

JACKSON COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2021

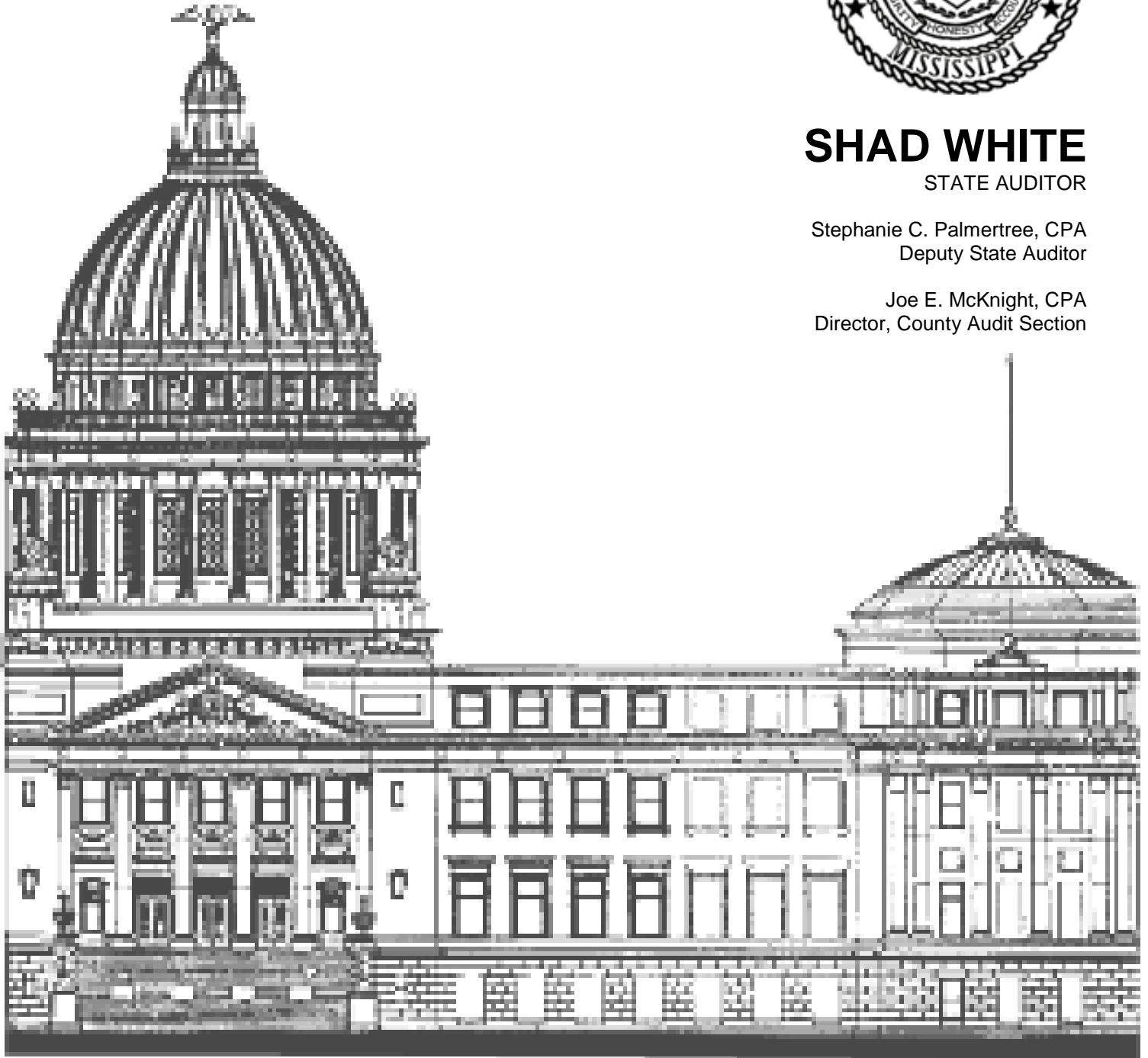


SHAD WHITE

STATE AUDITOR

Stephanie C. Palmertree, CPA
Deputy State Auditor

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

www.osa.state.ms.us



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR**

Shad White
AUDITOR

January 9, 2023

Members of the Board of Supervisors
Jackson County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2021 financial and compliance audit report for Jackson County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Respectfully submitted,

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

Shad White

JACKSON COUNTY
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JACKSON COUNTY

FINANCIAL SECTION

JACKSON COUNTY

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

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Jackson County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Mississippi, (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Singing River Mental Health/Mental Retardation Services, Singing River Health System, West Jackson County Utility District, Jackson County Emergency Communications District, Jackson County Port Authority and Jackson-George Regional Library System, which represent 1%, 68%, 11%, 0.50%, 19% and 0.50%, respectively, of the assets, (2%), 71%, 6.5%, 0.50%, 25% and (1%), respectively of the net position, and 2%, 93%, 2%, 0.25%, 2.5% and 0.25%, respectively of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Unmodified Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Jackson County, Mississippi, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Omission of Required Supplementary Information

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

Supplementary and Other Information

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

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2023 on our consideration of Jackson County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jackson County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jackson County, Mississippi's internal control over financial reporting and compliance.

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JOE E. MCKNIGHT, CPA
Director, County Audit Section

January 9, 2023

JACKSON COUNTY

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JACKSON COUNTY

FINANCIAL STATEMENTS

JACKSON COUNTY

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JACKSON COUNTY
Statement of Net Position
September 30, 2021

Exhibit 1

	Primary Government			Component
	Governmental	Business-type		Units
	Activities	Activities	Total	
ASSETS				
Cash	\$ 135,829,912		135,829,912	108,400,239
Restricted assets - cash	1,100,770	891,358	1,992,128	17,752,079
Restricted assets - investments	14,521,538		14,521,538	
Investments				63,090,753
Deposits				2,680
Grants receivable				622,042
Property tax receivable	89,382,340		89,382,340	
Receivables, net of allowance				69,997,511
Fines receivable (net of allowance for uncollectibles of \$23,243,375)	4,955,016		4,955,016	
Loans receivable (net of allowance for uncollectible of \$136,254)	0		0	
Intergovernmental receivables	2,700,855		2,700,855	
Other receivables	1,205		1,205	3,631,355
Internal balances	(1,123)	1,123		
Prepaid expenses	988,440		988,440	
Inventories and prepaid items				15,678,784
Trustee bond funds				2,573,703
Held by trustees for self-insurance funding				3,640,264
Investment in equity investments				4,170,101
Capital assets:				
Land and construction in progress	50,473,947	199,029	50,672,976	37,353,418
Other capital assets, net	247,069,122	6,691,150	253,760,272	324,320,607
Intangible assets, net				1,509,878
Other assets				2,458,780
Total Assets	547,022,022	7,782,660	554,804,682	655,202,194
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	12,884,543	164,806	13,049,349	5,441,457
Deferred outflows related to OPEB	623,013		623,013	73,148
Total Deferred Outflows of Resources	13,507,556	164,806	13,672,362	5,514,605
LIABILITIES				
Claims payable	2,639,427	61,571	2,700,998	
Accounts payable				29,003,832
Payroll liabilities				19,744,459
Due to third-party payors				62,419,567
Accrued liabilities				8,622,820
Intergovernmental payables	2,935,850	565	2,936,415	
Accrued interest payable	244,374		244,374	277,084
Unearned revenue				6,201,223
Customer deposits				691,509
Current installments of pension settlement liability				4,200,000

JACKSON COUNTY
Statement of Net Position
September 30, 2021

Exhibit 1

	Primary Government			Component
	Governmental	Business-type		Units
	Activities	Activities	Total	
Long-term liabilities				
Due within one year:				
Capital debt	2,364,793		2,364,793	14,228,706
Non-capital debt				1,337,572
Due in more than one year:				
Capital debt	50,992,454		50,992,454	143,528,093
Non-capital debt	2,898,151	40,431	2,938,582	415,553
Net pension liability	78,656,947	1,098,588	79,755,535	25,527,506
Net OPEB liability	2,937,021		2,937,021	359,235
Other payables	3,229,052		3,229,052	
Pension settlement liability				62,585,840
Total Liabilities	146,898,069	1,201,155	148,099,224	379,142,999
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	24,852,161	288,348	25,140,509	7,766,233
Deferred inflows related to OPEB	1,754,520		1,754,520	132,972
Deferred revenues - property taxes	89,382,340		89,382,340	
Total Deferred Inflows of Resources	115,989,021	288,348	116,277,369	7,899,205
NET POSITION				
Net investment in capital assets	244,185,822	6,890,179	251,076,001	205,243,660
Restricted for:				
Expendable:				
General government	145,471		145,471	
Public safety	15,402,782	159,981	15,562,763	
Public works	47,552,011		47,552,011	
Health and welfare	1,154,188		1,154,188	
Culture and recreation		10,196	10,196	
Conservation of natural resources	9,316,683		9,316,683	
Economic development and assistance	217,028		217,028	
Debt service	15,527,777		15,527,777	13,232,798
Unemployment compensation	237,001		237,001	
Indigent care				3,229,052
Harbor maintenance				8,326,526
Capital projects				3,319,691
Customer deposits				691,009
Unemployment fund reserve				15,000
Special revenue funds				209
Other purposes				253,765
Unrestricted	(36,096,275)	(602,393)	(36,698,668)	39,362,885
Total Net Position	\$ 297,642,488	6,457,963	304,100,451	273,674,595

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

JACKSON COUNTY
Statement of Activities
For the Year Ended September 30, 2021

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 30,104,425	5,739,176	633,622		(23,731,627)		(23,731,627)	
Public safety	26,233,689	1,219,338	14,858,147	85,000	(10,071,204)		(10,071,204)	
Public works	35,821,513		6,229,679	8,097,646	(21,494,188)		(21,494,188)	
Health and welfare	2,915,449		82,383		(2,833,066)		(2,833,066)	
Culture and recreation	5,907,499		433,428		(5,474,071)		(5,474,071)	
Education	350,000				(350,000)		(350,000)	
Conservation of natural resources	1,345,965		4,032,171		2,686,206		2,686,206	
Economic development and assistance	16,038,441				(16,038,441)		(16,038,441)	
Interest on long-term debt	1,069,849				(1,069,849)		(1,069,849)	
Bond issue costs	478,825				(478,825)		(478,825)	
Pension expense	7,497,919				(7,497,919)		(7,497,919)	
OPEB expense	167,560				(167,560)		(167,560)	
Total Governmental Activities	127,931,134	6,958,514	26,269,430	8,182,646	(86,520,544)		(86,520,544)	
Business-type activities:								
Adult detention center canteen fund	144,749	139,361				(5,388)	(5,388)	
Harbor	544,077	272,786				(271,291)	(271,291)	
Golf course	1,070,686	879,059				(191,627)	(191,627)	
Total Business-type Activities	1,759,512	1,291,206	0	0		(468,306)	(468,306)	
Total Primary Government	\$ 129,690,646	8,249,720	26,269,430	8,182,646	(86,520,544)	(468,306)	(86,988,850)	
Component units:								
Singing River Mental Health / Mental Retardation Services	\$ 8,839,169	4,352,956	5,552,979					1,066,766
Singing River Health System	519,596,929	511,144,625		7,756,181				(696,123)
West Jackson County Utility District	9,554,812	10,090,376		37,762				573,326
Jackson County Emergency Communications District	1,411,816	1,446,248						34,432
Jackson County Port Authority	21,061,000	11,216,430	3,712,452					(6,132,118)
Jackson-George Regional Library System	4,303,830	48,678	62,717	474,791				(3,717,644)
Total Component Units	\$ 564,767,556	538,299,313	9,328,148	8,268,734				(8,871,361)

JACKSON COUNTY
Statement of Activities
For the Year Ended September 30, 2021

Exhibit 2-Cont'd

Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Units
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
	General revenues:							
	Property taxes				\$ 88,426,524		88,426,524	4,142,459
	Road & bridge privilege taxes				1,894,195		1,894,195	
	Grants and contributions not restricted to specific programs				2,460,426		2,460,426	
	In lieu taxes - Mississippi Power				6,178,410		6,178,410	
	Unrestricted gifts and donations				67,417		67,417	
	Unrestricted interest income				2,600,631	20,066	2,620,697	341,950
	Miscellaneous				4,732,455	430	4,732,885	10,012,084
	Special item - gain on sale of asset							170,635
	Transfers							606,761
	Total General Revenues and Transfers				106,360,058	20,496	106,380,554	15,273,889
	Changes in Net Position				19,839,514	(447,810)	19,391,704	6,402,528
	Net Position - Beginning, as previously reported				276,297,746	6,903,157	283,200,903	267,272,067
	Fund reclassification				48,813		48,813	
	Prior period adjustments				1,456,415	2,616	1,459,031	
	Net Position - Beginning, as restated				277,802,974	6,905,773	284,708,747	267,272,067
	Net Position - Ending				\$ 297,642,488	6,457,963	304,100,451	273,674,595

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

JACKSON COUNTY
Balance Sheet - Governmental Funds
September 30, 2021

Exhibit 3

	Major Funds		Other	Total
	General	Road	Governmental	Governmental
	Fund	Fund	Funds	Funds
ASSETS				
Cash	\$ 46,546,481	20,858,194	64,212,923	131,617,598
Restricted assets - cash	1,100,770			1,100,770
Restricted assets - investments			14,521,538	14,521,538
Property tax receivable	56,900,166	16,519,566	15,962,608	89,382,340
Fines receivable (net of allowance for uncollectibles of \$23,243,375)	4,955,016			4,955,016
Loans receivable (net of allowance for uncollectibles of \$136,254)	0			0
Intergovernmental receivables	1,291,280		1,409,575	2,700,855
Other receivables	1,205			1,205
Due from other funds	11,370,337	299,620	169,333	11,839,290
Advances to other funds	685,790			685,790
Total Assets	<u>\$ 122,851,045</u>	<u>37,677,380</u>	<u>96,275,977</u>	<u>256,804,402</u>
LIABILITIES				
Liabilities:				
Claims payable	\$ 1,850,570	382,992	405,865	2,639,427
Due to other funds	659,585		11,384,108	12,043,693
Intergovernmental payables	2,712,680	11,741	5,066	2,729,487
Advances from other funds			685,790	685,790
Total Liabilities	<u>5,222,835</u>	<u>394,733</u>	<u>12,480,829</u>	<u>18,098,397</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	56,900,166	16,519,566	15,962,608	89,382,340
Unavailable revenue - fines	4,955,016			4,955,016
Total Deferred Inflows of Resources	<u>61,855,182</u>	<u>16,519,566</u>	<u>15,962,608</u>	<u>94,337,356</u>
Fund balances:				
Nonspendable:				
Advances	685,790			685,790
Restricted for:				
General government			145,471	145,471
Public safety			15,402,782	15,402,782
Public works		20,763,081	26,788,930	47,552,011
Health and welfare			174,009	174,009
Conservation of natural resources			9,316,683	9,316,683
Economic development and assistance			217,028	217,028
Unemployment compensation			237,001	237,001
Tort claims	1,100,770			1,100,770
Debt service			15,772,151	15,772,151
Unassigned	53,986,468		(221,515)	53,764,953
Total Fund Balances	<u>55,773,028</u>	<u>20,763,081</u>	<u>67,832,540</u>	<u>144,368,649</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 122,851,045</u>	<u>37,677,380</u>	<u>96,275,977</u>	<u>256,804,402</u>

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

JACKSON COUNTY

Exhibit 3-1

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2021

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 144,368,649
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$192,014,942.	297,543,069
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,955,016
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(59,484,450)
Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(2,937,021)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(78,656,947)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(244,374)
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition, and therefore, are not reported in the funds.	988,440
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	12,884,543
Deferred inflows of resources related to pensions	(24,852,161)
Deferred outflows related to other postemployment benefits	623,013
Deferred inflows related to other postemployment benefits	(1,754,520)
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	<u>4,209,231</u>
Total Net Position - Governmental Activities	\$ <u><u>297,642,488</u></u>

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

JACKSON COUNTY

Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended September 30, 2021

	Major Funds		Other	Total
	General	Road	Governmental	Governmental
	Fund	Fund	Funds	Funds
REVENUES				
Property taxes	\$ 55,926,808	16,583,464	15,916,252	88,426,524
Road and bridge privilege taxes		1,894,195		1,894,195
Licenses, commissions and other revenue	3,433,733			3,433,733
Fines and forfeitures	1,207,820		1,215,767	2,423,587
In lieu taxes - Mississippi Power	6,178,410			6,178,410
Intergovernmental revenues	3,392,658	5,775,085	27,812,176	36,979,919
Charges for services	1,081,228			1,081,228
Interest income	1,561,960	360,427	678,244	2,600,631
Miscellaneous revenues	2,500,843	75,120	2,156,492	4,732,455
Total Revenues	75,283,460	24,688,291	47,778,931	147,750,682
EXPENDITURES				
Current:				
General government	33,009,863		1,765,792	34,775,655
Public safety	20,242,345		7,913,377	28,155,722
Public works	2,275,167	21,165,636	26,856,713	50,297,516
Health and welfare	2,767,236		23,223	2,790,459
Culture and recreation	4,887,625		3,074,548	7,962,173
Education	350,000			350,000
Conservation of natural resources	215,732		1,146,589	1,362,321
Economic development and assistance	2,360,919		13,756,325	16,117,244
Debt service:				
Principal	1,390,000		1,274,446	2,664,446
Interest	714,881		390,086	1,104,967
Bond issue costs			478,825	478,825
Total Expenditures	68,213,768	21,165,636	56,679,924	146,059,328
Excess of Revenues over (under) Expenditures	7,069,692	3,522,655	(8,900,993)	1,691,354
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued			28,000,000	28,000,000
Proceeds from sale of capital assets	235,557	174,160	31,647	441,364
Transfers in	196,247	1,500,000	5,099,192	6,795,439
Transfers out	(5,079,174)		(1,716,265)	(6,795,439)
Total Other Financing Sources and Uses	(4,647,370)	1,674,160	31,414,574	28,441,364
Net Changes in Fund Balances	2,422,322	5,196,815	22,513,581	30,132,718
Fund Balances - Beginning, as previously reported	53,301,893	15,566,266	45,318,959	114,187,118
Fund reclassification	48,813			48,813
Fund Balances - Beginning, as restated	53,350,706	15,566,266	45,318,959	114,235,931
Fund Balances - Ending	\$ 55,773,028	20,763,081	67,832,540	144,368,649

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

JACKSON COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2021

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 30,132,718
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$25,909,042 exceeded depreciation of \$11,326,064 in the current period.	14,582,978
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of \$200,396 and the proceeds from the sale of \$441,364 in the current period.	(641,760)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	19,966
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 proceeds of \$28,000,000 exceeded debt repayments of \$2,664,446.	(25,335,554)
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
The amount of increase in compensated absences liability.	(6,444)
The amount of decrease in accrued interest payable.	35,118
The increase in other postemployment benefits payable.	(326,642)
The decrease in other payables.	963,507

JACKSON COUNTY

Exhibit 4-1-Cont'd

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2021

	<u>Amount</u>
Under the modified accrual basis of accounting used in the Governmental Funds, prepaid items are reported as expenditures. However, in the Statement of Activities, only the portion of expenses related to the current period are reported. Thus, the change in net position differs from the change in fund balance by the amount of increase in prepaid items.	115,134
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	(7,497,919)
Recording of contributions made during the year	6,162,909
Some items reported in the Statement of Activities relating to the implementation of GASB 75 are not reported in the governmental funds. These activities include:	
Amortization of other postemployment benefits deferred outflows/inflows	159,082
An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities.	<u>1,476,421</u>
Change in Net Position of Governmental Activities	\$ <u><u>19,839,514</u></u>

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

JACKSON COUNTY
Statement of Net Position - Proprietary Funds
September 30, 2021

Exhibit 5

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
ASSETS		
Current assets:		
Cash	\$	4,212,314
Restricted assets - cash	891,358	
Due from other funds	1,123	
Total Current Assets	892,481	4,212,314
Noncurrent assets:		
Land and construction in progress	199,029	
Other capital assets, net	6,691,150	
Total Noncurrent Assets	6,890,179	0
Total Assets	7,782,660	4,212,314
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	164,806	
Total Deferred Outflows of Resources	164,806	0
LIABILITIES		
Current liabilities:		
Claims payable	61,571	
Intergovernmental payables	565	3,083
Total Current Liabilities	62,136	3,083
Noncurrent liabilities:		
Non-capital debt:		
Compensated absences payable	40,431	
Net pension liability	1,098,588	
Total Noncurrent Liabilities	1,139,019	0
Total Liabilities	1,201,155	3,083
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	288,348	
Total Deferred Inflows of Resources	288,348	0
NET POSITION		
Net investment in capital assets	6,890,179	
Restricted for:		
Public safety	159,981	
Health and welfare		4,209,231
Culture and recreation	10,196	
Unrestricted	(602,393)	
Total Net Position	\$ 6,457,963	4,209,231

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

JACKSON COUNTY

Exhibit 6

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
Operating Revenues		
Sales and charges for services	\$ 1,291,206	
Premiums		11,438,830
Miscellaneous	430	716
Total Operating Revenues	1,291,636	11,439,546
Operating Expenses		
Personal services	586,290	
Contractual services	215,427	
Materials and supplies	465,493	
Depreciation expense	403,779	
Claims payments		9,392,632
Administrative		576,002
Pension expense	86,995	
Total Operating Expenses	1,757,984	9,968,634
Operating Income (Loss)	(466,348)	1,470,912
Nonoperating Revenues (Expenses)		
Interest income	20,066	5,509
Gain (loss) on sale of capital assets	(1,528)	
Net Nonoperating Revenue (Expenses)	18,538	5,509
Changes in Net Position	(447,810)	1,476,421
Net Position - Beginning, as previously reported	6,903,157	2,732,810
Prior period adjustment	2,616	
Net Position - Beginning, as restated	6,905,773	2,732,810
Net Position - Ending	\$ 6,457,963	4,209,231

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

JACKSON COUNTY
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2021

Exhibit 7

	Business-type Activities - Enterprise Funds	Governmental Activities
	Non-major Funds	Internal Service Funds
Cash Flows From Operating Activities		
Receipts from customers	\$ 1,297,589	
Receipts for premiums		11,438,830
Payments to suppliers	(669,608)	
Payments to employees	(651,090)	(576,002)
Payments for claims		(9,865,658)
Other misc cash receipts	430	716
Net Cash Provided (Used) by Operating Activities	(22,679)	997,886
Cash Flows From Capital and Related Financing Activities		
Proceeds from sale of capital assets	2,880	
Acquisition and construction of capital assets	(72,044)	
Net Cash Provided (Used) by Capital and Related Financing Activities	(69,164)	0
Cash Flows From Investing Activities		
Interest on deposits	20,066	5,509
Net Cash Provided (Used) by Investing Activities	20,066	5,509
Net Increase (Decrease) in Cash and Cash Equivalents	(71,777)	1,003,395
Cash and Cash Equivalents at Beginning of Year	964,258	3,208,919
Adjustment to Beginning of Year Cash Due to Prior Year Error	(1,123)	
Cash and Cash Equivalents at End of Year	\$ 891,358	4,212,314
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (466,348)	1,470,912
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	403,779	
Changes in assets and liabilities:		
(Increase) decrease in intergovernmental receivables	6,383	
Increase (decrease) in claims payable	10,747	
Increase (decrease) in claims and judgments liability		(474,567)
Increase (decrease) in intergovernmental payables	565	1,541
Increase (decrease) in compensated absences liability	6,705	
Increase (decrease) in pension liability, deferred inflows/outflows, net	15,490	
Total Adjustments	443,669	(473,026)
Net Cash Provided (Used) by Operating Activities	\$ (22,679)	997,886

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

JACKSON COUNTY
Statement of Fiduciary Net Position
September 30, 2021

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 803,987
Due from other funds	<u>203,280</u>
Total Assets	<u>\$ 1,007,267</u>
LIABILITIES	
Other liabilities	\$ 5,300
Intergovernmental payables	<u>197,129</u>
Total Liabilities	<u>202,429</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>804,838</u>
Total Net Position	<u>\$ 804,838</u>

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

JACKSON COUNTY
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2021

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 13,442,657
Other taxes and fees collected for other governments	1,598,054
Licenses and fees collected for State	<u>837,257</u>
Total Additions	<u>15,877,968</u>
DEDUCTIONS	
Payments of tax to other governments	14,221,290
Payments of other taxes and fees to other governments	2,432,111
Payments of licenses and fees to State	<u>837,257</u>
Total Deductions	<u>17,490,658</u>
Net increase (decrease) in fiduciary net position	(1,612,690)
Net Position - Beginning	<u>2,417,528</u>
Net Position - Ending	<u>\$ 804,838</u>

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

JACKSON COUNTY
Component Units - Combining Statement of Net Position
September 30, 2021

	Component Units						
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	Total
ASSETS							
Cash	\$ 2,080,723	81,000,019	1,961,348	1,745,400	19,916,171	1,696,578	108,400,239
Restricted assets - cash			2,859,534		14,892,545		17,752,079
Investments		54,508,145	8,582,608				63,090,753
Deposits	2,680						2,680
Grants receivable	622,042						622,042
Receivables, net of allowance	589,814	65,735,515	866,687	218,649	2,450,949	135,897	69,997,511
Other receivables		3,631,355					3,631,355
Inventories and prepaid items	84,931	14,603,330	327,767	53,891	526,866	81,999	15,678,784
Trustee bond funds		2,573,703					2,573,703
Held by trustees for self-insurance funding		3,640,264					3,640,264
Investment in equity investments		4,170,101					4,170,101
Capital assets:							
Land and construction in progress	10,000	14,112,762	4,871,888		18,368,768		37,363,418
Other capital assets, net	3,949,281	198,244,978	53,017,025	342,768	67,641,926	1,114,629	324,310,607
Intangible assets, net		1,509,878					1,509,878
Other assets		2,458,780					2,458,780
Total Assets	7,339,471	446,188,830	72,486,857	2,360,708	123,797,225	3,029,103	655,202,194
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions	919,367	2,668,608	356,626	43,441	812,543	640,872	5,441,457
Deferred outflows related to other postemployment benefits						73,148	73,148
Total Deferred Outflows of Resources	919,367	2,668,608	356,626	43,441	812,543	714,020	5,514,605
LIABILITIES							
Accounts payable	121,188	23,271,287	1,504,272	20,451	4,033,758	52,876	29,003,832
Payroll liabilities	145,890	19,441,081	157,488				19,744,459
Due to third-party payors		62,419,567					62,419,567
Accrued liabilities	552,028	8,070,792					8,622,820
Accrued interest payable			277,084				277,084
Unearned revenues					6,201,223		6,201,223
Customer deposits			691,509				691,509
Current installments of pension settlement liability		4,200,000					4,200,000

JACKSON COUNTY
Component Units - Combining Statement of Net Position
September 30, 2021

	Component Units						
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	Total
Long-term liabilities							
Due within one year:							
Capital debt		11,722,602	2,506,104				14,228,706
Non-capital debt	1,154,034			17,084	70,853	95,601	1,337,572
Due in more than one year:							
Capital debt		61,453,474	45,275,216		36,799,403		143,528,093
Non-capital debt	129,022			17,083	173,846	95,602	415,553
Net pension liability	9,892,103		2,879,885	339,950	7,390,219	5,025,349	25,527,506
Net OPEB liability						359,235	359,235
Pension settlement liability		62,585,840					62,585,840
Total Liabilities	11,994,265	253,164,643	53,291,558	394,568	54,669,302	5,628,663	379,142,999
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to pensions	2,979,079		908,022	102,378	2,263,333	1,513,421	7,766,233
Deferred inflows related to OPEB						132,972	132,972
Total deferred inflows of resources	2,979,079	0	908,022	102,378	2,263,333	1,646,393	7,899,205
NET POSITION							
Net investment in capital assets	3,959,281	141,873,892	8,741,799	342,768	49,211,291	1,114,629	205,243,660
Restricted for:							
Debt service		2,573,703	10,657,700		1,395		13,232,798
Indigent care		3,229,052					3,229,052
Harbor maintenance					8,326,526		8,326,526
Capital projects			93,433		3,226,258		3,319,691
Customer deposits			691,009				691,009
Unemployment fund reserve					15,000		15,000
Special revenue funds					209		209
Other purposes		228,524				25,241	253,765
Unrestricted	(10,673,787)	47,787,624	(1,540,038)	1,564,435	6,896,454	(4,671,803)	39,362,885
Total Net Position	\$ (6,714,506)	195,692,795	18,643,903	1,907,203	67,677,133	(3,531,933)	273,674,595

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

JACKSON COUNTY

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

For the Year Ended September 30, 2021

	Component Units						
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	Total
Operating Revenues							
Charges for services	\$ 4,352,956				11,216,430	48,678	15,618,064
Connection fees			789,982				789,982
County revenue	453,000						453,000
Government grants	4,884,057						4,884,057
Grants and contributions					3,712,452	62,717	3,775,169
Net assets released from restrictions	135,922						135,922
Other grants	80,000						80,000
Other revenues		30,229,876	306,852				30,536,728
Patient services revenue		480,914,749					480,914,749
Sales to customers			8,993,542				8,993,542
Surcharges				1,446,248			1,446,248
Total Operating Revenues	9,905,935	511,144,625	10,090,376	1,446,248	14,928,882	111,395	547,627,461
Operating Expenses							
Administrative and general			962,241		2,928,168	4,182,052	8,072,461
Bayou Casotte					5,761,663		5,761,663
Black Creek					764,128		764,128
Client fee waiver	245,148						245,148
Commodities	332,605						332,605
Contractual services	1,679,047						1,679,047
Depreciation and amortization	203,880	28,384,228	2,492,034	517,303			31,597,445
Employee benefits		33,252,636					33,252,636
Insurance				55,975			55,975
Industrial parks					368,704		368,704
Law library						61,831	61,831
Maintenance and operation			2,809,283	133,774	1,125,876		4,068,933
Other expenses		47,191,288					47,191,288
Personnel costs	6,113,981						6,113,981
Port operations					8,739,249		8,739,249
Professional fees		9,947,101		56,691			10,003,792
Purchased services		55,638,797					55,638,797
Salaries and wages		190,068,750		181,268			190,250,018
Singing River Island					1,373,212		1,373,212
Supplies		145,051,368		38,938			145,090,306
Travel	92,901						92,901
Treatment and collection fees			2,018,688				2,018,688
Utilities and telephone				427,867			427,867
Youth services						51,347	51,347
Total Operating Expenses	8,667,562	509,534,168	8,282,246	1,411,816	21,061,000	4,295,230	553,252,022
Operating Income (Loss)	1,238,373	1,610,457	1,808,130	34,432	(6,132,118)	(4,183,835)	(5,624,561)

JACKSON COUNTY

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

For the Year Ended September 30, 2021

	Component Units						
	Singing River Mental Health/ Mental Retardation Services	Singing River Health System	West Jackson County Utility District	Jackson County Emergency Communications District	Jackson County Port Authority	Jackson-George Regional Library System	Total
Non-Operating Revenues (Expenses)							
Ad valorem taxes			325,583			3,816,876	4,142,459
Contributions and grants released from restrictions	(135,922)						(135,922)
Earnings on equity investments		308,735					308,735
Gain (loss) on disposal of assets	(35,685)	56,050	(9,987)		114,585	(8,600)	116,363
Grant revenue		641,576					641,576
Interest and investment income (expense)	3,166	(9,694,718)	(1,080,387)	4,469	21,249	4,331	(10,741,890)
Pension liability adjustment due to GASB 68 and 71	192,612						192,612
Lease revenue			40,708				40,708
Bond issuance costs		(368,043)	(182,192)				(550,235)
Non capital contribution - Jackson County		236,493					236,493
Miscellaneous income					9,532,355	9,916	9,542,271
Disaster assistance grants			37,762				37,762
State health grant						297,084	297,084
State life grant						4,007	4,007
State personnel grant						173,700	173,700
State of Mississippi grant		1,317,302					1,317,302
CARES ACT grant		5,797,303					5,797,303
Transfer (to) from other governments					606,761		606,761
Total Non-Operating Revenues (Expenses)	24,171	(1,705,302)	(868,513)	4,469	10,274,950	4,297,314	12,027,089
Change in Net Position	1,262,544	(94,845)	939,617	38,901	4,142,832	113,479	6,402,528
Net Position - Beginning	(7,977,050)	195,787,640	17,704,286	1,868,302	63,534,301	(3,645,412)	267,272,067
Net Position - Ending	<u>\$ (6,714,506)</u>	<u>195,692,795</u>	<u>18,643,903</u>	<u>1,907,203</u>	<u>67,677,133</u>	<u>(3,531,933)</u>	<u>273,674,595</u>

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

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

B. Individual Component Unit Disclosures.

Discretely Presented Component Units

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

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

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

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

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

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

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

C. Basis of Presentation.

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

Government-wide Financial Statements:

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

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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, even though the latter are excluded from the government-wide financial statements. 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 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.

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

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

The County reports the following major Governmental Funds:

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

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

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

PROPRIETARY FUND TYPES

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

Internal Service Funds - These funds are used to account for those operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The County's internal service funds report on self-insurance programs for employee medical and worker's compensation benefits.

FIDUCIARY FUND TYPE

Custodial Funds - Custodial funds are used to report fiduciary activities that are not held in a trust or equivalent agreement that meet specific criteria.

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, and 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.

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."

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

I. Inventories and Prepaid Items.

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

J. Restricted Assets.

Cash:

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

Investments:

Assets required to be held and/or used as specified in bond indentures, bond resolutions, trust agreements, board resolutions and donor specifications have been reported as restricted assets. Certain resources and revenues associated with the County's revenue bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "bond proceeds" fund is used to receive the proceeds of the bonds which shall be used to pay the cost of issuance of the bonds. The "capitalized interest" fund is used to pay the initial debt service payments on the bonds. The "construction" fund is used to receive the proceeds of the bond and shall be applied by the borrower to the costs of the project. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

K. Capital Assets.

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

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

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

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

L. Deferred Outflows/Inflows of Resources.

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

Deferred outflows related to pensions - This amount represents the proportionate share of the deferred outflows of resources reported by the pension plan in which the County, as well as the Singing River Mental Health / Mental Retardation Services, the West Jackson County Utility District, the Jackson County Emergency Communications District, the Jackson County Port Authority and the Jackson-George Regional Library System, all discretely presented component units of the County, participate. See Note 14 for additional details.

Deferred outflows related to other postemployment benefits (OPEB) - This amount represents the proportionate share of the deferred outflows of resources reported by the OPEB plans in which the County, as well as the Jackson-George Regional Library System, a component unit of the County, participate. See Note 13 for additional details.

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

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

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

Deferred inflows related to pensions - This amount represents the proportionate share of the deferred inflows of resources reported by the pension plan in which the County, as well as the Singing River Mental Health/Mental Retardation Services, the West Jackson County Utility District, the Jackson County Emergency Communications District, the Jackson County Port Authority and the Jackson-George Regional Library System, all discretely presented component units of the County, participate. See Note 14 for additional details.

Deferred inflows related to other postemployment benefits (OPEB) - This amount represents the proportionate share of the deferred inflows of resources reported by the OPEB plans in which the County,

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

as well as the Jackson-George Regional Library System, a component unit of the County, participate. See Note 13 for additional details.

M. Long-term Liabilities.

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

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

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

N. Pensions.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Other Postemployment Benefits.

Plan Description

The Jackson County Board of Supervisors administers the County's health insurance plan, which is authorized by Sections 25-15-101 et seq., *Mississippi Code of 1972 Annotated*. The County's health insurance plan may be amended by the Jackson County Board of Supervisors. The County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan.

Component Unit – Jackson George Regional Library System

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State and School Employee's Life and Health Plan (OPEB Plan) and additions to / deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recorded when the OPEB benefits come due. Investments are reported at fair value as determined by the State.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

P. Compensated Absences.

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

Q. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

Nonspendable fund balance includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

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

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

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

R. Property Tax Revenues:

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

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

S. Intergovernmental Revenues in Governmental Funds.

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

T. Changes in Accounting Standards.

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

GASB 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

(2) Fund Reclassification (Accounting Change).

Effective October 1, 2020, and in accordance with the implementation of GASB Statement No. 84, the Payroll Clearing Fund, previously reported as a Fiduciary Fund, was reclassified and reported in the General Fund. Therefore, the County has adjusted beginning fund balance/net position for the General Fund and Governmental Activities in the amount of \$48,813.

For the Fiduciary Fund Custodial Activities, the County has treated the beginning of year net position of \$2,417,528 as having been recognized in the period incurred. The County has adjusted beginning net position for their fiduciary activities from \$0 to \$2,417,528.

(3) Prior Period Adjustments.

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

Exhibit 2 – Statement of Activities – Governmental Activities.

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in capital assets, net.	\$ <u>1,456,415</u>

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

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in capital assets, net.	\$ <u>2,616</u>

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

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in capital assets, net.	\$ <u>2,616</u>

(4) Deposits and investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$138,626,027, and the bank balance was \$144,405,731. 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, Mississippi Code of 1972 Annotated*. 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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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.

Investments:

As provided in *Section 91-13-8, Mississippi Code of 1972 Annotated*, the following investments of the County are handled through a trust indenture between the County and the trustee related to qualified GOMESA projects.

Investments balances at September 30, 2021, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>	<u>Rating</u>
Goldman Sachs Financial Square Government Fund	Less than one year	1	\$ <u>14,521,538</u>	AAA

The investment in the Goldman Sachs Financial Square Government Fund is uninsured and unregistered and is not backed by the full faith and credit of the federal government.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs include U.S. government and agency securities, foreign government debt, listed equities and money market securities.

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, *Section 19-9-29, Mississippi Code of 1972 Annotated* limits the maturity period of any investment to no more than one year.

Credit Risk. State law limits investments to those authorized by *Sections 19-9-29 and 91-13-8, Mississippi Code of 1972 Annotated*. The County does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. Of the County's investments, all of the underlying securities were uninsured, unregistered, and held in trust accounts by the investment's counterparty on behalf of the County, not in the name of the County.

Concentration of Credit Risk. The County places no limit on the amount the County may invest in any one issuer. All of the County's investments are in the Goldman Sachs Financial Square Government Fund and are reported in the Capital Projects – GOMESA Fund.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

(5) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2021:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 11,370,337
Road Fund	General Fund	299,620
Other Governmental Funds	General Fund	155,562
Other Governmental Funds	Other Governmental Funds	13,771
Enterprise Funds	General Fund	1,123
Custodial Funds	General Fund	203,280
Total		<u>\$ 12,043,693</u>

The receivables represent the tax revenue collected in September, 2021, but not settled until October, 2021. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ <u>685,790</u>

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

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 196,247
Road Fund	Other Governmental Funds	1,500,000
Other Governmental Funds	General Fund	5,079,174
Other Governmental Funds	Other Governmental Funds	20,018
Total		<u>\$ 6,795,439</u>

The principal purpose of 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.

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

(6) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2021, consisted of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 991,850
Emergency management performance grants reimbursement	101,915
Mississippi Department of Environmental Quality grants reimbursement	682,270
Homeland security grant	234,614
GOMESA grant	434,879
Reimbursement for housing prisoners	82,995
Various expense reimbursements	92,728
Various reimbursement grants	<u>79,604</u>
Total Governmental Activities	\$ <u><u>2,700,855</u></u>

(7) Loans Receivable.

Loans receivable balances at September 30, 2021, are as follows:

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

(8) Restricted Assets - Cash.

As of September 30, 2021, restricted assets - cash consisted of:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
MS Tort Claims Trust (cash)	\$ 1,100,770	
ADC Canteen (cash)		162,303
Golf Course (cash)		267,741
Ocean Springs Harbor (cash)		<u>461,314</u>
Total restricted assets	\$ <u><u>1,100,770</u></u>	<u><u>891,358</u></u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

(9) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2021:

Governmental activities:

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments*	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 15,394,601	39,235	81,616		15,352,220
Construction in progress	21,980,620	21,878,772		(8,737,665)	35,121,727
Total non-depreciable capital assets	37,375,221	21,918,007	81,616	(8,737,665)	50,473,947
<u>Depreciable capital assets:</u>					
Infrastructure	212,707,914			3,035,689	215,743,603
Buildings	118,013,784		71,886	688,527	118,630,425
Improvements other than buildings	47,934,335	296,445		6,149,456	54,380,236
Mobile equipment	40,738,305	3,407,119	2,572,246	36,358	41,609,536
Furniture and equipment	8,699,810	287,471	770,809	503,792	8,720,264
Total depreciable capital assets	428,094,148	3,991,035	3,414,941	10,413,822	439,084,064
<u>Less accumulated depreciation for:</u>					
Infrastructure	111,045,105	3,068,130		125,753	114,238,988
Buildings	31,382,767	2,180,726	21,585		33,541,908
Improvements other than buildings	8,834,817	2,126,551		54,474	11,015,842
Mobile equipment	25,412,301	3,296,427	2,158,861	17,819	26,567,686
Furniture and equipment	6,648,943	654,230	674,351	21,696	6,650,518
Total accumulated depreciation	183,323,933	11,326,064	2,854,797	219,742	192,014,942
Total depreciable capital assets, net	244,770,215	(7,335,029)	560,144	10,194,080	247,069,122
Governmental activities capital assets, net	\$ 282,145,436	14,582,978	641,760	1,456,415	297,543,069

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

Business-type activities:

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments*	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 199,029				199,029
Total non-depreciable capital assets	199,029	0	0	0	199,029
<u>Depreciable capital assets:</u>					
Buildings	1,370,247				1,370,247
Improvements other than buildings	7,660,033				7,660,033
Mobile equipment	565,317	72,044	44,076	(15,860)	577,425
Furniture and equipment	196,583			42,008	238,591
Total depreciable capital assets	9,792,180	72,044	44,076	26,148	9,846,296
<u>Less accumulated depreciation for:</u>					
Buildings	82,218	27,406			109,624
Improvements other than buildings	2,144,828	306,404			2,451,232
Mobile equipment	383,656	60,320	39,668	(14,274)	390,034
Furniture and equipment	156,801	9,649		37,806	204,256
Total accumulated depreciation	2,767,503	403,779	39,668	23,532	3,155,146
Total depreciable capital assets, net	7,024,677	(331,735)	4,408	2,616	6,691,150
Business-type activities capital assets, net	\$ 7,223,706	(331,735)	4,408	2,616	6,890,179

* Adjustments are for the reclassification of completed construction in progress and to correct prior year errors in capital assets.

Depreciation expense was charged to the following functions:

	Amount
Governmental activities:	
General government	\$ 1,718,190
Public safety	2,517,913
Public works	6,095,864
Health and welfare	228,711
Culture and recreation	718,684
Economic development and assistance	46,702
Total governmental activities depreciation expense	\$ 11,326,064
Business-type activities:	
Ocean Springs Harbor	\$ 314,439
Golf Course	89,340
Total business-type activities depreciation expense	\$ 403,779

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Commitments with respect to unfinished capital projects at September 30, 2021, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Avtech Turn Lane/Saracennia Road	\$ 350,000	12/1/2021
Bayou Talla (2017-03-416)	150,000	6/1/2022
Beach Boulevard Bridge #566	300,000	6/1/2023
Beachview Drive Improvements (Proj #167456)	1,300,000	6/1/2022
Beachview Drive Improvements Phase II (Proj #183836)	2,800,000	12/1/2024
Bordeaux Drive	100,000	12/1/2022
Broadus Road Bridge (SA181)	75,000	12/1/2021
Caraway Road Improvements (2016-01-357)	150,000	12/1/2021
Cedar Grove Subdivision (PRJ000070)	750,000	6/1/2023
Daisy Vestry Road Bridge (SA30-125)	600,000	12/1/2022
Davis Sawmill #006	350,000	12/1/2023
Espana Woods Drainage Ditch Rehabilitation (PRJ000139)	750,000	6/1/2023
Glendale (East) 2019-09-562	50,000	12/1/2021
Graveline Road Elevation Project (Graveline & Old Spanish)	175,000	1/1/2022
Graveline Bridge (STP-BR-9191 (1)B)	6,800,000	6/1/2023
Hallstrom Cul De Sac (2021-02-648)	20,000	12/1/2022
Hanshaw Road Bridge (SA116)	600,000	12/1/2022
Hwy 57 at Sunplex Road	400,000	6/1/2023
Hwy 90 at Audubon Lane	350,000	6/1/2023
Hwy SR609 & Old Fort Bayou Road (STP-9385-00(015))LPA/106888-701000	1,700,000	6/1/2022
I-10 Connector Road (2013-03-159)	8,000,000	12/1/2022
Jericho Road Drainage (2021-02-647)	25,000	12/1/2022
Lemoyne Boulevard Drainage (2015-02-293)	1,274,698	5/1/2022
Lemoyne Boulevard - Erosion Control Phase II WA-29	1,331,000	11/1/2022
Letort Lane Drainage & Erosion Control Projects off Lemoyne (PRJ000147)	131,496	12/1/2023
Louise Street Bridge (Bond) (PRJ000007)	300,000	12/1/2023
Magnolia Street @ Bryant Street (City of Moss Point Bond Project) (PRJ000071)	700,000	12/1/2022
Main Street - Biddix Evans Road	300,000	12/1/2021
Mars Landing Bridge Project #546	200,000	12/1/2022
Martin Bluff Road Bridge Replacement (2012-05-110) City Project	5,000	6/1/2022
Ocean Springs Soccer Complex Entrance on Hwy 90	115,000	4/1/2022
Old Biloxi Road (SAP-30(27))	1,600,000	12/1/2023
Old Fort Bayou Improvements from Rose Farm (2017-04-420)	3,000,000	8/1/2022
Old Fort Bayou/Humphrey Road Guardrails	7,300	6/1/2022
Old Spanish Trail/Beachview Drive	2,000	12/1/2023
Omas Pine Grove Estates Drainage (PRJ000149)	600,000	12/1/2024

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Parkers Lake Bridge	\$ 7,959,722	12/1/2022
Pine Avenue (Loreman) (2021-09-688)	25,000	12/1/2022
Poticaw/Johns Bayou Road Realign (2017-03-414)	500,000	12/1/2021
Roy Cumbest Bridge PRJ000009	15,000,000	12/1/2023
Rue Beux Chenes Drainage	700,000	12/1/2023
Sampson Bridge (SA-180)	150,000	6/1/2022
Seaman Road Bridge #SA77	636,000	6/1/2022
Seaman Road Bridge #124	784,000	12/1/2021
St Andrew Golf Course East Side	175,000	12/1/2021
St Andrew West Drainage	300,000	6/1/2023
Shelby Lane (2013-08-333)	300,000	12/1/2022
Shooting Range Facility (2016-11-400)	150,000	12/1/2021
Washington Avenue Bridge SA30-147 (Bond)	5,000	6/1/2022
Windsor Drainage	625,264	7/1/2022
Yellow Jacket Road Sidewalks Project (BSTP-0030-00(039) LPA/107508-701000	90,000	3/1/2022
Brittany Ave Boat Launch Parking Lot Expansion	364,034	5/1/2022
Jackson County Soccer Complex (Gautier - Phase II)	967,936	5/1/2022
St. Martin Library Expansion	570,019	7/1/2022
Vancleave Soccer Field Lighting	750	11/1/2021
Whispering Pines Gold Course Pavilion	3,303	3/1/2022
Fort Bayou Launch Improvements - Phase IV	10,157	12/1/2022
Amonett Building Roof Replacement	2,918	5/1/2022
Animal Shelter - Phase II	35,106	8/1/2023
Jackson County (Vancleave) Fire Station Renovations and Addition	67,500	6/1/2023
Jackson County Courthouse Exterior Repairs (façade & roof)	150,474	4/1/2022
Moss Point Ina Thompson Library Repairs and Renovations	81,000	9/1/2023
Ocean Springs Library Repairs and Renovations	88,000	7/1/2023
Pascagoula Library Repairs and Renovations	58,527	12/1/2024

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

Component Units:

The Singing River Mental Health/Mental Retardation Services' capital asset balance at June 30, 2021 are as follows:

Singing River Mental Health/Mental Retardation Services:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<u>Non-depreciable capital assets:</u>				
Land	\$ 10,000			10,000
Total non-depreciable capital assets	10,000	0	0	10,000
<u>Depreciable capital assets:</u>				
Buildings	3,296,569		37,357	3,259,212
Building improvements	572,185	39,433		611,618
Equipment	1,629,001	436,679	33,728	2,031,952
Software	414,667			414,667
Total depreciable capital assets	5,912,422	476,112	71,085	6,317,449
<u>Less accumulated depreciation for:</u>	2,199,688	203,880	35,400	2,368,168
Total depreciable capital assets, net	3,712,734	272,232	35,685	3,949,281
Component unit capital assets, net	\$ 3,722,734	272,232	35,685	3,959,281

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

The Singing River Health System's capital asset balances at September 30, 2021 are as follows:

Singing River Health System:

	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>				
Land	\$ 6,072,289	2,975,000		9,047,289
Construction in progress	4,866,901	7,330,834	7,132,262	5,065,473
Total non-depreciable capital assets	10,939,190	10,305,834	7,132,262	14,112,762
<u>Depreciable capital assets:</u>				
Land improvements	7,524,591	91,251		7,615,842
Buildings and improvements	262,465,804	13,789,711	174,476	276,081,039
Fixed equipment	13,946,381	441,760		14,388,141
Movable equipment	291,607,704	21,748,408	1,946,360	311,409,752
Total depreciable capital assets	575,544,480	36,071,130	2,120,836	609,494,774
<u>Less accumulated depreciation for:</u>				
Land improvements	5,240,163	228,882		5,469,045
Buildings and improvements	149,573,092	9,617,440	191,529	158,999,003
Fixed equipment	12,650,080	178,850		12,828,930
Movable equipment	218,971,925	16,927,253	1,946,360	233,952,818
Total accumulated depreciation	386,435,260	26,952,425	2,137,889	411,249,796
Total depreciable capital assets, net	189,109,220	9,118,705	(17,053)	198,244,978
Component unit capital assets, net	\$ 200,048,410	19,424,539	7,115,209	212,357,740

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

The West Jackson County Utility District's capital asset balances at September 30, 2021 are as follows:

West Jackson County Utility District:

	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>				
Land	\$ 93,175	57,320		150,495
Construction in progress	1,598,550	5,007,145	1,884,302	4,721,393
Total non-depreciable capital assets	1,691,725	5,064,465	1,884,302	4,871,888
<u>Depreciable capital assets:</u>				
Office furniture and equipment	480,672	30,223	8,240	502,655
Buildings	4,693,425			4,693,425
Machinery and equipment	744,704	79,900	43,176	781,428
Vehicles	1,166,513	28,574	50,270	1,144,817
Utility Systems	69,600,722	2,526,544		72,127,266
Total depreciable capital assets	76,686,036	2,665,241	101,686	79,249,591
<u>Less accumulated depreciation for:</u>	23,842,218	2,492,034	101,686	26,232,566
Total depreciable capital assets, net	52,843,818	173,207	0	53,017,025
Component unit capital assets, net	\$ 54,535,543	5,237,672	1,884,302	57,888,913

The Jackson County Emergency Communications District's capital asset balances at September 30, 2021 are as follows:

Jackson County Emergency Communications District:

	Balance Oct. 1, 2020	Additions	Balance Sept. 30, 2021
<u>Depreciable capital assets:</u>			
Furniture and fixtures	473,468		473,468
Auto	26,642		26,642
Communications system	12,570,886		12,570,886
Total depreciable capital assets	13,070,996	0	13,070,996
<u>Less accumulated depreciation for:</u>			
Furniture and fixtures	401,299	27,788	429,087
Auto	26,642		26,642
Communications system	11,782,984	489,515	12,272,499
Total accumulated depreciation	12,210,925	517,303	12,728,228
Total depreciable capital assets, net	860,071	(517,303)	342,768
Component unit capital assets, net	\$ 860,071	(517,303)	342,768

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

The Jackson County Port Authority's capital asset balances at September 30, 2021 are as follows:

Jackson County Port Authority:

	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>				
Land and improvements	\$ 5,856,920			5,856,920
Construction in progress	295,557	12,817,973	418,517	12,695,013
Total non-depreciable capital assets	6,152,477	12,817,973	418,517	18,551,933
<u>Depreciable capital assets:</u>				
Infrastructure	73,556,556			73,556,556
Buildings and improvements	62,936,274			62,936,274
Furniture fixtures and other equipment	1,977,108			1,977,108
Bayou Casotte Water Supply System	57,114,399	452,016		57,566,415
Black Creek Cooling Facility	4,090,509			4,090,509
Industrial Parks	910,981	74,746	85,415	900,312
Singing River Island	265,844			265,844
Total depreciable capital assets	200,851,671	526,762	85,415	201,293,018
<u>Less accumulated depreciation for:</u>				
Infrastructure	42,953,488	4,875,119		47,828,607
Buildings and improvements	79,367,054	2,885,663		82,252,717
Furniture fixtures and other equipment	3,613,109	139,824		3,752,933
Total accumulated depreciation	125,933,651	7,900,606	0	133,834,257
Total depreciable capital assets, net	74,918,020	(7,373,844)	85,415	67,458,761
Component capital assets, net	\$ 81,070,497	5,444,129	503,932	86,010,694

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Notes to Financial Statements For the Year Ended September 30, 2021

The Jackson-George Regional Library System's capital asset balances at September 30, 2021 are as follows:

Jackson-George Regional Library:

	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021
<u>Depreciable capital assets:</u>				
Library materials	\$ 8,936,241	331,245		9,267,486
Furniture and equipment	447,668		28,320	419,348
Computer equipment	281,044	2,486	20,864	262,666
Total depreciable capital assets	9,664,953	333,731	49,184	9,949,500
<u>Less accumulated depreciation for:</u>				
Library materials	7,803,867	397,614		8,201,481
Furniture and equipment	402,092	10,945	28,320	384,717
Computer equipment	234,219	26,718	12,264	248,673
Total accumulated depreciation	8,440,178	435,277	40,584	8,834,871
Total depreciable capital assets, net	1,224,775	(101,546)	8,600	1,114,629
Component unit capital assets, net	\$ 1,224,775	(101,546)	8,600	1,114,629

(10) Claims and Judgments.

Risk Financing.

Worker's Compensation Benefits

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2021, to January 1, 2022. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

Health and Accident Benefits

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

Under the plan, amounts payable to the risk management fund are based on actuarial estimates. Jackson County pays the premium on a single coverage policy for its employees. Employees desiring additional and/or dependent coverage pay the additional premium through a payroll deduction. Premium payments to the risk management fund are determined on an actuarial basis. The County has minimum uninsured risk retention for the County, to the extent that actual claims submitted exceed the predetermined premium.

The County has implemented the following plans to minimize this potential loss:

The County has purchased coinsurance, which functions on specific stop loss coverage. This coverage is

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$200,000.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At September 30, 2021, the amount of these liabilities was \$0. An analysis of claims activities is presented below:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2019 - 2020	\$ 634,439	7,813,664	(7,973,536)	474,567
2020 - 2021	\$ 474,567	8,918,065	(9,392,632)	0

(11) Operating Leases.

As Lessor:

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

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

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

The County receives income from property it leases under non-cancellable operating leases. Total income from such leases was \$780,000 for the year ended September 30, 2021. The future minimum lease receivables for these leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2022	\$ 780,000
2023	780,000
2024	780,000
2025	780,000
2026	780,000
2027 - 2031	<u>780,000</u>
Total Minimum Payments Required	\$ <u>4,680,000</u>

JACKSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

(12) Long-term Debt.

Debt outstanding as of September 30, 2021, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Taxable Port, Series 2015	\$ 13,147,600	1.99%	06/2024
G.O. Bonds, Series 2017	4,430,000	2.30%	12/2027
Special Obligation Bond, Series 2021	<u>15,000,000</u>	3.63%	11/2036
Total General Obligation Bonds	<u>\$ 32,577,600</u>		
B. Limited Obligation Bonds:			
Correctional Facility, Series 2013	<u>\$ 18,995,000</u>	3.50%	07/2032
C. Other Loans:			
Rail Loan, Series 2011	\$ 294,440	0.00%	03/2026
Rail Loan, Series 2019	<u>1,490,207</u>	0.75%	06/2034
Total Other Loans	<u>\$ 1,784,647</u>		

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

Year Ending September 30	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 725,600	101,890	1,460,000	637,863
2023	596,000	632,346	1,520,000	579,463
2024	13,613,000	606,947	1,565,000	533,863
2025	1,552,000	564,211	1,610,000	486,913
2026	1,606,000	515,147	1,660,000	438,613
2027 - 2031	6,685,000	1,828,021	9,155,000	1,323,576
2032 - 2036	6,380,000	708,235	2,025,000	70,875
2037 - 2041	<u>1,420,000</u>	<u>21,025</u>		
Total	<u>\$ 32,577,600</u>	<u>4,977,822</u>	<u>18,995,000</u>	<u>4,071,166</u>

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Year Ending September 30	Other Loans	
	Principal	Interest
2022	\$ 179,193	10,863
2023	180,039	10,116
2024	180,895	9,164
2025	181,681	8,375
2026	143,651	7,509
2027 - 2031	592,609	24,333
2032 - 2036	326,579	3,795
Total	\$ 1,784,647	74,155

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, 2021, the amount of outstanding debt was equal to 1.48 percent (1.48%) of the latest property assessments.

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

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2021:

	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021	Amount due Within one year
Governmental Activities:					
Compensated absences	\$ 2,891,707	6,444		2,898,151	
General obligation bonds	5,138,600	28,000,000	561,000	32,577,600	725,600
Limited obligation bonds	20,385,000		1,390,000	18,995,000	1,460,000
Other loans	2,498,093		713,446	1,784,647	179,193
Total	\$ 30,913,400	28,006,444	2,664,446	56,255,398	2,364,793

	Balance Oct. 1, 2020	Additions	Balance Sept. 30, 2021
Business-type Activities:			
Compensated absences	\$ 33,726	6,705	40,431

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

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Contribution Agreement (Other Payables). On January 2, 2016, the County entered into a contribution agreement with Singing River Health Systems (SRHS), a county owned hospital established pursuant to the laws of the State of Mississippi. SRHS established an Employee Defined Benefit Plan in 1983 and ceased making contributions to said Pension Plan in 2009. Annual audits of SRHS show losses for the years 2012 through 2014. Due to the alleged failure to fund the Pension Plan, SRHS is subject to a multiplicity of lawsuits and there exists a real danger of default in the payment of bonds issued of which Jackson County guaranteed for the benefit of SRHS. Jackson County has offered to contribute \$13,600,000 over a period of 10 years for support of indigent care at SRHS and, principally, to prevent bond default. As of September 30, 2021, the County has recorded a payable of \$3,600,000 discounted at the net present value over four years at SRHS's incremental borrowing rate. The balance at September 30, 2021 for this payable was \$3,229,052.

Component Units:

Singing River Mental Health/Mental Retardation Services:

The following is a summary of changes in long-term liabilities and obligations for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amount due within one year
Notes payable	\$ 1,332,576	1,112,928	1,162,448	1,283,056	1,154,034

Singing River Health System:

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2021:

	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021	Amount due within one year
Bonds payable	\$ 51,192,000	29,783,000	37,643,000	43,332,000	8,824,000
Capital leases	28,121,732	1,937,211	1,286,178	28,727,899	1,803,638
Other loans	2,137,980		1,021,803	1,116,177	1,094,964
Total	\$ 81,451,712	31,720,211	39,950,981	73,176,076	11,722,602

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

West Jackson County Utility District:

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2021:

	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021	Amount due within one year
State revolving fund loans	\$ 22,055,502	1,156,740	1,288,922	21,923,320	1,515,104
Revenue bonds	18,099,000	8,567,000	808,000	25,858,000	991,000
Total	<u>\$ 40,154,502</u>	<u>9,723,740</u>	<u>2,096,922</u>	<u>47,781,320</u>	<u>2,506,104</u>

Jackson County Emergency Communications District:

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2021:

	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021	Amount due within one year
Compensated absences	<u>\$ 38,558</u>	<u></u>	<u>4,391</u>	<u>34,167</u>	<u>17,084</u>

Jackson County Port Authority:

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2021:

	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021	Amount due within one year
Compensated absences	\$ 271,764		27,065	244,699	70,853
Bonds payable	36,840,000			36,840,000	
Less: unamortized discount	<u>(54,129)</u>	<u></u>	<u>(13,532)</u>	<u>(40,597)</u>	
Total	<u>\$ 37,057,635</u>	<u>0</u>	<u>13,533</u>	<u>37,044,102</u>	<u>70,853</u>

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Jackson-George Regional Library System:

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2021:

	Balance Oct. 1, 2020	Reductions	Balance Sept. 30, 2021	Amount due within one year
Compensated absences	\$ 202,414	11,211	191,203	95,601

(13) Other Postemployment Benefits.

General Information about the OPEB Plan.

The Jackson County Board of Supervisors administers the County's health insurance plan, which is authorized by *Sections 25-15-101 et seq., Mississippi Code of 1972 Annotated*. The County's health insurance plan may be amended by the Jackson County Board of Supervisors. The County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan.

Funding Policy

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

Per *Section 25-15-103, Mississippi Code of 1972 Annotated*, any retired employee electing to purchase retiree health insurance must pay the full cost of the insurance premium monthly to the County. For the year ended September 30, 2021, retiree premiums range from \$799 to \$1,049 depending on dependent coverage and Medicare eligibility.

Employees covered by benefit terms. At September 30, 2021, the following employees were covered by the benefit terms:

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

Total OPEB Liability

The County's total OPEB liability of \$2,937,021 was measured as of September 30, 2021, and was determined by an actuarial valuation of October 1, 2020. The County's Health Insurance Plan's Report of the Actuary on the Other Postemployment Benefits Valuation was prepared as of October 1, 2020 for the years ending September 30, 2020 and 2021.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.00%, average, including inflation
Discount rate	2.14%
Healthcare cost trend rates	6.50% for 2020, grading down to 5.75% uniformly over 3 years, and trending to the ultimate rate of 4.04% in 2075 following the Getzen model.
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees

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

The discount rate is 2.14% and was based on the S&P Municipal Bond 20-Year High Grade Index as of September 30, 2021.

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

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 09/30/20	\$ 2,610,379
Changes for the year:	
Service cost	312,021
Interest	61,535
Benefit payments	(46,914)
Net changes	326,642
Balance at 09/30/21	\$ 2,937,021

Changes of assumptions and other inputs did not reflect a change in the discount rate for 2021 from 2.14% percent reported in 2020.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB Liability	\$ 3,212,431	\$ 2,937,021	\$ 2,681,914

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 2,524,398	\$ 2,937,021	\$ 3,441,373

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

For the year ended September 30, 2021, the County recognized OPEB expense of \$167,560. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 623,013	
Changes of assumptions or other inputs		1,754,520
Total	\$ 623,013	1,754,520

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

Year ended September 30:

2022	\$	(159,082)
2023		(159,082)
2024		(159,082)
2025		(159,082)
2026		(159,082)
Thereafter		<u>(336,097)</u>
Total	\$	<u>(1,131,507)</u>

Component Unit – Jackson-George Regional Library System

General Information about the OPEB Plan.

State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by *Section 25-15-3 et seq., Mississippi Code of 1972 Annotated*, which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of law governing the Plan. The Plan is self-insured and is financed through premiums collected from employers, employees, retirees and COBRA participants. The Plan provides for Other Postemployment Benefits (OPEB) as a multiple-employer defined benefit OPEB plan. The Plan issues a publicly available financial report that can be obtained at <http://knowyourbenefits.dfa.ms.gov/>.

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

Contributions. The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. The Library System's contributions to OPEB for the year ended September 30, 2021 was \$14,436, which was equal to the required contributions for the year.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

At September 30, 2021, the Library System reported a liability of \$359,235 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the Library System's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2021, the Library System's proportion was 0.0558 percent. This was a decrease of 0.0009 percent from the proportionate share as of the measurement date as of June 30, 2020.

For the year ended September 30, 2021, the Library System recognized OPEB expense of \$17,421. At September 30, 2021, the Library System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 391	\$ 112,328
Changes of assumptions	58,181	12,150
Net difference between projected and actual earnings on OPEB plan investments	17	
Changes in proportion and differences between Library System contributions and proportionate share of contributions	14,559	8,494
Total	\$ 73,148	\$ 132,972

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

Year ended September 30:

2022	\$ (13,351)
2023	(12,489)
2024	(10,653)
2025	(13,544)
2026	(9,787)
Total	\$ (59,824)

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Actuarial assumptions. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary increases	3.65%-17.90%, including wage inflation
Municipal Bond Index Rate	
Measurement Date	2.13%
Prior Measurement Date	2.19%
Year FNP is projected to be depleted	
Measurement Date	2021
Prior Measurement Date	2020
Single Equivalent Interest Rate, Net of OPEB	
Plan investment expense, including inflation	
Measurement Date	2.13%
Prior Measurement Date	2.19%
Healthcare cost trend rates	
Medicare Supplement Claims Pre-Medicare	6.50% for 2022 decreasing to an ultimate rate of 4.50% by 2030

Mortality rates were based on PubS H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The demographic actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study dated April 20, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Discount rate

The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.13%. Since the Prior Measurement Date, the Discount Rate has changed from 2.19% to 2.13%.

The trust was established on June 28, 2018, with an initial contribution of \$1,000,000. As of June 30, 2021, the trust has \$1,044,424. The fiduciary net position is projected to be depleted immediately, therefore, the Municipal Bond Index Rate is used in the determination of the discount rate for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2021 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

The following presents the Library System's proportionate share of the net OPEB liability, as well as what the Library System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.13%) or 1-percentage-point higher (3.13%) than the current discount rate:

	1.13% Decrease (1.13%)	Current Discount Rate (2.13%)	1% Increase (3.13%)
Net OPEB Liability	\$ 397,622	359,235	326,505

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

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

	1% Decrease	Healthcare Cost Trend Rates (Current)	1% Increase
Net OPEB Liability	\$ 332,745	359,235	389,214

OPEB plan fiduciary net position

The fiduciary net position for the OPEB plan was \$1,044,424 as of June 30, 2021, the measurement date. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPEB financial report.

(14) Defined Benefit Pension Plan.

General Information about the Pension Plan

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

Contributions. At September 30, 2021, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$6,234,416, \$6,067,237 and \$5,444,252, respectively, equal to the required contributions for each year. The Singing River Mental Health/Mental Retardation Services' contributions to PERS for the fiscal years ending June 30, 2021, 2020 and 2019 were \$1,167,013, \$1,164,875 and \$1,032,523, respectively, equal to the required contributions for each year. The West Jackson County Utility District's contributions to PERS for the fiscal years ending September 30, 2021, 2020 and 2019 were \$225,678, \$220,028 and \$205,438, respectively, equal to the required contributions for each year. The Jackson County Emergency Communications District's contributions to PERS for the fiscal years ending September 30, 2021, 2020 and 2019 were \$24,715, \$28,638 and \$24,785, respectively, equal to the required contributions for each year. The Jackson County Port Authority's contributions to PERS for the fiscal years ending September 30, 2021, 2020 and 2019 were \$555,067, \$529,253 and \$492,684, respectively, equal to the required contributions for each year. The Jackson-George Regional Library System's contributions to PERS for the fiscal years ending September 30, 2021, 2020 and 2019 were \$390,323, \$395,317 and \$344,018, respectively, equal to the required contributions for each year.

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

At September 30, 2021, the County reported a liability of \$79,755,535 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2021 net pension liability was 0.539602 percent, which was based on a measurement date of June 30, 2021. This was an increase of 0.022985 percent from its proportionate share used to calculate the September 30, 2020 net pension liability, which was based on a measurement date of June 30, 2020.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

For the year ended September 30, 2021, the County recognized pension expense of \$7,584,914. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,251,899	
Net difference between projected and actual earnings on pension plan investments		25,140,509
Changes of assumptions	6,123,102	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	4,037,286	
County contributions subsequent to the measurement date	<u>1,637,062</u>	
Total	<u>\$ 13,049,349</u>	<u>25,140,509</u>

\$1,637,062 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2022	\$ (1,520,295)
2023	(2,230,201)
2024	(2,820,206)
2025	<u>(7,157,520)</u>
Total	<u>\$ (13,728,222)</u>

Component Unit – Singing River Mental Health/Mental Retardation Services

At June 30, 2021, the Singing River Mental Health/Mental Retardation Services ("The Agency") reported a liability of \$9,892,103 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2021, the Agency's proportion was 0.066927 percent.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

For the year ended June 30, 2021, the Agency recognized pension expense of \$779,573. At June 30, 2021, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 158,175	
Net difference between projected and actual earnings on pension plan investments		2,979,079
Changes of assumptions	761,192	
Changes in the proportion and differences between the Agency's contributions and proportionate share of contributions		
Agency contributions subsequent to the measurement date		
	<u> </u>	<u> </u>
Total	<u>\$ 919,367</u>	<u>2,979,079</u>

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

<u>Year ending June 30</u>	<u>Amount</u>
2022	\$ (355,528)
2023	(350,716)
2024	(465,720)
2025	<u>(887,749)</u>
Total	<u>\$ (2,059,713)</u>

Component Unit – West Jackson County Utility District

At September 30, 2021, the West Jackson County Utility District ("The Utility District") reported a liability of \$2,879,885 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Utility District's proportion of the net pension liability was based on a projection of the Utility District's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2021, the Utility District's proportion was 0.019484 percent, which was a decrease of 0.000301% from its proportion as of the prior year.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

For the year ended September 30, 2021, the Utility District recognized pension expense of \$189,545. At September 30, 2021, the Utility District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,048	
Net difference between projected and actual earnings on pension plan investments		867,279
Changes of assumptions	221,601	
Changes in the proportion and differences between the District's contributions and proportionate share of contributions	30,687	40,743
District contributions subsequent to the measurement date	58,290	
	<u>58,290</u>	
Total	\$ <u>356,626</u>	<u>908,022</u>

Deferred outflows of resources related to pensions resulting from the Utility District's contributions subsequent to the measurement date totaling \$58,290 will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2022	\$ (39,060)
2023	(105,860)
2024	(148,031)
2025	<u>(258,445)</u>
Total	\$ <u>(551,396)</u>

Component Unit – Jackson County Emergency Communications District

At September 30, 2021, the Jackson County Emergency Communications District ("The Communications District") reported a liability of \$339,950 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Communications District's proportion of the net pension liability was based on a projection of the Communications District's long-term share of contributions to the pension plan relative to projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Communications District's was 0.0023%, which was a decrease of 0.0001% from its proportion measured as of June 30, 2020.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

For the year ended September 30, 2021, the Communications District recognized pension expense of \$12,052. At September 30, 2021, the Communications District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,436	
Changes of assumptions	26,159	
Net difference between projected and actual earnings on pension plan investments		102,378
Changes in the proportion and differences between the District's contributions and proportionate share of contributions	5,956	
District contributions subsequent to the measurement date	<u>5,890</u>	
Total	<u>\$ 43,441</u>	<u>102,378</u>

\$5,890 reported as deferred outflows of resources related to pensions resulting from the Communications District's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30</u>	<u>Amount</u>
2022	\$ (4,257)
2023	(9,910)
2024	(20,152)
2025	<u>(30,508)</u>
Total	<u>\$ (64,827)</u>

Component Unit – Jackson County Port Authority

At September 30, 2021, the Jackson County Port Authority ("The Port Authority") reported a liability of \$7,390,219 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Port Authority's proportion of the net pension liability was based on a projection of the Port Authority's long-term share of contribution to the pension plan relative to projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Port Authority's proportion was 0.05 percent, which was unchanged from its proportion measured as of June 30, 2020.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

For the year ended September 30, 2021, the Port Authority recognized pension expense of \$340,504. At September 30, 2021, the Port Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 118,170	
Changes of assumptions	568,672	
Net difference between projected and actual earnings on pension plan investments		2,225,620
Changes in the proportion and differences between the Port Authority's contributions and proportionate share of contributions		37,713
Port Authority contributions subsequent to the measurement date	125,701	
Total	\$ 812,543	2,263,333

\$125,701 reported as deferred outflows of resources related to pensions resulting from the Port Authority's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2022	\$ (280,306)
2023	(278,706)
2024	(354,257)
2025	(663,222)
Total	\$ (1,576,491)

Component Unit – Jackson-George Regional Library System

At September 30, 2021, the Jackson-George Regional Library System ("The Library System") reported a liability of \$5,025,349 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Library System's proportion of the net pension liability was based on a projection of the Library System's long-term share of contribution to the pension plan relative to projected contributions of all participating employers, actuarially determined. The Library System's proportion was 0.034 percent, which remained unchanged from its proportion measured as of June 30, 2020.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

For the year ended September 30, 2021, the Library System recognized pension expense of \$331,331. At September 30, 2021, the Library System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 80,356	
Net difference between projected and actual earnings on pension plan investments		1,513,421
Changes of assumptions	386,697	
Changes in the proportion and differences between the Library System's contributions and proportionate share of contributions	77,191	
Library System contributions subsequent to the measurement date	96,628	
Total	\$ 640,872	1,513,421

\$96,628 reported as deferred outflows of resources related to pensions resulting from the Library System's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2022	\$ (134,114)
2023	(147,479)
2024	(236,593)
2025	(450,991)
Total	\$ (969,177)

Actuarial Assumptions. The total pension liability as of June 30, 2021 was determined by an actuarial valuation prepared as of June 30, 2020, by the new actuarial assumptions adopted by the Board subsequent to the June 30, 2020 valuation based on the experience investigation for the four-year period ending June 30, 2020, and by the investment experience for the fiscal year ending June 30, 2021. The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 – 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the four-year period from July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.00 %	4.60 %
International Equity	22.00	4.50
Global Equity	12.00	4.80
Fixed Income	20.00	(0.25)
Real Estate	10.00	3.75
Private Equity	8.00	6.00
Cash Equivalents	<u>1.00</u>	<u>(1.00)</u>
Total	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 112,952,534	79,755,535	52,398,565
Component Units:			
Singing River Mental Health/Mental Retardation Services' proportionate share of the net pension liability	14,009,537	9,892,103	6,499,010
West Jackson County Utility District's proportionate share of the net pension liability	4,078,592	2,879,885	1,892,055
Jackson County Emergency Communications District's proportionate share of the net pension liability	481,449	339,950	223,344
Jackson County Port Authority's proportionate share of the net pension liability	10,466,282	7,390,219	4,855,298
Jackson-George Regional Library System's proportionate share of the net pension liability	7,117,072	5,025,349	3,301,602

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

(15) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balances at September 30, 2021:

Fund	Deficit Amount
Special Grants Fund	\$ 53,134
COVID-19 Crisis Fund	1,763,152
TS Claudette Invest 92L Fund	32,532
TD #9 TEB Hurricane Ida Fund	67,694
Tropical Storm Zeta Fund	7,683,493
Hurricane Nate Fund	2,043,120
Non-Federal Share Fund	221,515
Tideland Fund	255,063

(16) 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.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

The County has been named as a defendant in various lawsuits seeking unspecified damages for incidents involving the Sheriff's Department and the County Road Department. The County has excess liability insurance coverage that it believes would cover any judgement against the County up to a limit of \$1,000,000. No provisions have been made in the accompanying financial statements for these contingent liabilities since the amount of the potential loss, if any, cannot be reasonably determined.

Hospital Revenue Bond Contingencies – The County issues revenue bonds and notes with maturities ranging from July 1, 2035 through July 1, 2038, to provide funds for constructing and improving capital facilities for the Singing River Hospital. Revenue bonds and notes are reported as a liability of the hospital because such debt is payable primarily from the hospital's pledged revenues. However, the County remains contingently liable for the retirement of these bonds and notes because the full faith, credit and taxing power of the County is secondarily pledged in the case of default by the hospital. In addition, the bonds are supported by a five mill pledge on the assessed value of real property by Jackson County. The principal amount of hospital revenue bonds and notes outstanding at September 30, 2021, is \$43,332,000.

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

Description	Balance at Sept. 30, 2021
Industrial revenue bonds and notes	\$ 12,840,000

- (18) **Effect of Deferred Amounts on Net Position.**

The governmental activities' unrestricted net position amount of \$(36,096,275) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$1,618,287 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, 2022. The \$11,266,256 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next three years. The \$24,852,161 balance of the deferred inflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next four years.

The governmental activities' unrestricted net position amount of \$(36,096,275) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from other postemployment benefits (OPEB). The \$623,013 balance of deferred outflows of resources related to OPEB, at September 30, 2021, will be recognized as an expense and will decrease the unrestricted net position over the next seven years.

The governmental activities' unrestricted net position amount of \$(36,096,275) includes the effect of deferring the recognition of revenue resulting from a deferred inflows from other postemployment benefits (OPEB). The \$1,754,520 balance of deferred inflows of resources related to OPEB, at September 30, 2021, will be recognized as revenue and will increase the unrestricted net position over the next seven years.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

The business-type activities' unrestricted net position amount of \$(602,393) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$18,775 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, 2022. The \$146,031 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next three years. The \$288,348 balance of the deferred inflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next four years.

(19) Segment Information for Enterprise Funds.

The County maintains three enterprise funds, which provide recreation and community services, rental services and food services. Summary financial information for each enterprise fund is presented for the year ended September 30, 2021.

Condensed Statement of Net Position:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Current assets	\$ 163,426	267,741	461,314	892,481
Capital assets	4,202	5,440,781	1,445,196	6,890,179
Deferred outflows of resources		30,676	134,130	164,806
Total Assets and Deferred Outflows of Resources	<u>167,628</u>	<u>5,739,198</u>	<u>2,040,640</u>	<u>7,947,466</u>
Current liabilities	3,445	28,051	30,640	62,136
Noncurrent liabilities		201,886	937,133	1,139,019
Deferred inflows of Resources		58,284	230,064	288,348
Total Liabilities and Deferred inflows of Resources	<u>3,445</u>	<u>288,221</u>	<u>1,197,837</u>	<u>1,489,503</u>
Net position:				
Net Investment in capital assets	4,202	5,440,781	1,445,196	6,890,179
Restricted	159,981	10,196		170,177
Unrestricted			(602,393)	(602,393)
Total Net Position	<u>\$ 164,183</u>	<u>5,450,977</u>	<u>842,803</u>	<u>6,457,963</u>

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Operating revenues	\$ 139,361	272,786	879,489	1,291,636
Operating expenses	144,749	229,638	979,818	1,354,205
Depreciation expenses		314,439	89,340	403,779
Operating Income (Loss)	<u>(5,388)</u>	<u>(271,291)</u>	<u>(189,669)</u>	<u>(466,348)</u>
Nonoperating revenues	<u>3,367</u>	<u>5,433</u>	<u>9,738</u>	<u>18,538</u>
Change in Net Position	<u>(2,021)</u>	<u>(265,858)</u>	<u>(179,931)</u>	<u>(447,810)</u>
Net position - Beginning, as previously reported	166,206	5,703,341	1,033,610	6,903,157
Prior Period Adjustments	<u>(2)</u>	<u>13,494</u>	<u>(10,876)</u>	<u>2,616</u>
Net Position - Beginning, as restated	<u>166,204</u>	<u>5,716,835</u>	<u>1,022,734</u>	<u>6,905,773</u>
Net Position - Ending	<u>\$ 164,183</u>	<u>5,450,977</u>	<u>842,803</u>	<u>6,457,963</u>

Condensed Statement of Cash Flows:

	ADC Canteen Fund	Ocean Springs Harbor Fund	Golf Course Fund	Total
Net cash provided (used) by:				
Operating activities	\$ (7,356)	72,178	(87,501)	(22,679)
Capital and related financing activities		(34,225)	(34,939)	(69,164)
Investing activities	<u>3,367</u>	<u>5,434</u>	<u>11,265</u>	<u>20,066</u>
Net increase (decrease) in cash	<u>(3,989)</u>	<u>43,387</u>	<u>(111,175)</u>	<u>(71,777)</u>
Cash - Beginning of Year	167,415	224,354	572,489	964,258
Adjustment to Beginning of Year Cash	<u>(1,123)</u>			<u>(1,123)</u>
Cash - End of Year	<u>\$ 162,303</u>	<u>267,741</u>	<u>461,314</u>	<u>891,358</u>

(20) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southern Mississippi Planning and Development District operates in a district composed of the counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The governing body is a 27-member board of directors, one appointed by the Board of Supervisors of each member county, one from each of the six participating cities and six appointed at large by minority members. The County appropriated \$34,917 for support of Southern Mississippi Planning and Development District in fiscal year 2021.

Jackson County Civic Action is jointly governed by various public entities, as well as by certain corporations and civic groups. The Jackson County Board of Supervisors appoints two of the 15 members of the board of directors. The County appropriated \$197,282 for support of the Jackson County Civic Action in fiscal year 2021.

Jackson County Economic Development Foundation is jointly governed by various public entities, as well as by certain corporations. The Jackson County Board of Supervisors appoints two of the 16 members of the board of

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

directors. The County appropriated \$592,424 for support of the Jackson County Economic Development Foundation in fiscal year 2021.

Gulf Regional Planning and Development District operates in a district composed of the counties of Hancock, Harrison and Jackson. The governing body is a nine-member board of directors; three appointed by the Board of Supervisors of each member county. The County appropriated \$30,835 for support of Gulf Regional Planning and Development District in fiscal year 2021.

Harrison-Jackson County Emergency Medical Service District operates in a district composed of the counties of Harrison and Jackson and the cities of Biloxi, Gulfport and Ocean Springs. The District's Board is composed of five members, one appointed by each government. The County provided no financial support to Harrison-Jackson County Emergency Medical Service District in fiscal year 2021.

LaPointe-Krebs Foundation is jointly governed by Jackson County, the City of Pascagoula and Jackson County Historical and Genealogical Society. The Jackson County Board of Supervisors appoints two of the five members of the board of directors. The County appropriated \$50,000 for financial support to the LaPointe-Krebs Foundation in fiscal year 2021.

Mississippi Gulf Coast Community College operates in a district composed of the counties of George, Harrison, Jackson and Stone. The College's board of trustees is composed of 23 members; three each appointed by George and Stone counties, eight each appointed by Harrison and Jackson counties, and one appointed at large. The County appropriated \$9,034,883 for maintenance and support of the college in the fiscal year 2021.

Mississippi Regional Housing Authority IV operates in a district composed of the counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The governing body is a 15-member board of commissioners; one appointed by the Board of Supervisors of each of the member counties and one appointed at large. The counties generally provide no financial support to the organization.

(21) Tax Abatements.

As of September 30, 2021, Jackson County provides tax exempt status to eleven property holdings companies, two industrial engineering companies, one power plant, one pharmaceutical company, one oil refinery, one maritime transportation provider, one shipbuilder, one natural gas company, one optical lab, one flooring contractor, and one assisted living facility subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for the levies involving the school, community college, mandatory mill and other non-exempt tax levy millage for general county and road maintenance. The exemptions are authorized under Section 27-31-101, 27-31-104, 27-31-105 and 17-21-7 of the *Mississippi Code of 1972 Annotated*. The exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2021 totaled \$26,960,188.

(22) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the Statement of Net Position date, require disclosure in the accompanying notes. Management of Jackson County evaluated the activity of the County through January 9, 2023, and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

JACKSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Subsequent to September 30, 2021, the County issued the following debt obligation:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/01/2021	1.47%	\$ 18,465,000	General Obligation Refunding Bond, Series 2021A	Ad valorem taxes

The Jackson County Board of Supervisors in their November 14, 2022 board meeting passed the motion to approve the issuance of a Request for Proposals for the sale of Singing River Health Systems. Singing River Health System is a community hospital owned by Jackson County, Mississippi and governed by its Board of Trustees in accordance with *Section 41-31-10 et seq., Mississippi Code of 1972 Annotated*. The Board of Supervisors of Jackson County has determined that the healthcare interests of the citizens of the County and the community will best be preserved by the sale of Singing River Health System, pursuant to *Section 41-13-15(10), Mississippi Code of 1972 Annotated*. Jackson County anticipates the selection of highest and best proposal to be selected in April 2023.

JACKSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

JACKSON COUNTY

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JACKSON COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2021
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 53,216,378	55,134,943	55,134,933	(10)
Licenses, commissions and other revenue	2,634,200	3,284,040	3,278,943	(5,097)
Fines and forfeitures	1,303,000	1,195,002	1,195,001	(1)
Intergovernmental revenues	10,454,320	11,385,191	11,385,190	(1)
Charges for services	555,000	1,096,838	1,096,838	
Interest income	1,355,000	1,605,918	1,566,839	(39,079)
Miscellaneous revenues	1,574,513	1,517,035	1,461,246	(55,789)
Total Revenues	<u>71,092,411</u>	<u>75,218,967</u>	<u>75,118,990</u>	<u>(99,977)</u>
EXPENDITURES				
Current:				
General government	39,480,554	37,762,471	33,821,276	3,941,195
Public safety	22,685,451	20,963,405	20,313,404	650,001
Public works	2,871,467	2,172,568	2,172,568	
Health and welfare	2,875,005	2,759,254	2,759,254	
Culture and recreation	4,713,994	4,912,761	4,912,761	
Education	350,000	350,000	350,000	
Conservation of natural resources	277,222	215,862	215,862	
Economic development and assistance	2,313,815	2,436,518	2,436,518	
Debt service:				
Principal		1,390,000	1,390,000	
Interest		714,882	714,882	
Total Expenditures	<u>75,567,508</u>	<u>73,677,721</u>	<u>69,086,525</u>	<u>4,591,196</u>
Excess of Revenues over (under) Expenditures	<u>(4,475,097)</u>	<u>1,541,246</u>	<u>6,032,465</u>	<u>4,491,219</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets		461,717	235,557	(226,160)
Compensation for loss of capital assets			193,927	193,927
Transfers in	50,000		31,270	31,270
Transfers out	(635,000)	(473,845)	(5,066,970)	(4,593,125)
Other financing sources			69,131	69,131
Total Other Financing Sources and Uses	<u>(585,000)</u>	<u>(12,128)</u>	<u>(4,537,085)</u>	<u>(4,524,957)</u>
Net Change in Fund Balance	(5,060,097)	1,529,118	1,495,380	(33,738)
Fund Balances - Beginning	<u>51,213,717</u>	<u>51,213,717</u>	<u>55,006,440</u>	<u>3,792,723</u>
Fund Balances - Ending	<u>\$ 46,153,620</u>	<u>52,742,835</u>	<u>56,501,820</u>	<u>3,758,985</u>

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

JACKSON COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
Road Fund
For the Year Ended September 30, 2021
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 16,078,742	16,590,595	16,590,595	
Road and bridge privilege taxes		1,906,924	1,906,924	
Intergovernmental revenues		7,248,607	7,099,936	(148,671)
Interest income		374,466	360,427	(14,039)
Miscellaneous revenues		75,119	75,119	
Total Revenues	<u>16,078,742</u>	<u>26,195,711</u>	<u>26,033,001</u>	<u>(162,710)</u>
EXPENDITURES				
Current:				
Public works	<u>21,939,672</u>	<u>22,188,801</u>	<u>22,188,801</u>	
Total Expenditures	<u>21,939,672</u>	<u>22,188,801</u>	<u>22,188,801</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(5,860,930)</u>	<u>4,006,910</u>	<u>3,844,200</u>	<u>(162,710)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets		174,160	174,160	
Transfers in		1,660,829	1,660,829	
Other financing sources			11,741	11,741
Total Other Financing Sources and Uses	<u>0</u>	<u>1,834,989</u>	<u>1,846,730</u>	<u>11,741</u>
Net Change in Fund Balance	<u>(5,860,930)</u>	<u>5,841,899</u>	<u>5,690,930</u>	<u>(150,969)</u>
Fund Balances - Beginning	<u>15,167,263</u>	<u>15,167,263</u>	<u>15,167,263</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 9,306,333</u>	<u>21,009,162</u>	<u>20,858,193</u>	<u>(150,969)</u>

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

JACKSON COUNTY

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

Last 10 Fiscal Years*

For the Year Ended September 30, 2021

UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.539602%	0.516617%	0.509584%	0.501612%	0.489852%	0.473641%	0.471858%	0.473705%
County's proportionate share of the net pension liability (asset)	\$ 79,755,535	100,011,048	89,645,880	83,432,978	81,430,028	84,604,109	72,939,942	57,499,113
Covered payroll	\$ 35,878,008	34,397,933	33,228,661	32,032,743	31,424,337	30,299,987	29,478,997	28,932,660
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.30%	290.75%	269.78%	260.46%	259.13%	279.22%	247.43%	198.73%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

JACKSON COUNTY
Schedule of County Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 6,234,416	6,067,237	5,444,252	5,083,533	4,969,910	4,987,616	4,672,783	4,374,610
Contributions in relation to the contractually required contribution	<u>6,234,416</u>	<u>6,067,237</u>	<u>5,444,252</u>	<u>5,083,533</u>	<u>4,969,910</u>	<u>4,987,616</u>	<u>4,672,783</u>	<u>4,374,610</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 35,829,975	34,869,178	33,627,252	32,276,394	31,554,984	31,667,403	29,668,463	27,775,302
Contributions as a percentage of covered payroll	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY
Schedule of the Singing River Mental Health/Mental Retardation Services' Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended June 30, 2021
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014
Agency's proportion of the net pension liability (asset)	0.066927%	0.06641%	0.06449%	0.06370%	0.06374%	0.05918%	0.05775%	0.06584%
Agency's proportionate share of the net pension liability (asset)	\$ 9,892,103	12,856,011	11,345,415	10,595,203	10,595,918	10,570,668	8,927,011	7,991,528
Covered payroll	\$ 4,207,996	4,175,427	3,798,259	4,074,235	4,094,756	3,798,451	3,607,867	4,023,060
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	235.08%	307.90%	298.70%	260.05%	258.77%	278.29%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

JACKSON COUNTY

Schedule of Singing River Mental Health/Mental Retardation Services' Contributions

Last 10 Fiscal Years*

For the Year Ended June 30, 2021

UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 774,293	769,443	659,331	641,692	644,924	598,256	568,239	633,632
Contributions in relation to the contractually required contribution	<u>774,293</u>	<u>769,443</u>	<u>659,331</u>	<u>641,692</u>	<u>644,924</u>	<u>598,256</u>	<u>568,239</u>	<u>633,632</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Agency's covered payroll	\$ 4,449,960	4,422,086	3,789,259	4,074,235	4,094,756	3,798,451	3,607,867	4,023,060
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY
Schedule of West Jackson County Utility District's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.019484%	0.019785%	0.019458%	0.019325%	0.018702%	0.017428%	0.017788%
District's proportionate share of the net pension liability (asset)	\$ 2,879,885	3,830,066	3,422,981	3,214,322	3,108,847	3,113,046	2,749,674
Covered payroll	\$ 1,295,517	1,317,408	1,267,225	1,159,351	1,199,721	1,049,607	1,050,351
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.23%	290.73%	286.29%	277.25%	259.13%	296.59%	261.79%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

JACKSON COUNTY
Schedule of the West Jackson County Utility District's Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 225,678	220,028	205,438	195,483	194,477	181,573	176,083
Contributions in relation to the contractually required contribution	<u>225,678</u>	<u>220,028</u>	<u>205,438</u>	<u>195,483</u>	<u>194,477</u>	<u>181,573</u>	<u>176,083</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
District's covered payroll	\$ 1,297,002	1,264,529	1,269,154	1,241,162	1,234,775	1,152,844	1,117,987
Contributions as a percentage of covered payroll	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY

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

Last 10 Fiscal Years*

For the Year Ended September 30, 2021

UNAUDITED

		<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)		0.0023%	0.0024%	0.0024%	0.0022%	0.0021%	0.0020%	0.0019%
District's proportionate share of the net pension liability (asset)	\$	339,950	464,612	422,207	365,925	349,091	357,250	293,703
Covered payroll	\$	153,103	162,476	149,937	143,228	133,507	131,013	122,469
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		222.04%	285.96%	281.59%	255.48%	261.48%	272.68%	239.82%
Plan fiduciary net position as a percentage of the total pension liability		70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

JACKSON COUNTY
Schedule of Jackson County Emergency Communications District's Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 24,715	28,638	24,785	22,948	21,563	20,741	19,557
Contributions in relation to the contractually required contribution	<u>24,715</u>	<u>28,638</u>	<u>24,785</u>	<u>22,948</u>	<u>21,563</u>	<u>20,741</u>	<u>19,557</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
District's covered payroll	\$ 142,041	164,581	152,880	145,700	136,907	131,687	124,172
Contributions as a percentage of covered payroll	17.40%	17.40%	16.21%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY
Schedule of the Jackson County Port Authority's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2021
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014
Agency's proportion of the net pension liability (asset)	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%	0.04%	0.04%
Agency's proportionate share of the net pension liability (asset)	\$ 7,390,219	9,679,418	8,795,987	8,316,486	8,311,697	8,931,249	6,183,211	4,855,268
Agency's covered payroll	\$ 3,164,212	3,026,509	3,039,943	2,934,751	3,044,989	2,934,854	2,705,372	2,601,067
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	233.56%	319.82%	289.35%	283.38%	272.96%	304.32%	228.55%	186.66%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

JACKSON COUNTY
Schedule of Jackson County Port Authority's Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 555,067	529,253	492,684	462,097	463,312	460,853	436,597	409,981
Contributions in relation to the contractually required contribution	<u>555,067</u>	<u>529,253</u>	<u>492,684</u>	<u>462,097</u>	<u>463,312</u>	<u>460,853</u>	<u>436,597</u>	<u>409,981</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Agency's covered payroll	\$ 3,190,489	3,041,686	3,056,771	2,933,947	2,941,658	2,926,051	2,772,041	2,603,053
Contributions as a percentage of covered payroll	17.40%	17.40%	16.12%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY
Schedule of the Jackson-George Regional Library's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Agency's proportion of the net pension liability (asset)	0.034%	0.034%	0.033%	0.033%	0.032%	0.032%	0.033%
Agency's proportionate share of the net pension liability (asset)	\$ 5,025,349	6,582,005	5,805,351	5,488,880	5,319,486	5,715,999	5,101,149
Agency's covered payroll	\$ 2,256,400	2,229,425	2,136,660	2,112,499	2,073,154	2,052,064	2,052,828
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.72%	295.23%	271.70%	259.83%	256.59%	278.55%	248.49%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

JACKSON COUNTY
Schedule of Jackson-George Regional Library's Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 390,323	395,317	344,018	337,846	326,930	323,364	323,513
Contributions in relation to the contractually required contribution	<u>390,323</u>	<u>395,317</u>	<u>344,018</u>	<u>337,846</u>	<u>326,930</u>	<u>323,364</u>	<u>323,513</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Library System's covered payroll	\$ 2,243,236	2,271,926	2,128,916	2,144,467	2,075,751	2,053,104	2,054,046
Contributions as a percentage of covered payroll	17.40%	17.40%	16.16%	15.75%	15.75%	15.75%	15.75%

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

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

JACKSON COUNTY

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

Last 10 Fiscal Years*

For the Year Ended September 30, 2021

UNAUDITED

	2021	2020	2019	2018
Service cost	\$ 312,021	393,097	378,342	272,457
Interest	61,535	86,884	121,473	102,250
Changes of benefit terms				
Difference between expected and actual experience		14,000		(950,451)
Changes in assumptions or other inputs		(1,550,507)		1,060,569
Benefit payments / refunds	(46,914)	(27,295)	(25,332)	(34,885)
Net change in total OPEB liability	326,642	(1,083,821)	474,483	449,940
Total OPEB liability - beginning	2,610,379	3,694,200	3,219,717	2,769,777
Total OPEB liability - ending	\$ 2,937,021	2,610,379	3,694,200	3,219,717
Covered-employee payroll	\$ 30,416,360	29,819,961	28,278,060	27,723,588
Total OPEB liability as a percentage of covered-employee payroll	9.7%	8.8%	13.1%	11.6%

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

2021	2.14%
2020	2.14%
2019	3.40%
2018	3.40%

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

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

JACKSON COUNTY

Schedule of the Jackson-George Regional Library System's Proportionate Share of the Net OPEB Liability

Last 10 Fiscal Years*

For the Year Ended September 30, 2021

UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Agency's proportion of the net OPEB liability	0.0558%	0.0567%	0.0560%	0.0560%
Agency's proportionate share of the net OPEB liability	\$ 359,235	441,477	470,737	432,991
Agency's covered-employee payroll	\$ 2,256,400	2,229,425	2,136,660	2,112,499
Agency's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	15.92%	19.80%	22.03%	20.50%
Plan fiduciary net position as a percentage of the total OPEB liability	0.16%	0.13%	0.12%	0.13%

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

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

JACKSON COUNTY

Schedule of the Jackson-George Regional Library System's Contributions - OPEB

Last 10 Fiscal Years*

For the Year Ended September 30, 2021

UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 14,436	17,606	18,869	19,284
Contributions in relation to the contractually required contributions	<u>14,436</u>	<u>17,606</u>	<u>18,869</u>	<u>19,284</u>
Contributions deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Agency's covered-employee payroll	\$ 2,243,236	2,271,926	2,128,916	2,144,467
Contributions as a percentage of covered-employee payroll	0.64%	0.77%	0.89%	0.90%

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

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

JACKSON COUNTY

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JACKSON COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2021 UNAUDITED

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	Governmental Fund Types	
	General Fund	Road Fund
Budget (Cash Basis)	\$ 1,495,380	5,690,930
Increase (Decrease)		
Net adjustments for revenue accruals	66,389	(1,517,280)
Net adjustments for expenditure accruals	860,553	1,023,165
GAAP Basis	\$ 2,422,322	5,196,815

JACKSON COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2021 UNAUDITED

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

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

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

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

2019

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

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

For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

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

For males, 137% of male rates at all ages.

For females, 115% of female rates at all ages.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

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

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

JACKSON COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2021 UNAUDITED

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%.

2021

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

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.

For females, 84% of female rates up to age 72, 100% for ages above 76.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

For males, 134% of male rates at all ages.

For females, 121% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B)

Contingent Annuitant Table with the following adjustments:

For males, 97% of male rates at all ages.

For females, 110% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

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.

JACKSON COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2021 UNAUDITED

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, 2019 valuation for the June 30, 2021 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	28.8 years
Asset valuation method	5-year smoothed market
Price inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

OPEB Schedules

Component Unit – Jackson-George Regional Library System

A. Changes of assumptions.

2017

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

2018

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

2019

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

2020

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

2021

The discount rate was changed from 2.19% for the prior Measurement Date to 2.13% for the current Measurement Date.

B. Changes in Benefit Provisions.

2017: None.

JACKSON COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2021 UNAUDITED

2018: None.

2019: None.

2020: The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for the Select coverage and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

2021: The schedule of monthly retiree contributions was increased as of January 1, 2022. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

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

The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from June 30, 2020 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2021:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75 percent
Salary increases, including wage inflation	3.00 percent to 18.25 percent
Initial health care cost trend rate	
Medicare Supplemental Claims Pre-Medicare	7.00 percent
Ultimate health care cost trend rates	
Medicare Supplemental Claims Pre-Medicare	4.75 percent
Years of ultimate trend rates	
Medicare Supplemental Claims Pre-Medicare	2028
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	2.19 percent

JACKSON COUNTY

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JACKSON COUNTY

SUPPLEMENTARY INFORMATION

JACKSON COUNTY

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JACKSON COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal ALN	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of the Interior - Fish and Wildlife Service Passed-through the Mississippi Department of Marine Resources Clean vessel act	15.616	F18AP00847-02	\$ 15,000
U.S. Department of the Interior - Fish and Wildlife Service National wildlife refuge fund (Direct Award)	15.659	N/A	59,574
U.S. Department of the Interior - National Park Service Passed-through the Mississippi Department of Marine Resources Heritage partnership	15.939	P11AC91073	15,688
Total U.S. Department of the Interior			90,262
U.S. Department of Justice - Office of Justice Programs Coronavirus emergency supplemental funding program (Direct	16.034	N/A	3,130
Juvenile justice and delinquency prevention (Direct Award)	16.540	N/A	4,128
U.S. Department of Justice - Office of Criminal Division Equitable sharing program (Direct Award)	16.922	N/A	9,662
Total U.S. Department of Justice			16,920
U.S. Department of Transportation - Federal Aviation Administration Airport improvement program (Direct Award)	20.106	N/A	267,069
Airport improvement program (Direct Award)	20.106	N/A	3,119
Airport improvement program (Direct Award)	20.106	N/A	23,000
Subtotal			293,188
U.S. Department of Transportation - Federal Highway Administration Passed-through the Mississippi Department of Transportation Highway planning and construction cluster: Highway planning and construction	20.205	STP-9385-00(022)LPA 108514-711000	39,034
Total Highway planning and construction cluster:			39,034
Total U.S. Department of Transportation			332,222
U.S. Department of the Treasury Passed-through the Mississippi Supreme Court, Office of the Courts Coronavirus relief fund	21.019	1728-30IC-09102020	1,989
Coronavirus relief fund	21.019	1728-30Y-09102020	1,326
Subtotal			3,315
Total U.S. Department of the Treasury			3,315

JACKSON COUNTY

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2021

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal ALN	Pass-through Entity Identifying Number	Federal Expenditures
Executive Office of the President			
Passed-through the Mississippi Department of Public Safety - Bureau of High intensity drug trafficking areas program	95.001	G20-GC0003A	12,065
Total Executive Office of the President			12,065
U.S. Department of Homeland Security			
Passed-through the Mississippi Emergency Management Agency			
Disaster grants - public assistance (Presidentially declared disasters)*	97.036	4350-DR-MS	1,653,120
Disaster grants - public assistance (Presidentially declared disasters)*	97.036	4576-DR-MS	6,114,606
Disaster grants - public assistance (Presidentially declared disasters)*	97.036	4528-DR-MS	118,370
Subtotal			7,886,096
Emergency management performance grants	97.042	EMA-2021-EP-APP-00016	101,915
Passed-through the Mississippi Department of Public Safety			
Homeland security grant program	97.067	S19LE030	143,776
Homeland security grant program	97.067	S20LE030	190,424
Subtotal			334,200
Total U.S. Department of Homeland Security			8,322,211
Total Expenditures of Federal Awards			\$ 8,776,995

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Jackson County under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jackson County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Jackson County.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credit made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

Jackson County has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D - ALN #15.659 National wildlife refuge fund

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$26,248 to subrecipients during the year ended September 30, 2021.

* Denotes major federal award program

JACKSON COUNTY

OTHER INFORMATION

JACKSON COUNTY

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JACKSON COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2021
UNAUDITED

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

JACKSON COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2021
UNAUDITED

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

JACKSON COUNTY

SPECIAL REPORTS

JACKSON COUNTY

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

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

Members of the Board of Supervisors
Jackson County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, the major funds, and the aggregate remaining fund information of Jackson County, Mississippi (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 9, 2023.

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

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as 2021-001, 2021-002 and 2021-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jackson County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters, that we have reported to the management of Jackson County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated January 9, 2023, included within this document.

Jackson County's Responses to Findings

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

Purpose of this Report

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

January 9, 2023



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

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

Members of the Board of Supervisors
Jackson County, Mississippi

Report on Compliance for the Major Federal Program

We have audited Jackson County, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Jackson County, Mississippi's major federal program for the year ended September 30, 2021. Jackson County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Jackson County, Mississippi's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jackson County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, Jackson County, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of Jackson County, Mississippi is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jackson County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



JOE E. MCKNIGHT CPA
Director, County Audit Section

January 9, 2023



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

**INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM,
INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES
(REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE OF 1972 ANNOTATED)**

Members of the Board of Supervisors
Jackson County, Mississippi

We have examined Jackson County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated* during the year ended September 30, 2021. The Board of Supervisors of Jackson County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Jackson County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

The results of our audit procedures disclosed a certain instance of noncompliance with the aforementioned code sections. This instance of noncompliance was considered in forming our opinion on compliance. Our finding and recommendation and your response are disclosed below:

Board of Supervisors / Inventory Control Clerk.

1. The County should maintain adequate subsidiary records for construction in progress.

Repeat Finding No

Criteria *Section 31-7-107, Mississippi Code of 1972 Annotated*, requires the Inventory Control Clerk to maintain an inventory control system. An effective system of inventory control over capital assets should include adequate subsidiary records documenting the existence, completeness, and valuation of construction in progress.

Condition	Control procedures were insufficient for maintaining adequate subsidiary records for construction in progress. The County was unable to document a complete listing of construction in progress at fiscal year-end.
Cause	The County lacked the necessary controls and communication between departments to maintain adequate subsidiary records for construction in progress.
Effect	The failure to properly maintain adequate subsidiary records for construction in progress could result in the reporting of inaccurate amounts and increases the possibility of the loss or misappropriation of public funds.
Recommendation	The County should implement appropriate control procedures to ensure that adequate subsidiary records for construction in progress are maintained. The information in the County's records for construction in progress should be reconciled by all appropriate department heads at year-end to ensure those records are accurate and complete.
Views of Responsible Official(s)	The County will implement controls to ensure that subsidiary records for construction in progress are maintained and reconciled at year-end.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Jackson County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2021.

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

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

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

January 9, 2023

JACKSON COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder
For the Year Ended September 30, 2021

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

JACKSON COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2021

Schedule 2

Our tests did not identify any emergency purchases.

JACKSON COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2021

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

JACKSON COUNTY

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

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Jackson County, Mississippi

In planning and performing our audit of the financial statements of Jackson County, Mississippi for the year ended September 30, 2021, we considered Jackson County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Jackson County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated January 9, 2023, on the financial statements of Jackson County, Mississippi.

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

The results of our review procedures and compliance tests identified a certain immaterial instance of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response are disclosed below:

Board of Supervisors.

1. The Board of Supervisors should ensure compliance with state laws over the Public Employees' Retirement and Disability Benefits.

Repeat Finding No

Criteria *Section 25-11-103, Mississippi Code of 1972 Annotated*, defines earned compensation as the full amount earned during a fiscal year by an employee not to exceed the employee compensation limit set pursuant to Section 401(a)(17) of the Internal Revenue Code. Furthermore, *Section 25-11-103(1)(k)(v), Mississippi Code of 1972 Annotated*, states compensation in addition to an employee's base salary that is paid to the employees under the vacation and sick leave policies of a municipality or other political subdivision of the state that employs him or her that exceeds the maximum authorized by *Section 25-3-91 et seq.* shall be excluded from the calculation of earned compensation.

Condition During our test work for contributions made to the Public Employees' Retirement System (PERS), we noted seven (7) payments to employees upon their termination that did not include the required

employee withholdings for PERS contributions. These payments were for regular wages and/or lump sum payments for accrued vacation leave. The amounts paid for accrued vacation leave did not exceed the maximum amount authorized by *Section 25-3-91*.

Cause The County lacked internal controls to ensure the required employee contributions to PERS are being made.

Effect Failure to withhold required amounts from employee wages could result in insufficient payments to PERS.

Recommendation The County should ensure employee contributions to PERS are withheld on all earned compensation as required by state law.

Views of Responsible

Official(s) The County will comply with the auditor's recommendation.

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

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

January 9, 2023

JACKSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JACKSON COUNTY

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JACKSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Section 1: Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

- | | | |
|-----|---|---------------|
| 4. | Internal control over major federal programs: | |
| a. | Material weakness identified? | No |
| b. | Significant deficiency identified? | None reported |
| 5. | Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 6. | Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. | Identification of major federal programs: | |
| | ALN #97.036, Disaster grants - public assistance (Presidentially declared disasters) | |
| 8. | Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. | Auditee qualified as low-risk auditee? | No |
| 10. | Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | No |

Section 2: Financial Statement Findings

Board of Supervisors / Inventory Control Clerk.

Material Weakness

2021-001. The County should maintain adequate subsidiary records for construction in progress.

Repeat Finding No

Criteria An effective system of internal control over capital assets should include adequate subsidiary records documenting the existence, completeness, and valuation of construction in progress.

Condition Control procedures were insufficient for maintaining adequate subsidiary records for construction in progress. The County was unable to document a complete listing of construction in progress at

JACKSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

fiscal year-end.

Cause	The County lacked the necessary controls and communication between departments to maintain adequate subsidiary records for construction in progress
Effect	The failure to properly maintain adequate subsidiary records for construction in progress could result in the reporting of inaccurate amounts and increases the possibility of the loss or misappropriation of public funds.
Recommendation	The County should implement appropriate control procedures to ensure that adequate subsidiary records for construction in progress are maintained. The information in the County's records for construction in progress should be reconciled by all appropriate department heads at year-end to ensure those records are accurate and complete.

Views of Responsible Official(s) See Auditee's Corrective Action Plan.

Board of Supervisors.

Material Weakness

2021-002. The County did not complete the federal grant activity schedule.

Repeat Finding No

Criteria An effective system of internal control over federal grants includes properly identifying all federal programs and the related expenditures.

Condition The County did not complete the federal grant activity schedule for the fiscal year ended September 30, 2021.

Cause This was caused by a lack of internal controls over federal grants.

Effect The failure to complete a federal grant activity schedule increases the possibility of not reporting all federal expenditures and could affect the requirement to have a Single Audit.

Recommendation The Board of Supervisors should implement controls to ensure the federal grant activity schedule is prepared each year.

Views of Responsible Official(s) See Auditee's Corrective Action Plan.

Material Weakness

2021-003. The Board of Supervisors should have adequate controls over beginning cash balances.

Repeat Finding No

Criteria An effective system of internal controls should include ensuring the prior year's general ledger accounts are closed out prior to recording beginning balances for the new fiscal year.

Condition During our audit, we noted that the beginning balances for cash did not agree to the prior year's ending balances.

JACKSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Cause	The County lacks the necessary internal controls to ensure the accurate recording of beginning cash balances.
Effect	Failure to accurately record beginning balances could result in a misappropriation of public funds.
Recommendation	The Board of Supervisors should improve internal controls over beginning cash balances.
Views of Responsible Official(s)	See Auditee's Corrective Action Plan.

Section 3: Federal Award Findings and Questioned Costs

The results of our test did not disclose any findings and questioned costs related to federal awards.

JACKSON COUNTY

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JACKSON COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN

JACKSON COUNTY BOARD OF SUPERVISORS

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BARRY CUMBEST
District One
2915 Canty Street
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877-542-0976 Toll Free
228-769-3475 Fax
Barry_Cumbest@co.jackson.ms.us

EMMIT MORRIS
District Two
2500 Criswell Avenue
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228-769-3170
228-762-6578 Fax
Emmit_Morris@co.jackson.ms.us

KENNETH TAYLOR
District Three
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228-762-7641
228-769-3363 Fax
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TROY ROSS
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Pascagoula, MS 39567
228-769-3457
877-542-0975 Toll Free
228-769-3482 Fax
Troy_Ross@co.jackson.ms.us

RANDY BOSARGE
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228-769-3378
228-696-6900 Fax
Randy_Bosarge@co.jackson.ms.us

Gateway to the
Mississippi Gulf Coast



CORRECTIVE ACTION PLAN

October 22, 2022

Office of the State Auditor
501 N. West Street, Suite 801
Jackson, Mississippi 39201

Gentlemen:

Jackson County respectfully submits the following corrective action plan for the year ended September 30, 2021.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

SECTION 2: FINANCIAL STATEMENT FINDINGS

- 2021-001. Corrective Action Planned: The County will implement controls to ensure that subsidiary records for construction in progress are maintained and reconciled at year end.
- Anticipated Completion Date: 9/30/2022
Name of Contact Person Responsible for Corrective Action: Suzanne Dombrowski, Financial Deputy Clerk
- 2021-002. Corrective Action Planned: The Board of Supervisors will implement controls to ensure the federal grant activity schedule is prepared timely.
- Anticipated Completion Date: 9/30/22
Name of Contact Person Responsible for Corrective Action: Sonya Carter, Grants Director
- 2021-003. Corrective Action Planned: The County will comply with the recommendations and implement additional controls.
- Anticipated Completion Date: 10/1/2021
Name of Contact Person Responsible for Corrective Action: Samantha Wells, Finance Director

Sincerely yours,


President, Board of Supervisors