

Jasper County, Mississippi
Audited Financial Statements
And Special Reports
For the Year Ended
September 30, 2017

Fortenberry & Ballard, PC
Certified Public Accountants

Jasper County, Mississippi

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FINANCIAL REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Jasper 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 Jasper County, Mississippi, (the County) as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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.

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Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit

The financial statements did not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit 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 unit. 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 unit has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component unit of Jasper County, Mississippi, as of September 30, 2017, 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.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jasper County, Mississippi, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of County Contributions be presented to supplement the basic financial statements. Such information, 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.

Other Information

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 September 9, 2021 on our consideration of Jasper County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jasper County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County, Mississippi's internal control over financial reporting and compliance.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
September 9, 2021

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Jasper County, Mississippi

Management's Discussion and Analysis For the Year Ended September 30, 2017

INTRODUCTION

The following discussion and analysis of Jasper County, Mississippi's financial performance provides an overview of the County's financial activities for the year ended September 30, 2017. The intent of this discussion and analysis is to look at the County's performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

- Jasper County remains financially stable. The County continues to excel in fiscal management employing sound financial planning, disciplined budgeting and strong internal controls. The County maintains a strong commitment to sound fiscal management to meet future challenges.
- Governmental activity expenses decreased \$2,376,447 in fiscal year 2017 (\$11,036,017) from fiscal year 2016 (\$13,412,464). This trend is a continuance from the prior period where governmental activity expenses decreased \$2,980,867 from fiscal year 2015 (\$16,393,331).
- Total net position for governmental activities increased \$4,041,131, excluding a prior period adjustment of \$78,288, in fiscal year 2017 (\$18,087,397) from fiscal year 2016 (\$13,967,978). This trend is a continuance from the prior period where governmental activity increased \$1,222,508, including a prior period adjustment of (\$325,760) from fiscal year 2015 (\$12,745,470).
- The County had \$15,077,148 in total governmental revenues in fiscal year 2017. This amount was sufficient for coverage of governmental activity expenses incurred during the aforementioned fiscal year. Prior fiscal year governmental revenues were similar at \$14,960,732.
- Among major funds, the General Fund had \$7,917,954 in revenues, and \$7,163,250 in expenditures. Additional transactions for other sources and uses of income added \$366,968 to the fund balance resulting in a fund balance increase of \$1,121,672 from the prior year.
- Capital assets, net of accumulated depreciation, in the governmental activities increased by \$3,115,981 primarily due to infrastructure additions. This increase includes a prior period adjustment of \$156,686 to correct capital asset valuation. In 2016, capital assets, net of accumulated depreciation, in the governmental activities increased by \$1,713,784.
- Long-term debt decreased by \$1,125,886 in the governmental activities primarily due to payments made offset by new lease purchases. This trend is a continuance from the prior period where long-term debt decreased by \$747,305 in governmental activities.

Jasper County, Mississippi

Management's Discussion and Analysis
For the Year Ended September 30, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Figure 1 – Required Components of the County's Annual Report

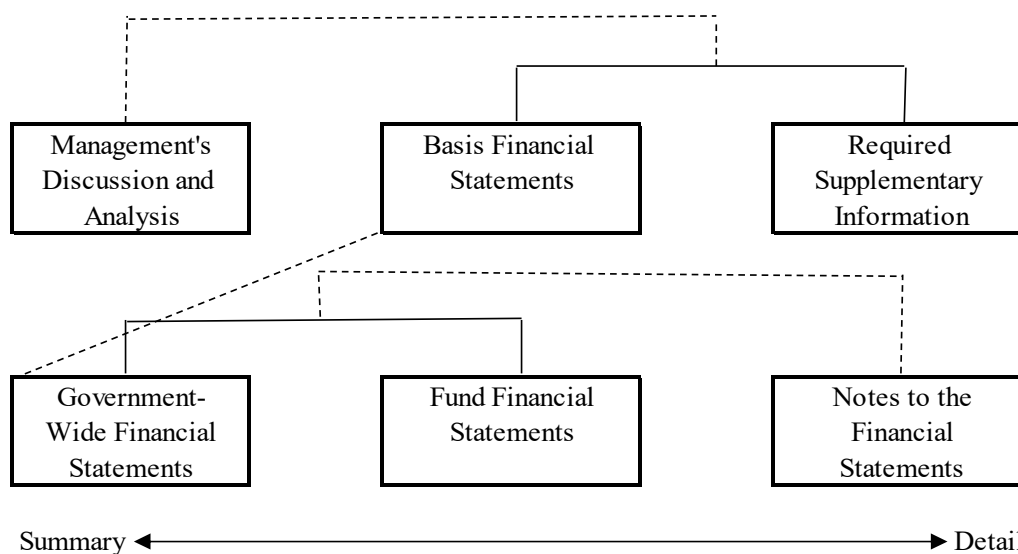


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

The next page summarizes the major features of the County's Government-wide and Fund Financial Statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

Jasper County, Mississippi

Management's Discussion and Analysis
For the Year Ended September 30, 2017

	Government-Wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds)	All activities of the County that are not business-type or fiduciary in nature	All activities of the County that are business-type in nature	The County is the trustee or agent for someone else's resources
Required Financial Statements	* Statement of Net Position * Statement of Activities	* Balance Sheet * Statement of Revenues, Expenditures and Changes in Fund Balances	*Statement of Net Position *Statement of Revenues, Expenses and Changes in Net Position *Cash Flows	* Statement of Fiduciary Assets and Liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/deferred outflow/ liability/deferred inflow information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital and short and long term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets, deferred outflows, liabilities, and deferred inflows, both short and long term	All assets, liabilities, both short and long term
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when the cash is received or paid	N/A

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Jasper County, Mississippi

Management's Discussion and Analysis For the Year Ended September 30, 2017

The Statement of Net Position presents information on all the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as "net position." Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the County that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, pension expense and interest on long-term debt. The business-type activities of the County include solid waste collection.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - Most of the County's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the County's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may gain a better understanding of the long-term impact of the County's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual governmental funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All non-major funds are combined and presented in these reports as other governmental funds.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. These funds are reported using the accrual basis of accounting. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Jasper County, Mississippi

Management's Discussion and Analysis
For the Year Ended September 30, 2017

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Capital outlay spending results in capital assets on government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.

Bond and notes proceeds result in liabilities on government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules as required supplementary information. The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund and each additional major special revenue fund as required by the Governmental Accounting Standards Board. Additionally, the Schedule of the County's Proportionate Share of the Net Pension Liability and the Schedule of the County's Contributions are included in this Section.

Other Information

Although not a required part of the basic financial statements, the Schedule of Surety Bonds for County Officials is presented for purposes of additional analysis.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position may serve over time as a useful indicator of the County's financial position. In the case of Jasper County, total assets and total deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$17,973,681 as of September 30, 2017.

The County's financial position is a product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

Jasper County, Mississippi

Management's Discussion and Analysis
For the Year Ended September 30, 2017

Table 1 A presents a summary of the County's net position for the governmental activities at September 30, 2016 and September 30, 2017.

Table 1 A
Condensed Statement of Net Position

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>% Change</u>
Assets:			
Current assets	\$ 24,234,286	\$ 22,861,544	6%
Capital assets, net	<u>22,578,028</u>	<u>19,462,047</u>	<u>16%</u>
Total Assets	<u>46,812,314</u>	<u>42,323,591</u>	<u>11%</u>
 Deferred outflows of resources	 <u>910,548</u>	 <u>2,507,856</u>	 <u>-64%</u>
 Liabilities:			
Current liabilities	803,195	631,357	27%
Long-term debt outstanding	6,476,981	7,602,867	-15%
Net pension liability	<u>11,821,021</u>	<u>12,210,911</u>	<u>-3%</u>
Total Liabilities	<u>19,101,197</u>	<u>20,445,135</u>	<u>-7%</u>
 Deferred inflows of resources	 <u>10,534,268</u>	 <u>10,418,334</u>	 <u>1%</u>
 Net Position:			
Net investment in capital assets	16,205,720	11,915,357	36%
Restricted	5,608,603	5,593,769	0%
Unrestricted	<u>(3,726,926)</u>	<u>(3,541,148)</u>	<u>-5%</u>
Total Net Position	<u>\$ 18,087,397</u>	<u>\$ 13,967,978</u>	<u>29%</u>

The following are significant current year transactions in the governmental activities that had an impact on the Statement of Net Position.

- Addition of Infrastructure
- Approximate cash increase of \$1,300,000
- Further reduction of debt service obligations by approximately \$1,125,000

Jasper County, Mississippi

Management's Discussion and Analysis
For the Year Ended September 30, 2017

Table 1 B presents a summary of the County's net position for the business-type activities at September 30, 2016 and September 30, 2017.

Table 1 B
Condensed Statement of Net Position

	<u>09/30/17</u>	<u>09/30/16</u>	<u>% Change</u>
Assets:			
Current assets	\$ 154,853	101,309	53%
Capital assets, net	<u>25,873</u>	<u>25,873</u>	<u>0%</u>
Total Assets	<u>180,726</u>	<u>127,182</u>	<u>42%</u>
 Deferred outflows of resources	 <u>17,302</u>	 <u>50,237</u>	 <u>-66%</u>
 Liabilities:			
Current liabilities	82,146	78,429	5%
Long-term debt outstanding	1,643	796	106%
Net pension liability	<u>224,623</u>	<u>244,608</u>	<u>-8%</u>
Total Liabilities	<u>308,412</u>	<u>323,833</u>	<u>-5%</u>
 Deferred inflows of resources	 <u>3,332</u>	 <u>2,664</u>	 <u>25%</u>
 Net Position:			
Net investment in capital assets	25,873	25,873	0%
Unrestricted	<u>(139,589)</u>	<u>(174,951)</u>	<u>20%</u>
Total Net Position	\$ <u>(113,716)</u>	<u>(149,078)</u>	<u>24%</u>

In connection with the application of standards on accounting and financial reporting for pensions, management presents the following additional information:

Jasper County, Mississippi

Management's Discussion and Analysis For the Year Ended September 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Total unrestricted net position (deficit)	\$ (3,726,926)	(139,589)
Less unrestricted deficit in net position resulting from recognition of the net pension liability, including the deferred outflows and deferred inflows related to pensions	<u>11,085,824</u>	<u>210,653</u>
Unrestricted net position, exclusive of the net pension liability effect	\$ <u>7,358,898</u>	<u>71,064</u>

Changes in Net Position

Jasper County's total revenues for the fiscal year ended were \$16,268,192 and \$16,057,205 for 2017 and 2016 respectively. The total cost of all services provided was \$12,191,699 for 2017 and \$14,633,284 for 2016.

The following tables present a summary of the changes in net position for the governmental and business-type activities for the fiscal years ended September 30, 2016 and September 30, 2017.

Table 2 A
Changes in Net Position - Governmental Activities and Business-type Activities

Jasper County, Mississippi

Management's Discussion and Analysis For the Year Ended September 30, 2017

	Fiscal Year Ended <u>9/30/2017</u>	Fiscal Year Ended <u>9/30/2016</u>	<u>% Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 1,857,669	\$ 1,616,752	15%
Operating grants & contributions	224,035	78,896	184%
Capital grants & contributions	0	421,884	-100%
General revenues:			
Property taxes	10,907,657	10,718,392	2%
Road and bridge privilege taxes	213,135	195,102	9%
Grants and contributions - unrestricted	2,706,088	2,564,975	6%
Unrestricted interest income	79,021	74,292	6%
Gain on disposal of capital assets	178,806	299,871	-40%
Miscellaneous revenue	101,781	87,041	17%
Total Revenues	<u>16,268,192</u>	<u>16,057,205</u>	<u>1%</u>
Expenses:			
General government	\$ 3,904,930	\$ 1,844,252	112%
Public safety	3,296,112	3,011,811	9%
Public works	1,414,935	5,946,193	-76%
Health & welfare	178,113	212,418	-16%
Culture & recreation	15,307	110,008	-86%
Conservation of natural resources	49,117	50,068	-2%
Economic development and assistance	99,694	304,324	-67%
Interest on long-term debt	177,951	227,161	-22%
Pension expense	1,899,858	1,706,229	11%
Solid waste	1,155,682	1,220,820	-5%
Total Expenses	<u>12,191,699</u>	<u>14,633,284</u>	<u>-17%</u>
Change in Net Position	<u>\$ 4,076,493</u>	<u>\$ 1,423,921</u>	<u>186%</u>

Governmental and Business-Type Activities – The following table presents the cost of major functional activities of the County: General Government, Public Safety, Public Works, Health & Welfare, Culture and Recreation, Conservation of Natural Resources, Economic Development and Assistance, Pension Expense and Interest on Long-Term Debt for the governmental activities. The table also shows each function's net cost (total cost less charges for services generated by the activity and intergovernmental aid provided for that activity). The net cost shows the financial burden placed on Jasper County's taxpayers by each of these functions.

Jasper County, Mississippi

Management's Discussion and Analysis For the Year Ended September 30, 2017

	2017 Total Cost	2017 Net Cost	2016 Total Cost	2016 Net Cost
<u>Governmental Activities:</u>				
General government	\$ (3,904,930)	\$ (3,819,311)	\$ (1,844,252)	\$ (1,721,684)
Public safety	(3,296,112)	(2,484,935)	(3,011,811)	(2,380,204)
Public works	(1,414,935)	(1,296,071)	(5,946,193)	(5,524,309)
Health and welfare	(178,113)	(178,113)	(212,418)	(212,418)
Culture and recreation	(15,307)	(15,307)	(110,008)	(110,008)
Conservation of natural resources	(49,117)	(49,117)	(50,068)	(50,068)
Economic development and assistance	(99,694)	(99,694)	(304,324)	(304,324)
Interest on long-term debt	(177,951)	(177,951)	(227,161)	(227,161)
Pension expense	(1,899,858)	(1,899,858)	(1,706,229)	(1,706,229)
Total Expenses	<u>\$ (11,036,017)</u>	<u>\$ (10,020,357)</u>	<u>\$ (13,412,464)</u>	<u>\$ (12,236,405)</u>
<u>Business-type Activities:</u>				
Solid waste	<u>\$ (1,155,682)</u>	<u>\$ (89,638)</u>	<u>\$ (1,220,820)</u>	<u>\$ (279,347)</u>

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

The financial performance of the County as a whole is reflected in its governmental funds. As the County completed the year, its governmental funds reported a combined fund balance of \$11,409,715, an increase of \$1,138,156 from fiscal year 2016. In fiscal year 2016, the combined fund balance was \$10,271,559 an increase of \$259,699 from fiscal year 2015. The General Fund is the principal operating fund of the County. The increase in the fund balance of the General Fund for fiscal year 2017 was \$1,121,672.

Jasper County, Mississippi

Management's Discussion and Analysis
For the Year Ended September 30, 2017

BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

Over the course of the year, Jasper County revised its annual operating budget on several occasions. Budgeted revenues changed as better estimates became available.

A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund and other special revenue major fund is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Governmental Activities:

Capital Assets - As of September 30, 2017, Jasper County's total capital assets were \$37,777,583. This includes land, construction in progress, infrastructure, buildings, improvements other than buildings, mobile equipment, and furniture and equipment. This amount represents an increase from the previous year of \$3,762,516. Total accumulated depreciation as of September 30, 2017 was \$15,199,555 including \$1,283,469 of depreciation expense for the year. The balance in total net capital assets was \$22,578,028 at year-end.

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>Change</u>
Land	\$ 673,597	\$ 673,597	0%
Construction in progress	511,701	-	N/A
Infrastructure	15,558,018	12,347,577	26%
Buildings	9,537,639	9,357,770	2%
Improvements other than buildings	38,167	38,167	0%
Mobile equipment	7,757,602	7,992,570	-3%
Furniture and equipment	1,072,035	1,048,755	2%
Leased property under capital leases	2,628,824	2,556,631	3%
Accumulated depreciation	<u>(15,199,555)</u>	<u>(14,553,020)</u>	<u>4%</u>
Total Capital Assets, net	<u>\$ 22,578,028</u>	<u>\$ 19,462,047</u>	<u>16%</u>

Business-Type Activities:

Capital Assets.

As of September 30, 2017, Jasper County's total capital assets were \$39,164, including mobile equipment only. This amount remained unchanged from the previous year. Total accumulated depreciation as of September 30, 2017 was \$13,291 also remaining unchanged from the previous year. The balance in total net capital assets was \$25,873 at year-end.

Jasper County, Mississippi

Management's Discussion and Analysis
For the Year Ended September 30, 2017

Debt Administration.

Governmental Activities:

At September 30, 2017, Jasper County had \$6,476,981 in long-term debt outstanding.

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>Change</u>
General obligation bonds	\$ 2,595,000	\$ 3,370,000	-23%
Capital leases	1,070,929	1,233,143	-13%
Other loans	2,706,379	2,943,547	-8%
Compensated absences	104,673	56,177	86%
Total Long-Term Debt	<u>\$ 6,476,981</u>	<u>\$ 7,602,867</u>	-15%

Business-Type Activities:

At September 30, 2017, Jasper County had \$1,643 in long-term debt outstanding.

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>Change</u>
Compensated absences	\$ <u>1,643</u>	<u>796</u>	106%

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the Jasper County Chancery Clerk's Office, Post Office Box 1047, Bay Springs, Mississippi 39422, or call 601-764-3368.

FINANCIAL STATEMENTS

JASPER COUNTY, MISSISSIPPI

Statement of Net Position

September 30, 2017

Exhibit 1

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash	\$ 11,633,491	79,367	11,712,858
Property tax receivable	10,202,739		10,202,739
Accounts receivable (net of allowance for uncollectibles of \$1,184,923)		296,231	296,231
Fines receivable (net of allowance for uncollectibles of \$1,683,834)	218,910		218,910
Capital leases receivable	1,622,644		1,622,644
Intergovernmental receivables	330,963		330,963
Other receivables	4,794		4,794
Internal balances	220,745	(220,745)	0
Capital assets:			
Land and construction in progress	1,185,298		1,185,298
Other capital assets, net	21,392,730	25,873	21,418,603
Total Assets	46,812,314	180,726	46,993,040
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	910,548	17,302	927,850
Total Deferred Outflows of Resources	910,548	17,302	927,850
LIABILITIES			
Claims payable	450,634	82,146	532,780
Intergovernmental payables	329,644		329,644
Accrued interest payable	22,917		22,917
Long-term liabilities			
Net pension liability	11,821,021	224,623	12,045,644
Due within one year:			
Capital debt	1,393,681		1,393,681
Due in more than one year:			
Capital debt	4,978,627		4,978,627
Non-capital debt	104,673	1,643	106,316
Total Liabilities	19,101,197	308,412	19,409,609
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	175,351	3,332	178,683
Deferred revenues - property taxes	10,202,739		10,202,739
Deferred inflows - capital lease interest	156,178		156,178
Total deferred inflows of resources	10,534,268	3,332	10,537,600
NET POSITION			
Net investment in capital assets	16,205,720	25,873	16,231,593
Restricted for:			
Expendable:			
General government	851,895		851,895
Public safety	121,554		121,554
Public works	1,371,919		1,371,919
Culture and recreation	66,304		66,304
Economic development and assistance	2,371,722		2,371,722
Debt service	825,209		825,209
Unrestricted	(3,726,926)	(139,589)	(3,866,515)
Total Net Position	\$ 18,087,397	(113,716)	17,973,681

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

JASPER COUNTY, MISSISSIPPI
Statement of Activities
For the Year Ended September 30, 2017

Exhibit 2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
Primary government:						
Governmental activities:						
General government	\$ (3,904,930)	\$ 85,619	\$	\$ (3,819,311)	\$	\$ (3,819,311)
Public safety	(3,296,112)	706,006	105,171	(2,484,935)		(2,484,935)
Public works	(1,414,935)		118,864	(1,296,071)		(1,296,071)
Health and welfare	(178,113)			(178,113)		(178,113)
Culture and recreation	(15,307)			(15,307)		(15,307)
Conservation of natural resources	(49,117)			(49,117)		(49,117)
Economic development and assistance	(99,694)			(99,694)		(99,694)
Interest on long-term debt	(177,951)			(177,951)		(177,951)
Pension expense	(1,899,858)			(1,899,858)		(1,899,858)
Total Governmental Activities	<u>(11,036,017)</u>	<u>791,625</u>	<u>224,035</u>	<u>(10,020,357)</u>		<u>(10,020,357)</u>
Business-type activities:						
Garbage and solid waste	(1,155,682)	1,066,044			(89,638)	(89,638)
Total Business-type Activities	<u>(1,155,682)</u>	<u>1,066,044</u>	<u>0</u>		<u>(89,638)</u>	<u>(89,638)</u>
Total Primary Government	<u>\$ (12,191,699)</u>	<u>\$ 1,857,669</u>	<u>\$ 224,035</u>	<u>\$ (10,020,357)</u>	<u>\$ (89,638)</u>	<u>\$ (10,109,995)</u>
General revenues:						
Property taxes				\$ 10,907,657	\$	\$ 10,907,657
Road & bridge privilege taxes				213,135		213,135
Grants and contributions not restricted to specific programs				2,706,088		2,706,088
Unrestricted interest income				79,021		79,021
Gain or loss on disposal of capital assets				178,806		178,806
Miscellaneous				101,781		101,781
Transfers				<u>(125,000)</u>	<u>125,000</u>	<u>0</u>
Total General Revenues and Transfers				<u>14,061,488</u>	<u>125,000</u>	<u>14,186,488</u>
Changes in Net Position				<u>4,041,131</u>	<u>35,362</u>	<u>4,076,493</u>
Net Position - Beginning, as previously reported				13,967,978	(149,078)	13,818,900
Prior period adjustments				78,288		78,288
Net Position - Beginning, as restated				<u>14,046,266</u>	<u>(149,078)</u>	<u>13,897,188</u>
Net Position - Ending				<u>\$ 18,087,397</u>	<u>\$ (113,716)</u>	<u>\$ 17,973,681</u>

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

JASPER COUNTY, MISSISSIPPI
Balance Sheet - Governmental Funds
September 30, 2017

Exhibit 3

	<u>Major Funds</u>			
	<u>General Fund</u>	<u>Economic Development Trust</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 7,310,211	\$ 721,556	\$ 3,601,724	\$ 11,633,491
Property tax receivable	6,477,273		3,725,466	10,202,739
Fines receivable (net of allowance for uncollectibles of \$1,683,834)	218,910			218,910
Capital lease receivable		1,622,644		1,622,644
Intergovernmental receivables	106,833		218,331	325,164
Other receivables	4,794			4,794
Due from other funds	14,363		39,138	53,501
Advances to other funds	365,393	3,241		368,634
Total Assets	<u>\$ 14,497,777</u>	<u>\$ 2,347,441</u>	<u>\$ 7,584,659</u>	<u>\$ 24,429,877</u>
LIABILITIES				
Liabilities:				
Claims payable	\$ 179,950	\$	\$ 270,684	\$ 450,634
Intergovernmental payables	329,644			329,644
Due to other funds	47,339			47,339
Advances from other funds			148,252	148,252
Total Liabilities	<u>556,933</u>	<u>0</u>	<u>418,936</u>	<u>975,869</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	6,477,273		3,725,466	10,202,739
Unavailable revenue - capital leases		1,622,644		1,622,644
Unavailable revenue - fines	218,910			218,910
Total deferred inflows of resources	<u>\$ 6,696,183</u>	<u>1,622,644</u>	<u>3,725,466</u>	<u>12,044,293</u>
Fund balances:				
Nonspendable:				
Advances	365,393			365,393
Restricted for:				
General government			851,895	851,895
Public safety			121,554	121,554
Public works			1,371,919	1,371,919
Culture and recreation			66,304	66,304
Economic development and assistance		724,797	180,459	905,256
Debt service			848,126	848,126
Unassigned	6,879,268			6,879,268
Total Fund Balances	<u>\$ 7,244,661</u>	<u>724,797</u>	<u>3,440,257</u>	<u>11,409,715</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 14,497,777</u>	<u>2,347,441</u>	<u>7,584,659</u>	<u>24,429,877</u>

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

JASPER COUNTY, MISSISSIPPI**Exhibit 3-1**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2017

Total Fund Balance - Governmental Funds	\$ 11,409,715
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 \$15,199,555.	22,578,028
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	218,910
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(6,476,981)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(22,917)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,466,466
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	910,548
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	(175,351)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(11,821,021)</u>
Total Net Position - Governmental Activities	\$ <u><u>18,087,397</u></u>

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

JASPER COUNTY, MISSISSIPPI**Exhibit 4**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund
For the Year Ended September 30, 2017

	Major Funds		Other	Total
	General	Economic	Governmental	Governmental
	Fund	Development	Funds	Funds
		Trust		
REVENUES				
Property taxes	\$ 6,893,086	\$	\$ 4,014,571	\$ 10,907,657
Road and bridge privilege taxes			213,135	213,135
Licenses, commissions and other revenues	219,356			219,356
Fines and forfeitures	182,982		193,620	376,602
Intergovernmental revenues	540,588		2,389,535	2,930,123
Charges for services	20,500		168,159	188,659
Interest income	21,436	45,591	11,994	79,021
Miscellaneous revenues	40,006	12,292	49,483	101,781
Total Revenues	<u>7,917,954</u>	<u>57,883</u>	<u>7,040,497</u>	<u>15,016,334</u>
EXPENDITURES				
Current:				
General government	3,953,266		20,310	3,973,576
Public safety	2,887,988		473,274	3,361,262
Public works			5,112,850	5,112,850
Health and welfare	179,870			179,870
Culture and recreation			8,759	8,759
Conservation of natural resources	49,117			49,117
Economic development and assistance			111,553	111,553
Debt service:				
Principal	88,079	39,371	1,449,131	1,576,581
Interest	4,930	10,351	172,728	188,009
Total Expenditures	<u>7,163,250</u>	<u>49,722</u>	<u>7,348,605</u>	<u>14,561,577</u>
Excess of Revenues over (under) Expenditures	<u>754,704</u>	<u>8,161</u>	<u>(308,108)</u>	<u>454,757</u>
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued			402,199	402,199
Proceeds from sale of capital assets	3,496		56,115	59,611
Compensation for loss of capital assets	1,236		317,482	318,718
Transfers in	600,129		112,893	713,022
Transfers out	(237,893)		(600,129)	(838,022)
Issuance of capital lease		(500,000)		(500,000)
Lease principal payments		527,871		527,871
Total Other Financing Sources and Uses	<u>366,968</u>	<u>27,871</u>	<u>288,560</u>	<u>683,399</u>
Net Changes in Fund Balances	<u>1,121,672</u>	<u>36,032</u>	<u>(19,548)</u>	<u>1,138,156</u>
Fund Balances - Beginning	<u>6,122,989</u>	<u>688,765</u>	<u>3,459,805</u>	<u>10,271,559</u>
Fund Balances - Ending	<u>\$ 7,244,661</u>	<u>724,797</u>	<u>3,440,257</u>	<u>11,409,715</u>

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

JASPER COUNTY, MISSISSIPPI**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, 2017

Net Changes in Fund Balances - Governmental Funds \$ 1,138,156

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 \$4,442,287 exceeded depreciation of \$1,283,469 in the current period. 3,158,818

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 gain of \$178,806 and the proceeds from the sales of \$378,329 in the current period. (199,523)

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. 7,008

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 \$1,576,581 exceeded debt proceeds of \$402,199. 1,174,382

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:

(Increase) in compensated absences liability	(48,496)
Decrease in accrued interest payable	10,058

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 amount that the principal collections on the capital leases of \$527,871 exceeded the \$500,000 issuance of the new capital lease. (27,871)

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	(1,899,858)
Recording of contributions made during the measurement period	728,457

Change in Net Position of Governmental Activities \$ 4,041,131

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

JASPER COUNTY, MISSISSIPPI

Statement of Net Position - Proprietary Fund

September 30, 2017

Exhibit 5

	Business-type Activities Solid Waste
ASSETS	
Current assets:	
Cash	\$ 79,367
Accounts receivable (net of allowance for uncollectibles of \$1,184,923)	296,231
Total Current Assets	<u>375,598</u>
Noncurrent assets:	
Other capital assets, net	25,873
Total Noncurrent Assets	<u>25,873</u>
Total Assets	<u>401,471</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	17,302
Total Deferred Outflows of Resources	<u>17,302</u>
 LIABILITIES	
Current liabilities:	
Claims payable	82,146
Due to other funds	14,363
Advances from other funds	206,382
Total Current Liabilities	<u>302,891</u>
Noncurrent liabilities:	
Net pension liability	224,623
Non-capital debt:	
Compensated absences payable	1,643
Total Noncurrent Liabilities	<u>226,266</u>
Total Liabilities	<u>529,157</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	3,332
Total Deferred Inflows of Resources	<u>3,332</u>
 NET POSITION	
Net investment in capital assets	25,873
Unrestricted	(139,589)
Total Net Position	\$ <u><u>(113,716)</u></u>

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

JASPER COUNTY, MISSISSIPPI**Exhibit 6**

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
 For the Year Ended September 30, 2017

	Business-type Activities
	<u>Solid Waste</u>
Operating Revenues	
Charges for services	\$ 1,066,044
Total Operating Revenues	<u>1,066,044</u>
Operating Expenses	
Personal services	115,017
Pension expense	36,101
Contractual services	985,140
Materials and supplies	5,061
Indirect administrative cost	14,363
Total Operating Expenses	<u>1,155,682</u>
Operating Income (Loss)	<u>(89,638)</u>
Nonoperating Revenues (Expenses)	
Transfers in	<u>125,000</u>
Changes in Net Position	<u>35,362</u>
Net Position - Beginning	<u>(149,078)</u>
Net Position - Ending	\$ <u><u>(113,716)</u></u>

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

JASPER COUNTY, MISSISSIPPI

Statement of Cash Flows - Proprietary Fund

For the Year Ended September 30, 2017

Exhibit 7

		Business-type Activities Solid Waste
Cash Flows From Operating Activities		
Receipts from customers	\$	1,014,798
Payments to suppliers		(980,048)
Payments to employees		(143,089)
Net Cash Provided (Used) by Operating Activities		(108,339)
Cash Flows From Noncapital Financing Activities		
Cash received from other funds:		
Operating transfers in		125,000
Net Cash Provided (Used) by Noncapital Financing Activities		125,000
Net Increase (Decrease) in Cash and Cash Equivalents		16,661
Cash and Cash Equivalents at Beginning of Year		62,706
Cash and Cash Equivalents at End of Year	\$	79,367
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$	(89,638)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		(51,246)
(Increase) decrease in deferred outflows of resources		32,935
Increase (decrease) in claims payable		3,717
Increase (decrease) in net pension liability		(19,985)
Increase (decrease) in compensated absences liability		847
Increase (decrease) in advances from other funds		13,123
Increase (decrease) in deferred inflows of resources		668
Increase (decrease) in interfund payables		1,240
Total Adjustments		(18,701)
Net Cash Provided (Used) by Operating Activities	\$	(108,339)

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

JASPER COUNTY, MISSISSIPPIStatement of Fiduciary Assets and Liabilities
September 30, 2017**Exhibit 8**

		Agency Funds
ASSETS		
Cash	\$	356,223
Due from other funds		8,201
Total Assets	\$	<u>364,424</u>
LIABILITIES		
Intergovernmental payables	\$	350,424
Advances from other funds		14,000
Total Liabilities	\$	<u>364,424</u>

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

Jasper County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2017

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Jasper 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 Jasper 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 unit which has 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 conformity with accounting principles generally accepted in the United States of America.

- Jasper General Hospital

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. Individual Component Unit Disclosures

Blended Component Unit

Certain component units, although legally separate from the primary government, are nevertheless so intertwined with the primary government that they are, in substance, the same as the primary government. Therefore, this component unit is reported as if it is part of the primary government. The following component unit's balances and transactions are blended with the balances and transactions of the primary government.

Jasper County Economic Development District is a legally separate entity organized under Section 19-5-99, Miss. Code Ann. (1972). Its purpose is to foster, encourage, and facilitate economic development in the County. The entity's board of trustees is comprised solely of sixteen members, ten of which are appointed by the Jasper County Board of Supervisors. Two members each are appointed by the City of Bay Springs, Town of Heidelberg and Town of Louin. The County funds the entity through a 0.75 mill tax levy.

C. Basis of Presentation.

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

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

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. 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, deferred outflows, liabilities, deferred inflows, fund balances, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

D. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

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

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

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.

Economic Development Trust Fund - This fund is used to account for monies from specific revenue sources that are restricted for economic development in Jasper County.

The County reports the following major Enterprise Fund:

Solid Waste 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 Fund - 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 TYPES

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

E. Account Classifications.

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

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

F. Deposits and Investments.

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

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

G. Receivables.

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

H. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of interfund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the 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."

I. Capital Assets.

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

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

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

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

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	*	*

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

J. Deferred Outflows/Inflows of Resources:

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

Deferred outflows related to pensions – This amount represents the County’s proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 14 for additional details.

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

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

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

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

Deferred inflows related to pensions – This amount represents the County’s proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 14 for additional details.

K. Pensions.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

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.

L. Long-term Liabilities.

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

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position.

M. 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

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

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

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

Fund Balance Flow Assumption:

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

N. 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.

O. 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.

P. Compensated Absences.

The County has adopted a policy of compensation for accumulated unpaid employee personal leave. No

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and Proprietary Funds financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

Q. 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. 77, *Tax Abatement Disclosures* and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*. The provisions of these standards have been incorporated into the financial statements and notes.

(2) Prior Period Adjustments.

A summary of the significant net position adjustment is as follows:

Exhibit 2 – Statement of Activities – Governmental Activities.

Explanation		Amount
To correct prior year errors in recording capital assets.	\$	156,686
To correct prior year errors in recording revenues/expenditures.		<u>(78,398)</u>
	\$	<u>78,288</u>

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2017, was \$12,069,081, and the bank balance was \$12,384,193. 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. 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.

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

(4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2017:

A. Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste	\$ 14,363
Other Governmental Funds	General Fund	39,138
Agency Funds	General Fund	<u>8,201</u>
Total		<u>\$ 61,702</u>

The receivable in the General Fund represent the calculated indirect costs for the fiscal year from the Solid Waste Fund representing user fees collected in September 2017 but settled in October 2017. Other Governmental and Agency Fund receivables represent the tax revenue collected in September 2017, but not settled until October, 2017. All interfund balances are expected to be repaid within one year from the date of the financial statements.

A. Advances to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ 206,382
General Fund	Agency Funds	14,000
General Fund	Other Governmental Funds	145,011
Economic Development Trust Fund	Other Governmental Funds	<u>3,241</u>
Total		<u>\$ 368,634</u>

The amount payable to the General Fund from the Solid Waste Fund represents unpaid indirect costs. Other advances were made to resolve cash flow problems to prior years.

B. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 600,129
Other Governmental Funds	General Fund	112,893
Solid Waste Fund	General Fund	<u>125,000</u>
Total		<u>\$ 838,022</u>

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

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2017, consisted of the following:

Description	Amount
Governmental Activities:	
Legislative tax credit	\$ 91,470
Oil severance	166,094
Gas severance	15,363
Gasoline tax	<u>52,237</u>
Total Governmental Activities	\$ <u>325,164</u>

(6) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2017:

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

Governmental activities:

	Balance Oct. 1, 2016	Additions	Deletions	Adjustments*	Balance Sept. 30, 2017
<u>Non-depreciable capital assets:</u>					
Land	\$ 673,597				673,597
Construction in progress	-	251,973		259,728	511,701
Total non-depreciable capital assets	673,597	251,973	-	259,728	1,185,298
<u>Depreciable capital assets:</u>					
Infrastructure	12,347,577	3,210,441			15,558,018
Building	9,357,770	179,869			9,537,639
Improvements other than buildings	38,167				38,167
Mobile equipment	7,992,570	253,867	514,238	25,403	7,757,602
Furniture and equipment	1,048,755	31,769	9,285	796	1,072,035
Leased property under capital leases	2,556,631	514,368	431,540	(10,635)	2,628,824
Total depreciable capital assets	33,341,470	4,190,314	955,063	15,564	36,592,285
<u>Less accumulated depreciated for:</u>					
Infrastructure	3,223,841	419,237			3,643,078
Buildings	2,626,174	168,205			2,794,379
Improvements other than buildings	30,534				30,534
Mobile equipment	6,557,550	293,853	418,086	473,569	6,906,886
Furniture and equipment	674,228	150,685	7,946	306	817,273
Leased property under capital leases	1,440,693	251,489	329,508	(355,269)	1,007,405
Total accumulated depreciation	14,553,020	1,283,469	755,540	118,606	15,199,555
Total depreciable capital assets, net	18,788,450	2,906,845	199,523	(103,042)	21,392,730
Governmental activities capital assets, net	\$ 19,462,047	3,158,818	199,523	156,686	22,578,028

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

Business-type activities:

	Balance Oct. 1, 2016	Additions	Deletions	Balance Sept. 30, 2017
<u>Depreciable capital assets:</u>				
Mobile equipment	\$ 39,164			39,164
Total depreciable capital assets	39,164	0	0	39,164
<u>Less accumulated depreciated for:</u>				
Mobile equipment	13,291			13,291
Total accumulated depreciation	13,291	0	0	13,291
Total depreciable capital assets, net	25,873	0	0	25,873
Business-type activities capital assets, net	\$ 25,873	0	0	25,873

Adjustments made in governmental activities to correctly state capital assets (See Note 2).

Depreciation expense was charged to the following functions:

	Amount
Governmental activities:	
General government	\$ 108,193
Public safety	275,563
Public works	889,649
Health and welfare	3,516
Culture and recreation	6,548
Total governmental activities depreciation expense	\$ 1,283,469

Commitments with respect to unfinished capital projects at September 30, 2017 consisted of ongoing state aid road project LSBP 31 19 (County Road 3511).

(7) 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. 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, 2017, to January 1, 2018. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

(8) Operating Leases.

As Lessor:

On July 12, 2011, Jasper County entered into a noncancellable operating lease agreement with Jasper County Economic Development District for the lease of property/premises located in the Town of Stringer at 25 County Road 17, which is owned by the County. The operating lease stipulated that the lessee would pay \$1,000 per month in lease payments commencing July 1, 2011 for a term of ten years. On July 13, 2011, Jasper County Economic Development District assigned and sublet the property to Southern Industrial Technologies for the purpose of conducting business of fabricated structural metal. On June 25, 2013, the lease agreement was modified to add \$22,000 of past due rent amortized over the remaining lease term. As of July 1, 2013, the total amount due per month is \$1,229.16. It is agreed that in the event Southern Industrial Technology pays rent when due, no demand will be made for the arrearage of \$22,000. At the end of the initial ten-year term, the lease shall automatically be extended for two additional five-year terms.

The County receives income from property it leases under noncancellable operating leases. Total income from such leases was \$12,292 for the year ended September 30, 2017. The future minimum lease receivables for this lease is as follows:

<u>Year Ending September 30</u>		<u>Amount</u>
2018	\$	25,812
2019		14,750
2020		14,750
2021		11,062
Total	\$	<u>66,374</u>

(9) Capital Leases.

As Lessor:

On February 3, 2004, Jasper County entered into a capital lease agreement with Hol-Mac Corporation for the real estate purchase of property/premises for the expansion of a manufacturing facility. The capital lease stipulated that the lessee would pay monthly payments of \$3,542 commencing March 1, 2004 for a term of ten years, and then monthly payments of \$9,756 for years eleven through fifteen of the agreement. The lessee also agrees to pay a sum equivalent to and in lieu of West Jasper Consolidated School District ad valorem taxes which would be due on the land parcels, building and other improvements thereon during the years of the lease. The sum shall be due and payable on the first day of January each year. At the end of the lease term, Hol-Mac Corporation has the option to purchase the premises for ten dollars.

On March 1, 2004, Jasper County entered into two capital lease agreements with Hol-Mac Corporation. One capital lease stipulated the lessee would pay monthly payments of \$4,327 commencing on April 1, 2004 and ending February 1, 2019. The second capital lease stipulated the lessee would pay monthly payments of \$2,928 commencing April 1, 2004 and ending February 1, 2019.

On November 12, 2009, Jasper County entered into a capital lease agreement with Hol-Mac Corporation for the real estate purchase of property/premises for the expansion of a manufacturing facility. The capital lease stipulated that the lessee would pay monthly payments of \$4,216 commencing December 12, 2009 for a term of fifteen years. At the end of the lease term, Hol-Mac Corporation has the option to purchase the premises for ten dollars.

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

On May 2, 2011, Jasper County entered into a capital lease agreement with Hol-Mac Corporation for the real estate purchase of property/premises for the expansion of a manufacturing facility. The capital lease stipulated that the lessee would pay monthly payments of \$3,461 commencing June 1, 2011 for a term of ten years. The lessee also agrees to pay a sum equivalent to and in lieu of West Jasper Consolidated School District ad valorem taxes which would be due on the land parcels, building and other improvements thereon during the years of the lease. The sum shall be due and payable on the first day of January each year. At the end of the lease term, Hol-Mac Corporation has the option to purchase the premises for ten dollars.

On September 23, 2013, Jasper County entered into a capital lease agreement with Hol-Mac Corporation for the real estate purchase of property/premises for the expansion of a manufacturing facility. The capital lease stipulated that the lessee would pay monthly payments of \$2,932 commencing October 22, 2013 for a term of ten years. At the end of the lease term, Hol-Mac Corporation has the option to purchase the premises for ten dollars.

On November 4, 2014, Jasper County entered into a capital lease agreement with Firebird Properties, LLC for the real estate purchase of property/premises for the expansion of a manufacturing facility. The capital lease stipulated that the lessee would pay monthly payments of \$3,339 commencing December 4, 2014 for a term of ten years. At the end of the lease term, Firebird Properties, LLC has the option to purchase the premises for ten dollars.

On March 27, 2015, Jasper County entered into a capital lease agreement with Chatham Enterprises, Inc. for the real estate purchase of property/premises for the expansion of a manufacturing facility. The capital lease stipulated that the lessee would pay monthly payments of \$1,913 commencing June 1, 2015 for a term of ten years. At the end of the lease term, Chatham Enterprises, Inc. has the option to purchase the premises for ten dollars.

On June 12, 2017, Jasper County entered into a capital lease agreement with Hol-Mac Corporation for the real estate purchase of property/premises for the expansion of a manufacturing facility. The capital lease stipulated that the lessee would pay monthly payments of \$4,747 commencing June 12, 2017 for a term of ten years. At the end of the lease term, Hol-Mac Corporation has the option to purchase the premises for ten dollars.

The County leases the following property with varying terms and options as of September 30, 2017:

<u>Classes of Property</u>	<u>Amount</u>
Buildings	\$ <u>2,750,000</u>

The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2017, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 285,754	\$ 38,521
2019	223,463	32,517
2020	181,583	25,643
2021	169,965	19,956
2022	150,343	16,163
2023-2027	<u>455,358</u>	<u>23,378</u>
Total	\$ <u>1,466,466</u>	\$ <u>156,178</u>

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2017:

Class of Property	Amount
Mobile equipment	\$ 2,557,895
Furniture and equipment	70,929
Total	2,628,824
Less: Accumulated depreciation	(1,007,405)
Leased Property Under Capital Leases	\$ <u>1,621,419</u>

The following is a schedule by years of the total payments due as of September 30, 2017:

Governmental Activities:

Year Ending September 30	Capital Leases	
	Principal	Interest
2018	\$ 533,438	12,970
2019	374,868	5,785
2020	140,122	1,546
2021	22,501	165
Total	\$ <u>1,070,929</u>	<u>20,466</u>

(10) Long-term Debt.

Debt outstanding as of September 30, 2017, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
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Governmental Activities:

A. General Obligation Bonds:

General Obligation Road and Bridge Bonds, Series 2013	\$ 465,000	2.75/3.75%	09/2023
District 1 Road & Bridge Bonds, Series 2013	680,000	2.40/2.70%	09/2023
District 2 Road & Bridge Bonds, Series 2013	640,000	2.125/2.25%	09/2023
District 3 Road & Bridge Bonds, Series 2013	215,000	2.50/3.50%	06/2023
District 5 Road & Bridge Bonds, Series 2013	<u>595,000</u>	2.875%	06/2023

Total General Obligation Bonds \$ 2,595,000

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

B. Capital Leases:

IBM 720 Computer System	\$	6,049	1.00%	02/2018
CAT Excavator		38,583	1.00%	06/2019
Asphalt Paver		88,293	1.50%	07/2019
Hydrostatic Widener		65,500	1.49%	09/2019
(2) 2016 Ford F-150		44,469	1.00%	04/2020
(8) 2016 Ford Taurus		132,029	1.70%	05/2020
District 1 - Cab Tractor		21,549	1.00%	12/2017
District 1 - John Deere 5100E Tractor		15,188	1.00%	01/2018
District 1 - Ford F-750 Truck		10,833	1.18%	07/2018
District 1 - 5 Metric Ton Excavator		37,200	1.44%	07/2019
District 1 - Cab Utility Tractor		8,528	1.00%	08/2019
District 1 - Leeboy Paver		39,500	1.69%	09/2020
District 2 - (2) Tractors and (1) Cutter		63,980	1.65%	01/2019
District 2 - 2016 Ford F-150		19,261	1.50%	04/2019
District 2 - 5 Metric Ton Excavator		39,240	1.44%	07/2019
District 2 - 2015 Chevy Silverado		15,589	1.25%	08/2019
District 2 - 2016 Chevy Silverado		23,345	1.70%	07/2020
District 2 - 2016 GMC Truck		27,677	1.69%	01/2021
District 3 - 5 Metric Ton Excavator		36,302	1.44%	07/2019
District 3 - 2013 Ford F-750 Truck		27,076	1.00%	08/2019
District 3 - 2017 GMC Truck		39,168	1.98%	09/2020
District 5 - Backhoe Loader		42,706	1.20%	03/2019
District 5 - 2017 Chevy Truck		30,092	1.75%	03/2020
District 5 - 5 Metric Ton Excavator		37,200	1.44%	07/2019
District 5 - 2017 Mack Dump Body		107,667	1.50%	11/2020
District 5 - New Holland Tractor		<u>53,905</u>	1.89%	09/2021
Total Capital Leases	\$	<u>1,070,929</u>		

C. Other Loans:

Negotiable Note	\$	210,000	1.35%	02/2020
Holmac Building		323,613	3.00%	12/2024
MDA CAP Revolving Loan		920,532	2.00%	09/2029
Workforce Training Loan		<u>1,252,234</u>	3.25%	09/2036
Total Other Loans	\$	<u>2,706,379</u>		

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

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

Governmental Activities:

Year Ending September 30	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2018	\$ 620,000	68,751	240,243	68,663
2019	380,000	53,516	245,165	62,750
2020	385,000	43,832	250,235	56,688
2021	395,000	33,649	189,273	51,103
2022	405,000	22,939	187,014	45,676
2023-2027	410,000	11,639	898,259	145,502
2028-2032			514,814	40,133
2033-2036			181,376	5,802
Total	\$ 2,595,000	234,326	2,706,379	476,317

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, 2017, the amount of outstanding debt was equal to less than 1% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2017:

	Balance Oct. 1, 2016	Additions	Reductions	Balance Sept. 30, 2017	Amount due within one year
Governmental Activities:					
Compensated absences	\$ 56,177	48,496		104,673	
General obligation bonds	3,370,000		775,000	2,595,000	620,000
Capital leases	1,233,143	402,199	564,413	1,070,929	533,438
Other loans	2,943,547		237,168	2,706,379	240,243
Total	\$ 7,602,867	450,695	1,576,581	6,476,981	1,393,681
Business-type Activities:					
Compensated absences	\$ 796	847		1,643	-
Total	\$ 796	847	-	1,643	-

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

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

(11) Defined Benefit Pension Plan.

General Information about the Pension Plan

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

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

Contributions. At September 30, 2017, 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, 2017 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, 2017, 2016 and 2015 were \$742,261, \$703,750, and \$702,558, respectively, equal to the required contributions for each year.

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

At September 30, 2017, the County reported a liability of \$12,045,644 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2017 net pension liability was .072462 percent, which was based on a measurement

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

date of June 30, 2017. This was an increase of .002732 percent from its proportionate share used to calculate the September 30, 2016 net pension liability, which was based on a measurement date of June 30, 2016.

For the year ended September 30, 2017, the County recognized pension expense of \$1,899,858 in governmental activities and \$36,101 in business-type activities for a total pension expense of \$1,935,959. At September 30, 2017, 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	\$ 166,703	
Net difference between projected and actual earnings on pension plan investments	310,178	
Changes of assumptions	255,399	19,752
Changes in the proportion and differences between the County's contributions and proportionate share of contributions		158,931
County contributions subsequent to the measurement date	195,570	
Total	\$ 927,850	178,683

\$195,570 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2018	\$ 535,025
2019	208,054
2020	14,110
2021	(203,592)
Total	\$ 553,597

Actuarial Assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.00 percent
Salary increases	3.25 – 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

to 2022, with males rates set forward one year.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

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, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	27.00 %	4.60 %
International Equity	18.00	4.50
Emerging Markets Equity	4.00	4.75
Global	12.00	4.75
Fixed Income	18.00	0.75
Real Estate	10.00	3.50
Private Equity	8.00	5.10
Emerging Debt	2.00	2.25
Cash	1.00	-
Total	100.00 %	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (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%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 15,798,666	\$ 12,045,644	\$ 8,929,820

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

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

(12) 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.

(13) Tax Abatements.

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, Tax Abatement Disclosures. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Jasper County Board of Supervisors negotiates property tax abatements on an individual basis. All abatements are for ten years and are for economic development purposes. The County had three (3) tax abatement agreements with three (3) entities as of September 30, 2017.

The County had one type of abatements, none of which provide for the abatement of school or state tax levies.

Section 27-31-105, Miss. Code (Ann.) 1972

All allowable property tax levies

All three companies have tax abatements listed under this statute.

These economic development projects, collectively, had \$127,301 in taxes abated in fiscal year 2017 accounting for 91% of taxes abated of potential collections without abatements present.

(14) Effect of Deferred Amounts on Net Position

The governmental activities unrestricted net position amount of (\$3,726,926) includes the effect of deferred outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$191,932 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. The \$718,616 balance of the deferred outflow of resources related to pensions at September 30, 2017, will be recognized in pension expense over the next three years.

The governmental activities and business-type activities unrestricted net position amount of (\$3,866,515) includes the effect of deferred inflows of resources related to pensions. The \$178,683 balance of the deferred inflow of resources related to pensions at September 30, 2017, will be recognized in pension expense over the next four years.

The governmental activities unrestricted net position amount of (\$3,726,926) includes the effect of recognition of deferring the recognition of revenue resulting from capital lease interest. The \$156,178 balance of the deferred inflow

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

of resources at September 30, 2017, will be recognized as revenue and will increase the unrestricted net position over the next few years.

The business-type activities unrestricted net position amount of (\$139,589) includes the effect of deferred outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$3,638 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. The \$13,664 balance of the deferred outflow of resources related to pensions at September 30, 2017, will be recognized in pension expense over the next three years.

(15) Joint Venture.

The County participates in the following joint venture:

Jasper County is a participant with Clarke County in a joint venture, authorized by Section 39-3-11, Miss. Code Ann. (1972), to operate the East Mississippi Regional Library System (Regional Library). The joint venture was created to provide free public library service to citizens of the respective counties, and is governed by a five-member board. The two counties rotate board appointments so that each county has a majority of board members in alternate years. Each county is obligated by contract to levy not less than one-half mill tax as provided by Section 39-3-35, Miss. Code Ann. (1972), for the ongoing financial support of the joint venture. For fiscal year 2017, Jasper County contributed \$130,000. Complete financial statements for the Regional Library can be obtained from the East Mississippi Regional Library, Quitman, MS.

(16) Jointly Governed Organizations.

The County participates in the following jointly governed organizations.

Jones County Junior College operates in a district composed of the counties of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne. The Jasper County Board of Supervisors appoints two of the twenty members of the college board of trustees. The County appropriated \$635,382 for maintenance and support of the College in fiscal year 2017.

Multi-County Community Service Agency operates in a district composed of the counties of Clarke, Jasper, Lauderdale, Newton and Wayne. The entity was created to administer programs conducted by community action agencies, limited purpose agencies, and related programs authorized by federal law. The Jasper County Board of Supervisors appoints one of the twenty-four members of the board of directors. In addition to modest monthly bill support, the County appropriated \$20,000 for support of the agency in the fiscal year 2017.

East Central Mississippi Planning and Development District operates in a district comprised of the counties of Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith. The Jasper County Board of Supervisors appoints one of the fifteen members of the board of directors. The County appropriated \$14,433 for support of the district in fiscal year 2017.

Mid-Mississippi Development District operates in a district comprised of the counties of Clarke, Jasper, Lauderdale, Newton, Scott and Smith. The district was organized to foster, encourage and facilitate economic development in the member counties. The district's board of trustees is composed of thirty members, five each from the six member counties. The County appropriated \$31,500 for support of the district in fiscal year 2017.

Region Ten Mental Health-Mental Retardation Commission operates in a district composed of the Counties of Clarke, Jasper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith. The Jasper County Board of Supervisors appoints one of the nine members of the board of commissioners. The County appropriated \$33,974 for the support of the commission in fiscal year 2017.

JASPER COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2017

(17) 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 Jasper County evaluated the activity of the County through September 9, 2021 and determined the subsequent events have occurred requiring disclosure in the notes to the financial statements.

On December 22, 2017, the County approved an addition of \$200,000 on the original Hol-Mac lease receivable.

Subsequent to September 30, 2017, the County issued the following debt obligations:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
02/2018	1.89% \$	86,500	capital lease	ad valorem revenue
02/2018	2.49%	159,850	capital lease	ad valorem revenue
05/2018	2.99%	350,000	other loan	ad valorem revenue
07/2018	3.24%	300,000	other loan	ad valorem revenue
07/2018	3.24%	300,000	other loan	ad valorem revenue
07/2018	3.24%	300,000	other loan	ad valorem revenue
08/2018	2.94%	106,059	capital lease	ad valorem revenue
08/2018	2.94%	106,059	capital lease	ad valorem revenue
12/2018	3.19%	114,380	capital lease	ad valorem revenue
02/2019	3.19%	120,814	capital lease	ad valorem revenue
03/2019	3.19%	203,660	capital lease	ad valorem revenue
07/2019	2.70%	103,699	capital lease	ad valorem revenue
08/2019	2.75%	66,376	capital lease	ad valorem revenue
08/2019	2.75%	60,742	capital lease	ad valorem revenue
08/2019	2.75%	66,797	capital lease	ad valorem revenue
10/2019	2.59%	37,366	capital lease	ad valorem revenue
10/2019	2.59%	36,950	capital lease	ad valorem revenue
01/2020	0.98%	305,800	capital lease	ad valorem revenue
01/2020	0.98%	305,800	capital lease	ad valorem revenue
01/2020	0.98%	305,800	capital lease	ad valorem revenue
01/2020	0.98%	152,900	capital lease	ad valorem revenue
01/2020	0.98%	305,800	capital lease	ad valorem revenue
03/2020	1.97%	151,910	capital lease	ad valorem revenue
04/2020	1.97%	193,191	capital lease	ad valorem revenue
07/2020	1.96%	89,700	capital lease	ad valorem revenue

REQUIRED SUPPLEMENTARY INFORMATION

JASPER COUNTY, MISSISSIPPI
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues				
Property taxes	\$ 6,506,559	\$ 6,869,441	\$ 6,869,441	\$ -
Licenses, commissions and other revenue	117,800	214,533	214,533	-
Fines and forfeitures	152,500	177,144	177,144	-
Intergovernmental revenues	769,642	383,586	383,586	-
Charges for services	10,000	20,500	20,500	-
Interest income	15,500	21,504	21,504	-
Miscellaneous revenues	50,000	171,238	171,238	-
Total Revenues	<u>7,622,001</u>	<u>7,857,946</u>	<u>7,857,946</u>	<u>-</u>
Expenditures by Major Budgetary Function				
General government	4,938,211	3,968,455	3,968,455	-
Public safety	2,770,115	2,793,670	2,793,670	-
Health and welfare	723,096	175,554	175,554	-
Culture and recreation	24,400			-
Conservation of natural resources	56,750	47,913	47,913	-
Debt service expenditures		93,009	93,009	-
Total Expenditures	<u>8,512,572</u>	<u>7,078,601</u>	<u>7,078,601</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>(890,571)</u>	<u>779,345</u>	<u>779,345</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers out	(530,000)	(335,000)	(335,000)	-
Other financing sources (uses)		658,675	658,675	-
Total Other Financing Sources (Uses)	<u>(530,000)</u>	<u>323,675</u>	<u>323,675</u>	<u>-</u>
Net Change in Fund Balance	(1,420,571)	1,103,020	1,103,020	-
Fund Balances - Beginning	<u>3,578,783</u>	<u>7,486,658</u>	<u>7,486,658</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,158,212</u>	<u>\$ 8,589,678</u>	<u>\$ 8,589,678</u>	<u>\$ -</u>

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

JASPER COUNTY, MISSISSIPPI
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Economic Development Trust Fund
 For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues				
Charges for services	\$ 14,750	\$ 12,292	\$ 12,292	\$ -
Total Revenues	<u>14,750</u>	<u>12,292</u>	<u>12,292</u>	<u>-</u>
Expenditures				
Current:				
Economic development and assistance	162,514			-
Debt service expenditures	49,722	49,722	49,722	-
Total Expenditures	<u>212,236</u>	<u>49,722</u>	<u>49,722</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>(197,486)</u>	<u>(37,430)</u>	<u>(37,430)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers out	(150,000)			-
Other financing sources (uses)	347,486			-
Total Other Financing Sources (Uses)	<u>197,486</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(37,430)	(37,430)	-
Fund Balances - Beginning	<u>(36,021)</u>	<u>540,310</u>	<u>578,970</u>	<u>38,660</u>
Fund Balances - Ending	<u>\$ (36,021)</u>	<u>\$ 502,880</u>	<u>\$ 541,540</u>	<u>\$ 38,660</u>

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

Jasper County, Mississippi

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

PERS

Last 10 Fiscal Years*

	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	<u>0.072462%</u>	<u>0.069730%</u>	<u>0.070000%</u>	<u>0.069000%</u>
County's proportionate share of the net pension liability (asset)	\$ 12,045,644	\$ 12,455,519	\$ 10,820,620	\$ 8,375,337
County's covered payroll	\$ 4,468,251	\$ 4,460,809	\$ 4,387,816	\$ 4,184,298
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	269.58%	279.22%	246.61%	200.16%
Plan fiduciary net position as a percentage of the total pension liability	61.49%	57.47%	61.70%	67.21%

The notes to the required supplementary information are an integral part of this schedule.

* The amounts presented for each fiscal year were determined as of the measurement date of 06/30 of the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 15, and, until a full 10-year trend is compiled, the County has only presented information for the years in which information is available.

Jasper County, Mississippi
Schedule of the County's Contributions
PERS
Last 10 Fiscal Years*

	2017	2016	2015	2014
Contractually required contribution	\$ <u>742,261</u>	\$ <u>703,750</u>	\$ <u>702,558</u>	\$ <u>656,637</u>
Contributions in relation to the contractually required contribution	742,261	703,750	702,558	656,637
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
County's covered payroll	4,712,768	4,468,251	4,460,686	4,169,124
Contributions as a percentage of covered payroll	15.75%	15.75%	15.75%	15.75%

The notes to the required supplementary information are an integral part of this schedule.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FY15, and, until a full 10-year trend is compiled, the County has only presented information for the years in which information is available.

JASPER COUNTY, MISSISSIPPI

Notes to the Required Supplementary Information
For the Year Ended September 30, 2017

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 supplementary information.

C. Budget/GAAP Reconciliation.

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

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

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

	Governmental Fund Types	
	General Fund	Economic Development Trust
Budget (Cash Basis)	\$ 1,103,020	(37,430)
Increase (Decrease)		
Net adjustments for revenue accruals	6,194	573,462
Net adjustments for expenditure accruals	<u>12,458</u>	<u>(500,000)</u>
GAAP Basis	<u>\$ 1,121,672</u>	<u>36,032</u>

JASPER COUNTY, MISSISSIPPI

Notes to the Required Supplementary Information
For the Year Ended September 30, 2017

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

The price inflation and investment rate of return assumptions were changed from 3.5% to 3.0% and 8.00% to 7.75%, respectively.

2016

The assumed rate of interest credited to employee contributions was changed from 3.5% to 2.0%.

2017

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

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

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

B. Changes in benefit provisions.

2016

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

OTHER INFORMATION

JASPER COUNTY, MISSISSIPPI
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2017
UNAUDITED

Name	Position	Company	Bond
Eddie Helms	Supervisor District 1	RLI Insurance	\$ 100,000
Sandy Stephens	Supervisor District 2	RLI Insurance	\$ 100,000
Doug Rogers	Supervisor District 3	RLI Insurance	\$ 100,000
Johnny Rowell	Supervisor District 4	RLI Insurance	\$ 100,000
Curtis Gray, Sr.	Supervisor District 5	RLI Insurance	\$ 100,000
Barbara Ravenhorst	Chancery Clerk	RLI Insurance	\$ 100,000
Sherrie Campbell	Purchase Clerk	RLI Insurance	\$ 75,000
Ruth Regions	Receiving Clerk	RLI Insurance	\$ 75,000
Frederick Campbell	Assistant Receiving Clerk	RLI Insurance	\$ 50,000
Billy King	Assistant Receiving Clerk	RLI Insurance	\$ 50,000
Robert Triplett	Assistant Receiving Clerk	RLI Insurance	\$ 50,000
Frederick Tew	Assistant Receiving Clerk	RLI Insurance	\$ 50,000
Tina Gavin	Inventory Control Clerk	RLI Insurance	\$ 75,000
Gregory Terrell	Constable	RLI Insurance	\$ 50,000
Keith Barlow	Constable	RLI Insurance	\$ 50,000
Billy Rayner	Circuit Clerk	RLI Insurance	\$ 100,000
Mary Thigpen	Deputy Circuit Clerk	RLI Insurance	\$ 50,000
Teresa Jones	Deputy Circuit Clerk	RLI Insurance	\$ 50,000
Terry Stevens	Deputy Circuit Clerk	RLI Insurance	\$ 50,000
Dana Lewis	Deputy Circuit Clerk	RLI Insurance	\$ 50,000
Randy Johnson	Sheriff	RLI Insurance	\$ 100,000
William Paul Spurlin	Deputy Sheriff	RLI Insurance	\$ 50,000
Frank Spurlin	Deputy Sheriff	RLI Insurance	\$ 50,000
Dexmand Cooley	Deputy Sheriff	RLI Insurance	\$ 50,000
Terrance McGill	Deputy Sheriff	RLI Insurance	\$ 50,000
Barry C. Gregg	Deputy Sheriff	RLI Insurance	\$ 50,000
Cynthia Robertson	Deputy Sheriff	RLI Insurance	\$ 50,000
Phillip McCreary	Deputy Sheriff	RLI Insurance	\$ 50,000
Christopher Thompson	Deputy Sheriff	RLI Insurance	\$ 50,000
Brent Jacob Welch	Deputy Sheriff	RLI Insurance	\$ 50,000
Styron Keller	Deputy Sheriff	RLI Insurance	\$ 50,000
Robert L. Morris	Deputy Sheriff	RLI Insurance	\$ 50,000
Marcus Arrington	Deputy Sheriff	Western Surety	\$ 50,000
Justin Gressett	Deputy Sheriff	RLI Insurance	\$ 50,000
Andrew Richardson	Deputy Sheriff	RLI Insurance	\$ 50,000
Chris McCullough	Deputy Sheriff	RLI Insurance	\$ 50,000
Joe Stringer	Deputy Sheriff	Western Surety	\$ 50,000
Brandon A. Johnson	Deputy Sheriff	Western Surety	\$ 50,000
Cornell White	Deputy Sheriff	RLI Insurance	\$ 50,000
Craig Campbell	Deputy Sheriff	RLI Insurance	\$ 50,000
Charles Woodrick	Deputy Sheriff	RLI Insurance	\$ 50,000
Cecil J. Gressett	Deputy Sheriff	RLI Insurance	\$ 50,000
Larry A. Hayes	Deputy Sheriff	RLI Insurance	\$ 50,000
Kirk Thornton	Deputy Sheriff	RLI Insurance	\$ 50,000
Thomas Ray Saul	Deputy Sheriff	RLI Insurance	\$ 50,000
Jeremy Pinson	Deputy Sheriff	RLI Insurance	\$ 50,000
Coty R. Blakeney	Deputy Sheriff	RLI Insurance	\$ 50,000
R.H. Stockman III	Deputy Sheriff	RLI Insurance	\$ 50,000
Andrew Spurlin	Deputy Sheriff	RLI Insurance	\$ 50,000
James L. Smith, Jr	Deputy Sheriff	RLI Insurance	\$ 50,000
Sullivan Dukes, Jr	Justice Court Judge	RLI Insurance	\$ 50,000
Joseph Marvin Jones	Justice Court Judge	RLI Insurance	\$ 50,000
Lydia Pittman	Justice Court Clerk	RLI Insurance	\$ 50,000
Ruthie Brown	Deputy Justice Court Clerk	RLI Insurance	\$ 50,000
Mary Stewart	Deputy Justice Court Clerk	Western Surety	\$ 50,000
Stephen C. Breland	Deputy Justice Court Clerk	RLI Insurance	\$ 50,000
Tim McRee	Tax Assessor - Collector	RLI Insurance	\$ 100,000
Melanie Sullivan	Deputy Tax Collector	RLI Insurance	\$ 50,000
Angelia McCain	Deputy Tax Collector	RLI Insurance	\$ 50,000
Kacie Breland	Deputy Tax Collector	RLI Insurance	\$ 50,000
Kathy Phillips	Deputy Tax Collector	RLI Insurance	\$ 50,000

SPECIAL REPORTS

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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
Jasper 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 activity, each major fund, and the aggregate remaining fund information of Jasper County, Mississippi (the County), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 9, 2021. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jasper 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 Jasper 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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as 2017-001, 2017-002, 2017-003 and 2017-004 that we consider to be material weaknesses.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jasper 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as item 2017-001.

Jasper County's Responses to Findings

Jasper County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Jasper 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC
September 9, 2021

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**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
Jasper County, Mississippi

We have examined Jasper 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, 2017. The Board of Supervisors of Jasper 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 Jasper County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

In our opinion, Jasper County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2017.

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.

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This report is intended for use in evaluating Jasper 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.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
September 9, 2021

Certified Public Accountants

JASPER COUNTY, MISSISSIPPI

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder

For the Year Ended September 30, 2017

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

JASPER COUNTY, MISSISSIPPI
Schedule of Emergency Purchases
For the Year Ended September 30, 2017

Schedule 2

Our tests did not identify any emergency purchases.

JASPER COUNTY, MISSISSIPPI

Schedule 3

Schedule of Purchases Made Noncompetively From a Sole Source

For the Year Ended September 30, 2017

Our tests did not identify any purchases made noncompetively from a sole source.

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Jasper County, Mississippi

In planning and performing our audit of the financial statements of Jasper County, Mississippi for the year ended September 30, 2017, we considered Jasper 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 Jasper 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 September 9, 2021, on the financial statements of Jasper County, Mississippi.

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

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

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
September 9, 2021

Certified Public Accountants

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SCHEDULE OF FINDINGS AND RESPONSES

Jasper County, Mississippi

Schedule of Findings and Responses For the Year Ended September 30, 2017

Section 1: Summary of Auditor's Results

Financial Statements:

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

Governmental activities	Unmodified
Business-type activities	Unmodified
Aggregate discretely presented component unit	Adverse
General Fund	Unmodified
Economic Development Trust Fund	Unmodified
Solid Waste	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

a. Material weakness(es) identified?	Yes
b. Significant deficiency(ies) identified?	No

3. Noncompliance material to the financial statements noted? Yes

Section 2: Financial Statement Findings

The results of our tests disclosed the following findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

Board of Supervisors.

Material Weakness / Material Noncompliance

2017-001.	The County should include discretely-presented component units within its financial statements.
Repeat Finding	No
Criteria	Generally accepted accounting principles require the financial data of the County's discretely-presented 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 of the legally separate component units.
Condition	The financial statements do not include the financial data of the legally separate component units.
Cause	Management chooses to omit this information.
Effect	The Independent Auditor's Report on the discretely-presented component units is adverse because of the failure of the County to include this information alongside the financial data of the County's primary government resulting in the failure to properly follow generally accepted accounting principles.
Recommendation	The Board of Supervisors should provide the financial data for its discretely presented component units for inclusion in the County's financial statements.

Jasper County, Mississippi

Schedule of Findings and Responses For the Year Ended September 30, 2017

Views of Responsible Official(s)	The Board of Supervisors will consider adding these to the financials in future periods.
Justice Court Clerk.	
Material Weakness	
2017-002.	Controls over cash collections and disbursements in the Justice Court Clerk's office should be strengthened.
Repeat Finding	Yes, 2016-002
Criteria	An effective system of internal control over cash should include an adequate segregation of duties.
Condition	As reported in the prior four audits for District 1 and District 2, it was noted that cash collection and disbursement functions in the Justice Court Clerk's offices are not adequately segregated for effective internal control and therefore, controls over cash are inadequate.
Cause	The Justice Court Clerk receipts cash, prepares all bank deposits, maintains the cash journals, reconciles the bank statements, calculates the monthly settlements and disburses all funds.
Effect	Failure to implement controls over cash in the Justice Court Clerk's office could result in the loss or misappropriation of public funds.
Recommendation	The Justice Court Clerk should ensure there is adequate segregation of duties in the collecting, recording and settlement functions.
Views of Responsible Official(s)	In District 1, the deputy clerks receipt cash and prepare deposits. I reconcile the bank statements and perform monthly settlements. The District 1 deputy clerk is receiving training in the accounting process to correct any internal control deficiencies. In District 2, the deputy clerk receipts payments and assists with deposits. I reconcile the bank statements and perform monthly settlements. The District 2 deputy clerk is receiving training in the accounting process to correct any internal control deficiencies.
Solid Waste Clerk.	
Material Weakness	
2017-003.	Solid Waste records should be reconciled to the bank statements.
Repeat Finding	Yes, 2016-003
Criteria	An effective system of internal control should include the reconciliation of garbage fee collections posted in the solid waste records with the collections recorded in the general ledger along with the reconciliation of the bank account to the solid waste records.
Condition	As reported in the prior three audits, garbage fee collections were not reconciled to the County's general ledger. Also, solid waste records were not reconciled to the bank statements in both Districts 1 and 2.
Cause	Inaction.
Effect	Failure to reconcile accounting records could result in the loss or misappropriation of public funds.

Jasper County, Mississippi

Schedule of Findings and Responses For the Year Ended September 30, 2017

Recommendation	The Board of Supervisors should establish and maintain procedures to ensure solid waste records are reconciled to the bank statements and also to garbage fee collections recorded in the County's general ledger.
Views of Responsible Official(s)	The County has established procedures to ensure that the records are reconciled to the bank statement along with the County's general ledger.
Material Weakness	
2017-004.	Controls over cash collections and disbursements in the Solid Waste office should be strengthened.
Repeat Finding	Yes, 2016-004
Criteria	An effective system of internal control over cash should include an adequate segregation of duties.
Condition	As reported in the prior three audits, cash collections and disbursement functions in both the District One and District Two Solid Waste offices were not adequately segregated for effective internal controls.
Cause	The Solid Waste Clerks receipt all collections, prepare daily check-up sheets, deposit monthly settlements, take deposits to the bank, post to computerized system, and write checks for all disbursements.
Effect	Failure to implement adequate segregation of duties could result in the loss or misappropriation of public funds.
Recommendation	The Board of Supervisors should take steps to ensure that there is an adequate segregation of duties in the collection and disbursement functions in the Solid Waste offices or that there is external oversight over the operations in the Solid Waste offices.
Views of Responsible Official(s)	Disbursements are made by the employee who balances the bank statements in each district. District 1 has two employees who collect and receipt payments. District 2 has four employees who collect and receipt payments. One employee in each district prepares the deposits and a separate employee in each district takes the deposited funds to the bank.