to the Required Supplementary Information  
For the Year Ended September 30, 2020

2020

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

B. Changes in benefit provisions.

2017

None.

2018

None.

2019

None.

2020

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

C. Method and assumptions used in calculations of Actuarially Determine Contributions.

2020

The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from June 30, 2019 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2020:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75 percent
Salary increases, including wage inflation	3.00 percent to 18.25 percent
Initial health care cost trend rate	
Medicare Supplemental Claims Pre-Medicare	7.00 percent
Ultimate health care cost trend rates	
Medicare Supplemental Claims Pre-Medicare	4.75 percent
Years of ultimate trend rates	
Medicare Supplemental Claims Pre-Medicare	2028
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.50 percent

JACKSON COUNTY

SUPPLEMENTARY INFORMATION

JACKSON COUNTY

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JACKSON COUNTY  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2020

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of the Interior - Fish and Wildlife Service National wildlife refuge fund (Direct Award)	15.659	N/A	\$ <u>63,391</u>
U.S. Department of the Interior Heritage partnership (Direct Award)	15.939	P11AC91073	<u>4,312</u>
Total U.S. Department of the Interior			<u>67,703</u>
U.S. Department of Justice - Office of Justice Programs / Bureau of Justice Assistance Coronavirus emergency supplemental funding program (Direct Award)	16.034	2020-VD-Bx-1443	43,258
U.S. Department of Justice - Office of Criminal Division/ Equitable sharing program (Direct)	16.922	N/A	<u>10,729</u>
Total U.S. Department of Justice			<u>53,987</u>
U.S. Department of Transportation - Federal Aviation Administration Airport improvement program (Direct Award)	20.106	3-28-0101-033-2019	72,000
Airport improvement program (Direct Award)	20.106	3-28-0101-035-2020	<u>65,881</u>
Subtotal			<u>137,881</u>
U.S. Department of Transportation - Federal Highway Administration Passed-through the Mississippi Department of Transportation Highway planning and construction cluster:			
Highway planning and construction	20.205	STP-9186-00(004)LPA 10750770100	275,797
Highway planning and construction	20.205	STP-030-00(038)LPA 107268711000	<u>235,451</u>
Total Highway planning and construction cluster			<u>511,248</u>
Total U.S. Department of Transportation			<u>649,129</u>
U.S. Department of the Treasury Passed-through the Mississippi Emergency Management Agency Coronavirus relief fund*	21.019	N/A	<u>1,582,343</u>
Total U.S. Department of the Treasury			<u>1,582,343</u>

JACKSON COUNTY  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended September 30, 2020

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA 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	FEMA-4350-DR-MS	<u>323,643</u>
Emergency management performance grants	97.042	EMA-2020-EP-00013	<u>101,319</u>
Passed-through the Mississippi Department of Public Safety			
Homeland security grant program	97.067	S18LE030	51,511
Homeland security grant program	97.067	S19LE030	<u>52,074</u>
Subtotal			<u>103,585</u>
Total U.S. Department of Homeland Security			<u>528,547</u>
Total Expenditures of Federal Awards			<u>\$ 2,881,709</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, 2020. 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 credits 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 - CFDA #15.659 National wildlife refuge fund

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$27,930 to subrecipients during the year ended September 30, 2020.

\* 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, 2020  
UNAUDITED

Name	Position	Company	Bond
Barry Cumbest	Supervisor District 1	State Farm	\$100,000
Melton Harris Jr.	Supervisor District 2	State Farm	\$100,000
Ken Taylor	Supervisor District 3	Travelers	\$100,000
Joseph Troy Ross	Supervisor District 4	Travelers	\$100,000
Randy Bosarge	Supervisor District 5	Travelers	\$100,000
Brian Fulton	County Administrator	Old Republic Surety	\$100,000
Joshua Eldridge	Chancery Clerk	Old Republic Surety	\$100,000
Cynthia Steen	Purchase Clerk	Travelers	\$75,000
Susanne Samples	Assistant Purchase Clerk	Old Republic Surety	\$50,000
Meleana Overstreet	Receiving Clerk	Old Republic Surety	\$75,000
Aimee Carol	Assistant Receiving Clerk	Travelers	\$50,000
Brenna Carson	Assistant Receiving Clerk	Travelers	\$50,000
Carey Crosby	Assistant Receiving Clerk	Travelers	\$50,000
Darcie Crew	Assistant Receiving Clerk	Travelers	\$50,000
David Cunningham	Assistant Receiving Clerk	Travelers	\$50,000
Katie Dees	Assistant Receiving Clerk	Travelers	\$50,000
Nina Fast	Assistant Receiving Clerk	Travelers	\$50,000
Mary Ferguson	Assistant Receiving Clerk	Travelers	\$50,000
Laura Fortman	Assistant Receiving Clerk	Travelers	\$50,000
Walton Furby	Assistant Receiving Clerk	Travelers	\$50,000
Brandi Gilliland	Assistant Receiving Clerk	Travelers	\$50,000
Linda Green	Assistant Receiving Clerk	Travelers	\$50,000
Jeremy Gregory	Assistant Receiving Clerk	Travelers	\$50,000
Jim Hart	Assistant Receiving Clerk	Travelers	\$50,000
Shandra Holliman	Assistant Receiving Clerk	Travelers	\$50,000
Anne Huffstatler	Assistant Receiving Clerk	Travelers	\$50,000
Eloria Jacob	Assistant Receiving Clerk	Travelers	\$50,000
Darlene Jones	Assistant Receiving Clerk	Travelers	\$50,000
Jessica Kasinec	Assistant Receiving Clerk	Travelers	\$50,000
Belinda Lamey	Assistant Receiving Clerk	Old Republic Surety	\$50,000
Rhonda Maguire	Assistant Receiving Clerk	Travelers	\$50,000
Desiree McIlrath	Assistant Receiving Clerk	Travelers	\$50,000
Dana Anglea Miller	Assistant Receiving Clerk	Travelers	\$50,000
Brooke Monk	Assistant Receiving Clerk	Travelers	\$50,000
Joseph Nicholson	Assistant Receiving Clerk	Travelers	\$50,000
Charles Chaffin	Assistant Receiving Clerk	Travelers	\$50,000
Donna Page	Assistant Receiving Clerk	Travelers	\$50,000
Dagmar Ruffin	Assistant Receiving Clerk	Travelers	\$50,000
Christina Simon	Assistant Receiving Clerk	Travelers	\$50,000
Kimberly Stewart	Assistant Receiving Clerk	Travelers	\$50,000
Stephanie Tagert	Assistant Receiving Clerk	Travelers	\$50,000
Donna Thomas	Assistant Receiving Clerk	Travelers	\$50,000
Sonya Vaughn	Assistant Receiving Clerk	Travelers	\$50,000
Marcus Watson	Assistant Receiving Clerk	Travelers	\$50,000
Melissa Werner	Assistant Receiving Clerk	Travelers	\$50,000
Alecia Wilson	Assistant Receiving Clerk	Travelers	\$50,000
Nancy Anglada	Inventory Control Clerk	Travelers	\$75,000
Diana Dixon	Assistant Inventory Control Clerk	RLI Insurance	\$50,000
Joe O'Neal	Road Manager	Old Republic Surety	\$50,000
Kerry Fountain	Constable	Travelers	\$50,000
Clavin Hutchins	Constable	Travelers	\$50,000

JACKSON COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2020  
UNAUDITED

Name	Position	Company	Bond
Kenneth Shane Langfitt	Constable	Travelers	\$50,000
Tymothe Thompson	Constable	Travelers	\$50,000
Randy Carney	Circuit Clerk	RLI Insurance	\$100,000
Walter Ezell	Sheriff	State Farm	\$100,000
Daniel Guie	Justice Court Judge	Travelers	\$50,000
Matthew Lachaussee	Justice Court Judge	Travelers	\$50,000
Ennis Millender	Justice Court Judge	Travelers	\$50,000
Jason Thornton	Justice Court Judge	Travelers	\$50,000
Lisa Fairley	Justice Court Clerk	Travelers	\$100,000
Jessica Ferguson	Deputy Justice Court Clerk	Travelers	\$50,000
Laura Hasty	Deputy Justice Court Clerk	Travelers	\$50,000
Debra Henderson	Deputy Justice Court Clerk	Travelers	\$50,000
Pamela Johnson	Deputy Justice Court Clerk	Travelers	\$50,000
Rebecca Lewis	Deputy Justice Court Clerk	Travelers	\$50,000
Marilynn Miller-Evans	Deputy Justice Court Clerk	Travelers	\$50,000
Marsha Moore	Deputy Justice Court Clerk	Travelers	\$50,000
Julia Peterson	Deputy Justice Court Clerk	Travelers	\$50,000
Sherri White	Deputy Justice Court Clerk	Travelers	\$50,000
Cynthia Wilkerson	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
Kevin James Miller	Tax Collector	Travelers	\$100,000
Nicholas Elmore	Tax Assessor	FCCI	\$100,000
Mary Ann Fontenot	Deputy Tax Assessor	StateFarm	\$10,000
Jenna Pitts-Hamilton	Deputy Tax Assessor	Travelers	\$50,000
Crystal Ables	Deputy Tax Collector	Travelers	\$50,000
Jessica Alexander	Deputy Tax Collector	Travelers	\$50,000
Kacee Bellais	Deputy Tax Collector	Travelers	\$50,000
Shalimar Bliss	Deputy Tax Collector	Travelers	\$50,000
Deborah Broome	Deputy Tax Collector	Travelers	\$50,000
Stephanie Chambers	Deputy Tax Collector	Travelers	\$50,000
Lequetta Cooley	Deputy Tax Collector	Travelers	\$50,000
Carey Crosby	Deputy Tax Collector	Travelers	\$50,000
Angela Guy	Deputy Tax Collector	Travelers	\$50,000
Mary Johnson	Deputy Tax Collector	Travelers	\$50,000
Jill Lamey	Deputy Tax Collector	Travelers	\$50,000
Valerie Mason	Deputy Tax Collector	Travelers	\$50,000
Ora Moulds	Deputy Tax Collector	Travelers	\$50,000
Jamison Palmer	Deputy Tax Collector	Travelers	\$50,000
Mary Ann Rogers	Deputy Tax Collector	Travelers	\$50,000
Nancy Scott	Deputy Tax Collector	Travelers	\$50,000
Janice Sharp	Deputy Tax Collector	Travelers	\$50,000
Kayla Sutherland	Deputy Tax Collector	Travelers	\$50,000
Stephanie Tagert	Deputy Tax Collector	Travelers	\$50,000
April Thompson	Deputy Tax Collector	Travelers	\$50,000
Jennifer Waltman	Deputy Tax Collector	Travelers	\$50,000
Regina Ward	Deputy Tax Collector	Travelers	\$50,000
Cathy Wells	Deputy Tax Collector	Travelers	\$50,000
Teresa White	Deputy Tax Collector	Travelers	\$50,000
Joshua Eldridge	Comptroller	Old Republic Surety	\$100,000
Samantha Wells	Finance Director	Travelers	\$100,000
Mary Angela Benigno	Assistant Finance Director	Travelers	\$100,000
Vicki L. Broadus	Coroner	Travelers	\$10,000

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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, the major funds, and the aggregate remaining fund information of Jackson County, Mississippi (the County), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 15, 2021.

Our report includes a reference to other auditors. Other auditors audited the financial statements of Singing River Mental Health/Mental Retardation Services, Singing River Health System, West Jackson County Utility District, Jackson County Emergency Communications District, Jackson County Port Authority and Jackson-George Regional Library System, as described in our report on Jackson County, Mississippi's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance with other matters that are reported on separately by those auditors.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jackson County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

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

## Purpose of this Report

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



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

November 15, 2021



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

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

Members of the Board of Supervisors  
Jackson County, Mississippi

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

We have audited Jackson County, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Jackson County, Mississippi's major federal program for the year ended September 30, 2020. Jackson County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for Jackson County, Mississippi's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jackson County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Jackson County, Mississippi's compliance.

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

In our opinion, Jackson County, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

## Report on Internal Control Over Compliance

Management of Jackson County, Mississippi is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jackson County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

November 15, 2021



**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, MISS. CODE ANN. (1972))**

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, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2020. 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, 2020.

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

A handwritten signature in black ink, appearing to read "Joe E. Mcknight". The signature is written in a cursive, flowing style.

JOE E. MCKNIGHT, CPA  
Director, County Audit Section

November 15, 2021

JACKSON COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder  
For the Year Ended September 30, 2020

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
6/9/2020	LED Lighting System	\$ 190,000	MUSCO	\$ 189,999	Warranty and service provided
7/14/2020	Construction of Sheriff's substation	589,860	DCD Construction	586,817	Past performance on similar County construction projects done by lowest bidder

JACKSON COUNTY  
 Schedule of Emergency Purchases  
 For the Year Ended September 30, 2020

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
12/18/2019	Central storage unit	\$ 108,487	C-Spire Business	Imminent threat of failure of Jackson County's electronic storage infrastructure for all data servers in the County
5/28/2020	Emergency Repairs	Not to exceed \$250,000	Various vendors	Expedite repairs on County building damaged by fire to minimize the interruption of County services

JACKSON COUNTY  
Schedule of Purchases Made Noncompetively From a Sole Source  
For the Year Ended September 30, 2020

Schedule 3

<u>Date</u>	<u>Item Purchased</u>		<u>Amount Paid</u>	<u>Vendor</u>
6/1/2020	13 Rifle plates	\$	12,688	Angel Armor
7/20/2020	10 Lifepak 1000 automated external defibrillators (AED's)		72,635	Stryker

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, 2020, 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 November 15, 2021, on the financial statements of Jackson County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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

A handwritten signature in black ink that reads "Joe E. Mcknight".

JOE E. MCKNIGHT, CPA  
Director, County Audit Section

November 15, 2021

JACKSON COUNTY

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JACKSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JACKSON COUNTY

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JACKSON COUNTY

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2020

Section 1: Summary of Auditor's Results

**Financial Statements:**

- |   |               |
|---|---------------|
| 1. Type of auditor's report issued on the financial statements: | Unmodified    |
| 2. Internal control over financial reporting:                   |               |
| a. Material weakness identified?                                | No            |
| b. Significant deficiency identified?                           | None Reported |
| 3. Noncompliance material to the financial statements noted?    | No            |

**Federal Awards:**

- |   |               |
|---|---------------|
| 4. Internal control over major federal programs:  |               |
| a. Material weakness identified?  | No            |
| b. Significant deficiency identified?   | None reported |
| 5. Type of auditor's report issued on compliance for major federal programs:  | Unmodified    |
| 6. Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   | No            |
| 7. Identification of major federal programs:  |               |
| a. CFDA 21.019, Coronavirus relief fund   |               |
| 8. Dollar threshold used to distinguish between type A and type B programs:   | \$750,000     |
| 9. Auditee qualified as low-risk auditee?   | No            |
| 10. Prior fiscal year audit finding(s) which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | No            |

Section 2: Financial Statement Findings

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.