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**JASPER COUNTY, MISSISSIPPI**  
**AUDITED FINANCIAL STATEMENTS**  
**AND SPECIAL REPORTS**

For the Year Ended September 30, 2018

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## INDEPENDENT AUDITOR'S REPORT

To the 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, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Jasper County, Mississippi'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.

### **Basis for adverse Opinion on the Aggregate Discretely Presented Component Unit**

The financial statements did not include the 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.

Membership in:

American Institute of Certified Public Accountants • Mississippi Society of Certified Public Accountants  
AICPA Governmental Audit Quality Center • AICPA Center for Audit Quality • AICPA Employee Benefit Plan Audit Quality Center





**Independent Auditor's Report**  
**Page 2**

**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, 2018, and 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, 2018, 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 Schedule(s) 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 August 15, 2022, 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 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.

*Walfe, McDuff & O'Neil*

Pascagoula, Mississippi  
August 15, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



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**JASPER COUNTY, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2018  
(UNAUDITED)

This Discussion and Analysis of the Jasper County, Mississippi's (the "County") financial performance provides an overall review of the County's financial activities for the year ended September 30, 2018. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the basic 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.
- ◆ The assets and deferred outflows of resources of the County exceeded its liabilities and its deferred inflows of resources at the close of the current year by approximately \$18,269,509 (net position). Of this amount, approximately \$18,364,802 and \$(95,293) were related to the County's governmental and business-type activities, respectively. In addition, the County's unrestricted net position (which may be used to meet the government's ongoing obligations to citizens and creditors) was approximately \$(3,219,906) (a deficit) for its governmental activities and approximately \$(121,166) (a deficit) for its business-type activities.
- ◆ The government's total net position increased by approximately \$295,828, including a prior period adjustment in the amount of \$138,224.
- ◆ As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$13,061,737, an increase of approximately \$1,652,022 from the prior year's fund balance.
- ◆ The County's General Fund reported total fund balance of approximately 8,123,396. Approximately \$7,758,003 of this total amount, or approximately 96%, is available for spending at the government's discretion (unassigned fund balance). The unassigned fund balance for the General Fund was approximately 114% of total General Fund expenditures for the year ended September 30, 2018.
- ◆ The County's governmental activities capital assets decreased by approximately 3.66% (\$827,092) during the current fiscal year due to depreciation expense of \$1,241,787 and disposals of approximately \$722,113, partially offset by capital asset additions of approximately \$570,675. The County's business-type activities capital assets decreased by approximately -% (\$-) during the current year primarily due to capital asset additions of approximately \$-, partially offset by disposals of \$- and depreciation expense of approximately \$-.
- ◆ The governments's total debt (including general and special obligations) increased approximately \$56,588 1% during the current year primarily due principle payments.

**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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**JASPER COUNTY, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2018  
(UNAUDITED)

***Government-wide Financial Statements***

The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The *statement of net position* presents information on all the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County 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 only result in cash flows in future fiscal years.

Both of the government-wide financial statements outline functions of the County that are principally supported by intergovernmental revenues (governmental activities) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government operations, 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 County's proprietary funds include the Solid Waste Collection fund.

The government-wide financial statements can be found immediately following this discussion and analysis.

***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, like other state and local governments, 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.

The fund financial statements can be found as listed in the table of contents.

***Governmental Funds***

Governmental funds are used to account for essentially the same activities reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of financial resources and the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-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, the reader may be able to better understand the long-term impact of near-term financing decisions. Reconciliations from the governmental fund statements to the government-wide statements are provided to aid in the comparison.

The County maintains one major governmental fund. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. Information for the other governmental funds is combined into a single, aggregated column.

**JASPER COUNTY, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2018  
(UNAUDITED)

The County adopts annual appropriated budgets for its general fund. Budgetary comparison schedules are provided to demonstrate compliance with budgetary requirements. These schedules can be found in the required supplementary information section of this report as listed in the table of contents.

***Proprietary Funds***

The County maintains one type of proprietary fund. They are the enterprise funds. Enterprise funds are included in business-type activities since they serve the entire community. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. The County has one enterprise fund. The Solid Waste Collection Fund is considered major fund and is reported individually throughout the report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a user's understanding of the basic financial statements. The notes to the financial statements can be found on pages 43 through 67 of this report.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget process and net pension liability information. This required supplementary information can be found on pages 71 through 76 of this report.

***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.

**JASPER COUNTY, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2018  
(UNAUDITED)

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the County's net position for September 30, 2018 as compared to September 30, 2017:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Current and other assets	\$25,853,161	24,234,286	178,083	154,853	26,031,244	24,389,139
Capital assets	<u>21,750,936</u>	<u>22,578,028</u>	<u>25,873</u>	<u>25,873</u>	<u>21,776,809</u>	<u>22,603,901</u>
<b>Total assets</b>	<u>47,604,097</u>	<u>46,812,314</u>	<u>203,956</u>	<u>180,726</u>	<u>47,808,053</u>	<u>46,993,040</u>
<b>Deferred outflow of resources</b>	<u>246,723</u>	<u>910,548</u>	<u>4,606</u>	<u>17,302</u>	<u>251,329</u>	<u>927,850</u>
Current liabilities	888,807	803,195	82,648	82,146	971,455	885,341
Long-term liabilities	<u>17,963,946</u>	<u>18,298,002</u>	<u>214,346</u>	<u>226,266</u>	<u>18,178,292</u>	<u>18,524,268</u>
<b>Total liabilities</b>	<u>18,852,753</u>	<u>19,101,197</u>	<u>296,994</u>	<u>308,412</u>	<u>19,149,747</u>	<u>19,409,609</u>
<b>Deferred inflow of resources</b>	<u>10,633,265</u>	<u>10,534,268</u>	<u>6,861</u>	<u>3,332</u>	<u>10,640,126</u>	<u>10,537,600</u>
Net position:						
Invested in capital assets, net of related debt	15,331,307	16,205,720	25,873	25,873	15,357,180	16,231,593
Restricted	6,253,401	5,608,603	-	-	6,253,401	5,608,603
Unrestricted	<u>(3,219,906)</u>	<u>(3,726,926)</u>	<u>(121,166)</u>	<u>(139,589)</u>	<u>(3,341,072)</u>	<u>(3,866,515)</u>
<b>Total net position</b>	<u>\$18,364,802</u>	<u>18,087,397</u>	<u>(95,293)</u>	<u>(113,716)</u>	<u>18,269,509</u>	<u>17,973,681</u>

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

Total unrestricted net position	\$ 18,269,509
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>11,766,170</u>
Unrestricted net position, exclusive of the net pension liability effect	<u>\$ 30,035,679</u>

By far the largest portion of the County's net position (84%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not likely to be used to liquidate these liabilities.

A portion of the County's net position (34%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$(3,341,072) ((18)%) may be used to meet the County's ongoing obligation to citizens and creditors.

**JASPER COUNTY, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2018  
(UNAUDITED)

At the end of the current fiscal year, the County is able to report positive balances for two of the three categories of net position for the government as a whole. Governmental and business-type activities reported a negative net position for one of the three categories of net position. The same situation held true for the prior fiscal year.

Net investment in capital assets decreased by \$(874,413) during the year. Restricted net position increased by \$644,798. Unrestricted net position increased by \$525,443 during the year with the unrestricted net position of business-type activities increasing by \$18,423 and the unrestricted net position of governmental activities increasing by \$507,020.

The following table shows the changes in the County's net position for 2018 compared to 2017.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 536,549	791,625	1,051,878	1,066,044	1,588,427	1,857,669
Operating grants and contributions	30,541	224,035	-	-	30,541	224,035
General revenues:						
Property taxes	10,932,349	10,907,657	-	-	10,932,349	10,907,657
Road and bridge privilege taxes	216,137	213,135	-	-	216,137	213,135
Grants and contributions-unrestricted	3,015,639	2,706,088	-	-	3,015,639	2,706,088
Unrestricted interest income	-	79,021	-	-	-	79,021
Gain on disposal of capital assets	-	178,806	-	-	-	178,806
Miscellaneous revenues	284,503	101,781	-	-	284,503	101,781
<b>Total revenues</b>	<u>15,015,718</u>	<u>15,202,148</u>	<u>1,051,878</u>	<u>1,066,044</u>	<u>16,067,596</u>	<u>16,268,192</u>
<b>Program expenses</b>						
General government	3,727,346	3,904,930	-	-	3,727,346	3,904,930
Public safety	3,113,284	3,296,112	-	-	3,113,284	3,296,112
Public works	6,216,829	1,414,935	-	-	6,216,829	1,414,935
Health and welfare	166,741	178,113	-	-	166,741	178,113
Culture and recreation	19,047	15,307	-	-	19,047	15,307
Conservation of natural resources	29,887	49,117	-	-	29,887	49,117
Economic development and assistance	136,322	99,694	-	-	136,322	99,694
Interest on long-term debt	175,602	177,951	-	-	175,602	177,951
Pension expense	1,181,479	1,899,858	-	-	1,181,479	1,899,858
Solid waste	-	-	1,143,455	1,155,682	1,143,455	1,155,682
<b>Total expenses</b>	<u>14,766,537</u>	<u>11,036,017</u>	<u>1,143,455</u>	<u>1,155,682</u>	<u>15,909,992</u>	<u>12,191,699</u>
Excess(deficiency) of revenues over (under) expenditures	<u>249,181</u>	<u>4,166,131</u>	<u>(91,577)</u>	<u>(89,638)</u>	<u>157,604</u>	<u>4,076,493</u>
Transfers in (out)	<u>(110,000)</u>	<u>(125,000)</u>	<u>110,000</u>	<u>125,000</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	139,181	4,041,131	18,423	35,362	157,604	4,076,493
<b>Net position - beginning of year</b>	<u>18,087,397</u>	<u>13,967,978</u>	<u>(113,716)</u>	<u>(149,078)</u>	<u>17,973,681</u>	<u>13,818,900</u>
<b>Prior period adjustment</b>	<u>138,224</u>	<u>78,288</u>	<u>-</u>	<u>-</u>	<u>138,224</u>	<u>78,288</u>
<b>Net position, beginning of year, as restated,</b>	<u>18,225,621</u>	<u>14,046,266</u>	<u>(113,716)</u>	<u>(149,078)</u>	<u>18,111,905</u>	<u>13,897,188</u>
<b>Net position - end of year</b>	<u>\$ 18,364,802</u>	<u>18,087,397</u>	<u>(95,293)</u>	<u>(113,716)</u>	<u>18,269,509</u>	<u>17,973,681</u>

**JASPER COUNTY, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2018  
(UNAUDITED)

***Governmental Activities***

Governmental activities increased the County's net position by \$139,181. The overall increase reflects revenues exceeding expenses for the year by \$249,181. This amount was partially due to an increase of \$309,551 in grants and contributions-unrestricted which is related to an increase in the amounts the County received related to oil severances.

Expenses for the year experienced an increase of \$4,801,894 in public works expense related to the purchase of fixed assets.

***Business-type Activities***

Business-type activities increased the County's total net position by \$18,423 during the year. Revenues for the business-type activities decreased by \$(14,166) ((1)%). Expenses for the business-type activities decreased \$(12,227) ((1)%).

Solid Waste Collections fund experienced a decrease in revenues primarily related to decrease in the collections of solid waste disposal.

**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 near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing County's financing requirements.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,061,737, an increase of \$1,652,022 in comparison with the prior year. This overall increase was primarily due to the \$878,735 increase in the General fund. The balance in this fund increased primarily due the increase of revenues during the year.

Of the combined \$13,061,737 governmental fund balances at year end \$4,938,341 (38%) is classified as restricted by grantors, state or federal laws, or enabling legislation and \$365,393 is classified as nonspendable. The remaining \$7,758,003 is classified as unassigned (59%). By definition unassigned balances include all deficit balances. There were no unassigned fund balance deficits at year-end.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$7,758,003, while the total fund balance was \$8,123,396. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned and total general fund balances at the end of the fiscal year represent 114% and 119%, respectively, of total general fund expenditures. These percentages increased from the prior year computation of unassigned and total fund balances of 100% and 96%, respectively. The County's general fund balance increased by \$878,735 during the current fiscal year.



**JASPER COUNTY, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2018  
(UNAUDITED)

***Proprietary Funds***

The County's proprietary fund provide the same type of information found in the government-wide statements but in more detail.

Total net position for the County's enterprise fund as of September 30, 2018 was \$(95,293), an increase of \$18,423 from the previous fiscal year's net position. Of the net position of the enterprise funds, \$25,873 is the net investment in capital assets of the enterprise funds. Unrestricted net position totaled \$(121,166), an increase of \$18,423 compared to the previous year.

***General Fund Budgetary Highlights***

The County's budget is prepared according to Mississippi Law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund is provided in this report on page 71 as required supplemental information.

During the year there was a \$1,521,734 decrease in appropriations between the original budget and the final amended budget. Budgeted revenues increased by \$701,197 from the original to the amended budget.

Following is the main component of the overall budget appropriations decrease during the year:

- ◆ Decrease in General Government of \$229,795 for the Board of Supervisors.
- ◆ Decrease in General Government of \$322,122 for the maintenance of buildings and grounds.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$21,776,809 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, buildings and improvements, vehicle, equipment, and leased property under capital leases. The County's investment in capital assets for the current fiscal year decreased by \$827,092 and \$- for governmental activities and business-type activities, respectively, compared to the prior year.

Major capital asset events during the current fiscal year included the following:

- ◆ Additions to capital assets (net of asset retirements) totaled \$(151,438).
- ◆ Major asset additions included \$352,409 for leased property under capital leases.

**JASPER COUNTY, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
September 30, 2018  
(UNAUDITED)

Depreciation expense totaled \$1,241,787 for the year with \$1,241,787 in the governmental activities and \$- in the business-type activities.

The following table presents a summary of the County's capital assets (net of depreciation) for the current and prior fiscal year.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Land	\$ 673,597	673,597	-	-	673,597	673,597
Construction in progress	511,701	511,701	-	-	511,701	511,701
Infrastructure	11,505,238	11,914,940	-	-	11,505,238	11,914,940
Buildings	6,630,050	6,743,260	-	-	6,630,050	6,743,260
Improvements - other	7,633	7,633	-	-	7,633	7,633
Mobile equipment	1,013,863	850,716	25,873	25,873	1,039,736	876,589
Furniture and equipment	123,712	254,762	-	-	123,712	254,762
Leases property under capital leases	1,285,142	1,621,419	-	-	1,285,142	1,621,419
<b>Total</b>	<b>\$21,750,936</b>	<b>22,578,028</b>	<b>25,873</b>	<b>25,873</b>	<b>21,776,809</b>	<b>22,603,901</b>

Additional information on the County's capital assets can be found in Note 6 of this report.

***Long-term Liabilities***

At September 30, 2018 and 2017, the County had \$6,535,212 and \$6,478,624, respectively, in long-term liabilities outstanding. As of September 30, 2018, principal payments in the amount of \$1,303,581 were due within one year.

The following table summarizes long-term liabilities outstanding as of September 30, 2018 and 2017.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
General obligation bonds	\$ 1,975,000	2,595,000	-	-	1,975,000	2,595,000
Capital leases	728,023	1,070,929	-	-	728,023	1,070,929
Other loans	3,716,606	2,706,379	-	-	3,716,606	2,706,379
Compensated absences	114,596	104,673	987	1,643	115,583	106,316
<b>Total</b>	<b>\$ 6,534,225</b>	<b>6,476,981</b>	<b>987</b>	<b>1,643</b>	<b>6,535,212</b>	<b>6,478,624</b>

More detailed information about the County's long-term liabilities is presented in Note 11 to the financial statements.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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

## **BASIC FINANCIAL STATEMENTS**

For the Year Ended September 30, 2018

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board. The sets of statements include:

- ◆ Government-wide financial statements
  - Statement of Net Position
  - Statement of Activities
  
- ◆ Fund financial statements:
  - Governmental funds
  - Proprietary (enterprise) funds
  - Fiduciary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**JASPER COUNTY, MISSISSIPPI**  
**STATEMENT OF NET POSITION**  
September 30, 2018

**Exhibit 1**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 13,206,016	73,242	13,279,258
Property tax receivable	10,124,018	-	10,124,018
Accounts receivable (net of allowance for uncollectibles of \$1,314,735)	-	328,684	328,684
Fines receivable (net of allowance for uncollectibles of \$2,266,532)	171,300	-	171,300
Capital leases receivable	1,509,168	-	1,509,168
Intergovernmental receivables	452,051	-	452,051
Other receivables	16,215	-	16,215
Internal balances	223,843	(223,843)	-
Prepaid expenses	150,550	-	150,550
Noncurrent assets:			
Capital assets:			
Land, improvements, and construction in progress	1,185,298	-	1,185,298
Other capital assets, net	20,565,638	25,873	20,591,511
Total capital assets, net	21,750,936	25,873	21,776,809
<b>Total assets</b>	<b>47,604,097</b>	<b>203,956</b>	<b>47,808,053</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	246,723	4,606	251,329
<b>Total deferred outflows of resources</b>	<b>246,723</b>	<b>4,606</b>	<b>251,329</b>
<b>LIABILITIES</b>			
Current liabilities:			
Claims payable	487,719	82,648	570,367
Intergovernmental payables	348,669	-	348,669
Accrued interest payable	52,419	-	52,419
Long-term liabilities:			
Net pension liability	11,429,721	213,359	11,643,080
Due within one year			
Capital debt	1,303,581	-	1,303,581
Due in more than one year			
Capital debt	5,116,048	-	5,116,048
Non-capital debt	114,596	987	115,583
<b>Total liabilities</b>	<b>18,852,753</b>	<b>296,994</b>	<b>19,149,747</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	367,558	6,861	374,419
Deferred revenues - property taxes	10,124,018	-	10,124,018
Deferred revenues - capital lease interest	141,689	-	141,689
<b>Total deferred inflows of resources</b>	<b>10,633,265</b>	<b>6,861</b>	<b>10,640,126</b>
<b>NET POSITION</b>			
Investment in capital assets (net of related debt)	15,331,307	25,873	15,357,180
Restricted for:			
Expendable:			
General government	1,014,870	-	1,014,870
Public safety	165,987	-	165,987
Public works	1,925,651	-	1,925,651
Culture and recreation	61,315	-	61,315
Economic development and assistance	2,381,368	-	2,381,368
Debt service	704,210	-	704,210
Unrestricted net position	(3,219,906)	(121,166)	(3,341,072)
<b>Total net position</b>	<b>\$ 18,364,802</b>	<b>(95,293)</b>	<b>18,269,509</b>

The accompanying notes are an integral part of these financial statements.



**JASPER COUNTY, MISSISSIPPI**  
**STATEMENT OF ACTIVITIES**  
For the year ended September 30, 2018

**Exhibit 2**

		Program revenue			Net (expense) revenue and changes in net position		
		Charges for	Operating	Capital Grants	Governmental	Business-	Total
	Expenses	service	Grants and Contributions	and Contributions	activities	type activities	
<b>Governmental activities:</b>							
General government	\$ (3,727,346)	68,508	-	-	(3,658,838)	-	(3,658,838)
Public safety	(3,113,284)	468,041	-	-	(2,645,243)	-	(2,645,243)
Public works	(6,216,829)	-	30,541	-	(6,186,288)	-	(6,186,288)
Health and welfare	(166,741)	-	-	-	(166,741)	-	(166,741)
Culture and recreation	(19,047)	-	-	-	(19,047)	-	(19,047)
Conservation of natural resources	(29,887)	-	-	-	(29,887)	-	(29,887)
Economic development and assistance	(136,322)	-	-	-	(136,322)	-	(136,322)
Interest on long-term debt	(175,602)	-	-	-	(175,602)	-	(175,602)
Pension expense	(1,181,479)	-	-	-	(1,181,479)	-	(1,181,479)
<b>Total governmental activities</b>	<u>(14,766,537)</u>	<u>536,549</u>	<u>30,541</u>	<u>-</u>	<u>(14,199,447)</u>	<u>-</u>	<u>(14,199,447)</u>
<b>Business-type activities:</b>							
Garbage and solid waste	(1,143,455)	1,051,878	-	-	-	(91,577)	(91,577)
<b>Total business-type activities</b>	<u>(1,143,455)</u>	<u>1,051,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(91,577)</u>	<u>(91,577)</u>
<b>Total primary</b>	<u>\$ (15,909,992)</u>	<u>1,588,427</u>	<u>30,541</u>	<u>-</u>	<u>(14,199,447)</u>	<u>(91,577)</u>	<u>(14,291,024)</u>
<b>General revenues:</b>							
Taxes:							
Property taxes					10,932,349	-	10,932,349
Road & bridge privilege taxes					216,137	-	216,137
Grants and contributions not restricted to specific programs					3,015,639	-	3,015,639
Unrestricted investment earnings					72,967	-	72,967
Gain (loss) on the sale of capital assets					37,568	-	37,568
Miscellaneous					173,968	-	173,968
Transfers in (out)					(110,000)	110,000	-
<b>Total general revenues and transfers</b>					<u>14,338,628</u>	<u>110,000</u>	<u>14,448,628</u>
<b>CHANGES IN NET POSITION</b>					139,181	18,423	157,604
<b>Net position - beginning, as previously reported</b>					<u>18,087,397</u>	<u>(113,716)</u>	<u>17,973,681</u>
<b>Prior period adjustments</b>					<u>138,224</u>	<u>-</u>	<u>138,224</u>
<b>Net position - beginning as restated</b>					<u>18,225,621</u>	<u>(113,716)</u>	<u>18,111,905</u>
<b>Net position - ending</b>					<u>\$ 18,364,802</u>	<u>(95,293)</u>	<u>18,269,509</u>

The accompanying notes are an integral part of these financial statements.

## **FUND FINANCIAL STATEMENTS**

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## **GOVERNMENTAL FUNDS FINANCIAL STATEMENTS**

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**JASPER COUNTY, MISSISSIPPI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
September 30, 2018

**Exhibit 3**

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 8,178,013	5,028,003	13,206,016
Property tax receivable	6,406,733	3,717,285	10,124,018
Fines receivable (net of allowance for uncollectibles of \$2,266,532)	171,300	-	171,300
Capital lease receivable	-	1,509,168	1,509,168
Intergovernmental receivables	107,663	344,388	452,051
Other receivables	9,812	-	9,812
Due from other funds	17,461	36,870	54,331
Advances to other funds	<u>365,393</u>	<u>-</u>	<u>365,393</u>
<b>Total assets</b>	<b>\$ <u>15,256,375</u></b>	<b><u>10,635,714</u></b>	<b><u>25,892,089</u></b>
<b>LIABILITIES</b>			
Liabilities:			
Claims payable	\$ 161,810	325,909	487,719
Intergovernmental payables	348,669	-	348,669
Due to other funds	44,467	-	44,467
Advances from other funds	<u>-</u>	<u>145,011</u>	<u>145,011</u>
<b>Total liabilities</b>	<u>554,946</u>	<u>470,920</u>	<u>1,025,866</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	6,406,733	3,717,285	10,124,018
Unavailable revenue - capital leases	-	1,509,168	1,509,168
Unavailable revenue - fines	<u>171,300</u>	<u>-</u>	<u>171,300</u>
<b>Total deferred inflows of resources</b>	<u>6,578,033</u>	<u>5,226,453</u>	<u>11,804,486</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Advances	365,393	-	365,393
Restricted for:			
General government	-	1,014,870	1,014,870
Public safety	-	165,987	165,987
Public works	-	1,925,651	1,925,651
Culture and recreation	-	61,315	61,315
Economic development and assistance	-	1,013,889	1,013,889
Debt service	-	756,629	756,629
Unassigned	<u>7,758,003</u>	<u>-</u>	<u>7,758,003</u>
<b>Total fund balances</b>	<u>8,123,396</u>	<u>4,938,341</u>	<u>13,061,737</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ <u>15,256,375</u></b>	<b><u>10,635,714</u></b>	<b><u>25,892,089</u></b>

The accompanying notes are an integral part of these financial statements.

**JASPER COUNTY, MISSISSIPPI****Exhibit 3-1****RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

September 30, 2018

<b>Total governmental funds balance</b>	<b>\$ 13,061,737</b>
<i>Amounts reported for governmental activities in the statement of net position are different than those reported in the fund financial statements because of the following:</i>	
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 \$15,875,209	21,750,936
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	171,300
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(6,534,225)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(52,419)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,367,479
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition and, therefore, are not reported in the funds.	150,550
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	246,723
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	(367,558)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(11,429,721)</u>
<b>Net position of governmental activities</b>	<b>\$ <u>18,364,802</u></b>

The accompanying notes are an integral part of these financial statements.



**JASPER COUNTY, MISSISSIPPI****Exhibit 4****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2018

	<b>Major Fund</b>	<b>Other</b>	<b>Total</b>
	<b>General Fund</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>REVENUES</b>			
Property taxes	\$ 6,964,582	3,967,767	10,932,349
Road and bridge privilege taxes	-	216,137	216,137
Licenses, commissions, and other revenues	189,793	-	189,793
Fines and forfeitures	141,723	65,265	206,988
Intergovernmental revenues	498,858	2,547,322	3,046,180
Charges for services	20,300	167,078	187,378
Interest income	19,224	53,743	72,967
Miscellaneous	59,881	114,087	173,968
<b>Total revenues</b>	<b>7,894,361</b>	<b>7,131,399</b>	<b>15,025,760</b>
<b>EXPENDITURES</b>			
Current:			
General government	3,837,039	23,200	3,860,239
Public safety	2,704,231	530,084	3,234,315
Public works	-	5,987,302	5,987,302
Health and welfare	171,278	-	171,278
Culture and recreation	-	12,499	12,499
Conservation of natural resources	47,528	-	47,528
Economic development and assistance	-	144,333	144,333
Debt service:			
Principal	59,278	1,495,810	1,555,088
Interest	1,907	144,193	146,100
<b>Total expenditures</b>	<b>6,821,261</b>	<b>8,337,421</b>	<b>15,158,682</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,073,100</b>	<b>(1,206,022)</b>	<b>(132,922)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term capital debt issued	-	352,409	352,409
Long-term non- capital debt issued	-	1,250,000	1,250,000
Proceeds from sale of capital assets	20,996	156,476	177,472
Compensation for loss of capital assets	7,973	8,103	16,076
Issuance of capital leases	-	(200,000)	(200,000)
Transfers in	550,000	673,334	1,223,334
Transfers out	(773,334)	(560,000)	(1,333,334)
Lease principal payments	-	298,987	298,987
<b>Total other financing sources (uses)</b>	<b>(194,365)</b>	<b>1,979,309</b>	<b>1,784,944</b>
Net changes in fund balances	878,735	773,287	1,652,022
<b>Fund balance - beginning of year</b>	<b>7,244,661</b>	<b>4,165,054</b>	<b>11,409,715</b>
<b>Fund balance - end of year</b>	<b>\$ 8,123,396</b>	<b>4,938,341</b>	<b>13,061,737</b>

The accompanying notes are an integral part of these financial statements.

# JASPER COUNTY, MISSISSIPPI

**Exhibit 4-1**

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended September 30, 2018

Net change in fund balances - total governmental funds \$ 1,652,022

*Amounts reported for governmental activities in the statement of activities are different than those reported in the fund financial statements because of the following:*

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 depreciation of \$1,241,787 exceeded capital outlays of \$570,675 in the current period. (671,112)

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 \$37,568 and the proceeds from the sale of \$193,548 in the current period. (155,980)

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. (47,610)

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 \$1,555,088 exceeded debt proceeds of \$1,602,409. (47,321)

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	(9,923)
(Increase) in accrued interest payable	(29,502)
(Increase) in prepaids	12,326

In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from change in fund balances by the principal collections on the capital leases. (98,987)

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	(1,181,479)
Recording of contributions made during the year	716,747

Changes in net position of governmental activities \$ 139,181

The accompanying notes are an integral part of these financial statements.

## **PROPRIETARY FUNDS FINANCIAL STATEMENTS**

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**JASPER COUNTY, MISSISSIPPI**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
September 30, 2018

**Exhibit 5**

	<b><u>Business-type Activities Solid Waste</u></b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 73,242
Accounts receivable (net of allowance for uncollectibles of \$1,314,735)	<u>328,684</u>
Total current assets	<u>401,926</u>
Noncurrent assets:	
Capital assets:	
Other capital assets, net	<u>25,873</u>
Total noncurrent assets	<u>25,873</u>
<b>Total assets</b>	<u><u>427,799</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	<u>4,606</u>
Total deferred outflows of resources	<u><u>4,606</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Claims payable	82,648
Due to other funds	17,461
Advances from other funds	<u>206,382</u>
Total current liabilities	<u>306,491</u>
Noncurrent liabilities:	
Net pension liability	213,359
Compensated absences	<u>987</u>
Total noncurrent liabilities:	<u>214,346</u>
<b>Total liabilities</b>	<u><u>520,837</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	<u>6,861</u>
Total deferred inflows of resources	<u><u>6,861</u></u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	25,873
Unrestricted	<u>(121,166)</u>
<b>Total net position</b>	<u><u>\$ (95,293)</u></u>

The accompanying notes are an integral part of these financial statements.

**JASPER COUNTY, MISSISSIPPI****Exhibit 6****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS**

For the Year Ended September 30, 2018

	<b><u>Business-type Activities Solid Waste</u></b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,051,878
<b>Total operating revenues</b>	<u>1,051,878</u>
<b>OPERATING EXPENSES</b>	
Personnel services	117,789
Pension expense	18,271
Contractual services	995,619
Materials and supplies	8,677
Indirect administrative cost	<u>3,099</u>
<b>Total operating expenses</b>	<u>1,143,455</u>
<b>Operating income (loss)</b>	<u>(91,577)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Transfers in	<u>110,000</u>
<b>Total nonoperating revenues</b>	<u>110,000</u>
<b>Change in net position</b>	18,423
<b>Total net position - beginning of year</b>	<u>(113,716)</u>
<b>Total net position - end of year</b>	<u><u>\$ (95,293)</u></u>

The accompanying notes are an integral part of these financial statements.

**JASPER COUNTY, MISSISSIPPI**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
For the Year Ended September 30, 2018

**Exhibit 7**

	<b>Business-type Activities</b>
	<b><u>Solid Waste</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 1,019,425
Payments to suppliers	(1,003,794)
Payments to employees	(131,756)
<b>Net cash provided (used) by operating activities</b>	<b>(116,125)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers to / from other funds	110,000
<b>Net cash provided in noncapital financing activities</b>	<b>110,000</b>
 <b>Net increase (decrease) in cash and cash equivalents</b>	 <b>(6,125)</b>
 <b>Beginning of the year</b>	 <b>79,367</b>
<b>End of the year</b>	<b><u>\$ 73,242</u></b>
 <b><i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</i></b>	
Operating income (loss)	\$ (91,577)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(32,453)
(Increase) decrease in deferred outflows of resources	12,696
Increase (decrease) in claims payable	502
Increase (decrease) in net pension liability	(11,264)
Increase (decrease) in compensated absences liability	(656)
Increase (decrease) in deferred inflows of resources	3,529
Increase (decrease) in interfund payables	3,098
Total Adjustments	(24,548)
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ (116,125)</u></b>

The accompanying notes are an integral part of these financial statements.



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## **FIDUCIARY FUND FINANCIAL STATEMENTS**

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**JASPER COUNTY, MISSISSIPPI**  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
September 30, 2018

**Exhibit 8**

	<b><u>Agency Funds</u></b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 422,610
Due from other funds	<u>7,597</u>
<b>Total assets</b>	<b><u>\$ 430,207</u></b>
<b>LIABILITIES</b>	
Intergovernmental payables	\$ 416,207
Advances from other funds	<u>14,000</u>
<b>Total liabilities</b>	<b><u>\$ 430,207</u></b>

The accompanying notes are an integral part of these financial statements.

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 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 relationship with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary for reporting in accordance with accounting principles generally accepted in the United States of America.

◆ 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 Units**

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, these component units are reported as if they are 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.



**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Basis of Presentation**

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

***Government-Wide Financial Statements***

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. 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.

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

The County reports the following major Governmental Fund:

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

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

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**FIDUCIARY FUND TYPE**

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

**E. Account Classifications**

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

**F. Deposits and Investments**

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

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

**G. Receivables**

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

**H. Interfund Transactions and Balances**

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

Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**I. Prepaid Items**

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

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Capital Assets**

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

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

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

	Capitalization Thresholds	Estimated Useful Life
Land	\$ -	N/A
Infrastructure	-	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	5-10 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.

**K. Deferred Outflows/Inflows of Resources**

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

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

Deferred revenues - 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 13 for additional details.

**L. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Mississippi Public Employees' Retirement System and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. 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.

**M. Long-term Liabilities**

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

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

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**N. Equity Classifications**

Government-wide Financial Statements:

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

- ◆ Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.
- ◆ Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.
- ◆ Unrestricted net position - All other net position not meeting the definition of “restricted” or “net investment in capital assets.”

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

- ◆ *Nonspendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.
- ◆ *Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- ◆ *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.

**O. 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.

**P. 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.

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Q. Compensated Absences**

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

**R. 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. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The provisions does not apply to the County.

**S. Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 2. PRIOR PERIOD ADJUSTMENTS**

A summary of the significant net position/fund balance adjustment(s) is as follows:

Exhibit 2 – Statement of Activities – Governmental Activities.

<b><u>Explanation</u></b>	<b><u>Amount</u></b>
To correct prior years errors in recording prepaid insurance	\$ 138,224
Total prior period adjustment	<u>\$ 138,224</u>

**NOTE 3. DEPOSITS**

**Deposits:**

The carrying amount of the County's total deposits with financial institutions at September 30, 2018, was \$13,701,868, and the bank balance was \$14,200,531. 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).



**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 3. DEPOSITS (continued)**

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

**NOTE 4. INTERFUND TRANSACTIONS AND BALANCES**

The following is a summary of interfund balances at September 30, 2018:

A. Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ 17,461
Other Governmental Funds	General Fund	36,870
Agency Funds	General Fund	7,597
Total		<u>\$ 61,928</u>

The receivable in the General Fund represents the calculated indirect costs for the fiscal year from the Solid Waste Fund representing user fees collected in September 2018 but settled in October 2018. Other Governmental and Agency Fund receivables represent the tax revenue collected in September 2018, but not settled until October 2018. All interfund balances are expected to be repaid within on year from the date of the financial statement.

B. 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
Total		<u>\$ 365,393</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 in the prior years.

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 550,000
Other Governmental Funds	General Fund	673,334
Solid Waste Fund	Other Governmental Funds	10,000
Solid Waste Fund	General Fund	100,000
Total		<u>\$ 1,333,334</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 BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 5. INTERGOVERNMENTAL RECEIVABLES**

Intergovernmental receivables at September 30, 2018, consisted of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 90,100
Oil severance	294,000
Gas severance	50,388
Gasoline tax	17,563
Total Governmental Activities	<u>\$ 452,051</u>

**NOTE 6. CAPITAL ASSETS**

The following is a summary of capital assets activity for the year ended September 30, 2018:

<u>Capital Assets</u>	<u>Balance October 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments*</u>	<u>Balance September 30, 2018</u>
<b>Governmental activities:</b>					
<u>Non-depreciable capital assets:</u>					
Land	\$ 673,597	-	-	-	673,597
Construction in progress	511,701	-	-	-	511,701
Total non-depreciable capital assets:	1,185,298	-	-	-	1,185,298
<u>Depreciable capital assets:</u>					
Infrastructure	15,558,018	9,882	-	-	15,567,900
Buildings	9,537,639	56,092	-	-	9,593,731
Improvements - other than buildings	38,167	-	-	-	38,167
Mobile equipment	7,757,602	124,128	519,393	479,808	7,842,145
Furniture and equipment	1,072,035	28,164	73,575	78,484	1,105,108
Leased property under capital leases	2,628,824	352,409	129,145	(558,292)	2,293,796
Total depreciable capital assets	36,592,285	570,675	722,113	-	36,440,847
<u>Less accumulated depreciation for:</u>					
Infrastructure	3,643,078	419,584	-	-	4,062,662
Buildings	2,794,379	169,302	-	-	2,963,681
Improvements - other than buildings	30,534	-	-	-	30,534
Mobile equipment	6,906,886	269,988	348,592	-	6,828,282
Furniture and equipment	817,273	164,123	-	-	981,396
Leased property under capital leases	1,007,405	218,790	217,541	-	1,008,654
Total accumulated depreciation	15,199,555	1,241,787	566,133	-	15,875,209
Total depreciable capital assets, net	21,392,730	(671,112)	155,980	-	20,565,638
<b>Total governmental activities</b>	<u>\$ 22,578,028</u>	<u>(671,112)</u>	<u>155,980</u>	<u>-</u>	<u>21,750,936</u>

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 6. CAPITAL ASSETS (continued)**

	Balance October 1, 2017	Increases	Decreases	Adjustments*	Balance September 30, 2018
<b>Business-type activities:</b>					
<u>Depreciable capital assets:</u>					
Mobile equipment	\$ 39,164	-	-	-	39,164
Total depreciable capital assets	39,164	-	-	-	39,164
<u>Less accumulated depreciation for:</u>					
Mobile equipment	13,291	-	-	-	13,291
Total accumulated depreciation	13,291	-	-	-	13,291
Total depreciable capital assets, net	25,873	-	-	-	25,873
<b>Total business-type activities</b>	<b>\$ 25,873</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,873</b>

\*Adjustments made in governmental activities to correctly state leased property that was paid off in the prior year.

Depreciation expense was charged to the following functions for the year ended September 30, 2018 as follows:

Functions/Programs	Depreciation Expense
<b>Governmental activities:</b>	
General government	\$ 106,472
Public safety	293,357
Public works	834,091
Health and welfare	1,319
Culture and recreation	6,548
Total governmental activities depreciation expense	<b>\$ 1,241,787</b>

Commitments with respect to unfinished capital projects at September 30, 2018 consisted of ongoing state aid road project LSBP 31 19 (County Road 3511). The estimated completion date is June 2020 with a remaining commitment of \$7,563.

**NOTE 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, 2018, to January 1, 2019. 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 BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 8. OPERATING LEASES**

As Lessor:

The County has an operating lease with Jasper County Economic Development District that started on July 12, 2011. The lease had an original term of 10 year with monthly payments of \$1,000. On July 13, 2011, JCEDD assigned and sublet the property to Southern Industrial Technologies. 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 \$14,750 for the year ended September 30, 2018. The future minimum lease receivables for this lease is as follows:

Year Ending September 30,	Amount
2019	\$ 14,750
2020	14,750
2021	11,062
Total	<u>\$ 40,562</u>

As Lessee:

The County has entered into certain operating leases for equipment and real property which do not give rise to property rights. Maturity dates range from January 2016 through October 2022. Real property leased for the District 1 is renewed in three and a half year intervals.

Historically equipment leased by the County is returned after the initial lease term. Total costs for such leases were \$29,850 for the fiscal year ended September 30, 2018. The future minimum lease payments for these leases are as follows:

Year Ending September 30,	Amount
2019	\$ 25,819
2020	25,013
2021	11,370
2022	2,868
Total	<u>\$ 65,070</u>

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 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 on 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 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 that the lessee would pay monthly payments of \$4,327 commencing on April 1, 2004 and ending February 1, 2019. The second capital lease stipulated that the lessee would pay monthly payments of \$2,928 commencing on 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 on 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.

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 on 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 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 on 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 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 on 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 on 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.

On December 22, 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 \$1,899 commencing on December 22, 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.

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 9. CAPITAL LEASES (continued)**

<u>Classes of Property</u>	<u>Amount</u>
Buildings	\$ <u>2,950,000</u>

The future minimum lease receivable and the present value of the net minimum lease receivables as of September 30, 2018, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 241,410	37,248
2020	200,125	29,890
2021	189,004	23,705
2022	169,893	19,402
2023	177,184	13,518
2024-2028	<u>389,863</u>	<u>17,926</u>
Total	\$ <u>1,367,479</u>	<u>141,689</u>

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2018:

**Governmental Activities:**

<u>Class of Property</u>	<u>Amount</u>
Mobile equipment	\$ <u>2,293,796</u>
Total	2,293,796
Less: Accumulated depreciation	<u>(1,008,654)</u>
Leased Property Under Capital Leases	\$ <u>1,285,142</u>

The following is a schedule by years of the total payments due as of September 30, 2018:

**Governmental Activities:**

<u>Year Ending September 30,</u>	<u>Capital Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 428,416	10,123
2020	192,878	4,395
2021	72,631	1,775
2022	<u>34,098</u>	<u>420</u>
Total	\$ <u>728,023</u>	<u>16,713</u>

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 10. DEFINED BENEFIT 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 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***

PERS members are required to contribute 9.00% of their annual covered salary and the Jasper County, Mississippi is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2018 was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Jasper County, Mississippi's contribution (employer share only) to PERS for the year ended September 30, 2018, 2017, and 2016 was \$735,018, \$742,261, and \$703,750 respectively, which equal to the required contributions for each year.

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 10. DEFINED BENEFIT PENSION PLAN(continued)**

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

At September 30, 2018, the County reported a liability of \$11,643,080 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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 contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share used to calculate the September 30, 2018 net pension liability was 0.07% percent, which was based on a measurement date of June 30, 2018. This amount remained unchanged from its proportionate share used to calculate the September 30, 2017 net pension liability, which was based on a measurement date of June 30, 2017.

For the year ended September 30, 2018, the County recognized pension expense of \$1,181,479 in governmental activities and \$18,271 in business-type activities for a total pension expense of \$1,199,750. At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Annual Changes</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experiences	\$ 51,042	49,081
Net difference between projected and actual earnings on pension plan investments	-	231,447
Changes of assumptions	6,870	6,431
Changes in proportion and differences between the County contributions and proportionate share of contributions	-	87,460
The County contributions subsequent to the measurement date	193,417	-
<b>Total</b>	<b>\$ 251,329</b>	<b>374,419</b>

\$193,417 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended September 30,</b>	<b>Pension Expense</b>
2019	\$ 96,325
2020	(76,037)
2021	(284,435)
2022	(52,360)
<b>Total</b>	<b>\$ (316,507)</b>



**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 10. DEFINED BENEFIT PENSION PLAN(continued)**

***Actuarial assumptions***

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table Projected with Scale BB to 2022, with males rates set forward one year.

The actuarial assumptions used in the June 30, 2018 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, 2018, are summarized in the following table:

<b>Asset class</b>	<b>Target Allocation</b>	<b>Long-term expected real rate of return</b>
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	-
<b>Total</b>	<b>100.00 %</b>	

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 10. DEFINED BENEFIT PENSION PLAN(continued)**

***Discount Rate***

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of 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%, 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%) or 1-percentage-point higher (8.75%) than the current rate:

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
The County's proportionate share of the net pension liability	\$ 15,330,595	11,643,080	8,578,268

***Pension plan fiduciary net position***

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

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 11. LONG-TERM DEBT**

Debt outstanding as of September 30, 2018, consisted of the following:

<b>Description and Purpose</b>	<b>Amount Outstanding</b>	<b>Interest Rate</b>	<b>Final Maturity Date</b>
<b>Governmental activities:</b>			
A. General obligation bonds:			
General Obligation Road and Bridge Bonds, Series 2013	\$ 390,000	2.75/3.75%	09/2023
District 1 Road & Bridge Bonds, Series 2013	565,000	2.40/2.70%	09/2023
District 2 Road & Bridge Bonds, Series 2013	410,000	2.125/2.25%	09/2023
District 3 Road & Bridge Bonds, Series 2013	105,000	2.50/3.50%	09/2023
District 5 Road & Bridge Bonds, Series 2013	505,000	2.875%	09/2023
<b>Total General Obligation Bonds</b>	<b>\$ 1,975,000</b>		
B. Capital Leases:			
Asphalt Paver	\$ 40,438	1.50%	07/2019
Hydrostatic Widener	35,724	1.49%	09/2019
(2) 2016 Ford F-150	28,922	1.75%	03/2022
(8) 2016 Ford Taurus	83,228	1.70%	04/2020
District 1 - Cab Tractor	1,666	1.00%	05/2020
District 1 - John Deere 5100 E Tractor	2,181	1.00%	12/2018
District 1 - 5 Metric Ton Excavator	17,032	1.44%	07/2019
District 1 - Leeboy Paver	27,644	1.69%	09/2020
District 2 - (2) Tractors and (1) Cutter	34,737	1.65%	01/2019
District 2 - 2016 Ford F-150	7,150	1.50%	04/2019
District 2 - 5 Metric Ton Excavator	17,966	1.44%	07/2019
District 2 - 2015 Chevy Silverado	7,503	1.25%	08/2019
District 2 - 2016 Chevy Silverado	15,234	1.70%	07/2020
District 2 - 2016 GMC Truck	19,539	1.69%	01/2021
District 3 - 5 Metric Ton Excavator	16,621	1.44%	07/2019
District 3 - 2017 GMC Truck	26,385	1.98%	09/2020
District 3 - Caterpillar Model 930 H	74,290	1.89%	02/2022
District 5 - Backhoe Loader	14,322	1.20%	03/2019
District 5 - 2017 Chevy Truck	18,215	1.75%	03/2020
District 5 - 5 Metric Ton Excavator	17,032	1.44%	07/2019
District 5 - 2017 Mack Dump Body	74,225	1.50%	11/2020
District 5 - New Holland Tractor	41,910	1.89%	09/2021
District 5 - New Holland Tractor	106,059	2.94%	08/2022
<b>Total Capital Leases</b>	<b>\$ 728,023</b>		
C. Other Loans:			
Negotiable Note	\$ 140,000	1.35%	02/2020
Negotiable Note - District 1	300,000	3.24%	08/2023
Negotiable Note - District 2	350,000	2.99%	05/2023
Negotiable Note - District 4	300,000	3.24%	08/2023
Negotiable Note - District 5	300,000	3.24%	08/2023
Holmac Building	283,231	3.00%	12/2024
MDA CAP Revolving Loan	878,130	2.00%	09/2029
Workforce Training Loan	1,165,245	3.25%	09/2036
<b>Total Other Loans</b>	<b>\$ 3,716,606</b>		

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 11. LONG-TERM DEBT (continued)**

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

**Governmental Activities:**

Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2019	\$ 380,000	53,516	495,165	102,305
2020	385,000	43,833	500,235	89,557
2021	395,000	33,649	439,273	75,617
2022	405,000	22,939	437,014	62,272
2023	410,000	11,639	446,369	48,514
2024-2028	-	-	873,792	119,960
2029-2033	-	-	400,518	28,689
2034-2036	-	-	124,240	2,699
<b>Total</b>	<b>\$ 1,975,000</b>	<b>165,576</b>	<b>3,716,606</b>	<b>529,613</b>

**Legal Debt Margin** - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2018, 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, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 104,673	9,923	-	114,596	-
General obligation debt	2,595,000	-	620,000	1,975,000	380,000
Capital leases	1,070,929	352,409	695,315	728,023	428,416
Other loans	2,706,379	1,250,000	239,773	3,716,606	495,165
<b>Total governmental activities</b>	<b>\$ 6,476,981</b>	<b>1,612,332</b>	<b>1,555,088</b>	<b>6,534,225</b>	<b>1,303,581</b>

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Business-type activities:</b>					
Compensated absences	\$ 1,643	-	656	987	-
<b>Total business-type activities</b>	<b>\$ 1,643</b>	<b>-</b>	<b>656</b>	<b>987</b>	<b>-</b>

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

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 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.

**NOTE 13. EFFECT OF DEFERRED AMOUNTS ON NET POSITION**

The governmental activities' unrestricted net position amount of \$(3,219,906) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$189,873 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, 2019. The \$56,850 balance of the deferred outflow of resources related to pensions at September 30, 2018, will be recognized in pension expense over the next three years. The \$367,558 balance of the deferred inflow of resources related to pension at September 30, 2018, will be recognized in pension expense over the next four years.

The governmental activities' unrestricted net position amount of \$(3,219,906) includes the effect of recognition of deferring the recognition of revenue resulting from capital leases interest. The \$141,689 balance of deferred inflows of resources at September 30, 2018, 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 \$(121,166) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$3,544 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, 2019. The \$1,062 balance of the deferred outflow of resources related to pensions at September 30, 2018, will be recognized in pension expense over the next three years. The \$6,861 balance of the deferred inflow of resources related to pension at September 30, 2018 will be recognized in pension expense over the next four years.

**NOTE 14. 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 services 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 the fiscal year ended September 30, 2018, Jasper County contributed \$130,000. Complete financial statements for the Regional Library can be obtained from the East Mississippi Regional Library, Quitman, MS.

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 15. 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 \$629,308 for maintenance and support of the College for the year ended September 30, 2018.

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 \$- for support of the agency for the year ended September 30, 2018.

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 \$14,434 for support of the district for the year ended September 30, 2018.

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 for the year ended September 30, 2018.

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 \$34,127 for support of the commission for the year ended September 30, 2018.

**NOTE 16. 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 a 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. Abatements are for ten years and are for economic development purposes. The County had four (4) tax abatement agreements with four (4) entities as of September 30, 2018.

The County had one type of abatement, which does not provide abatement of school or state taxes levies.

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 16. TAX ABATEMENTS (continued)**

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

All allowable property tax levies

All four companies have tax abatements listed under this statute.

Their economic development projects, collectively, had \$348,595 in taxes abated in fiscal year 2018 accounting for 91% of taxes abated of potential collections without abatements present.

**NOTE 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 the date the financial statements were available to be issued, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2018, 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>
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%	30,580	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
10/2020	1.48%	326,630	capital lease	ad valorem revenue
10/2020	1.47%	33,169	capital lease	ad valorem revenue

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
For the Year Ended September 30, 2018

**NOTE 17. SUBSEQUENT EVENTS (continued)**

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
01/2021	1.44%	\$ 41,332	capital lease	ad valorem revenue
01/2021	1.44%	76,021	capital lease	ad valorem revenue
01/2021	1.44%	41,332	capital lease	ad valorem revenue
03/2021	1.19%	155,900	capital lease	ad valorem revenue
03/2021	1.19%	311,800	capital lease	ad valorem revenue
03/2021	1.19%	249,483	capital lease	ad valorem revenue
03/2021	1.19%	155,900	capital lease	ad valorem revenue
03/2021	1.19%	311,800	capital lease	ad valorem revenue
03/2021	1.49%	93,583	capital lease	ad valorem revenue

A novel strain of Coronavirus (COVID-19) spread across the world and was declared a pandemic by the World Health Organization on March 11, 2020. As a result of the spread of COVID-19, economic uncertainties have arisen. The extent of the impact of COVID-19 on operational and financial performance will depend on the duration and spread of the outbreak.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**JASPER COUNTY, MISSISSIPPI**  
**BUDGETARY COMPARISON SCHEDULE-**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**GENERAL FUND**  
For the Year Ended September 30, 2018  
(UNAUDITED)

	<b>Original Budgeted</b>	<b>Final Budgeted</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 6,532,523	6,918,314	6,918,314	-
Licenses, commissions and other revenues	123,200	191,167	191,167	-
Fines and forfeitures	152,500	130,227	130,227	-
Intergovernmental revenues	461,800	666,229	666,229	-
Charges for services	10,000	20,300	20,300	-
Interest income	18,000	19,224	19,224	-
Miscellaneous revenues	<u>50,000</u>	<u>103,759</u>	<u>103,759</u>	<u>-</u>
<b>Total Revenues</b>	<u>7,348,023</u>	<u>8,049,220</u>	<u>8,049,220</u>	<u>-</u>
<b>Expenditures by Major Budgetary Function</b>				
General government	5,008,774	3,838,980	3,838,980	-
Public safety	2,898,338	2,698,991	2,698,991	-
Health and welfare	361,745	167,992	167,992	-
Culture and recreation	24,400	-	-	-
Conservation of natural resources	56,750	47,282	47,282	-
Debt service expenditures	<u>-</u>	<u>75,028</u>	<u>75,028</u>	<u>-</u>
<b>Total Expenditures</b>	<u>8,350,007</u>	<u>6,828,273</u>	<u>6,828,273</u>	<u>-</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(1,001,984)</u>	<u>1,220,947</u>	<u>1,220,947</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(30,000)	(770,635)	(770,635)	-
Other financing sources (uses)	<u>-</u>	<u>608,220</u>	<u>608,220</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(30,000)</u>	<u>(162,415)</u>	<u>(162,415)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(1,031,984)	1,058,532	1,058,532	-
<b>Fund Balances-Beginning</b>	<u>2,158,212</u>	<u>8,589,678</u>	<u>8,589,678</u>	<u>-</u>
<b>Fund Balances-Ending</b>	<u>\$ 1,126,228</u>	<u>9,648,210</u>	<u>9,648,210</u>	<u>-</u>

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

# JASPER COUNTY, MISSISSIPPI

## SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY\*

Public Employees Retirement System of Mississippi

Last 10 Fiscal Years\*

(UNAUDITED)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.07 %	0.07 %	0.07 %	0.07 %	0.07 %
County's proportionate share of the net pension liability (asset)	\$11,643,080	12,045,644	12,455,519	10,820,620	8,375,337
County's covered payroll	\$ 4,680,455	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	248.76 %	269.58 %	279.22 %	246.61 %	200.16 %
Plan fiduciary net position as a percentage of the total pension liability	62.54 %	61.49 %	57.47 %	61.70 %	67.21 %

\*The amount presented for each fiscal year were determined as of the 12 months ended at the measurement date of June 30 of the fiscal year presented.

This schedule is presented to illustrate the requirements to show information for 10 years. 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 for which information is available.

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

**JASPER COUNTY, MISSISSIPPI****SCHEDULE OF THE COUNTY'S CONTRIBUTIONS - (PERS)**

Public Employees Retirement System of Mississippi

Last 10 Fiscal Years\*

(UNAUDITED)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 735,018	742,261	703,750	702,558	656,637
Contributions in relation to the contractually required contribution	<u>(735,018)</u>	<u>(742,261)</u>	<u>(703,750)</u>	<u>(702,558)</u>	<u>(656,637)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 4,666,785	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 %	15.75 %

This schedule is presented to illustrate the requirements 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 for which information is available.

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

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2018  
(UNAUDITED)

**NOTE 1. BUDGETARY COMPARISON SCHEDULE**

**A. Budgetary Information**

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

**B. Basis of Presentation**

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

**C. Budget/GAAP Reconciliation**

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

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

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

	<b><u>Governmental Fund Types General Fund</u></b>
Budget (Cash Basis)	\$ 1,058,532
Increase (Decrease)	
Net adjustments for revenue accruals	(184,110)
Net adjustments for expenditure accruals	<u>4,313</u>
GAAP Basis	<b><u>\$ 878,735</u></b>

**JASPER COUNTY, MISSISSIPPI**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2018  
(UNAUDITED)

**NOTE 2. PENSION SCHEDULES**

**A. Changes of Assumptions**

**2015**

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

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

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

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

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

**2016**

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

**2017**

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022 rather than projected with Scale BB to 2016, which was used prior to 2017. Small adjustments were also made to the Mortality Table for disabled lives.

The Wage inflation assumption 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.



# JASPER COUNTY, MISSISSIPPI

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2018

(UNAUDITED)

### NOTE 2. PENSION SCHEDULES (continued)

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

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	36.6 years
Asset valuation method	5-year smoothed market
Price Inflation	3.00 percent
Salary increase	3.75 percent to 19.00 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

## **OTHER INFORMATION**

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**JASPER COUNTY, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**  
For the Year Ended September 30, 2018  
(UNAUDITED)

Name	Position	Company	Amount
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
Kawana Cox	Receiving Clerk	Western Surety	75,000
Andrew Craft	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
Cindy Hendry	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	10,000
Teresa Jones	Deputy Circuit Clerk	RLI Insurance	10,000
Terry Stevens	Deputy Circuit Clerk	RLI Insurance	10,000
Dana Lewis	Deputy Circuit Clerk	RLI Insurance	10,000
Randy Johnson	Sheriff	RLI Insurance	100,000
Joseph White	Deputy Sheriff	RLI Insurance	50,000
Larry Dewayne Hawkins, Jr.	Deputy Sheriff	RLI Insurance	50,000
Kenneth Derick Knight	Deputy Sheriff	RLI Insurance	50,000
Daniel Gilmore	Deputy Sheriff	RLI Insurance	50,000
Chad Odom	Deputy Sheriff	RLI Insurance	50,000
Kolby Waldrop	Deputy Sheriff	RLI Insurance	50,000
Stephen L. Graeser	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 Cambell	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
Rebecca Gavin	Justice Court Clerk	RLI Insurance	50,000
Hope Lynette McCullum	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	10,000
Angelia McCain	Deputy Tax Collector	RLI Insurance	10,000
Debbie Adams	Deputy Tax Collector	RLI Insurance	10,000
Nila Cormwell	Deputy Tax Collector	RLI Insurance	10,000
Christy Ulmer	Deputy Tax Collector	RLI Insurance	10,000
Mae Ellis	Deputy Tax Collector	RLI Insurance	10,000
Michelle Dixon	Deputy Tax Collector	RLI Insurance	10,000

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## **SPECIAL REPORTS**

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**Wolfe • McDuff & Oppie**  
CERTIFIED PUBLIC ACCOUNTANTS  
(A Professional Association)

Michelle Oppie Gist, CPA

Julia Whitley Johnson, CPA

Jesse J. Wolfe, CPA (1927-2009)

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the 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 activities, each major fund, and the aggregate remaining fund information of Jasper County, Mississippi, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Jasper County, Mississippi's basic financial statements and have issued our report thereon dated August 15, 2022. 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 Jasper County, Mississippi's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as 2018-001, 2018-002, 2018-003 and 2018-004 that we consider to be material weaknesses.

*Membership in:*

American Institute of Certified Public Accountants • Mississippi Society of Certified Public Accountants  
AICPA Governmental Audit Quality Center • AICPA Center for Audit Quality • AICPA Employee Benefit Plan Audit Quality Center



America Counts on CPAs



**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**  
**Page 2**

**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 2018-001.

We also noted certain matters which we have reported to the management of Jasper County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated August 15, 2022, included within this document.

**Jasper County's Responses to Findings**

Jasper County, Mississippi's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Jasper County, Mississippi's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

**Purpose of this Report**

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

*Wafer, McDuff + Oppi*

Pascagoula, Mississippi  
August 15, 2022



**Wolfe • McDuff & Oppie**  
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**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, 2018. 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.

The results of our procedures disclosed certain instances of noncompliance with the aforementioned code sections. Our finding, recommendation, and your response are disclosed below:

**Board of Supervisors, Chancery Clerk, and Purchase Clerk**

**Finding 1:** The Board of Supervisors Should Ensure Compliance with State Laws over Credit Card Use.

**Repeat Finding:** No.

**Criteria:** *Section 19-3-68, Mississippi Code Annotated (1972)*, state there should be a complete record of all receipts and documentation pertaining to the use of the credit card and that the Board should be given an itemized list of all expenditures each month to be included in the claims docket.

**Condition:** During the testing of the County, the auditor noted the following exceptions, out of seven (7) credit card purchases, there was no itemized report of credit card expenditures submitted to the Board to be paid each month.

*Membership in:*

American Institute of Certified Public Accountants • Mississippi Society of Certified Public Accountants  
AICPA Governmental Audit Quality Center • AICPA Center for Audit Quality • AICPA Employee Benefit Plan Audit Quality Center



America Counts on CPAs

**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))**  
**Page 2**

**Cause:** The Chancery Clerk and Purchase Clerk did not adhere to state purchasing laws.

**Effect:** The Board of Supervisors was unable to legally approve the purchases made with credit cards without the itemized report of credit card expenditures.

**Recommendation:** We recommend the Board of Supervisors, Chancery Clerk and Purchase Clerk ensure an itemized list of expenses is submitted to the Board monthly, and ensure all credit card expenses be properly documented.

**Official Response:** Jasper County, Mississippi, was not in compliance with Section 19-3-68 concerning credit card purchases. All Board Members will review the monthly credit card reports before approving the claims.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Jasper County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2018.

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.

Jasper County, Mississippi's response to the finding included in this report was not audited, and accordingly, we express no opinion on it.

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.

*Walfe, McDuff + Oppen*

Pascagoula, Mississippi  
August 15, 2022

**JASPER COUNTY, MISSISSIPPI**

**Schedule 1**

**SCHEDULE OF PURCHASES FROM OTHER THAN THE LOWEST BIDDER**

For the Year Ended September 30, 2018

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

**JASPER COUNTY, MISSISSIPPI**  
SCHEDULE OF EMERGENCY PURCHASES  
For the Year Ended September 30, 2018

Schedule 2

Our test did not identify any emergency purchases.

**JASPER COUNTY, MISSISSIPPI**

**Schedule 3**

**SCHEDULE OF PURCHASES MADE NONCOMPETITELY FROM A SOLE SOURCE**

For the Year Ended September 30, 2018

Our test did not identify any purchases made noncompetitively from a sole source.

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**Wolfe • McDuff & Oppie**  
CERTIFIED PUBLIC ACCOUNTANTS  
(A Professional Association)

Michelle Oppie Gist, CPA

Julia Whitley Johnson, CPA

Jesse J. Wolfe, CPA (1927-2009)

Grover B. McDuff, CPA (1923-2016)

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## 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, 2018, 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 August 15, 2022, on the financial statements of Jasper County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of our review procedures and compliance tests identified immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

### **Board of Supervisors**

1. The Board of Supervisors Should Ensure Compliance with State Law over Adopting the Final Amended Budget.

Repeat Finding

No

*Membership in:*

American Institute of Certified Public Accountants • Mississippi Society of Certified Public Accountants  
AICPA Governmental Audit Quality Center • AICPA Center for Audit Quality • AICPA Employee Benefit Plan Audit Quality Center



America Counts on CPAs



**Limited Internal Control and Compliance Review Management Report**  
**Page 2**

Criteria	<p><i>Section 7-7-211(b), Mississippi Code Annotated (1972), states, "To provide best practices, for all public offices of regional and local subdivisions of the state, systems of accounting, budgeting and reporting financial facts relating to said offices in conformity with legal requirements and with generally accepted accounting principles or other accounting principles as promulgated by nationally recognized professional organizations; to assist such subdivisions in need of assistance in the installation of such systems; to revise such systems when deemed necessary, and to report to the Legislature at periodic times the extent to which each office is maintaining such systems, along with such recommendations to the Legislature for improvement as seem desirable."</i></p> <p>Mississippi County Financial Accounting Manual, Section B-Budgeting, states, "The final amended budget of all funds for a fiscal year, which may be amended up to the end of the fiscal year, must be entered on the minutes of the Board of Supervisors no later than October 31, next following the close of the fiscal year."</p>
Condition	<p>During the review of Jasper County, Mississippi, the auditor noted there was no final amended budget approved and spread upon the minutes of the Board of Supervisors.</p>
Cause	<p>The Board of Supervisors did not follow state laws.</p>
Effect	<p>Failure to adopt the final amended budget could result in a lack of transparency and loss of public trust.</p>
Recommendation	<p>We recommend the Board of Supervisors adopt the final amended budget, for the previous fiscal year, no later than October 31st, immediately following the close of the fiscal year. The final amended budget should also be spread upon the official minutes.</p>
Views of Responsible Officials	<p>The Board will comply on reporting the final amended budget.</p>
<b><u>Circuit Clerk, Tax Collector</u></b>	
2.	<p>The Circuit Clerk and Tax Collector Should Ensure Compliance with State Law over Surety Bonds.</p>
Repeat Finding	<p>No</p>

## Limited Internal Control and Compliance Review Management Report

Page 3

Criteria	<p><i>Section 9-7-123(2), Mississippi Code Annotated (1972), states, " Each deputy clerk of the circuit court, before he enters upon the duties of the appointment, shall take the oath of office, and shall give bond, with sufficient surety, to be payable, conditioned and approved as provided by law, in a penalty equal to three percent (3%) of the sum of all the state and county taxes shown by the assessment rolls and the levies to have been collectible in the county for the year immediately preceding the commencement of the term of office for the circuit clerk. However, the amount of such bond shall not be less than Fifty Thousand Dollars (\$50,000.00) nor more than One Hundred Thousand Dollars (\$100,000.00). The bond shall cover all monies coming into the hands of the deputy clerk by law or order of the court. The board of supervisors, in its discretion, may pay the bond on behalf of the deputy clerk."</i></p> <p><i>Section 27-1-9(1), Mississippi Code Annotated (1972), states, "Each assessor and tax collector shall appoint a sufficient number of deputies to assist him in carrying out the duties of his office and fix their compensation, subject to the budget for the assessor and tax collector's office approved by the county board of supervisors. No deputy shall receive a salary which exceeds the salary of the assessor and tax collector. Each deputy assessor shall give bond for the faithful discharge of his duties as provided in Section 27-1-3. Each deputy tax collector shall give bond to be payable, conditioned and approved as provided by law in an amount not less than Fifty Thousand Dollars (\$50,000.00) for the faithful discharge of his duties."</i></p>
Condition	<p>During the review of Jasper County, Mississippi, the auditor noted the following exceptions with the County's surety bonds:</p> <ul style="list-style-type: none"><li>♦ The following positions were bonded for an insufficient amount:<ul style="list-style-type: none"><li>◦ Four (4) Deputy Circuit Clerks</li><li>◦ Seven (7) Deputy Tax Collectors</li></ul></li></ul>
Cause	<p>The Circuit Clerk and Tax Collector did not follow state laws.</p>
Effect	<p>Failure to sufficiently bond individuals could limit the amount available for recovery if a loss occurs.</p>
Recommendation	<p>We recommend that the County secure bonds that are of sufficient amounts.</p>
Views of Responsible Officials	<p>The Circuit Clerk and Tax Collector will obtain sufficient bonds for Deputies.</p>
<b><u>Chancery Clerk</u></b>	
3.	<p>The Chancery Clerk Should Ensure Compliance with State Law over Completing the Annual Financial Report.</p>
Repeat Finding	<p>No</p>

## Limited Internal Control and Compliance Review Management Report

### Page 4

Criteria	<i>Section 9-1-45(1), Mississippi Code Annotated (1972), states, "Each chancery and circuit clerk shall file, not later than April 15 of each year, with the State Auditor of Public Accounts a true and accurate annual report on a form to be designed and supplied to each clerk by the State Auditor of Public Accounts immediately after January 1 of each year. The form shall include the following information: (a) revenues subject to the salary cap, including fees; (b) revenues not subject to the salary cap; and (c) expenses of office, including any salary paid to a clerk's spouse or children. Each chancery and circuit clerk shall provide any additional information requested by the Public Employees' Retirement System for the purpose of retirement calculations."</i>
Condition	During the review of Jasper County, Mississippi, the auditor noted the Chancery Clerk did not file the Annual Financial Report with the State Auditor of Public Accounts.
Cause	The Chancery Clerk did not follow state laws.
Effect	Failure to properly complete the Annual Financial Report results in an additional amount being owed to the County.
Recommendation	We recommend that the Chancery Clerk submit an Annual Financial Report to the Office of the State Auditor and to PERS.
Views of Responsible Officials	The Chancery Clerk will submit the required Annual Financial Report.

### **Sheriff**

4.	The Sheriff Should Ensure Compliance with State Law over the Purchase of Evidence/Information.
Repeat Finding	No
Criteria	Section 7-7-211, Mississippi Code Annotated (1972), gives the Office of the State Auditor the authority to prescribe accounting systems. The prescribed voucher, for the purchase of information and purchase of evidence, was not completed entirely by omitting certain information.
Condition	During the review of Jasper County, Mississippi, the auditor noted the following exception, out of fifteen (15) vouchers tested, fifteen (15) vouchers were not signed by a witness.
Cause	The Sheriff did not follow state laws.
Effect	Failure to completely fill out evidence/information vouchers results in noncompliance with Section 7-7-211 and could result in fraud or misappropriation of County funds.
Recommendation	We recommend the Sheriff's Office ensure the vouchers are accurately and correctly completed.

## Limited Internal Control and Compliance Review Management Report

Page 5

Views of Responsible  
Officials

The Sheriff will implement a policy that will ensure the vouchers are accurately and correctly completed.

### Board of Supervisors

5. Public Officials Should Ensure Compliance with State Law over the Unemployment Trust Funds Minimum Balance Requirements.

Repeat Finding

No

Criteria

Section 71-5-359(5), Mississippi Code Annotated. (1972), states, "Each political subdivision, unless it elects to make contributions to the unemployment compensation fund as provided in subsection (9) of this section, shall establish a revolving fund and deposit an amount equal to two percent (2%) of the first Six Thousand Dollars (\$6,000.00) paid to each employee thereof during the next preceding year. However, the department shall by regulation establish a procedure to allow reimbursing political subdivisions to elect to maintain the balance in the revolving fund as required under this paragraph or to annually execute a surety bond to be approved by the department in an amount not less than two percent (2%) of the covered wages paid during the next preceding year."

Condition

During the review of Jasper County, Mississippi, the auditor noted that the Unemployment Trust Fund account balance of \$14,447 is below the required amount of \$18,821. Based upon wages for the fiscal year ended September 30, 2018, this resulted in an underfunded amount of \$4,374.

Cause

The Board of Supervisors did not follow state laws.

Effect

Failure to maintain a sufficient balance in the revolving fund is a violation of the statute listed above.

Recommendation

We recommend that the Board of Supervisors maintain a balance in the revolving fund of an amount equal to two percent (2%) of the first Six Thousand Dollars (\$6,000) paid to each employee thereof during the next preceding year.

Views of Responsible  
Officials

The Jasper County, Mississippi Board of Supervisors will comply with Section 71-5-359(5), Mississippi Code Annotated. (1972) by properly funding an account equal to 2% of each employee's first six thousand dollars (\$6,000) of his/her salary as required by statute. Otherwise, if the Board chooses to establish an unemployment compensation fund, it will comply with subsection (9) of the above mentioned statute.

Jasper County, Mississippi's response(s) to the findings included in this report were not audited, and accordingly, we express no opinion on them.

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

*Walter McDuff + Opai*  
Pascagoula, Mississippi  
August 15, 2022

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## **SCHEDULE OF FINDINGS AND RESPONSES**

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**JASPER COUNTY, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Year Ended September 30, 2018

**Section I: 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
Solid Waste	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal controls over financial reporting:

a. Material weakness(es) identified?	Yes
b. Significant deficiency(ies) identified?	None reported

3. Noncompliance material to financial statements noted?

Yes

**Section II: Financial Statement Findings**

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

**Board of Supervisors**

Material Weakness / Material Noncompliance

2018-001	The County should include discretely-presented component units within its financial statements.
Repeat Finding	Yes, 2017-001
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.



**JASPER COUNTY, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Year Ended September 30, 2018

Recommendation	The Board of Supervisors should provide the financial data for its discretely presented component units for inclusion in the County's financial statements.
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Views of Responsible Official(s)	The Board of Supervisors will consider adding these to the financials in future periods.
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**Justice Court Clerk**

Material Weakness

2018-002	Controls over cash collections and disbursements in the Justice Court Clerk's office should be strengthened.
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Repeat Finding	Yes, 2017-002
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Criteria	An effective system of internal control over cash should include an adequate segregation of duties.
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Condition	As reported in the prior five 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.
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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
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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.
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**Solid Waste Clerk**

Material Weakness

2018-003	Solid Waste records should be reconciled to the bank statements.
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Repeat Finding	Yes, 2017-003
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**JASPER COUNTY, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Year Ended September 30, 2018

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 four 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.
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.

**Solid Waste Clerk**

Material Weakness

2018-004	Controls over cash collections and disbursements in the Solid Waste office should be strengthened.
Repeat Finding	Yes, 2017-004
Criteria	An effective system of internal control over cash should include an adequate segregation of duties.
Condition	As reported in the prior four 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.

**JASPER COUNTY, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Year Ended September 30, 2018

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.