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JASPER COUNTY, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
AND SPECIAL REPORT

For the Year Ended September 30, 2020

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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, 2020, 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:

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AICPA Governmental Audit Quality Center • AICPA Center for Audit Quality • AICPA Employee Benefit Plan Audit Quality Center

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Independent Auditor's Report
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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, 2020, 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2023, 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.

Wolfe, McDuff + Appi

Pascagoula, Mississippi
April 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

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JASPER COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020
(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, 2020. 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 \$20,892,165 (net position). Of this amount, approximately \$21,225,346 and \$(333,181) 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 \$(5,338,668) (a deficit) for its governmental activities and approximately \$(334,648) (a deficit) for its business-type activities.
- ◆ The government's total net position increased by approximately \$1,132,974.
- ◆ As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$14,487,807, an increase of approximately \$578,832 from the prior year's fund balance.
- ◆ The County's General Fund reported total fund balance of approximately 6,657,392. Approximately \$6,291,999 of this total amount, or approximately 95%, is available for spending at the government's discretion (unassigned fund balance). The unassigned fund balance for the General Fund was approximately 64% of total General Fund expenditures for the year ended September 30, 2020.
- ◆ The County's governmental activities capital assets increased by approximately 7.41% (\$1,654,157) during the current fiscal year due to capital asset additions of approximately \$3,181,291, partially offset by depreciation expense of \$1,332,891 and disposals of approximately \$1,026,016. The County's business-type activities capital assets increased by approximately 18.30% (\$4,736) during the current fiscal year due to capital asset additions of approximately \$37,336, partially offset by depreciation expense of \$6,727 and disposals of approximately \$39,164.
- ◆ The governments's total debt (including general and special obligations) increased approximately \$398,717 7% during the current year primarily due issuance of capital leases.

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, 2020
(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, 2020
(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 a 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, 2020
(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, 2020 as compared to September 30, 2019:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$27,983,083	27,153,004	20,462	169,559	28,003,545	27,322,563
Capital assets	<u>23,979,769</u>	<u>22,325,612</u>	<u>30,609</u>	<u>25,873</u>	<u>24,010,378</u>	<u>22,351,485</u>
Total assets	<u>51,962,852</u>	<u>49,478,616</u>	<u>51,071</u>	<u>195,432</u>	<u>52,013,923</u>	<u>49,674,048</u>
Deferred outflow of resources	<u>968,649</u>	<u>340,218</u>	<u>21,098</u>	<u>4,970</u>	<u>989,747</u>	<u>345,188</u>
Current liabilities	1,789,689	1,443,895	87,345	77,193	1,877,034	1,521,088
Long-term liabilities	<u>19,493,480</u>	<u>17,998,672</u>	<u>318,005</u>	<u>177,291</u>	<u>19,811,485</u>	<u>18,175,963</u>
Total liabilities	<u>21,283,169</u>	<u>19,442,567</u>	<u>405,350</u>	<u>254,484</u>	<u>21,688,519</u>	<u>19,697,051</u>
Deferred inflow of resources	<u>10,422,986</u>	<u>10,560,512</u>	<u>-</u>	<u>2,482</u>	<u>10,422,986</u>	<u>10,562,994</u>
Net position:						
Net investment in capital assets	17,858,979	16,584,216	1,467	25,873	17,860,446	16,610,089
Restricted	8,705,035	6,398,216	-	-	8,705,035	6,398,216
Unrestricted	<u>(5,338,668)</u>	<u>(3,166,677)</u>	<u>(334,648)</u>	<u>(82,437)</u>	<u>(5,673,316)</u>	<u>(3,249,114)</u>
Total net position	<u>\$21,225,346</u>	<u>19,815,755</u>	<u>(333,181)</u>	<u>(56,564)</u>	<u>20,892,165</u>	<u>19,759,191</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 (deficit)	\$ (5,673,316)
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>12,561,439</u>
Unrestricted net position, exclusive of the net pension liability effect	<u>\$ 6,888,123</u>

By far the largest portion of the County's net position (85%) 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 (42%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$(5,673,316) ((27)%) may be used to meet the County's ongoing obligation to citizens and creditors.

JASPER COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020
(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 increased by \$1,250,357 during the year. Restricted net position increased by \$2,306,819. Unrestricted net position decreased by \$(2,424,202) during the year with the unrestricted net position of business-type activities decreasing by \$(252,211) and the unrestricted net position of governmental activities decreasing by \$(2,171,991).

The following table shows the changes in the County's net position for 2020 compared to 2019.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 655,058	761,713	1,123,981	849,113	1,779,039	1,610,826
Operating grants and contributions	3,875,022	-	-	-	3,875,022	-
General revenues:						
Property taxes	11,048,588	10,748,165	-	-	11,048,588	10,748,165
Road and bridge privilege taxes	215,607	214,021	-	-	215,607	214,021
Grants and contributions-unrestricted	2,453,431	3,307,714	-	-	2,453,431	3,307,714
Miscellaneous revenues	287,440	323,784	-	-	287,440	323,784
Total revenues	<u>18,535,146</u>	<u>15,355,397</u>	<u>1,123,981</u>	<u>849,113</u>	<u>19,659,127</u>	<u>16,204,510</u>
Program expenses						
General government	6,518,189	3,717,239	-	-	6,518,189	3,717,239
Public safety	3,013,883	3,353,290	-	-	3,013,883	3,353,290
Public works	6,015,090	4,892,886	-	-	6,015,090	4,892,886
Health and welfare	167,666	182,279	-	-	167,666	182,279
Culture and recreation	25,397	22,056	-	-	25,397	22,056
Conservation of natural resources	32,116	34,075	-	-	32,116	34,075
Economic development and assistance	95,605	97,807	-	-	95,605	97,807
Interest on long-term debt	176,371	164,654	-	-	176,371	164,654
Pension expense	1,141,238	1,180,158	-	-	1,141,238	1,180,158
Solid waste	-	-	1,340,598	1,070,384	1,340,598	1,070,384
Total expenses	<u>17,185,555</u>	<u>13,644,444</u>	<u>1,340,598</u>	<u>1,070,384</u>	<u>18,526,153</u>	<u>14,714,828</u>
Excess(deficiency) of revenues over (under) expenditures	<u>1,349,591</u>	<u>1,710,953</u>	<u>(216,617)</u>	<u>(221,271)</u>	<u>1,132,974</u>	<u>1,489,682</u>
Transfers in (out)	<u>60,000</u>	<u>(260,000)</u>	<u>(60,000)</u>	<u>260,000</u>	<u>-</u>	<u>-</u>
Change in net position	1,409,591	1,450,953	(276,617)	38,729	1,132,974	1,489,682
Net position - beginning of year,	<u>19,815,755</u>	<u>18,364,802</u>	<u>(56,564)</u>	<u>(95,293)</u>	<u>19,759,191</u>	<u>18,269,509</u>
Net position - end of year	<u>\$ 21,225,346</u>	<u>19,815,755</u>	<u>(333,181)</u>	<u>(56,564)</u>	<u>20,892,165</u>	<u>19,759,191</u>

JASPER COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020
(UNAUDITED)

Governmental Activities

Governmental activities increased the County's net position by \$1,409,591. The overall increase reflects revenues exceeding expenses for the year by \$1,349,591. This amount was partially due to an increase of \$3,875,022 in grants and contributions-unrestricted which is related to an increase in the amounts the County received related to public works improvements.

Expenses for the year experienced an increase of \$1,122,204 in public works expense related to public works improvements.

Business-type Activities

Business-type activities decreased the County's total net position by \$(276,617) during the year. Revenues for the business-type activities increased by \$274,868 (32%). Expenses for the business-type activities increased \$270,214 (25%).

Solid Waste Collections fund experienced an increase in revenues primarily related to increase in the collections of solid waste disposal fees.

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 \$14,487,807, an increase of \$578,832 in comparison with the prior year. This overall increase was primarily due to the \$2,513,710 increase in the Other Governmental funds. The balance in these funds increased primarily due the increase of revenues during the year.

Of the combined \$14,487,807 governmental fund balances at year end \$7,830,415 (54%) is classified as restricted by grantors, state or federal laws, or enabling legislation and \$365,393 is classified as nonspendable. The remaining \$6,291,999 is classified as unassigned (43%). 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 \$6,291,999, while the total fund balance was \$6,657,392. 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 64% and 68%, respectively, of total general fund expenditures. These percentages decreased from the prior year computation of unassigned and total fund balances of 118% and 123%, respectively. The County's general fund balance decreased by \$(1,934,878) during the current fiscal year.

JASPER COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020
(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, 2020 was \$(333,181), a decrease of \$(276,617) from the previous fiscal year's net position. Of the net position of the enterprise funds, \$1,467 is the net investment in capital assets of the enterprise funds. Unrestricted net position totaled \$(334,648), a decrease of \$(252,211) 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 supplementary information.

During the year there was a \$93,307 decrease in appropriations between the original budget and the final amended budget. Budgeted revenues increased by \$740,418 from the original to the amended budget.

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

- ◆ Decrease in Public Safety of \$350,152 for the custody of prisoners.
- ◆ Decrease in Health and welfare of \$442,885 for the health clinics.

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, 2020, amounts to \$24,010,378 (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 increased by \$1,654,157 and \$4,736 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 \$2,153,447.
- ◆ Major asset additions included \$1,695,941 for leased property under capital leases and \$1,254,553 for construction in progress.

JASPER COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2020
(UNAUDITED)

Depreciation expense totaled \$1,339,618 for the year with \$1,332,891 in the governmental activities and \$6,727 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.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 673,597	673,597	-	-	673,597	673,597
Construction in progress	2,145,529	1,410,240	-	-	2,145,529	1,410,240
Infrastructure	11,307,933	11,245,199	-	-	11,307,933	11,245,199
Buildings	6,295,237	6,462,005	-	-	6,295,237	6,462,005
Improvements - other	7,633	7,633	-	-	7,633	7,633
Mobile equipment	1,191,504	785,907	-	25,873	1,191,504	811,780
Furniture and equipment	125,988	110,945	-	-	125,988	110,945
Leases property under capital leases	2,232,348	1,630,086	30,609	-	2,262,957	1,630,086
Total	\$23,979,769	22,325,612	30,609	25,873	24,010,378	22,351,485

Additional information on the County's capital assets can be found in Note 5 of this report.

Long-term Liabilities

At September 30, 2020 and 2019, the County had \$6,260,299 and \$5,861,582, respectively, in long-term liabilities outstanding. As of September 30, 2020, principal payments in the amount of \$2,606,877 were due within one year.

The following table summarizes long-term liabilities outstanding as of September 30, 2020 and 2019.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 1,210,000	1,595,000	-	-	1,210,000	1,595,000
Capital leases	2,189,584	924,955	29,142	-	2,218,726	924,955
Other loans	2,721,206	3,221,441	-	-	2,721,206	3,221,441
Compensated absences	110,367	120,186	-	-	110,367	120,186
Total	\$ 6,231,157	5,861,582	29,142	-	6,260,299	5,861,582

More detailed information about the County's long-term liabilities is presented in Note 10 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, 2020

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, 2020

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 15,683,510	124,542	15,808,052
Property tax receivable	10,348,424	-	10,348,424
Accounts receivable (net of allowance for uncollectibles of \$479,051)	-	119,763	119,763
Fines receivable (net of allowance for uncollectibles of \$2,866,895)	244,356	-	244,356
Capital leases receivable	1,000,495	-	1,000,495
Intergovernmental receivables	306,101	-	306,101
Other receivables	12,729	-	12,729
Internal balances	223,843	(223,843)	-
Prepaid expenses	163,625	-	163,625
Noncurrent assets:			
Capital assets:			
Land, improvements, and construction in progress	2,819,126	-	2,819,126
Other capital assets, net	21,160,643	30,609	21,191,252
Total capital assets, net	23,979,769	30,609	24,010,378
Total assets	51,962,852	51,071	52,013,923
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	968,649	21,098	989,747
Total deferred outflows of resources	968,649	21,098	989,747
LIABILITIES			
Current liabilities:			
Claims payable	1,328,784	87,345	1,416,129
Intergovernmental payables	409,592	-	409,592
Accrued interest payable	51,313	-	51,313
Long-term liabilities:			
Net pension liability	13,262,323	288,863	13,551,186
Due within one year			
Capital debt	2,597,682	9,195	2,606,877
Due in more than one year			
Capital debt	3,523,108	19,947	3,543,055
Non-capital debt	110,367	-	110,367
Total liabilities	21,283,169	405,350	21,688,519
DEFERRED INFLOWS OF RESOURCES			
Deferred revenues - property taxes	10,348,424	-	10,348,424
Deferred revenues - capital lease interest	74,562	-	74,562
Total deferred inflows of resources	10,422,986	-	10,422,986
NET POSITION			
Net investment in capital assets	17,858,979	1,467	17,860,446
Restricted for:			
Expendable:			
General government	1,277,468	-	1,277,468
Public safety	235,285	-	235,285
Public works	3,919,668	-	3,919,668
Culture and recreation	66,052	-	66,052
Economic development and assistance	2,447,196	-	2,447,196
Debt service	759,366	-	759,366
Unrestricted net position	(5,338,668)	(334,648)	(5,673,316)
Total net position	\$ 21,225,346	(333,181)	20,892,165

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

JASPER COUNTY, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the year ended September 30, 2020

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	
Governmental activities:							
General government	\$ (6,518,189)	172,683	-	-	(6,345,506)	-	(6,345,506)
Public safety	(3,013,883)	482,375	-	-	(2,531,508)	-	(2,531,508)
Public works	(6,015,090)	-	3,875,022	-	(2,140,068)	-	(2,140,068)
Health and welfare	(167,666)	-	-	-	(167,666)	-	(167,666)
Culture and recreation	(25,397)	-	-	-	(25,397)	-	(25,397)
Conservation of natural resources	(32,116)	-	-	-	(32,116)	-	(32,116)
Economic development and assistance	(95,605)	-	-	-	(95,605)	-	(95,605)
Interest on long-term debt	(176,371)	-	-	-	(176,371)	-	(176,371)
Pension expense	(1,141,238)	-	-	-	(1,141,238)	-	(1,141,238)
Total governmental activities	<u>(17,185,555)</u>	<u>655,058</u>	<u>3,875,022</u>	<u>-</u>	<u>(12,655,475)</u>	<u>-</u>	<u>(12,655,475)</u>
Business-type activities:							
Garbage and solid waste	(1,314,695)	1,123,981	-	-	-	(190,714)	(190,714)
Total business-type activities	<u>(1,314,695)</u>	<u>1,123,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,714)</u>	<u>(190,714)</u>
Total primary government	<u>\$ (18,500,250)</u>	<u>1,779,039</u>	<u>3,875,022</u>	<u>-</u>	<u>(12,655,475)</u>	<u>(190,714)</u>	<u>(12,846,189)</u>
General revenues:							
Taxes:							
Property taxes					11,048,588	-	11,048,588
Road & bridge privilege taxes					215,607	-	215,607
Grants and contributions not restricted to specific programs					2,453,431	-	2,453,431
Unrestricted investment earnings					54,607	-	54,607
Gain (loss) on the sale of capital assets					127,225	(25,903)	101,322
Miscellaneous					105,608	-	105,608
Transfers in (out)					60,000	(60,000)	-
Total general revenues and transfers					<u>14,065,066</u>	<u>(85,903)</u>	<u>13,979,163</u>
CHANGES IN NET POSITION					1,409,591	(276,617)	1,132,974
Net position - beginning					<u>19,815,755</u>	<u>(56,564)</u>	<u>19,759,191</u>
Net position - ending					<u>\$ 21,225,346</u>	<u>(333,181)</u>	<u>20,892,165</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, 2020

Exhibit 3

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,509,680	8,173,830	15,683,510
Property tax receivable	6,505,193	3,843,231	10,348,424
Fines receivable (net of allowance for uncollectibles of \$2,866,895)	244,356	-	244,356
Capital lease receivable	-	1,000,495	1,000,495
Intergovernmental receivables	110,925	195,176	306,101
Other receivables	9,812	-	9,812
Due from other funds	17,461	48,260	65,721
Advances to other funds	<u>365,393</u>	<u>-</u>	<u>365,393</u>
Total assets	\$ <u>14,762,820</u>	<u>13,260,992</u>	<u>28,023,812</u>
LIABILITIES			
Liabilities:			
Claims payable	\$ 886,944	441,840	1,328,784
Intergovernmental payables	409,592	-	409,592
Due to other funds	59,343	-	59,343
Advances from other funds	<u>-</u>	<u>145,011</u>	<u>145,011</u>
Total liabilities	<u>1,355,879</u>	<u>586,851</u>	<u>1,942,730</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	6,505,193	3,843,231	10,348,424
Unavailable revenue - capital leases	-	1,000,495	1,000,495
Unavailable revenue - fines	<u>244,356</u>	<u>-</u>	<u>244,356</u>
Total deferred inflows of resources	<u>6,749,549</u>	<u>4,843,726</u>	<u>11,593,275</u>
FUND BALANCES			
Nonspendable:			
Advances	365,393	-	365,393
Restricted for:			
General government	-	1,277,468	1,277,468
Public safety	-	235,285	235,285
Public works	-	3,919,668	3,919,668
Culture and recreation	-	66,052	66,052
Economic development and assistance	-	1,521,263	1,521,263
Debt service	-	810,679	810,679
Unassigned	<u>6,291,999</u>	<u>-</u>	<u>6,291,999</u>
Total fund balances	<u>6,657,392</u>	<u>7,830,415</u>	<u>14,487,807</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>14,762,820</u>	<u>13,260,992</u>	<u>28,023,812</u>

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, 2020

Total governmental funds balance	\$	14,487,807
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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:

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 \$17,062,462.	23,979,769
--	------------

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	244,356
--	---------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(6,231,157)
--	-------------

Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(51,313)
---	----------

Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	925,933
--	---------

Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition and, therefore, are not reported in the funds.	163,625
---	---------

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	968,649
--	---------

Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(13,262,323)</u>
--	---------------------

Net position of governmental activities	\$	<u>21,225,346</u>
--	-----------	--------------------------

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, 2020

	Major Fund	Other	Total
	General Fund	Governmental Funds	Governmental Funds
REVENUES			
Property taxes	\$ 6,922,434	3,943,941	10,866,375
Road and bridge privilege taxes	-	215,607	215,607
Licenses, commissions, and other revenues	272,633	-	272,633
Fines and forfeitures	120,679	3,302	123,981
Intergovernmental revenues	510,007	6,006,637	6,516,644
Charges for services	27,300	164,295	191,595
Interest income	17,754	36,853	54,607
Miscellaneous	74,136	25,460	99,596
Total revenues	<u>7,944,943</u>	<u>10,396,095</u>	<u>18,341,038</u>
EXPENDITURES			
Current:			
General government	6,656,720	29,511	6,686,231
Public safety	2,835,085	364,929	3,200,014
Public works	-	8,322,020	8,322,020
Health and welfare	172,761	-	172,761
Culture and recreation	-	17,378	17,378
Conservation of natural resources	52,158	-	52,158
Economic development and assistance	-	103,026	103,026
Debt service:			
Principal	45,251	1,271,295	1,316,546
Interest	296	169,309	169,605
Total expenditures	<u>9,762,271</u>	<u>10,277,468</u>	<u>20,039,739</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,817,328)</u>	<u>118,627</u>	<u>(1,698,701)</u>
OTHER FINANCING SOURCES (USES)			
Long-term capital debt issued	-	1,695,940	1,695,940
Proceeds from sale of capital assets	4,140	301,510	305,650
Compensation for loss of capital assets	14,070	1,748	15,818
Transfers in	279,242	415,002	694,244
Transfers out	(415,002)	(219,242)	(634,244)
Lease principal payments	-	200,125	200,125
Total other financing sources (uses)	<u>(117,550)</u>	<u>2,395,083</u>	<u>2,277,533</u>
Net changes in fund balances	(1,934,878)	2,513,710	578,832
Fund balance - beginning of year	<u>8,592,270</u>	<u>5,316,705</u>	<u>13,908,975</u>
Fund balance - end of year	<u><u>\$ 6,657,392</u></u>	<u><u>7,830,415</u></u>	<u><u>14,487,807</u></u>

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, 2020

Net change in fund balances - total governmental funds \$ 578,832

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 capital outlays of \$3,181,291 exceeded depreciation of \$1,332,891 in the current period.

1,848,400

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 \$127,225 and the proceeds from the sale of \$321,468 in the current period.

(194,243)

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.

66,883

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 \$1,316,546 was exceeded by debt proceeds of \$1,695,940.

(379,394)

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:

Decrease in compensated absences liability	9,819
(Increase) in accrued interest payable	(6,766)
Increase in prepaids	13,075

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.

(200,125)

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	(1,141,238)
Recording of contributions made during the year	814,348

Changes in net position of governmental activities \$ 1,409,591

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, 2020

Exhibit 5

	<u>Business-type Activities Solid Waste</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 124,542
Accounts receivable (net of allowance for uncollectibles of \$479,051)	<u>119,763</u>
Total current assets	<u>244,305</u>
Noncurrent assets:	
Capital assets:	
Other capital assets, net	<u>30,609</u>
Total noncurrent assets	<u>30,609</u>
Total assets	<u>274,914</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	<u>21,098</u>
Total deferred outflows of resources	<u>21,098</u>
LIABILITIES	
Current liabilities:	
Claims payable	87,345
Due to other funds	17,461
Advances from other funds	206,382
Capital lease payable	<u>9,195</u>
Total current liabilities	<u>320,383</u>
Noncurrent liabilities:	
Capital lease payable	19,947
Net pension liability	<u>288,863</u>
Total noncurrent liabilities	<u>308,810</u>
Total liabilities	<u>629,193</u>
NET POSITION	
Net investment in capital assets	1,467
Unrestricted	<u>(334,648)</u>
Total net position	<u><u>\$ (333,181)</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, 2020

	<u>Business-type Activities Solid Waste</u>
OPERATING REVENUES	
Charges for services	\$ 1,123,981
Total operating revenues	<u>1,123,981</u>
OPERATING EXPENSES	
Personnel services	142,858
Pension expense	111,095
Contractual services	1,036,185
Materials and supplies	16,982
Depreciation	6,727
Indirect administrative cost	<u>43</u>
Total operating expenses	<u>1,313,890</u>
Operating income (loss)	<u>(189,909)</u>
NONOPERATING REVENUES (EXPENSES)	
Gain (loss) of sale of assets	(25,903)
Interest expense	(805)
Transfers in (out)	<u>(60,000)</u>
Total nonoperating revenues (expenses)	<u>(86,708)</u>
Change in net position	(276,617)
Total net position - beginning of year	<u>(56,564)</u>
Total net position - end of year	<u><u>\$ (333,181)</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, 2020

Exhibit 7

	<u>Business-type Activities Solid Waste</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,152,135
Payments to suppliers	(1,043,058)
Payments to employees	(160,991)
Net cash provided (used) by operating activities	(51,914)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to / from other funds	(60,000)
Net cash provided (used) in noncapital financing activities	(60,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase and construction of capital assets	(37,336)
Proceeds from capital debt	37,336
Principal paid on capital debt	(8,224)
Interest paid on capital debt	(805)
Net cash (used) in capital and related financing activities	(9,029)
Net increase (decrease) in cash and cash equivalents	(120,943)
Beginning of the year	245,485
End of the year	\$ <u>124,542</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</i>	
Operating income (loss)	\$ (189,909)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	6,727
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	28,154
(Increase) decrease in deferred outflows of resources	(23,152)
Increase (decrease) in claims payable	10,152
Increase (decrease) in net pension liability	111,572
Increase (decrease) in deferred inflows of resources	4,542
Total Adjustments	137,995
Net cash provided (used) by operating activities	\$ <u>(51,914)</u>

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, 2020

Exhibit 8

	<u>Agency Funds</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 306,650
Due from other funds	<u>11,083</u>
Total assets	<u>\$ 317,733</u>
LIABILITIES	
Intergovernmental payables	\$ 303,733
Advances from other funds	<u>14,000</u>
Total liabilities	<u>\$ 317,733</u>

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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	3-7 years
Leased property under capital leases	*	*

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

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, 2020

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 12 for additional details.

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

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

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

Deferred revenues - capital leases interest/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 12 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.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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, 2020

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, 2020

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

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. DEPOSITS

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2020, was \$16,114,702, and the bank balance was \$18,042,500. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 3. INTERFUND TRANSACTIONS AND BALANCES

The following is a summary of interfund balances at September 30, 2020:

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	48,260
Agency Funds	General Fund	11,083
Total		<u>\$ 76,804</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 2020 but settled in October 2020. Other Governmental and Agency Fund receivables represent the tax revenue collected in September 2020, but not settled until October 2020. All interfund balances are expected to be repaid within one 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	\$ 219,242
General Fund	Solid Waste Fund	60,000
Other Governmental Funds	General Fund	415,002
Total		<u>\$ 694,244</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, 2020

NOTE 4. INTERGOVERNMENTAL RECEIVABLES

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

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 100,517
Oil severance	146,367
Gas severance	48,809
Gasoline tax	10,408
Total Governmental Activities	<u>\$ 306,101</u>

NOTE 5. CAPITAL ASSETS

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

<u>Capital Assets</u>	<u>Balance October 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance September 30, 2020</u>
Governmental activities:					
<u>Non-depreciable capital assets:</u>					
Land	\$ 673,597	-	-	-	673,597
Construction in progress	1,410,240	1,254,553	-	(519,264)	2,145,529
Total non-depreciable capital assets:	2,083,837	1,254,553	-	(519,264)	2,819,126
<u>Depreciable capital assets:</u>					
Infrastructure	15,733,233	-	-	519,264	16,252,497
Buildings	9,593,731	-	-	-	9,593,731
Improvements - other than buildings	38,167	-	-	-	38,167
Mobile equipment	7,771,446	168,645	251,071	688,530	8,377,550
Furniture and equipment	1,114,281	62,152	39,797	-	1,136,636
Leased property under capital leases	2,552,261	1,695,941	735,148	(688,530)	2,824,524
Total depreciable capital assets	36,803,119	1,926,738	1,026,016	519,264	38,223,105
<u>Less accumulated depreciation for:</u>					
Infrastructure	4,488,034	456,530	-	-	4,944,564
Buildings	3,131,726	166,768	-	-	3,298,494
Improvements - other than buildings	30,534	-	-	-	30,534
Mobile equipment	6,985,538	307,828	107,320	-	7,186,046
Furniture and equipment	1,003,336	39,706	32,394	-	1,010,648
Leased property under capital leases	922,176	362,059	692,059	-	592,176
Total accumulated depreciation	16,561,344	1,332,891	831,773	-	17,062,462
Total depreciable capital assets, net	20,241,775	593,847	194,243	519,264	21,160,643
Total governmental activities	<u>\$ 22,325,612</u>	<u>1,848,400</u>	<u>194,243</u>	<u>-</u>	<u>23,979,769</u>

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 5. CAPITAL ASSETS (continued)

	Balance October 1, 2019	Increases	Decreases	Adjustments	Balance September 30, 2020
Business-type activities:					
<u>Depreciable capital assets:</u>					
Mobile equipment	\$ 39,164	-	39,164	-	-
Leased property under capital leases	-	37,336	-	-	37,336
Total depreciable capital assets	39,164	37,336	39,164	-	37,336
<u>Less accumulated depreciation for:</u>					
Mobile equipment	13,291	-	13,291	-	-
Leased property under capital leases	-	6,727	-	-	6,727
Total accumulated depreciation	13,291	6,727	13,291	-	6,727
Total depreciable capital assets, net	25,873	30,609	25,873	-	30,609
Total business-type activities	\$ 25,873	30,609	25,873	-	30,609

*Adjustments made in governmental activities to correctly state leased property that was paid off in the prior year, as well as completed construction in progress.

Depreciation expense was charged to the following functions for the year ended September 30, 2020 as follows:

Functions/Programs	Depreciation Expense
Governmental activities:	
General government	\$ 124,765
Public safety	197,704
Public works	1,002,403
Culture and recreation	8,019
Total governmental activities depreciation expense	<u>\$ 1,332,891</u>
Water and sewer fund	<u>\$ 6,727</u>
Total business-type activities depreciation expense	<u>\$ 6,727</u>

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

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Bridge SA-31-011	\$ 635,204	9/30/2021
Bridge SA-31-012	487,245	9/30/2021
Bridge SA-31-013	294,213	9/30/2021
Bridge SA-31-014	625,452	9/30/2021
SAP (58)	30,394	9/22/2021

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 6. 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, 2020, to January 1, 2021. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

NOTE 7. 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 years 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. 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 \$13,521 for the year ended September 30, 2020. The future minimum lease receivables for this lease is as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 14,750
Total	\$ 14,750

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 March 2025. 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 \$25,013 for the fiscal year ended September 30, 2020. The future minimum lease payments for these leases are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 24,778
2022	21,797
2023	17,968
2024	16,545
2025	1,765
Total	\$ 82,853

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 8. CAPITAL LEASES

As Lessor:

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.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 8. CAPITAL LEASES (continued)

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.

<u>Classes of Property</u>	<u>Amount</u>
Buildings	\$ <u>2,150,000</u>

The future minimum lease receivable and the present value of the net minimum lease receivables as of September 30, 2020, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 189,004	23,705
2022	169,893	19,402
2023	177,184	13,518
2024	144,480	8,824
2025	98,329	5,165
2026-2028	<u>147,043</u>	<u>3,948</u>
Total	\$ <u>925,933</u>	<u>74,562</u>

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2020:

Governmental Activities:

<u>Class of Property</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Mobile equipment	\$ 2,824,524	37,336
Total	2,824,524	37,336
Less: Accumulated depreciation	<u>(592,176)</u>	<u>(6,727)</u>
Leased Property Under Capital Leases	\$ <u>2,232,348</u>	<u>30,609</u>

The following is a schedule by years of the total payments due as of September 30, 2020:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,763,409	24,007	9,195	655
2022	278,738	8,112	9,439	410
2023	106,639	2,807	9,690	162
2024	<u>40,798</u>	<u>576</u>	<u>818</u>	<u>-</u>
Total	\$ <u>2,189,584</u>	<u>35,502</u>	<u>29,142</u>	<u>1,227</u>

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 9. 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, 2020 was 17.40% 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, 2020, 2019, and 2018 was \$833,808, \$775,422, and \$735,018 respectively, which equal to the required contributions for each year.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 9. 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, 2020, the County reported a liability of \$13,551,186 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of 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, 2020 net pension liability was 0.07% percent, which was based on a measurement date of June 30, 2020. This amount remained unchanged from its proportionate share used to calculate the September 30, 2019 net pension liability, which was based on a measurement date of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$1,141,238 in governmental activities and \$111,095 in business-type activities for a total pension expense of \$1,252,333. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Annual Changes	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 117,626	-
Net difference between projected and actual earnings on pension plan investments	556,631	-
Changes of assumptions	75,805	-
Changes in proportion and differences between the County contributions and proportionate share of contributions	18,954	-
The County contributions subsequent to the measurement date	220,731	-
Total	\$ 989,747	-

\$220,731 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	Pension Expense
2021	\$ 51,340
2022	270,931
2023	267,380
2024	179,365
Total	\$ 769,016

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 9. DEFINED BENEFIT PENSION PLAN(continued)

Actuarial assumptions

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

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

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

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

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, 2020, are summarized in the following table:

Asset class	Target Allocation	Long-term expected real rate of return
Domestic Equity	27.00 %	4.90 %
International Equity	22.00	4.75
Global Equity	12.00	5.00
Fixed Income	20.00	0.50
Real estate	10.00	4.00
Private equity	8.00	6.25
Cash	1.00	-
Total	100.00 %	

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 9. 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 (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity 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:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The County's proportionate share of the net pension liability	\$ 17,540,346	13,551,186	10,258,527

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, 2020

NOTE 10. LONG-TERM DEBT

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

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
Governmental activities:			
A. General obligation bonds:			
General Obligation Road and Bridge Bonds, Series 2013	\$ 240,000	2.75/3.75%	09/2023
District 1 Road & Bridge Bonds, Series 2013	345,000	2.40/2.70%	09/2023
District 2 Road & Bridge Bonds, Series 2013	250,000	2.125/2.25%	09/2023
District 3 Road & Bridge Bonds, Series 2013	65,000	2.50/3.50%	09/2023
District 5 Road & Bridge Bonds, Series 2013	<u>310,000</u>	2.875%	09/2023
Total General Obligation Bonds	<u>\$ 1,210,000</u>		
B. Capital Leases:			
150 MHZ Model 2 Portable and One MHZ Model 2 Portable	\$ 72,644	3.19%	03/2023
District 1 - Leeboy Paver	1,125	1.69%	10/2020
District 1 - Kubota Tractor	78,386	3.19%	01/2024
District 1 - CAT Excavator	82,693	3.19%	01/2024
District 1 - Excavator	43,088	2.75%	08/2022
District 1 - 2019 Ford F 150	28,819	2.59%	10/2023
District 1 - 2 Tandem Axel Dump Trucks	305,800	0.98%	01/2021
District 2 - 2016 GMC Truck	2,839	1.69%	01/2021
District 2 - 2 Tandem Axel Dump Trucks	305,800	0.98%	01/2021
District 3 - Caterpillar Model 930 H	31,371	1.89%	02/2022
District 3 - Excavator	39,432	2.75%	08/2022
District 3 - 2 Tandem Axel Dump Trucks	305,800	0.98%	01/2021
District 3 - 3 John Deere Tractors	153,580	1.97%	04/2022
District 4 - 1 Tandem Axel Dump Trucks	152,900	0.98%	01/2021
District 4 - Dump Truck	89,700	1.96%	08/2024
District 5 - New Holland Tractor	15,009	1.89%	09/2021
District 5 - New Holland Tractor	54,709	2.94%	08/2022
District 5 - 5 Metric Ton Excavator	43,361	2.75%	08/2022
District 5 - 2 Tandem Axel Dump Trucks	305,800	0.98%	01/2021
District 2 & 5 - Leeboy Paver	<u>76,728</u>	2.70%	08/2023
Total Capital Leases	<u>\$ 2,189,584</u>		
C. Other Loans:			
Negotiable Note - District 1	\$ 180,000	3.24%	08/2023
Negotiable Note - District 2	210,000	2.99%	05/2023
Negotiable Note - District 4	180,000	3.24%	08/2023
Negotiable Note - District 5	180,000	3.24%	08/2023
Holmac Building	198,355	3.00%	12/2024
MDA CAP Revolving Loan	790,153	2.00%	09/2029
Workforce Training Loan	<u>982,698</u>	3.25%	09/2036
Total Other Loans	<u>\$ 2,721,206</u>		

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 10. LONG-TERM DEBT (continued)

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
Business-type Activities:			
A. Capital Leases:			
2020 Chevrolet Silverado	\$ 29,142	2.59%	10/2023
Total Capital Leases	\$ 29,142		

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

Governmental Activities:

<u>Year Ending September 30,</u>	<u>General Obligation Bonds</u>		<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	-	-	202,072	33,166
2025	-	-	170,466	28,714
2026-2030	-	-	732,823	74,069
2031-2035	-	-	288,138	15,391
2036	-	-	5,051	8
Total	\$ 1,210,000	68,227	2,721,206	337,751

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2020, the amount of outstanding debt was equal to 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, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Compensated absences	\$ 120,186	-	9,819	110,367	-
General obligation debt	1,595,000	-	385,000	1,210,000	395,000
Capital leases	924,955	1,695,940	431,311	2,189,584	1,763,409
Other loans	3,221,441	-	500,235	2,721,206	439,273
Total governmental activities	\$ 5,861,582	1,695,940	1,326,365	6,231,157	2,597,682

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 10. LONG-TERM DEBT (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type activities:					
Capital leases	\$ -	37,366	8,224	29,142	9,195
Total business-type activities	<u>\$ -</u>	<u>37,366</u>	<u>8,224</u>	<u>29,142</u>	<u>9,195</u>

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.

NOTE 11. 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.

COVID-19 - 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.

NOTE 12. EFFECT OF DEFERRED AMOUNTS ON NET POSITION

The governmental activities' unrestricted net position amount of \$(5,338,668) 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 \$217,604 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. The \$751,045 balance of the deferred outflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next four years.

The governmental activities' unrestricted net position amount of \$(5,338,668) includes the effect of deferring the recognition of revenue resulting from capital leases interest. The \$74,562 balance of deferred inflows of resources at September 30, 2020, will be recognized as revenue and will increase the unrestricted net position over the next few years.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 12. EFFECT OF DEFERRED AMOUNTS ON NET POSITION (Continued)

The business-type activities' unrestricted net position amount of \$(334,648) 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 \$3,127 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. The \$17,971 balance of the deferred outflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next four years.

NOTE 13. 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, 2020, Jasper County contributed \$130,000. Complete financial statements for the Regional Library can be obtained from the East Mississippi Regional Library, Quitman, MS.

NOTE 14. 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 \$626,240 for maintenance and support of the College for the year ended September 30, 2020.

Multi-County Community Service Agency operates in a district composed of the counties of Clarke, Jasper, Lauderdale, Newton and Wayne. The entity was created to administer programs conducted by community action agencies, limited purpose agencies, and related programs authorized by federal law. The Jasper County Board of Supervisors appoints one of the twenty-four members of the board of directors. In addition to modest monthly bill support, the County appropriated \$20,000 for support of the agency for the year ended September 30, 2020.

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, 2020.

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, 2020.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 14. JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 \$34,314 for support of the commission for the year ended September 30, 2020.

NOTE 15. 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 five (5) tax abatement agreements with five (5) entities as of September 30, 2020.

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

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 \$830,200 in taxes abated in fiscal year 2020 accounting for 91% of taxes abated of potential collections without abatements present.

NOTE 16. OFFICE OF THE STATE AUDITOR PURCHASING REPORT AND LIMITED COMPLIANCE REVIEW REPORT

The Mississippi Office of the State Auditor (OSA) has elected to perform limited procedures in relation to purchasing and compliance with state laws. This report should be viewed in conjunction with the report from OSA in order to gain a comprehensive understanding of the County's operations. This report and OSA's report will be available on OSA's website at <http://www.osa.ms.gov/reports>. OSA's report will include a Purchasing Report and Limited Compliance Review Report.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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, 2020, 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>
10/2020	1.48%	\$ 326,630	capital lease	ad valorem revenue
10/2020	1.47%	33,169	capital lease	ad valorem revenue
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%	311,800	capital lease	ad valorem revenue
03/2021	1.19%	155,900	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
08/2021	1.44%	64,786	capital lease	ad valorem revenue
12/2021	1.44%	229,700	capital lease	ad valorem revenue
06/2022	1.23%	196,000	capital lease	ad valorem revenue
03/2022	1.23%	196,000	capital lease	ad valorem revenue
05/2022	1.43%	207,654	capital lease	ad valorem revenue
06/2022	2.24%	196,000	capital lease	ad valorem revenue
06/2022	2.74%	82,218	capital lease	ad valorem revenue
08/2022	3.04%	207,654	capital lease	ad valorem revenue
08/2022	3.04%	207,654	capital lease	ad valorem revenue
08/2022	3.19%	60,436	capital lease	ad valorem revenue
09/2022	2.99%	235,123	capital lease	ad valorem revenue
11/2022	3.41%	207,654	capital lease	ad valorem revenue
11/2022	3.73%	196,273	capital lease	ad valorem revenue
03/2023	4.59%	155,827	capital lease	ad valorem revenue
03/2023	4.59%	350,000	negotiable note	ad valorem revenue
03/2023	4.59%	420,000	negotiable note	ad valorem revenue
03/2023	4.59%	210,000	negotiable note	ad valorem revenue

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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, 2020
(UNAUDITED)

	Original Budgeted	Final Budgeted	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 6,540,783	6,923,333	6,923,333	-
Licenses, commissions and other revenues	123,200	197,658	197,658	-
Fines and forfeitures	152,500	112,086	112,086	-
Intergovernmental revenues	521,800	774,229	774,229	-
Charges for services	10,000	27,300	27,300	-
Interest income	18,000	17,753	17,753	-
Miscellaneous revenues	<u>62,000</u>	<u>116,342</u>	<u>116,342</u>	<u>-</u>
Total Revenues	<u>7,428,283</u>	<u>8,168,701</u>	<u>8,168,701</u>	<u>-</u>
Expenditures by Major Budgetary Function				
General government	5,261,358	5,946,408	5,946,408	-
Public safety	3,198,094	2,847,942	2,847,942	-
Health and welfare	618,727	175,842	175,842	-
Culture and recreation	24,400	-	-	-
Conservation of natural resources	58,670	52,203	52,203	-
Debt service expenditures	<u>-</u>	<u>45,547</u>	<u>45,547</u>	<u>-</u>
Total Expenditures	<u>9,161,249</u>	<u>9,067,942</u>	<u>9,067,942</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,732,966)</u>	<u>(899,241)</u>	<u>(899,241)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers out	(280,000)	(307,309)	(307,309)	-
Other financing sources (uses)	<u>-</u>	<u>398,675</u>	<u>398,675</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(280,000)</u>	<u>91,366</u>	<u>91,366</u>	<u>-</u>
Net Change in Fund Balance	(2,012,966)	(807,875)	(807,875)	-
Fund Balances-Beginning	<u>(701,970)</u>	<u>10,315,142</u>	<u>10,315,142</u>	<u>-</u>
Fund Balances-Ending	<u><u>\$ (2,714,936)</u></u>	<u><u>9,507,267</u></u>	<u><u>9,507,267</u></u>	<u><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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.07 %	0.07 %	0.07 %	0.07 %	0.07 %	0.07 %	0.07 %
County's proportionate share of the net pension liability (asset)	\$13,551,186	12,314,381	11,643,080	12,045,644	12,455,519	10,820,620	8,375,337
County's covered payroll	\$ 4,771,531	4,772,494	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	284.00 %	258.03 %	248.76 %	269.58 %	279.22 %	246.61 %	200.16 %
Plan fiduciary net position as a percentage of the total pension liability	58.97 %	61.59 %	62.54 %	61.49 %	57.47 %	61.70 %	67.21 %

*The 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 for the fiscal year ended September 30, 2015, and, until a full 10-year trend is compiled, the County has only presented information for the years 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 833,808	775,422	735,018	742,261	703,750	702,558	656,637
Contributions in relation to the contractually required contribution	<u>(833,808)</u>	<u>(775,422)</u>	<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>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 4,791,988	4,793,020	4,666,785	4,712,768	4,468,251	4,460,686	4,169,124
Contributions as a percentage of covered payroll	17.40 %	16.18 %	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 for the fiscal year ended September 30, 2015, and, until a full 10-year trend is compiled, the County has only presented information for the years 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, 2020
(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 supplementary information.

C. Budget/GAAP Reconciliation

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

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

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

	<u>Governmental Fund Types General Fund</u>
Budget (Cash Basis)	\$ (807,875)
Increase (Decrease)	
Net adjustments for revenue accruals	(432,675)
Net adjustments for expenditure accruals	<u>(694,328)</u>
GAAP Basis	<u>\$ (1,934,878)</u>

JASPER COUNTY, MISSISSIPPI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020
(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. 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%.

2019

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

- ◆ For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
- ◆ For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
- ◆ Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

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

- ◆ For males, 137% of male rates at all ages.
- ◆ For females, 115% of female rates at all ages.
- ◆ Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

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

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

JASPER COUNTY, MISSISSIPPI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020
(UNAUDITED)

NOTE 2. PENSION SCHEDULES (continued)

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

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

B. Changes in Benefit Provisions

2016

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

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

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2018 valuation for the June 30, 2020 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30.9 years
Asset valuation method	5-year smoothed market
Price Inflation	3.00 percent
Salary increase	3.25 percent to 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

SPECIAL REPORT

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Wolfe • McDuff & Oppie
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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, 2020, 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 April 21, 2023. 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 2020-001, 2020-002, 2020-003 and 2020-004 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

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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*
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 2020-001.

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. However, this report is a matter of public record and its distribution is not limited.

Walfe, McDuff + Oppi

Pascagoula, Mississippi
April 21, 2023

SCHEDULE OF FINDINGS AND RESPONSES

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JASPER COUNTY, MISSISSIPPI
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2020

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

2020-001	The County should include discretely-presented component units within its financial statements.
Repeat Finding	Yes, 2019-001
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, 2020

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

Justice Court Clerk

Material Weakness

2020-002	Controls over cash collections and disbursements in the Justice Court Clerk's office should be strengthened.
Repeat Finding	Yes, 2019-002
Criteria	An effective system of internal control over cash should include an adequate segregation of duties.
Condition	As reported in the prior seven audits for District 1 and District 2, it was noted that cash collection and disbursement functions in the Justice Court Clerk's offices are not adequately segregated for effective internal control and therefore, controls over cash are inadequate.
Cause	The Justice Court Clerk receipts cash, prepares all bank deposits, maintains the cash journals, reconciles the bank statements, calculates the monthly settlements and disburses all funds.
Effect	Failure to implement controls over cash in the Justice Court Clerk's office could result in the loss or misappropriation of public funds.
Recommendation	The Justice Court Clerk should ensure there is adequate segregation of duties in the collecting, recording and settlement functions.
Views of Responsible Official(s)	In District 1, the deputy clerks receipt cash and prepare deposits. I reconcile the bank statements and perform monthly settlements. The District 1 deputy clerk is receiving training in the accounting process to correct any internal control deficiencies. In District 2, the deputy clerk receipts payments and assists with deposits. I reconcile the bank statements and perform monthly settlements. The District 2 deputy clerk is receiving training in the accounting process to correct any internal control deficiencies.

Solid Waste Clerk

Material Weakness

2020-003	Solid Waste records should be reconciled to the bank statements.
Repeat Finding	Yes, 2019-003

JASPER COUNTY, MISSISSIPPI
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2020

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 six 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

2020-004	Controls over cash collections and disbursements in the Solid Waste office should be strengthened.
Repeat Finding	Yes, 2019-004
Criteria	An effective system of internal control over cash should include an adequate segregation of duties.
Condition	As reported in the prior six 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, 2020

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.