

# JONES COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports  
For the Year Ended September 30, 2015

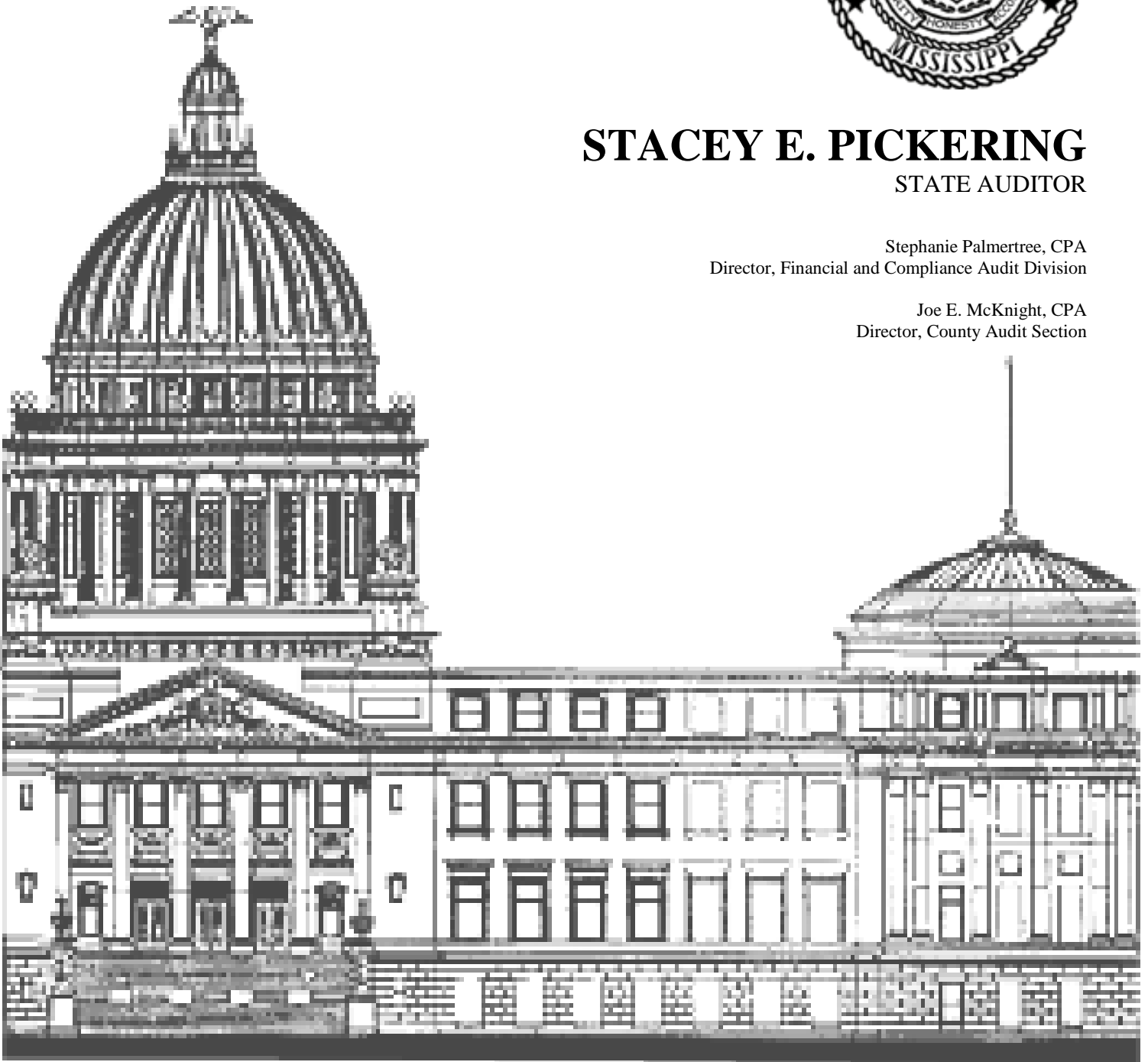


## STACEY E. PICKERING

STATE AUDITOR

Stephanie Palmertree, CPA  
Director, Financial and Compliance Audit Division

Joe E. McKnight, CPA  
Director, County Audit Section



A Report from the County Audit Section

[www.osa.state.ms.us](http://www.osa.state.ms.us)









**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

January 17, 2017

Members of the Board of Supervisors  
Jones County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2015 financial and compliance audit report for Jones 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 Jones County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Jones 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 "Stacey E. Pickering", written in a cursive style.

Stacey E. Pickering  
State Auditor



JONES COUNTY

TABLE OF CONTENTS

FINANCIAL SECTION .....	1
INDEPENDENT AUDITOR’S REPORT .....	3
FINANCIAL STATEMENTS .....	7
Statement of Net Position.....	9
Statement of Activities .....	10
Balance Sheet – Governmental Funds.....	11
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	14
Statement of Net Position – Proprietary Fund.....	15
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund .....	16
Statement of Cash Flows - Proprietary Fund .....	17
Statement of Fiduciary Assets and Liabilities.....	18
Notes to Financial Statements.....	19
REQUIRED SUPPLEMENTARY INFORMATION .....	45
Budgetary Comparison Schedule – (Budget and Actual (Non-GAAP Basis) - General Fund.....	47
Budgetary Comparison Schedule – (Budget and Actual (Non-GAAP Basis) - Howard Industries Fund.....	48
Schedule of County’s Proportionate Share of the Net Pension Liability .....	49
Schedule of County Contributions .....	50
Budgetary Comparisons Schedules to the Required Supplementary Information .....	51
SUPPLEMENTAL INFORMATION .....	53
Schedule of Expenditures of Federal Awards .....	55
OTHER INFORMATION .....	57
Schedule of Surety Bonds for County Officials .....	59
SPECIAL REPORTS.....	61
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 <i>Government Auditing Standards</i> .....	63
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 .....	65
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)) .....	69
Limited Internal Control and Compliance Review Management Report .....	75
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	81
AUDITEE’S CORRECTIVE ACTION PLAN .....	87





JONES COUNTY

FINANCIAL SECTION

## JONES COUNTY

(This page left blank intentionally.)



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
STACEY E. PICKERING  
AUDITOR**

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
Jones County, Mississippi

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jones County, Mississippi, (the County) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government 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 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.

**Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units**

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable.

**POST OFFICE BOX 956 • JACKSON, MISSISSIPPI 39205 • (601) 576-2800 • FAX (601) 576-2650**  
**[www.osa.state.ms.us](http://www.osa.state.ms.us)**

## **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units” paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of Jones County, Mississippi, as of September 30, 2015, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for Qualified Opinion on Governmental Activities, Business-Type Activities, and Garbage Fund**

As discussed in Note 11 to the financial statements, the County has not recorded a liability for other postemployment benefits in the governmental activities, the business-type activities, and the Garbage Fund and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other postemployment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net position, and change the expenses of the governmental activities, the business-type activities and the Garbage Fund. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities, the business-type activities and the Garbage Fund is not reasonably determinable.

## **Qualified Opinion**

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities, Business-Type Activities, and the Garbage Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, and the Garbage Fund of Jones County, Mississippi, as of September 30, 2015, and the change in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Unmodified Opinions**

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the General Fund, the Howard Industries Fund, the Countywide Bond and Interest Sinking Fund and the aggregate remaining fund information of Jones County, Mississippi, as of September 30, 2015, and the respective changes in financial position 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 the County’s Proportionate Share of the New Pension Liability, Schedule of the County’s Contributions, 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 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**

Jones County, Mississippi, has omitted the Management's Discussion and Analysis, the Schedule of Funding Progress – Other Postemployment Benefits 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 Jones County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken 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 January 17, 2017 on our consideration of Jones 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 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 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 Jones County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

January 17, 2017

## JONES COUNTY

(This page left blank intentionally.)

## JONES COUNTY

## FINANCIAL STATEMENTS

## JONES COUNTY

(This page left blank intentionally.)



JONES COUNTY  
Statement of Net Position  
September 30, 2015

Exhibit 1

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<b>ASSETS</b>			
Cash	\$ 10,268,265	36,779	10,305,044
Property tax receivable	17,198,980		17,198,980
Accounts receivable (net of allowance for uncollectibles of \$1,636,703)		290,548	290,548
Fines receivable (net of allowance for uncollectibles of \$5,931,722)	1,875,790		1,875,790
Loans receivable (net of allowance for uncollectibles of \$227,099)	450,000		450,000
Capital leases receivable	9,800,000		9,800,000
Intergovernmental receivables	503,244		503,244
Internal balances	45,898	(45,898)	
Capital assets:			
Land and construction in progress	1,248,133	30,000	1,278,133
Other capital assets, net	86,172,539	559,095	86,731,634
Total Assets	<u>127,562,849</u>	<u>870,524</u>	<u>128,433,373</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	5,292,567	329,832	5,622,399
Deferred amount on refunding	52,136		52,136
Total Deferred Outflows of Resources	<u>5,344,703</u>	<u>329,832</u>	<u>5,674,535</u>
<b>LIABILITIES</b>			
Claims payable	947,161	104,864	1,052,025
Intergovernmental payables	693,243		693,243
Accrued interest payable	570,808	4,893	575,701
Unearned revenue		175,461	175,461
Amounts held in custody for others	199,506		199,506
Long-term liabilities			
Net pension liability	29,844,362	1,859,899	31,704,261
Due within one year:			
Capital debt	5,802,176	358,207	6,160,383
Non-capital debt	1,462,676		1,462,676
Due in more than one year:			
Capital debt	45,303,601	232,981	45,536,582
Non-capital debt	13,832,938	32,863	13,865,801
Total Liabilities	<u>98,656,471</u>	<u>2,769,168</u>	<u>101,425,639</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenues - property taxes	17,198,980		17,198,980
Total deferred inflows of resources	<u>17,198,980</u>	<u>0</u>	<u>17,198,980</u>
<b>NET POSITION</b>			
Net investment in capital assets	36,367,031	(2,093)	36,364,938
Restricted for:			
Expendable:			
General government	206,876		206,876
Public safety	3,035,941		3,035,941
Public works	5,334,783		5,334,783
Culture and recreation	16,840		16,840
Unemployment compensation	105,825		105,825
Nonexpendable			
Unrestricted	(28,015,195)	(1,566,719)	(29,581,914)
Total Net Position	<u>\$ 17,052,101</u>	<u>(1,568,812)</u>	<u>15,483,289</u>

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

JONES COUNTY  
Statement of Activities  
For the Year Ended September 30, 2015

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 9,494,786	793,636	505,038		(8,196,112)		(8,196,112)
Public safety	8,001,740	3,010,058	853,579	13,832	(4,124,271)		(4,124,271)
Public works	12,906,959		2,176,244	426,538	(10,304,177)		(10,304,177)
Health and welfare	1,484,405		466,017		(1,018,388)		(1,018,388)
Culture and recreation	995,319				(995,319)		(995,319)
Education	97,624		33,820		(63,804)		(63,804)
Conservation of natural resources	118,634				(118,634)		(118,634)
Economic development and assistance	184,641				(184,641)		(184,641)
Interest on long-term debt	1,532,730				(1,532,730)		(1,532,730)
Bond issuance costs	65,310				(65,310)		(65,310)
Pension expense	3,568,134				(3,568,134)		(3,568,134)
Total Governmental Activities	38,450,282	3,803,694	4,034,698	440,370	(30,171,520)		(30,171,520)
Business-type activities:							
Solid Waste	2,256,801	2,133,116				(123,685)	(123,685)
Total Business-type Activities	2,256,801	2,133,116	0	0		(123,685)	(123,685)
Total Primary Government	\$ 40,707,083	5,936,810	4,034,698	440,370	(30,171,520)	(123,685)	(30,295,205)
General revenues:							
Property taxes					\$ 22,001,039		22,001,039
Road & bridge privilege taxes					821,678		821,678
Grants and contributions not restricted to specific programs					2,590,466		2,590,466
Unrestricted interest income					9,902		9,902
Miscellaneous					862,536	4,078	866,614
Rental income					1,008,543		1,008,543
Special item (Capital lease reduction)					1,266,598		1,266,598
Total General Revenues and Special Item					28,560,762	4,078	28,564,840
Changes in Net Position					(1,610,758)	(119,607)	(1,730,365)
Net Position - Beginning, as previously reported					41,560,511	(22,224)	41,538,287
Prior period adjustments					(22,897,652)	(1,426,981)	(24,324,633)
Net Position - Beginning, as restated					18,662,859	(1,449,205)	17,213,654
Net Position - Ending					\$ 17,052,101	(1,568,812)	15,483,289

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

JONES COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2015

Exhibit 3

	Major Funds				
	General	Howard	Countywide	Other	Total
	Fund	Industries	Bond & Interest Sinking Fund	Governmental Funds	Governmental Funds
ASSETS					
Cash	\$ 1,427,098		133,116	8,708,051	10,268,265
Property tax receivable	10,443,979		3,035,747	3,719,254	17,198,980
Fines receivable (net of allowance for uncollectibles of \$5,931,722)	1,875,790				1,875,790
Loans receivable		450,000			450,000
Capital lease receivable		9,800,000			9,800,000
Intergovernmental receivables	402,777			100,467	503,244
Due from other funds	21,887		58,272	391,791	471,950
Advances to other funds	26,446			346,000	372,446
Total Assets	\$ 14,197,977	10,250,000	3,227,135	13,265,563	40,940,675
LIABILITIES					
Liabilities:					
Claims payable	\$ 425,798			521,363	947,161
Intergovernmental payables	647,349			9,771	657,120
Due to other funds	280,089			206,097	486,186
Advances from other funds				348,435	348,435
Amounts held in custody for others	199,506				199,506
Total Liabilities	\$ 1,552,742	0	0	1,085,666	2,638,408
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	10,443,979		3,035,747	3,719,254	17,198,980
Unavailable revenue - capital lease		9,800,000			9,800,000
Unavailable revenue - fines	1,875,790				1,875,790
Total deferred inflows of resources	\$ 12,319,769	9,800,000	3,035,747	3,719,254	28,874,770
Fund balances:					
Nonspendable:					
Advances	26,446				26,446
Loans Receivable		450,000			450,000
Restricted for:					
General government				206,876	206,876
Public safety				3,035,941	3,035,941
Public works				5,334,783	5,334,783
Culture and recreation				16,840	16,840
Debt service			191,388		191,388
Unemployment compensation				105,825	105,825
Committed to:					
General government				184,570	184,570
Public safety				48,932	48,932
Culture and recreation				45,710	45,710
Assigned to:					
Public safety				166,736	166,736
Unassigned	299,020			(685,570)	(386,550)
Total Fund Balances	\$ 325,466	450,000	191,388	8,460,643	9,427,497
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,197,977	10,250,000	3,227,135	13,265,563	40,940,675

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

## JONES COUNTY

Exhibit 3-1Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2015

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 9,427,497
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 \$125,097,379.	87,420,672
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,875,790
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(66,401,391)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(29,844,362)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(570,808)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	9,800,000
Deferred amount on refunding	52,136
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	<u>5,292,567</u>
Total Net Position - Governmental Activities	\$ <u><u>17,052,101</u></u>

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

## JONES COUNTY

Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2015

	Major Funds				
	General	Howard	Countywide	Other	Total
	Fund	Industires	Bond & Interest Sinking	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
<b>REVENUES</b>					
Property taxes	\$ 13,322,174		3,939,552	4,739,313	22,001,039
Road and bridge privilege taxes				821,678	821,678
Licenses, commissions and other revenue	479,139			31,809	510,948
Fines and forfeitures	403,614			1,956,231	2,359,845
Intergovernmental revenues	1,618,229		39,067	5,408,238	7,065,534
Charges for services	235,155			716,832	951,987
Interest income	4,541			5,361	9,902
Rental income	178,680		829,863		1,008,543
Miscellaneous revenues	379,808			482,728	862,536
Total Revenues	16,621,340	0	4,808,482	14,162,190	35,592,012
<b>EXPENDITURES</b>					
Current:					
General government	8,797,130			996,523	9,793,653
Public safety	5,575,584			3,772,906	9,348,490
Public works	260,624			13,558,366	13,818,990
Health and welfare	1,174,179			86,634	1,260,813
Culture and recreation	204,972			690,335	895,307
Education	97,624				97,624
Conservation of natural resources	129,856				129,856
Economic development and assistance	184,641				184,641
Debt service:					
Principal	1,314,013	1,150,000	6,425,260	1,802,357	10,691,630
Interest	3,448		1,359,947	111,509	1,474,904
Bond issue costs			65,310		65,310
Total Expenditures	17,742,071	1,150,000	7,850,517	21,018,630	47,761,218
Excess of Revenues over (under) Expenditures	(1,120,731)	(1,150,000)	(3,042,035)	(6,856,440)	(12,169,206)
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term capital debt issued	189,075			2,050,802	2,239,877
Refunding bonds issued			3,120,000		3,120,000
Proceeds from sale of capital assets	2,070			654,350	656,420
Premiums on bonds issued			57,494		57,494
Compensation for loss of capital assets				21,966	21,966
Transfers in	5,000			1,341,166	1,346,166
Transfers out	(1,100,872)			(245,294)	(1,346,166)
Lease principal payments		1,000,000			1,000,000
Discount on bonds issued			(31,200)		(31,200)
Total Other Financing Sources and Uses	(904,727)	1,000,000	3,146,294	3,822,990	7,064,557
Special Item - Capital lease reduction	1,266,598				1,266,598
Net Changes in Fund Balances	(758,860)	(150,000)	104,259	(3,033,450)	(3,838,051)
Fund Balances - Beginning	1,084,326	600,000	87,129	11,494,093	13,265,548
Fund Balances - Ending	\$ 325,466	450,000	191,388	8,460,643	9,427,497

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

## JONES COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2015

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (3,838,051)
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 \$4,685,588 exceeded depreciation of \$3,990,800 in the current period.	694,788
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 \$228,066 and the proceeds from the sale of \$656,420 and the compensation for loss of \$21,966 in the current period.	(906,452)
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.	(19,086)
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 \$10,691,630 exceeded debt proceeds (other than bonds) of \$2,239,877.	8,451,753
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
The amount of increase in compensated absences liability	(135,447)
The amount of increase in accrued interest payable	(58,563)
Issuance of general obligation bonds	(3,120,000)
Premium on general obligation bonds	(57,494)
Discount on general obligation bonds	31,200
The amortization of general obligation bonds discount	(6,747)
The amortization of general obligation bonds premium	24,862
The amortization of deferred refunding charges	(17,378)
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from change in fund balances by the principal collections on the capital leases.	(1,000,000)
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	(3,568,134)
Recording of contributions made during the fiscal year	1,913,991
Change in Net Position of Governmental Activities	\$ <u>(1,610,758)</u>

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

JONES COUNTY  
Statement of Net Position - Proprietary Fund  
September 30, 2015

Exhibit 5

	Business-type Activities - Enterprise Fund	Garbage Fund
<b>ASSETS</b>		
Current assets:		
Cash	\$	36,779
Accounts receivable (net of allowance for uncollectibles of \$1,636,703)		290,548
Total Current Assets		<u>327,327</u>
Noncurrent assets:		
Capital assets:		
Land and construction in progress		30,000
Other capital assets, net		559,095
Total Noncurrent Assets		<u>589,095</u>
Total Assets		<u>916,422</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions		329,832
Total Deferred Outflows of Resources		<u>329,832</u>
<b>LIABILITIES</b>		
Current liabilities:		
Claims payable		104,864
Due to other funds		21,887
Advances from other funds		24,011
Accrued interest payable		4,893
Unearned revenue		175,461
Capital debt:		
Capital leases payable		358,207
Total Current Liabilities		<u>689,323</u>
Noncurrent liabilities:		
Net Pension Liability		1,859,899
Capital debt:		
Capital leases payable		232,981
Non-capital debt:		
Compensated absences payable		32,863
Total Noncurrent Liabilities		<u>2,125,743</u>
Total Liabilities		<u>2,815,066</u>
<b>NET POSITION</b>		
Net investment in capital assets		(2,093)
Restricted for:		
Public works		(1,566,719)
Total Net Position	\$	<u><u>(1,568,812)</u></u>

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

## JONES COUNTY

Exhibit 6Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
For the Year Ended September 30, 2015

	Business-type Activities - Enterprise Fund
	Garbage Fund
Operating Revenues	
Charges for services	\$ 2,133,116
Miscellaneous	4,078
Total Operating Revenues	<u>2,137,194</u>
Operating Expenses	
Personal services	1,095,940
Pension expense	222,366
Contractual services	554,650
Materials and supplies	155,871
Depreciation expense	162,107
Indirect administrative cost	21,887
Total Operating Expenses	<u>2,212,821</u>
Operating Income (Loss)	<u>(75,627)</u>
Nonoperating Revenues (Expenses)	
Gain (loss) on sale of capital assets	(31,874)
Interest expense	(12,106)
Net Nonoperating Revenue (Expenses)	<u>(43,980)</u>
Changes in Net Position	<u>(119,607)</u>
Net Position - Beginning, as previously reported	(22,224)
Prior period adjustment	(1,426,981)
Net Position - Beginning, as restated	<u>(1,449,205)</u>
Net Position - Ending	\$ <u><u>(1,568,812)</u></u>

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



JONES COUNTY  
Statement of Cash Flows - Proprietary Fund  
For the Year Ended September 30, 2015

Exhibit 7

	Business-type Activities - Enterprise Fund
	<u>Garbage Fund</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 2,136,701
Payments to suppliers	(695,337)
Payments to employees	(1,215,275)
Other operating cash receipts	4,078
Net Cash Provided (Used) by Operating Activities	<u>230,167</u>
Cash Flows From Noncapital Financing Activities	
Cash paid to other funds:	
Interfund loan repayments	(51,949)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(51,949)</u>
Cash Flows From Capital and Related Financing Activities	
Proceeds of long-term debt	108,925
Proceeds from sale of capital assets	91,078
Acquisition and construction of capital assets	(108,925)
Principal paid on long-term debt	(232,787)
Interest paid on debt	(13,547)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(155,256)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	22,962
Cash and Cash Equivalents at Beginning of Year	<u>13,817</u>
Cash and Cash Equivalents at End of Year	<u>\$ 36,779</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (75,627)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	162,107
Provision for uncollectible accounts	116,283
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(125,652)
Increase (decrease) in claims payable	15,079
Increase (decrease) in compensated absences liability	50
Increase (decrease) in unearned revenue	12,954
Increase (decrease) in interfund payables	21,887
Increase (decrease) in pension liability and deferred outflows (net)	103,086
Total Adjustments	<u>305,794</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 230,167</u>

Noncash Capital Financing Activity:

Jones County lease purchased mobile equipment for \$86,010 for 5 years at 2.08% interest.  
No principal payments of were made on the lease during the year.

Jones County lease purchased mobile equipment for \$22,915 for 5 years at 2.19% interest.  
No principal payments of were made on the lease during the year.

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

JONES COUNTY  
Statement of Fiduciary Assets and Liabilities  
September 30, 2015

Exhibit 8

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 491,884
Due from other funds	<u>36,123</u>
Total Assets	<u>\$ 528,007</u>
LIABILITIES	
Amounts held in custody for others	\$ 94,616
Intergovernmental payables	<u>433,391</u>
Total Liabilities	<u>\$ 528,007</u>

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

## JONES COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2015

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

##### A. Financial Reporting Entity.

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

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

- South Central Regional Medical Center
- West Jones Fire Protection District
- Sharon-Shady Grove Fire Protection District
- Northeast Jones Fire Protection District
- South Jones Fire Protection District

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-Collector
- Sheriff

##### B. Basis of Presentation.

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

##### Government-wide Financial Statements:

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

## JONES COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2015

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the County.

#### Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. 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.

#### C. 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.

Howard Industries Fund - This fund is used to account for loan and lease payments received from Howard Industries, Inc., which are used for the payment of related bond principal and interest.

Countywide Bond and Interest Sinking Fund - This fund is used to account for retirement of long-term debt of the County.

## JONES COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2015

The County reports the following major Enterprise Fund:

Garbage Fund - This fund is used to account for the County's activities of disposal of solid waste within the County.

Additionally, the County reports the following fund types:

#### GOVERNMENTAL FUND TYPES

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

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

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

#### PROPRIETARY FUND TYPE

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.

#### 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.

#### D. Account Classifications.

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

#### E. Deposits and Investments.

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

Cash includes cash on hand, demand deposits, 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.

#### F. Receivables.

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

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

### G. Interfund Transactions and Balances.

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

### H. 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.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Jones County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

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:

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

## JONES COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2015

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

#### I. Deferred Outflows/Inflows of Resources:

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

Deferred amount on refunding – For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 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.

Property tax for future reporting period/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.

Unavailable revenue – capital lease – 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.

#### J. 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.

#### K. 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.

## JONES COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2015

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

In the fund financial statements, 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.

#### L. Equity Classifications.

##### Government-wide Financial Statements:

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

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

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

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

##### Net Position Flow Assumption:

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

##### Fund Financial Statements:

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

Government 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.



## JONES COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2015

*Committed fund balance* includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the County's highest level of decision-making authority. This formal action is an order of the Board of Supervisors as approved in the board minutes.

*Assigned fund balance* includes amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the County Administrator pursuant to authorization established by the County.

*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.

#### M. Property Tax Revenues:

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

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

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

#### N. 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.

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

### O. 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.

### P. Changes in Accounting Standards.

The County implemented the following standards issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*; GASB Statement No. 69, *Government Combinations and Disposal of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The provisions of these standards have been incorporated into the financial statements and notes.

### (2) Prior Period Adjustments.

A summary of the significant fund equity adjustments is as follows:

Exhibit 2 – Statement of Activities.

Explanation	Amount
<u>Governmental Activities:</u>	
Implementation of GASB 68 and 71:	
Net Pension Liability as of 9/30/14	\$ (23,368,993)
Deferred outflows - contributions made during fiscal year 2014	471,341
Total governmental activities prior period adjustments	\$ (22,897,652)
<u>Business-Type Activities:</u>	
Implementation of GASB 68 and 71:	
Net Pension Liability as of 9/30/14	\$ (1,456,354)
Deferred outflows - contributions made during fiscal year 2014	29,373
Total business-type activities prior period adjustments	\$ (1,426,981)

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

Explanation	Amount
Implementation of GASB 68 and 71:	
Net Pension Liability as of 9/30/14	\$ (1,456,354)
Deferred outflows - contributions made during fiscal year 2014	29,373
Total prior period adjustment	\$ (1,426,981)

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

### (3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2015, was \$10,796,928, and the bank balance was \$11,159,529. 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. However, the Mississippi State Treasurer manages that risk on behalf of the County. 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 interfund balances at September 30, 2015:

#### A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Garbage Fund	\$ 21,887
Countywide Bond & Interest Sinking Fund	General Fund	58,272
Other Governmental Funds	General Fund	185,694
Other Governmental Funds	Other Governmental Funds	206,097
Agency Funds	General Fund	36,123
Total		<u>\$ 508,073</u>

The receivables represent the tax revenue collected in September 2015, but not settled until October, 2015, short-term loans, an error in posting revenue during the year, and indirect cost from Solid Waste Fund. All interfund balances are expected to be repaid within one year from the date of the financial statements.

#### B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Garbage Fund	\$ 24,011
General Fund	Other Governmental Funds	2,435
Other Governmental Funds	Other Governmental Funds	346,000
Total		<u>\$ 372,446</u>

The advances represent interfund loans relating to indirect cost associated with solid waste operation, an error in posting revenue during the prior year, and an interfund loan relating to reimbursable grant funds. The advance is not expected to be repaid within one year from the date of financial statements.

JONES COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2015

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 5,000
Other Governmental Funds	General Fund	1,100,872
Other Governmental Funds	Other Governmental Funds	<u>240,294</u>
Total		<u>\$ 1,346,166</u>

All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2015, consisted of the following:

<u>Description</u>	<u>Amount</u>
<b>Governmental Activities:</b>	
Legislative tax credit	\$ 371,446
HIDTA grant	2,221
County court judge salary reimbursement	7,365
Youth court reimbursement	14,609
Crime victim assistance	1,428
Anti-litter reimbursement	5,708
Edward Bryne grant	3,832
Drug court reimbursement	12,558
Emergency management performance grant	53,284
FEMA grant	<u>30,793</u>
Total Governmental Activities	<u>\$ 503,244</u>

(6) Loans Receivable.

Loans receivable balances at September 30, 2015, are as follows:

<u>Description</u>	<u>Date of Loan</u>	<u>Interest</u>	<u>Maturity</u>	<u>Receivable Balance</u>
Debar Construction CDBG Loan	05/01/1995	5.25%	07/01/2006	\$ 27,003
Debar Construction CDBG Loan	09/30/1998	5.50%	09/30/2009	200,096
Howard Industries MBIA Loan	12/01/1998	N/A	12/01/2018	<u>450,000</u>
Total				<u>677,099</u>
Less: Allowance for doubtful accounts*				<u>(227,099)</u>
Net Loans Receivable				<u>\$ 450,000</u>

\*The two Debar Construction CDBG loans receivables were determined to be uncollectible in fiscal year 2011.

JONES COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2015

(7) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2015:

**Governmental activities:**

	Balance Oct. 1, 2014	Additions	Deletions	Adjustments*	Balance Sept. 30, 2015
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,046,279	-	-	-	1,046,279
Construction in progress		201,854			201,854
Total non-depreciable capital assets	1,046,279	201,854	-	-	1,248,133
<u>Depreciable capital assets:</u>					
Infrastructure	150,415,860	85,000			150,500,860
Buildings	29,741,081				29,741,081
Improvements other than buildings	45,257				45,257
Mobile equipment	14,787,835	878,306	1,571,396	530,102	14,624,847
Furniture and equipment	3,189,134	240,508	28,998		3,400,644
Leased property under capital leases	11,227,976	3,279,920	1,020,565	(530,102)	12,957,229
Total depreciable capital assets	209,407,143	4,483,734	2,620,959	-	211,269,918
<u>Less accumulated depreciated for:</u>					
Infrastructure	99,741,644	574,412			100,316,056
Buildings	7,017,597	559,555			7,577,152
Improvements other than buildings	5,430	1,811			7,241
Mobile equipment	10,368,021	1,080,192	1,171,499	340,588	10,617,302
Furniture and equipment	2,625,908	129,427	22,571		2,732,764
Leased property under capital leases	3,062,486	1,645,403	520,437	(340,588)	3,846,864
Total accumulated depreciation	122,821,086	3,990,800	1,714,507	-	125,097,379
Total depreciable capital assets, net	86,586,057	492,934	906,452	-	86,172,539
Governmental activities capital assets, net	\$ 87,632,336	694,788	906,452	-	87,420,672

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

### Business-type activities:

	Balance Oct. 1, 2014	Additions	Deletions	Adjustments*	Balance Sept. 30, 2015
<b>Non-depreciable capital assets:</b>					
Land	\$ 30,000	-	-	-	30,000
Total non-depreciable capital assets	30,000	-	-	-	30,000
<b>Depreciable capital assets:</b>					
Buildings	60,380				60,380
Mobile equipment	364,467		147,650	80,000	296,817
Furniture and equipment	8,749				8,749
Leased property under capital leases	983,389	108,925	241,932	(80,000)	770,382
Total depreciable capital assets	1,416,985	108,925	389,582	-	1,136,328
<b>Less accumulated depreciated for:</b>					
Buildings	1,208	1,208			2,416
Mobile equipment	298,859	22,230	119,384	57,600	259,305
Furniture and equipment	7,874				7,874
Leased property under capital leases	373,815	138,669	147,246	(57,600)	307,638
Total accumulated depreciation	681,756	162,107	266,630	-	577,233
Total depreciable capital assets, net	735,229	(53,182)	122,952	-	559,095
Business-type activities capital assets, net	\$ 765,229	(53,182)	122,952	-	589,095

\*Adjustments to capital assets were for transfers of completed capital leases to the proper classification.

Depreciation expense was charged to the following functions:

	Amount
<b>Governmental activities:</b>	
General government	\$ 164,602
Public safety	1,182,980
Public works	2,278,432
Health and welfare	239,935
Culture and recreation	124,851
Total governmental activities depreciation expense	\$ 3,990,800

	Amount
<b>Business-type activities:</b>	
Solid waste	\$ 162,107

(8) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission.

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

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, 2015, to January 1, 2016. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

### (9) Operating Leases.

As Lessor:

On April 21, 2011, Jones County entered into a non-cancellable operating lease agreement with South Central Regional Medical Center for the lease of Jones County Rest Home owned by the County for the purpose of operation of the home and to provide care for its residents. The operating lease stipulated that the lease would pay approximately \$14,640 per month in lease payments commencing January 1, 2011 for a term of 20 years. Also, it stated additional debt service rental payments for the amount of principal and interest associated with the \$5,800,000 Special Obligation Bonds, Series 2011 and \$4,335,000 Special Obligation Bonds, Series 2012.

The County receives income from property it leases under noncancellable operating leases. Total income from such leases was \$1,008,543 for the year ended September 30, 2015. The future minimum lease receivables for these leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2016	\$ 989,042
2017	987,742
2018	984,967
2019	984,517
2020	984,617
2021 - 2025	4,938,894
2026 - 2030	4,934,319
2031 - 2035	987,205
Total Minimum Payments Required	<u>\$ 15,791,303</u>

### (10) Capital Leases.

As Lessor:

The County leases the following property with varying terms and options as of September 30, 2015:

<u>Classes of Property</u>	<u>Amount</u>
Industrial Facilities for Howard Industries	\$ 6,300,000
Industrial Facilities for Howard Industries	<u>3,500,000</u>
Total	<u>\$ 9,800,000</u>

The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2015, are as follows:

JONES COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2015

Year Ending September 30	Principal
2016	\$ 1,000,000
2017	1,000,000
2018	1,000,000
2019	1,000,000
2020	1,000,000
2021 - 2025	4,800,000
Total	\$ 9,800,000

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2015:

Classes of Property	Governmental	Business-type
Buildings	\$ 2,906,801	
Mobile equipment	7,463,333	770,382
Furniture and equipment	2,587,095	
Total	12,957,229	770,382
Less: Accumulated depreciation	(3,846,864)	(307,638)
Leased Property Under Capital Leases	\$ 9,110,365	462,744

The following is a schedule by years of the total payments due as of September 30, 2015:

Year Ending September 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 2,774,852	439,748	358,207	10,783
2017	2,794,044	421,262	133,145	4,619
2018	2,370,431	359,204	71,741	2,023
2019	1,249,569	298,836	28,095	594
2020	808,133	257,974		
2021 - 2025	4,535,330	795,205		
2026 - 2030	1,323,091	62,533		
Total	\$ 15,855,450	2,634,762	591,188	18,019



## JONES COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2015

#### (11) Other Postemployment Benefits.

##### Plan Description

The Jones 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 Jones 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 45 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan. The County has not recorded a liability for other postemployment benefits nor has the County reported the note disclosures which are required by accounting principles generally accepted in the United States of America.

#### (12) Defined Benefit Pension Plan.

##### *General Information about the Pension Plan*

Plan Description. Jones 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. Benefit provisions are established by state law 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, 2015, 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, 2015 was 15.75% 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, 2015, 2014 and 2013 were \$2,033,271, \$2,003,979 and \$1,680,217, respectively, equal to the required contributions for each year.

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

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

At September 30, 2015, the County reported a liability of \$31,704,261 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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. At June 30, 2015, the County's proportion was 0.205099 percent, which was an increase of 0.000576 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the County recognized pension expense of \$3,790,500. At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 487,912	-
Net difference between projected and actual earnings on pension plan investments	1,855,038	-
Changes of assumptions	2,731,214	-
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	32,366	-
County contributions subsequent to the measurement date	515,869	-
Total	<u>\$ 5,622,399</u>	<u>-</u>

\$515,869 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	
2016	\$ 1,659,161
2017	1,659,161
2018	1,324,449
2019	463,760

Actuarial Assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.00 percent
Salary increases	3.75 – 19.00 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table Projected with Scale BB to 2016, with males rates set forward one year.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014. The experience report is dated May 4, 2015.

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	34.00 %	5.20 %
International Equity	19.00	5.00
Emerging Markets Equity	8.00	5.45
Fixed Income	20.00	0.25
Real Assets	10.00	4.00
Private Equity	8.00	6.15
Cash	1.00	(0.50)
Total	100.00 %	

**Discount Rate.** The discount rate used to measure the total pension liability was 7.75 percent, a decrease of 0.25 percentage points since the prior measurement date. 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 employer contribution rate (15.75%). 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:

1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
\$ 41,789,120	31,704,261	23,335,713

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

JONES COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2015

(13) Long-term Debt.

Debt outstanding as of September 30, 2015, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
MBIA bonds for Tech Park	\$ 1,875,000	3.00%	03/2021
Series 2009(A) bond	3,755,000	3.00/4.00%	09/2021
Series 2009(B) bond	3,265,000	5.50/6.10%	09/2024
MBIA bonds for Howard Industries	450,000	0.00%	06/2018
MBIA bonds for Tech Park	6,300,000	0.00%	11/2023
MBIA bonds for Tech Park	3,500,000	0.00%	04/2025
Series 2010 Construction Bond	2,350,000	2.50/3.50%	12/2025
Series 2012 Road Bond	2,080,000	2.00%	06/2027
Series 2012 Refunding Bond	1,545,000	2.00%	10/2018
2013 Road Bond	5,345,000	2.00%	05/2028
2014 Road Bond	6,635,000	1.87/2.50%	06/2029
Series 2015 Refunding Bond	<u>3,100,000</u>	2.00%	06/2023
Total General Obligation Bonds	<u>\$ 40,200,000</u>		
B. Special Obligation Bonds:			
Series 2011 Bond - Co. Rest Home	5,340,000	2.50/5.50%	04/2031
Series 2011 Bond - Co. Rest Home	<u>3,940,000</u>	2.50/3.50%	04/2031
Total Limited Obligation Bonds	<u>9,280,000</u>		
C. Capital Leases:			
35PPM Digital BW Copier	1,292	2.25%	11/2015
2006 Ford rescue truck	17,454	4.24%	06/2017
2006 Ford mini-pumper	8,107	3.60%	11/2015
Five position CC 5500 consoles	22,987	3.26%	01/2018
E911 Dispatching workstation	124,715	2.83%	06/2019
2 Tahoes and 1 Ford F150	20,778	2.34%	03/2016
Skid Steer and Backhoe	78,884	2.19%	05/2016
Kubota Tractor and Broom Sweeper	19,336	2.11%	07/2016
Dump Truck	12,369	2.04%	09/2016
John Deere Bulldozer and Forestry Pkge	68,460	2.25%	12/2015
2011 Ford F150	6,972	2.12%	01/2016
2005 Mack Pull Truck	11,608	2.12%	01/2016
Used 2003 Ford F350 Dump Truck	4,921	2.41%	02/2016
2007 Vermeer Wood Chipper	6,993	2.41%	02/2016
2003 International and 2012 Ford F150	15,970	2.29%	05/2016
2000 Ford F350	4,116	2.38%	07/2016
2002 International Dump Truck	6,939	2.40%	06/2016
(2) 2013 Ford Taurus	16,988	2.00%	07/2016

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
DHS Building	2,162,979	3.89%	04/2026
2013 Ford trucks	22,015	1.82%	09/2017
Lee Boy force feed loader	86,095	1.89%	03/2017
John Deere trackhoe and (2) 310SK backhoes	305,426	1.74%	04/2016
2013 Dodge Ram 1500 truck	12,102	1.93%	04/2017
(6) 2013 John Deere tractors with boom & side mowers	331,575	1.67%	09/2017
2012 Mack tandem dump truck & Vermeer wood chipper	79,382	1.89%	03/2017
John Deere compact excavator	48,989	1.74%	04/2016
2000 Sterling pot hole patcher	20,390	1.97%	04/2017
2013 Mack dump truck with ox body	85,292	1.87%	10/2016
2013 Kubota tractor with diamond boom	56,626	1.67%	09/2017
2005 Caterpillar tractor with side boom	25,410	1.82%	09/2017
2013 Kubota diesel tractor with diamond boom	84,288	1.67%	10/2017
2004 John Deere dozer and asphalt truck	46,614	1.89%	03/2017
2013 Mack Tandem dump truck	48,421	1.69%	05/2016
3 Kubota tractor with boom	122,228	1.68%	06/2017
2013 Caterpillar backhoe	78,131	1.91%	10/2017
2005 Sterling pull truck	25,206	1.82%	09/2017
2003 Sterling pot hold patcher	25,440	2.19%	05/2017
Caterpillar mini excavator	25,289	1.97%	11/2016
2013 Mack Tandem dump truck	87,310	1.73%	02/2016
John Deere backhoe 210SK	71,730	1.74%	04/2016
2006 Chevrolet C6500 dump truck	20,774	2.09%	06/2017
2006 Chevrolet bucket truck & 2007 Chevrolet dump truck	48,460	2.04%	07/2017
IBM Mainframe computer	110,441	1.95%	02/2018
19 2014 Ford Taurus	418,687	1.66%	11/2017
5 2014 Ford Taurus & 2014 Chevrolet Tahoe	120,331	1.95%	02/2018
30 In-car Cameras with software	109,713	1.87%	03/2018
5 2014 Ford F150 & 2014 Ford F350	207,608	1.89%	06/2018
2015 Chevrolet Tahoe	29,457	1.94%	07/2018
2005 Chevrolet C7500 & 2005 Ford F450	46,768	1.90%	01/2017
2013 Kubota tractor with 2015 Diamond mower	56,704	1.74%	11/2017
2014 Mack truck	77,553	1.61%	12/2016
2013 Superior sweeper	27,605	1.74%	01/2018
Kubota 4WD Diesel tractor	30,011	1.89%	05/2018
2014 Ford F150 truck	19,875	1.89%	05/2018
2015 Mack truck with Pac-Mac loader	114,241	1.89%	06/2018
2005 International 8600 Pull truck	12,674	1.82%	02/2017
2002 International dump truck & 2005 Bush hog	40,947	1.90%	01/2017
2013 Superior sweeper	27,633	1.95%	02/2018
2005 Ford F750 Pot Hold Patch truck	37,775	2.32%	04/2018
3 Scag Zero Turn mowers	14,274	1.66%	11/2017
2006 Freightliner truck	36,908	2.57%	05/2017
Radio Equipment	7,502,307	3.87%	03/2027

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
2015 Ford F150 Truck, (3) 2015 Ford Taurus, 2015 Chevy SUV	\$ 189,075	1.90%	08/2019
E911 CAD System	178,016	2.06%	03/2019
Network computer system	10,873	2.06%	05/2019
2006 Freightliner M2 truck	34,500	1.85%	01/2017
2000 Sterling 7500 truck	49,500	2.32%	02/2019
(2) John Deere 75G Excavators	189,440	1.84%	02/2018
2004 Ford F450 truck	41,500	2.75%	04/2019
2003 Ford F750 Pot Hole Patcher	49,500	2.65%	04/2019
Caterpillar 140H Motor Grader	146,016	2.07%	07/2019
2004 GMC 3500 truck & 1991 Eagle 10 ton trailer	33,500	2.29%	07/2019
2014 Mack GU432 dump truck	93,595	1.84%	01/2018
2006 Freightliner Columbia truck, 2010 Chevy 2500 truck, 2008 GMC SLT 2500 truck	109,450	2.05%	01/2018
2004 Ty Crop MH 400	26,000	2.32%	02/2019
John Deere 210 GLC Excavator	182,300	2.04%	04/2016
Fifth Wheel Tilt trailer	27,500	2.12%	04/2019
2016 Mack CHU613 truck	121,454	2.07%	06/2019
2015 John Deere 310EL backhoe loader	79,400	1.75%	09/2018
Caterpillar Excavator and Shovel	216,057	1.84%	01/2018
2003 John Deere 6420 tractor & 2004 Bushhog	49,750	2.65%	02/2019
2005 CAT 14HC Motor Grader	145,438	2.59%	04/2019
2005 CAT MT525B Challenger tractor	49,800	2.59%	05/2019
CAT D6K2 CAHD tractor	167,413	1.85%	08/2018
2006 International 4400 dump truck	49,800	2.06%	09/2019
Total Capital Leases	\$ <u>15,855,450</u>		
D. Other Loans:			
MS Development Authority - Debar*	27,003	5.50%	07/2006
MS Development Authority - Debar*	<u>200,096</u>	5.50%	07/2010
Total Other Loans	\$ <u>227,099</u>		

\*The possibility exists that Jones County may not have to repay these two Debar because they have made a good faith effort to collect after bankruptcy of Debar Construction, Inc. Currently a judgment has been issued in favor of the County to have Debar repay the loans. No funds have been received as of the current date.

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Business-type Activities:</b>			
A. Capital Leases:			
2012 Ford truck	\$ 4,255	2.08%	08/2016
(2) 2013 Freightliner trucks	124,430	1.89%	03/2017
2014 Freightliner truck	92,375	1.74%	11/2017
2004 GMC T7500 truck	37,851	2.32%	04/2018
(2) 2015 Mack trucks	223,352	1.58%	06/2016
2013 Ford F650 with PacMac Knuckle Boom	86,010	2.08%	03/2019
2015 Ford F250 Truck with liftgate	22,915	2.19%	03/2019
	<u>591,188</u>		
Total Capital Leases	\$ <u>591,188</u>		

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

### Governmental Activities:

Year Ending September 30	General Obligation Bonds		Special Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 4,045,000	733,277	445,000	368,363
2017	3,915,000	670,183	455,000	357,062
2018	3,995,000	600,632	465,000	344,287
2019	3,940,000	525,120	480,000	328,837
2020	3,685,000	450,613	495,000	313,938
2021 - 2025	16,300,000	1,246,008	2,770,000	1,290,494
2026 - 2030	4,320,000	206,263	3,395,000	660,919
2031 - 2035	-	-	775,000	36,525
	<u>40,200,000</u>	<u>4,432,096</u>	<u>9,280,000</u>	<u>3,700,425</u>
Total	\$ <u>40,200,000</u>	<u>4,432,096</u>	<u>9,280,000</u>	<u>3,700,425</u>

Year Ending September 30	Other Loans	
	Principal	Interest
2016	\$ 227,099	23,351
Total	\$ <u>227,099</u>	<u>23,351</u>

**Legal Debt Margin** - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2015, the amount of outstanding debt was equal to 6.77% of the latest property assessments.

**Current Refunding** - On February 17, 2015, the County issued \$3,120,000 in general obligation refunding bonds with an average interest rate of 2.00% to refund \$3,030,000 of the following outstanding bond issue:

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

Issue	Average Interest Rate	Outstanding Amount Refunded
2008 Road Bonds	3.00/4.25%	\$ 3,345,000

The County refunded the above bonds to reduce its total debt service payments over the next eight years by almost \$143,876 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$138,291.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2015:

	Balance Oct. 1, 2014	Additions	Reductions	Adjustments	Balance Sept. 30, 2015	Amount due within one year
<b>Governmental Activities:</b>						
Compensated absences	\$ 668,334	135,447	-	-	803,781	-
General obligation bonds	44,065,000	3,120,000	6,985,000		40,200,000	4,045,000
Add:						
Premiums	96,143	57,494	24,862		128,775	
Special obligation bonds	9,715,000		435,000		9,280,000	445,000
Less:						
Discounts	(69,261)	(31,200)	(6,747)		(93,714)	
Capital leases	16,887,203	2,239,877	3,271,630		15,855,450	2,774,852
Other loans	227,099	-	-	-	227,099	-
Total	\$ 71,589,518	5,521,618	10,709,745	-	66,401,391	7,264,852

	Balance Oct. 1, 2014	Additions	Reductions	Adjustments	Balance Sept. 30, 2015	Amount due within one year
<b>Business-type Activities:</b>						
Compensated absences	\$ 32,813	50	-	-	32,863	-
Capital leases	715,050	108,925	232,787		591,188	358,207
Total	\$ 747,863	108,975	232,787	-	624,051	358,207

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

### (14) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balances or net position at September 30, 2015:



# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

Fund	Deficit Amount
Emergency Operations Center	\$ 173,017
Countywide Road & Bridge Fund	2,752
District 3 Road Fund	330,847
District 5 Road Fund	99,404
District 3 Bridge/Culvert Fund	32,948
District 5 Bridge/Culvert Fund	46,602
Solid Waste Fund	1,566,719

### (15) Contingencies.

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

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

Hospital Revenue Bond Contingencies - The County issues revenue bonds to provide funds for constructing and improving capital facilities of the South Central Regional Medical Center. Revenue bonds are reported as a liability of the hospital because such debt is payable primarily from the hospital's pledged revenues. However, the County remains contingently liable for the retirement of these bonds because the full faith, credit and taxing power of the County is secondarily pledged in case of default by the hospital. The principal amount of hospital revenue bonds outstanding at September 30, 2015, is \$22,560,000.

### (16) Joint Ventures.

The County participates in the following joint ventures:

Jones County is participant with the Cities of Laurel, Ellisville, and Sandersville in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the Laurel-Jones County Library. The joint venture was created to provide free public library service to the citizens of Jones County. The Jones County Board of Supervisors appoints one of the four members of the board of directors. By contractual agreement, the County's appropriation to the joint venture was \$357,035 in fiscal year 2015. Complete financial statements for the Laurel-Jones County Library can be obtained from 530 Commerce Street, Laurel, MS 39440.

Jones County is a participant with Forrest County, the cities of Hattiesburg and Laurel, and the State of Mississippi in a joint venture, authorized by Section 61-3-5, Miss. Code Ann. (1972), to operate the Hattiesburg-Laurel Regional Airport Authority. The joint venture was created to develop and maintain the airport for the members of the board of commissioners. The Jones County Board of Supervisors appoints one of the five members of the board of commissioners. By contractual agreement, the County's appropriation to the joint venture was \$260,624 in fiscal year 2015. Complete financial statements for the Hattiesburg-Laurel Regional Airport Authority can be obtained from 1002 Terminal Drive, Moselle, MS 39459.

Jones County is a participant with the Counties of Covington and Perry, and the Cities of Hattiesburg, Laurel, and Petal in a joint venture, authorized by Section 17-17-307, Miss. Code Ann. (1972), to operate the Pine Belt Regional Solid Waste Authority. The joint venture was created to dispose of solid waste in members of the authority. The Jones County Board of Supervisors appoints two of the 12 members of the board directors. The authority is funded by user fees based on the volume of solid waste. Complete financial statement of the Pine Belt Regional Solid Waste Authority can be obtained from P.O. Box 1898, Hattiesburg, MS 39403.

## JONES COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2015

Jones County is a participant with the Cities of Laurel, Ellisville, Soso and Sandersville in a joint venture, authorized by Section 19-9-11, Miss. Code Ann. (1972), to operate the Jones County Economic Development Authority. The joint venture was created to foster, encourage and facilitate economic development in the County. The Jones County Board of Supervisors appoints six of the 22 members of the board of trustees. By contractual agreement, the County's appropriation to the joint venture was \$159,767 in fiscal year 2015. Complete financial statements for the Jones County Economic Development Authority can be obtained from P.O. Box 527, Laurel, MS 39441.

#### (17) 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 Jones County Board of Supervisors appoints one of the 34 members of the board of directors. The County appropriated \$49,000 for support of the district in fiscal year 2015.

Pine Belt Mental Health Care Resources operates in a district composed of the Counties of Covington, Forrest, Greene, Jefferson Davis, Jones, Lamar, Marion, Perry, and Wayne. The Jones County Board of Supervisors appoints one of the nine members of the board of commissioners. The County appropriated \$145,000 for support of the entity in fiscal year 2015.

Jones County Junior College operates in a district composed of the Counties of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith, and Wayne. The Jones County Board of Supervisors appoints six of the 20 members of the college board of trustees. The County appropriated \$2,257,765 for maintenance and support of the college in fiscal year 2015.

Pearl River Valley Opportunity, Inc. operates in a district composed of the Counties of Covington, Forrest, Jefferson Davis, Jones, Lamar, Marion, Pearl River and Perry. The entity was created to administer programs conducted by community action agencies, limited purpose agencies and related programs authorized by federal law. The Jones County Board of Supervisors appoints one of the 24 members of the board of directors. The primary source of funding for the entity is derived from federal funds. Each County provides a modest amount of financial support when matching funds are required for federal grants.

Mississippi Regional Housing Authority VIII 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-members 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.

South Mississippi Fair operates in a district composed of Jones County and the City of Laurel. The Jones County Board of Supervisors appoints five of the ten members of the fair commission. The County issued general obligation bonds for the construction of a multi-purpose building to be used by the South Mississippi Fair. The County appropriated \$60,500 for support of the fair in fiscal year 2015.

#### (18) 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 Jones County evaluated the activity of the County through January 17, 2017, (the date the financial statements were available to be issued), and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

# JONES COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2015

Subsequent to September 30, 2015, the County issued the following debt obligations:

Issue Date	Interest Rate		Issue Amount	Type of Financing	Source of Financing
10/19/2015	2.04%	\$	78,500	Capital lease	Ad valorem taxes
10/19/2015	2.04%		79,750	Capital lease	Ad valorem taxes
12/21/2015	1.94%		21,250	Capital lease	Ad valorem taxes
01/19/2016	2.01%		47,850	Capital lease	Ad valorem taxes
03/21/2016	2.09%		15,313	Capital lease	Ad valorem taxes
03/21/2016	2.30%		22,000	Capital lease	Ad valorem taxes
04/04/2016	1.64%		507,693	Capital lease	Ad valorem taxes
04/18/2016	1.79%		65,894	Capital lease	Ad valorem taxes
05/01/2016	1.78%		154,420	Capital lease	Ad valorem taxes
05/01/2016	1.78%		182,800	Capital lease	Ad valorem taxes
05/01/2016	1.78%		141,800	Capital lease	Ad valorem taxes
05/01/2016	1.78%		94,000	Capital lease	Ad valorem taxes
07/01/2016	1.62%		129,670	Capital lease	Ad valorem taxes
07/01/2016	1.62%		82,264	Capital lease	Ad valorem taxes
07/01/2016	1.56%		249,000	Capital lease	Ad valorem taxes
08/22/2016	2.25%		8,000,000	Special Obligation Bond	Ad valorem taxes
01/01/2017	2.32%		36,750	Capital lease	Ad valorem taxes

### (19) Special Item.

In year ended September 30, 2012, the County entered into a capital lease agreement for radio equipment with Motorola. A portion of the radio equipment was returned by the County to Motorola and as a result Motorola reduced the amount to be paid by the County and delayed the County's payment on the capital lease. During the year ended September 30, 2015, Motorola made a one-time reduction to the amount to be repaid by the County of \$1,266,598.

## JONES COUNTY

(This page left blank intentionally.)

## JONES COUNTY

### REQUIRED SUPPLEMENTARY INFORMATION

## JONES COUNTY

(This page left blank intentionally.)

JONES COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2015  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 12,944,190	13,316,837	13,316,837	
Licenses, commissions and other revenue	452,000	504,572	504,572	
Fines and forfeitures	500,000	399,159	399,159	
Intergovernmental revenues	1,836,370	1,759,131	1,759,131	
Charges for services	250,000	269,705	269,705	
Interest income	15,000	4,612	4,612	
Rental income		178,680	178,680	
Miscellaneous revenues	502,500	713,968	713,968	
Total Revenues	<u>16,500,060</u>	<u>17,146,664</u>	<u>17,146,664</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
General government	8,452,052	8,744,274	8,744,274	
Public safety	5,143,343	5,578,721	5,578,721	
Public works	260,624	260,624	260,624	
Health and welfare	1,194,039	1,177,939	1,177,939	
Culture and recreation	519,000	487,481	487,481	
Education	105,000	97,656	97,656	
Conservation of natural resources	137,414	128,124	128,124	
Economic development and assistance	174,963	184,641	184,641	
Debt service:				
Principal	50,836	47,415	47,415	
Interest		3,449	3,449	
Total Expenditures	<u>16,037,271</u>	<u>16,710,324</u>	<u>16,710,324</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>462,789</u>	<u>436,340</u>	<u>436,340</u>	<u>0</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		157,200	157,200	
Transfers out		(1,305,119)	(1,305,119)	
Other financing uses	(390,000)			
Total Other Financing Sources and Uses	<u>(390,000)</u>	<u>(1,147,919)</u>	<u>(1,147,919)</u>	<u>0</u>
Net Change in Fund Balance	72,789	(711,579)	(711,579)	
Fund Balances - Beginning	<u>3,148,242</u>	<u>858,965</u>	<u>959,265</u>	<u>100,300</u>
Fund Balances - Ending	<u>\$ 3,221,031</u>	<u>147,386</u>	<u>247,686</u>	<u>100,300</u>

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

JONES COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Howard Industries Fund  
 For the Year Ended September 30, 2015  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Miscellaneous revenues	\$ 1,350,000	1,150,000	1,150,000	
Total Revenues	<u>1,350,000</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>0</u>
EXPENDITURES				
Current:				
Debt service:				
Principal	1,350,000	1,150,000	1,150,000	
Total Expenditures	<u>1,350,000</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	
Fund Balances - Beginning	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>0</u>
Fund Balances - Ending	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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



JONES COUNTY

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

Last 10 Fiscal Years\*

For the Year Ended September 30, 2015

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.205099%	0.204523%
County's proportionate share of the net pension liability (asset)	\$ 31,704,261	24,825,347
County's covered-employee payroll	\$ 12,911,284	12,723,675
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>245.55%</u>	<u>195.11%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>61.703983%</u></u>	<u><u>67.207687%</u></u>

\* The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 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.

JONES COUNTY  
Schedule of County Contributions  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2015

	<u>2015</u>
Contractually required contribution	\$ 2,033,531
Contributions in relation to the contractually required contribution	<u>2,033,531</u>
Contribution deficiency (excess)	\$ <u><u>0</u></u>
County's covered-employee payroll	\$ 12,911,284
Contributions as a percentage of covered-employee payroll	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.

## JONES COUNTY

### Notes to the Required Supplementary Information For the Year Ended September 30, 2015

#### UNAUDITED

##### Budgetary Comparison Schedule

###### A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-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 supplemental 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:

# JONES COUNTY

## Notes to the Required Supplementary Information For the Year Ended September 30, 2015

### UNAUDITED

	<u>Governmental Fund Types</u>	
	<u>General Fund</u>	<u>Howard Industries Fund</u>
Budget (Cash Basis)	\$ (711,579)	-
Increase (Decrease)		
Net adjustments for revenue accruals	(486,379)	
Net adjustments for expenditure accruals	(827,500)	(150,000)
Other reconciling items:		
Capital lease reduction	<u>1,266,598</u>	<u></u>
GAAP Basis	\$ <u><u>(758,860)</u></u>	<u><u>(150,000)</u></u>

#### Pension Schedules

##### A. Changes of assumptions

In 2015 and later, 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. In 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. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75% respectively.

## JONES COUNTY

## SUPPLEMENTARY INFORMATION

## JONES COUNTY

(This page left blank intentionally.)

JONES COUNTY  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2015

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture/ Passed-through the Mississippi State Treasurer's Office Schools and roads - grants to states (Note B)*	10.665	N/A	\$ 134,217
U.S. Department of Housing and Urban Development/ Passed-through the Mississippi Development Authority Home investment partnership program	14.239	1221-M09-SG-280-	86,634
U.S. Department of Justice/ Passed-through the Mississippi Department of Public Safety Crime victim assistance	16.575	13-VA-134-1	30,535
U.S. Department of Justice - Bureau of Justice Assistance/ Passed-through the Mississippi Department of Public Safety Edward Byrne memorial justice assistance grant program	16.738	2014-DJ-BX-0695	13,832
Total U.S. Department of Justice			44,367
U.S. Department of Transportation - Federal Highway Administration/ Passed-through the Mississippi Department of Transportation Highway planning and construction	20.205	BR NBIS 081 B(34)	49,820
Highway planning and construction	20.205	STP 32 49 (8) B	4,821
Subtotal			54,641
Total U.S. Department of Transportation			54,641
U.S. Department of Homeland Security/ Passed-through the Mississippi Department of Public Safety High intensity drug trafficking areas program	95.001	15HIDTA	16,399
Passed-through the Mississippi Emergency Management Agency Disaster grants - public assistance*	97.036	4175-DR-MS	279,723
Emergency management agency	97.042	N/A	54,403
Total U.S. Department of Homeland Security			350,525
Total Expenditures of Federal Awards			\$ 670,384

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting.

Note B - CFDA #10.665 Schools and road - grants to states

Of the federal expenditures presented in the schedule, the county provided federal awards totaling \$33,820 to subrecipients during the year ended September 30, 2015.

\* Denotes major federal award program

## JONES COUNTY

(This page left blank intentionally.)



## JONES COUNTY

## OTHER INFORMATION

## JONES COUNTY

(This page left blank intentionally.)

JONES COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2015  
UNAUDITED

Name	Position	Company	Bond
John Burnett	Supervisor District 1	Brierfield Insurance Company	\$100,000
Danny Spradley	Supervisor District 2	Brierfield Insurance Company	\$100,000
Barry Saul	Supervisor District 3	Brierfield Insurance Company	\$100,000
Charles A. Dial	Supervisor District 4	Brierfield Insurance Company	\$100,000
Jerome Wyatt	Supervisor District 5	Brierfield Insurance Company	\$100,000
Jan Hughes	County Administrator	Travelers Casualty and Surety Company	\$100,000
Concetta Brooks	Chancery Clerk	Travelers Casualty and Surety Company	\$100,000
Debbie Spalding	Purchase Clerk	Travelers Casualty and Surety Company	\$75,000
Several clerks (blanket bond)	Assistant Purchase Clerk	Western Surety Company	\$50,000
Debbie Knotts	Receiving Clerk	Travelers Casualty and Surety Company	\$75,000
Several clerks (blanket bond)	Assistant Receiving Clerk	Western Surety Company	\$50,000
Charles Miller	Inventory Control Clerk	Travelers Casualty and Surety Company	\$100,000
Shelia Godard (blanket bonded)	Assistant Inventory Control Clerk	Travelers Casualty and Surety Company	\$50,000
Brian Pace	Constable	Brierfield Insurance Company	\$50,000
Samuel Mitch Sumrall	Constable	Brierfield Insurance Company	\$50,000
Larry Strickland	Constable	Lexon Insurance Company	\$50,000
Bart Gavin	Circuit Clerk	Brierfield Insurance Company	\$100,000
Joyce Eleanor Bush	Deputy Circuit Clerk	Brierfield Insurance Company	\$100,000
Rhonda S. Dietz	Deputy Circuit Clerk	Brierfield Insurance Company	\$100,000
Charlotte Holifield	Deputy Circuit Clerk	Brierfield Insurance Company	\$100,000
Wanda Robinson	Deputy Circuit Clerk	Brierfield Insurance Company	\$100,000
Colenia Ross	Deputy Circuit Clerk	Brierfield Insurance Company	\$100,000
Lisa Smith	Deputy Circuit Clerk	Brierfield Insurance Company	\$100,000
Jennifer Marie Walker	Deputy Circuit Clerk	Brierfield Insurance Company	\$100,000
Tonya Weatherby	Deputy Circuit Clerk	Brierfield Insurance Company	\$50,000
Charlotte Ishee	Deputy Circuit Clerk	Brierfield Insurance Company	\$100,000
Alex Hodge	Sheriff	Brierfield Insurance Company	\$100,000
Billie Graham	Justice Court Judge	Brierfield Insurance Company	\$50,000
David Lyons	Justice Court Judge	Brierfield Insurance Company	\$50,000
Wilbur Howell Beech	Justice Court Judge	Brierfield Insurance Company	\$50,000
Stacy Walls	Justice Court Clerk	Western Surety Company	\$50,000
Jennifer Yanez	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Janice Glenn	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Cynthia Bush	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Debra Sumrall	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Lacey Nicole Norris	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Bonnie Jean Pilgrim	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Patricia Doggett	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Ramona Blackledge	Tax Assessor-Collector	Brierfield Insurance Company	\$100,000
Myra Emmons	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Brandy Hearn	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Edward Holifield	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Mark Macey	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Virginia Myrick	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Rachel Rogers	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Sallie Rustin	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Janet West	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Wanda Parrish Welch	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000

JONES COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2015  
UNAUDITED

Name	Position	Company	Bond
Jackie Colon	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Rickey Hammonds	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Anna Emmons	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
W. Brock Shedd	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Judy Beard	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Bettye Boyd	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Tina Byrd	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Rebecca Ann Jones	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Deborah Martin	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Wilda McCullum	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Carolyn Moody	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Connie Shoemake	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Reanee Tanner	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Wendy Walters	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Alanna Knotts-Green	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Lacey B. Hargrove	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Hayley Ritchey	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Jennifer Fountain	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Bridget D. Howse	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000

## JONES COUNTY

## SPECIAL REPORTS

## JONES COUNTY

(This page left blank intentionally.)



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
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  
Jones 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, each major fund, and the aggregate remaining fund information of Jones County, Mississippi (the County), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 17, 2017. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The report is qualified on the governmental activities, the business-type activities and the Garbage Fund because the County did not record a liability or current year expense for other postemployment benefits as required by accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Jones 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 Jones County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as 2015-001 and 2015-002 that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Jones 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*.

We noted certain matters that we reported to the management of Jones County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated January 17, 2017, included within this document.

## **Jones County's Responses to Findings**

Jones County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Auditee's Corrective Action Plan. Jones County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

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



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

January 17, 2017





**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
AUDITOR

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Members of the Board of Supervisors  
Jones County, Mississippi

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

We have audited Jones 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 each of Jones County, Mississippi's major federal programs for the year ended September 30, 2015. Jones County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Jones County, Mississippi's major federal programs 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Jones 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 each the major federal program. However, our audit does not provide a legal determination of Jones County, Mississippi's compliance.

**Opinion on Each Major Federal Program**

**Basis for Qualified Opinion on CFDA 10.665, Schools and roads – grants to states**

As described in the accompanying Schedule of Findings and Questioned Costs, Jones County, Mississippi did not comply with requirements regarding CFDA 10.665 Schools and roads – grants to states and as described in finding number 2015-003 for activities allowed and unallowed, allowable costs and cost principles, and earmarking. Compliance with such requirements is necessary, in our opinion, for Jones County, Mississippi to comply with the requirements applicable to that program.

### **Qualified Opinion on CFDA 10.665, Schools and roads – grants to states**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Jones 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 CFDA 10.665, Schools and roads – grants to states for the year ended September 30, 2015.

### **Unmodified Opinion on Each of the Other Major Federal Programs**

In our opinion, Jones 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 each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended September 30, 2015.

### **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2015-003. Our opinion on each major federal program is not modified with respect to these matters.

Jones County, Mississippi's response to the noncompliance finding identified in our audit is described in the accompanying Auditee's Corrective Action Plan. Jones County, Mississippi's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of Jones 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 Jones 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 OMB Circular A-133, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2015-003 that we consider to be significant deficiencies.

Jones County, Mississippi's response to the internal control over compliance finding identified in our audit is described in the accompanying Auditee's Corrective Action Plan. Jones County, Mississippi's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. 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.

A handwritten signature in black ink, appearing to read "Joe E. Mcknight". The signature is fluid and cursive, with the first name "Joe" being the most prominent.

JOE E. MCKNIGHT CPA  
Director, County Audit Section

January 17, 2017

## JONES COUNTY

(This page left blank intentionally.)



**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**STACEY E. PICKERING**  
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  
Jones County, Mississippi

We have examined Jones 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, 2015. The Board of Supervisors of Jones 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 Jones County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

The results of our audit procedures disclosed certain instances of noncompliance with the aforementioned code sections. These instances of noncompliance were considered in forming our opinion on compliance. Our findings and recommendations and your responses are disclosed below:

Board of Supervisors, Purchase Clerk, and Assistant Purchase Clerk.

1. Purchase Clerk and Assistant Purchase Clerk should be bonded as required by state statute.

Finding

Section 31-7-124, Miss. Code Ann. (1972), requires Purchase Clerk to execute a bond in a penalty equal to \$75,000, and the Assistant Purchase Clerks to execute a bond in a penalty not less than \$50,000, to be payable, conditioned and approved as provided by law. As reported in prior two years' audit report, the Purchase Clerk and Assistant Purchase Clerks have bonds that were written as an "indefinite" and were not adequately bonded for the fiscal year 2015. Failure to comply with the statutes would limit the amount available for recovery if a loss occurred over multiple terms

### Recommendation

The County should implement additional procedures to ensure the Purchase Clerk and Assistant Purchase Clerks are bonded as required by state statute.

### Board of Supervisors', Purchase Clerk's, and Assistant Purchase Clerk's Response

The Purchase Clerk has an individual bond for a specific period. However, the Assistant Purchase Clerks are still under a unified blanket bond due to the number of Assistant Purchase Clerk we have. We plan to pare down the number and then get individual bond for each.

Board of Supervisors, Receiving Clerk, and Assistant Receiving Clerk.

2. Receiving Clerk and Assistant Receiving Clerk should be bonded as required by state statute.

### Finding

Section 31-7-124, Miss. Code Ann. (1972), requires Receiving Clerk to execute a bond in a penalty equal to \$75,000, and the Assistant Receiving Clerks to execute a bond in a penalty not less than \$50,000, to be payable, conditioned and approved as provided by law. As reported in prior two years' audit report, the Receiving Clerk and Assistant Receiving Clerks have bonds that were written as an "indefinite" and were not adequately bonded for the fiscal year 2015. Failure to comply with the statutes would limit the amount available for recovery if a loss occurred over multiple terms.

### Recommendation

The County should implement additional procedures to ensure the Receiving Clerk and Assistant Receiving Clerks are bonded as required by state statute.

### Board of Supervisors', Receiving Clerk's, and Assistant Receiving Clerk's Response

The Receiving Clerk now has an individual bond for a specific period. However, the Assistant Receiving Clerks are still under a unified blanket bond due to the number of Assistant Receiving Clerks we have. We plan to pare down the number and then get individual bonds for each.

Board of Supervisors, Inventory Control Clerk, and Assistant Inventory Control Clerk.

3. Inventory Control Clerk and Assistant Inventory Control Clerk should be bonded as required by state statute.

### Finding

Section 31-7-124, Miss. Code Ann. (1972), requires Inventory Control Clerk to execute a bond in a penalty equal to \$75,000, and the Assistant Inventory Control Clerks to execute a bond in a penalty not less than \$50,000, to be payable, conditioned and approved as provided by law. As reported in prior two years' audit report, the Inventory Control Clerk and Assistant Inventory Control Clerks have bonds that were written as an "indefinite" and were not adequately bonded for the fiscal year 2015. Failure to comply with the statutes would limit the amount available for recovery if a loss occurred over multiple terms.

### Recommendation

The County should implement additional procedures to ensure the Inventory Control Clerk and Assistant Inventory Control Clerks are bonded as required by state statute.

### Board of Supervisors', Inventory Control Clerk's, and Assistant Inventory Control Clerk's Response

The Inventory Control Clerk now has an individual bond for a specific period. However, the Assistant Inventory Clerk is still under a unified blanket bond. We will comply and get the Assistant Inventory Control Clerk an individual bond.

Inventory Control Clerk.

4. The County should maintain adequate capital asset depreciation records.

Finding

An effective system of internal controls should include adequate subsidiary records documenting the existence completeness and valuation of governmental activities' capital assets as well as the depreciation of these assets. It was noted during the test of depreciation that several assets depreciation records were incorrect. The failure to maintain a proper inventory control system with correct depreciated values of assets could result in the reporting of inaccurate amounts and increases the possibility of the loss or misappropriation of public funds.

Recommendation

The Inventory Control Clerk should establish adequate control procedures to ensure accurate calculation of depreciation on capital assets is maintained.

Inventory Control Clerk's Response

We will comply.

In our opinion, except as explained in the third paragraph and except for the noncompliance referred to in the preceding paragraph, Jones County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2015.

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.

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

This report is intended for use in evaluating Jones County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

January 17, 2017

## JONES COUNTY

Schedule 1

## Schedule of Purchases From Other Than the Lowest Bidder

For the Year Ended September 30, 2015

<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>
12/26/2014	Gas & Diesel	\$ 1.98/1.99	Pine Belt Oil	\$ 1.85	Courthouse closed for Holiday need fuel for storm clean up



JONES COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2015

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
12/26/2014	Gas & Diesel	\$ 3,044.25	Pine Belt Oil	Fuel for Storm Cleanup

## JONES COUNTY

Schedule 3Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2015

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
11/3/2014	Griffin 824 System with assurance plans	\$ 78,097	Safeware
11/17/2014	2014 Processing & Postage Real/Personal	16,000	Lawrence Printing
11/17/2014	2014 Tax Statements	815	Lawrence Printing
12/9/2014	2014 Tax Processing additional postage	1,192	Lawrence Printing
1/20/2015	CAD Monitor Firehouses	25,273	Xerox Government System
4/6/2015	Car Camera with Wireless Kits	25,100	Watch Guard
4/6/2015	Recondition 140H Motorgrader	145,438	Puckett Machinery
5/18/2015	Recondition 140H Motorgrader	146,016	Puckett Machinery
6/17/2015	Software, Training, Glock, M16, Recoil Kit	12,988	Laser Shot Inc.
8/3/2015	Voter Car & Letters, Postage	15,576	Absolute Print Solutions
8/3/2015	Wearable Cameras	5,442	Watch Guard
8/3/2015	In Car Cameras	10,040	Watch Guard
8/3/2015	In Car Cameras	30,120	Watch Guard
9/8/2015	Tasers	21,166	Taser



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
STACEY E. PICKERING  
AUDITOR**

**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
Jones County, Mississippi

In planning and performing our audit of the financial statements of Jones County, Mississippi for the year ended September 30, 2015, we considered Jones 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 Jones 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 January 17, 2017, on the financial statements of Jones County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, 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.

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

Board of Supervisors.

1. Jones County should strengthen passwords.

Finding

As reported in the prior two years' audit reports, during our review, we noted that Jones County is using some parameters associated with password strength that do not meet industry standard best practices, thereby creating unnecessary risk for Jones County Information Assets.

Recommendation

We recommend that Jones County improve its password strength by changing password parameters to comply with password management best practices and industry standards.

### Board of Supervisors' Response

We are in the process of hiring a new local I.T. company that will oversee all aspects of our information systems. We have already given them a copy of this finding and instructed them to help us strengthen the parameters we use for passwords.

### 2. Jones County should implement a formal information security policy.

#### Finding

As reported in the prior two years' audit reports, Jones County has not adopted a formal Information Security Policy or Enterprise Security Plan. The lack of a formal Information Security Policy can lead to a breakdown of basic security practices in the areas of application security, LAN/WAN security, management of the security application and Internet protocol.

#### Recommendation

A robust set of Information Technology Policies should cover at least the following areas:

- Acceptable Use
- Portable Computing
- Change Management
- Encryption
- Security Incident Response
- Risk Management
- Backup and Recovery
- Business Continuity / Disaster Recovery

While full compliance with all facets of such a policy may be an economic challenge for Jones County, beginning steps to become compliant with a policy covering areas such as those listed above are necessary. We recommend that Jones County create a plan of compliance with industry standards to ensure progress towards a robust documented information security plan. This policy should be reviewed and approved by County supervisors. In addition, employees that utilize technology should review and accept such policies before access to computer resources is granted to employees. Proof of approval by management and acceptance by employees should be retained for review by auditors.

### Board of Supervisors' Response

We are in the process of hiring a new local IT company that will oversee all aspects of our information systems. We have already given them a copy of this finding and instructed them to help us implement a formal information security.

### 3. Jones County should establish and test a Disaster Recovery Process.

#### Finding

As reported in the prior two years' audit reports, during our review of the information systems controls of Jones County, we noted that the County has not established a disaster recovery process. As a result, Jones County cannot fully ensure that the County's Information Systems can be restored in a timely manner. Disaster recovery involves defining and documenting plans to help sustain and recover critical information technology resources, information systems, and associated business functions. Control Objectives for Information and Related Technology (CobIT, Section DS4), as well as recognized industry best practices, require a written disaster recovery plan be developed and tested regularly to provide orderly recovery of vital functions in the event of a hardware or environmental disaster. Failure to maintain an adequate recovery plan could impede the agency's ability to regain computer operations in the event of a disaster.

There are a number of steps that an organization can take to prevent or minimize the damage to automated operations that may occur from unexpected events. One example is routinely backing up data files and programs and periodically restoring these files and programs as part of a formal, documented disaster recovery exercise. Such actions maintain the organization's ability to restore data files, which may be impossible to re-create.

In the specific case of Jones County, there seems to be some confusion about the responsibilities of various IT vendors, as well as the responsibilities of Jones County personnel in relation to such matters as backup procedures. These responsibilities include items such as removing tapes from backup units, taking backup tapes offsite, rotating tapes onsite, etc. In addition, there is confusion as to the types of backups that should be created and the frequency that these various backups should be created.

Jones County is currently using an automated system to perform daily back-ups of the AS400, but is not restoring such files as part of a formal, documented disaster recovery exercise. Without proper assurance that backup files can be utilized to adequately restore all critical data in a timely manner in the event of a disaster scenario, material damage could be realized by the County and its processes should a catastrophic event occur involving the County's building and servers. Risk and probabilities of material loss escalates in relationship to the longer an exposure goes unmitigated.

#### Recommendation

We recommend that Jones County develop, implement, and test a plan to insure that critical data and applications are recoverable in case of a disaster scenario. In order to do this it will be necessary to gain an understanding from vendors involved in the backup process of the types of backups that should be created, on what frequency these backups should be created, the processes necessary to create the various types of backups and the responsibilities of the various parties involved, including Jones County personnel and vendor personnel. Furthermore, these procedures and responsibilities should be documented and agreed upon by all parties involved.

We also recommend that Jones County develop and implement a disaster recovery plan documenting procedures to be followed during an emergency. Once the plan is completed, it should be subjected to proper testing, and employees should be made aware of their responsibilities in the event of a disaster. The plan should be stored in a safe, accessible location and updated when needed in order to maintain readiness for a disaster scenario.

#### Board of Supervisors' Response

We are in the process of hiring a new local IT company that will oversee all aspects of our information systems. We have already given them a copy of this finding and instructed them to help us develop, implement and test a disaster recovery plan.

Board of Supervisors and Tax Collector/Assessor.

#### 4. Deputy Tax Assessors should be bonded as required by state statute.

##### Finding

Section 27-1-3, Miss. Code Ann. (1972), states that each Deputy Tax Assessor shall give bond in an amount not less than \$10,000 for the faithful discharge of his duties. As reported in the prior year's audit report, the Deputy Tax Assessor was not adequately bonded for the fiscal year 2015. Failure to comply with the statutes could result in loss of public funds.

##### Recommendation

The Tax Collector/Assessor should ensure that Deputy Tax Assessors are adequately bonded as required by state statute.

##### Board of Supervisors' Response

We now have individual bond for each deputy for specific period. However, once these bonds expired, a continuation certificate was issued by the bonding company extending them for an additional year. We will ask the bonding company to issue a completely new bond instead if this is what the statute requires.

Board of Supervisors and Circuit Clerk.

5. Deputy Circuit Clerks should be bonded as required by state statute.

Finding

Section 9-7-123(2), Miss. Code Ann. (1972), requires that all Deputy Circuit Clerks be bonded for three percent of the prior year's taxes with a minimum of \$50,000 and a maximum of \$100,000. As reported in the prior two years' audit reports, it was determined that Deputy Circuit Clerks' bonds did not adequately state beginning and ending effective dates for the fiscal year 2015. Failure to execute bonds for a definite period as required would limit the amount available for recovery if a loss occurred over multiple terms.

Recommendation

The Circuit Clerk should ensure that Deputy Circuit Clerks obtain a bond which states specific beginning and ending effective date for the duration of the current term.

Board of Supervisors' Response

Our insurance company has already fixed this problem.

Circuit Clerk.

6. Unauthorized Fees being collected should be ceased.

Finding

Section 19-7-31, Miss. Code Ann. (1972), provides that the County may levy court costs to the Law Library fund not exceeding \$2.50 per each civil and criminal case filed in the circuit and county courts. During our testwork, it was noted that the Circuit Clerk was levying \$3.50 to the Law Library fund for each civil and criminal case. Therefore, the Clerk has been erroneously collecting an additional \$1 on all civil and criminal court costs.

Recommendation

We recommend that the Circuit Clerk levy the proper amount to the Law Library fund per each civil and criminal case.

Board of Supervisors' Response

We will comply with correct cost of filing fees that will reflect the \$2.50 for law library assessment.

7. Circuit Clerk should ensure all fees received in excess of \$90,000 are settled to the County by April 15th.

Finding

Section 9-1-43(1), Miss. Code Ann. (1972), limits the compensation of the of the Circuit Clerk to \$90,000 after making deductions for employee salaries and related salary expense and expenses allowed as deductions by Schedule C of the Internal Revenue Code. During the testing of the annual financial report, it was noted that the Circuit Clerk owed the County's General Fund \$35,494 in addition to the excess amount already settled to the County's General Fund. Failure to settle excess amounts of the salary cap into the County's General Fund in a timely manner may result in the loss or misappropriation of public funds.

Recommendation

The Circuit Clerk should ensure all fees received in excess of \$90,000 be settled to the County's General Fund on or before April 15th each year, as required by law.

#### Board of Supervisors' Response

Clerk misread the line items and has corrected the short fall. Going forward the clerk will utilize the Delta Fee Journal Program and will hire an outside accountant to review.

#### Auditor's Note

The Circuit Clerk paid \$35,494 on July 18, 2016 as evidenced by receipt warrant number 1600963.

Justice Court Clerk.

8. Unauthorized Fees being collected should be ceased.

#### Finding

Section 19-7-31, Miss. Code Ann. (1972), provides that the County may levy court costs to the Law Library fund not exceeding \$1.50 per each civil and criminal case filed in the justice court. During our testwork, it was noted that the Justice Court Clerk was levying \$2.00 to the Law Library fund for each civil and criminal case. Therefore, the Clerk has been erroneously collecting an additional \$0.50 on all civil and criminal court costs.

#### Recommendation

We recommend that the Justice Court Clerk levy the proper amount to the Law Library fund per each civil and criminal case.

#### Board of Supervisors' Response

As of July 5, 2016, we have corrected the law library assessment to \$1.50 on all of the following: all new civil, traffic, and criminal court cases and all traffic and criminal court cases that have not been adjudicated. Correct \$1.50 assessment is not set in our computer system.

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

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity 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.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

January 17, 2017

## JONES COUNTY

(This page left blank intentionally.)



JONES COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## JONES COUNTY

(This page left blank intentionally.)

# JONES COUNTY

## Schedule of Findings and Questioned Costs For the Year Ended September 30, 2015

### Section 1: Summary of Auditor's Results

#### ***Financial Statements:***

1. Type of auditor's report issued on the financial statements:
 

Governmental activities	Qualified
Business-type activities	Qualified
Aggregate discretely presented component units	Adverse
General Fund	Unmodified
Howard Industries Fund	Unmodified
Countywide Bond and Interest Sinking Fund	Unmodified
Aggregate remaining fund information	Unmodified
Garbage Fund	Qualified
2. Internal control over financial reporting:
  - a. Material weaknesses identified? Yes
  - b. Significant deficiency identified? None Reported
3. Noncompliance material to the financial statements noted? No

#### ***Federal Awards:***

4. Internal control over major federal programs:
  - a. Material weakness identified? Yes
  - b. Significant deficiency identified? None Reported
5. Type of auditor's report issued on compliance for major federal programs:
 

CFDA 10.665, Schools and roads - grants to states	Qualified
CFDA 97.042, Disaster grants - public assistance	Unmodified
6. Any audit finding(s) disclosed that are required to be reported in accordance with Section \_\_.510(a) of OMB Circular A-133? Yes
7. Identification of major federal programs:
  - a. CFDA 10.665, Schools and roads - grants to states
  - b. CFDA 97.036, Disaster grants - public assistance
8. Dollar threshold used to distinguish between type A and type B programs: \$300,000
9. Auditee qualified as low-risk auditee? No

JONES COUNTY

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2015

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

2015-001. Financial Data for component units should be included in the financial statements.

Finding

Generally accepted accounting principles require the financial data for the county's component units to be reported with the financial data of the county's primary government unless the county also issues financial statement for the financial reporting entity that included the financial data of the county's legally separate component units. As reported in the prior six year's audit reports, the financial statements do not include the financial data for the county's legally separate component units. Failure to follow generally accepted account principles resulted in an adverse opinion on the discretely presented component units.

Recommendation

The Board of Supervisors should provide the financial statement data for its discretely presented component units for the inclusion in the county's financial statements.

Board of Supervisors' Response

See Auditee's Corrective Action Plan

Material Weakness

2015-002. The County should comply with GASB Statement 45 and report on postemployment health care benefits.

Finding

Jones County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan. Since retirees may obtain health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 45 as a single employer defined health care plan. GASB Statement 45 requires the County to report on an accrual basis the liability associated with other postemployment benefits. As reported in the prior the five years' audit reports, the County does not issue a publicly available financial report for its health insurance plan. The County has not recorded a liability for other postemployment benefits nor has the county reported the note disclosures which are required by accounting principles generally accepted in the United States of America. The failure to properly follow generally accepted accounting principles resulted in a qualified opinion on the governmental activities.

Recommendation

The Board of Supervisors should have an actuarial valuation annually so that a liability for other postemployment benefits can be recorded and the appropriate note disclosures can be made in accordance with accounting principles generally accepted in the United States of America.

Board of Supervisors' Response

See Auditee's Corrective Action Plan.

JONES COUNTY

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2015

Section 3: Federal Award Findings and Questioned Costs

2015-003. National Forestry funds should be properly allocated between roads and schools.

Finding

Program: Schools and roads – grants to states, CFDA 10.665; U.S. Department of Agriculture,  
Passed through Mississippi State Treasurer's Office

Questioned Costs: \$34,418.86

Material Weakness  
Material Noncompliance

Compliance Requirement: Activity Allowed/Unallowed, Allowable Cost/Cost Principles, Earmarking

Finding

Section 49-19-23, Miss. Code Ann. (1972), requires that 50% of the funds received by the County be expended for the benefit of the public schools, and the remaining 50% be expended for the benefits of the public roads. As reported in the prior year's audit report, the County failed to properly settle national forestry funds totaling \$1,130.68 to the various road funds and \$33,288.18 to the schools. The failure to properly settle national forestry fund could result in the possibility of the loss or misuse of public funds.

Recommendation

The Board of Supervisors should promptly settle national forestry funds to the various road funds and the appropriate school districts.

Auditee's Response

See Auditee's Corrective Action Plan.

## JONES COUNTY

(This page left blank intentionally.)

JONES COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN

## JONES COUNTY

(This page left blank intentionally.)





MISSISSIPPI

# JONES COUNTY BOARD OF SUPERVISORS

## CORRECTIVE ACTION PLAN

August 25, 2016

P.O. BOX 1468  
LAUREL, MS 39441

Telephone: (601) 428-3139  
Fax: (601) 399-4727

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

Gentleman:

Jones County respectfully submits the following corrective action plan for the year ended September 30, 2015.

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

### SECTION 2: FINANCIAL STATEMENT FINDINGS

2015-001 We do not plan any action as we feel combining our hospital component unit data to our financial statements would only confuse readers and not be relevant in determining the financial operations of county government. The Hospital releases its own audit of its financial position.

Name of Contact Person Responsible for this Corrective Action: Charles Miller, C.F.O.

2015-002 We understand this is a fairly new requirement placed on counties; however, this information is very difficult to obtain. We will continue to seek help from our local health insurance agent to help us provide this actuarial information in the future.

Name of Contact Person Responsible for this Corrective Action: Charles Miller, C.F.O.

### SECTION 3: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2015-003 This has already been corrected. A letter notice from the field auditor that we had not settled the proper amounts to the road funds and the appropriate school district, on July 18, 2016 we settled the correct amount to the road funds and school district.

Name of Contact Person Responsible for this Corrective Action: Charles Miller, C.F.O.

Sincerely yours,  
  
Jerome Wyatt, President of the Board of Supervisors  
601-428-3139

JOHNNY BURN  
DISTRICT 1

DAVID SCROGGS  
DISTRICT 4

JEROME WYATT  
DISTRICT 5

SAUL  
DISTRICT 3

BART GAVIN  
CHANCERY CLERK