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JASPER COUNTY, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
AND SPECIAL REPORTS

For the Year Ended September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Supervisors
Jasper County, Mississippi

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jasper County, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Jasper County, Mississippi's basic financial statements as listed in the table of contents.

Adverse Opinion on Aggregate Discretely Presented Component Unit

In our opinion, because of the significance of the matter described in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component unit of Jasper County, Mississippi, as of September 30, 2022, and the changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jasper County, Mississippi, as of September 30, 2022, 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.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Unit

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component unit on the aggregate discretely presented component unit has not been determined.

Membership in:

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



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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood, that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of County Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic

Independent Auditor's Report
Page 3

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

Jasper 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 an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Jasper 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. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Surety Bonds for County Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2025, on our consideration of Jasper County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jasper County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County, Mississippi's internal control over financial reporting and compliance.

Wolfe McDuff + Assoc

Pascagoula, Mississippi
January 16, 2025

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BASIC FINANCIAL STATEMENTS

For the Year Ended September 30, 2022

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

- ◆ Government-wide financial statements
 - Statement of Net Position
 - Statement of Activities

- ◆ Fund financial statements:
 - Governmental funds
 - Proprietary (enterprise) funds
 - Fiduciary funds

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

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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JASPER COUNTY, MISSISSIPPI
STATEMENT OF NET POSITION
September 30, 2022

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 20,058,583	88,355	20,146,938
Property tax receivable	10,728,525	-	10,728,525
Accounts receivable (net of allowance for uncollectibles of \$434,482)	-	108,621	108,621
Fines receivable (net of allowance for uncollectibles of \$2,741,785)	240,437	-	240,437
Leases receivable	1,719,960	-	1,719,960
Intergovernmental receivables	558,708	-	558,708
Other receivables	14,921	-	14,921
Internal balances	223,843	(223,843)	-
Prepaid expenses	45,153	-	45,153
Noncurrent assets:			
Capital assets:			
Land, improvements, and construction in progress	687,717	-	687,717
Other capital assets, net	27,423,914	17,185	27,441,099
Total capital assets, net	28,111,631	17,185	28,128,816
Total assets	61,701,761	(9,682)	61,692,079
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	1,668,589	39,762	1,708,351
Total deferred outflows of resources	1,668,589	39,762	1,708,351
LIABILITIES			
Current liabilities:			
Claims payable	755,600	97,666	853,266
Intergovernmental payables	218,035	-	218,035
Accrued interest payable	24,662	-	24,662
Long-term liabilities:			
Due within one year			
Capital debt	1,853,376	9,690	1,863,066
Due in more than one year			
Capital debt	3,232,284	818	3,233,102
Non-capital debt	151,023	-	151,023
Net pension liability	14,475,281	344,939	14,820,220
Total liabilities	20,710,261	453,113	21,163,374
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	20,874	497	21,371
Deferred revenues - property taxes	10,728,524	-	10,728,524
Deferred inflows related to leases	1,499,153	-	1,499,153
Total deferred inflows of resources	12,248,551	497	12,249,048
NET POSITION			
Net investment in capital assets	23,025,971	6,677	23,032,648
Restricted for:			
Expendable:			
General government	4,759,943	-	4,759,943
Public safety	38,547	-	38,547
Public works	4,065,177	-	4,065,177
Culture and recreation	77,454	-	77,454
Economic development and assistance	2,064,481	-	2,064,481
Unemployment compensation	25,000	-	25,000
Debt service	979,096	-	979,096
Unrestricted net position	(4,624,131)	(430,207)	(5,054,338)
Total net position	\$ 30,411,538	(423,530)	29,988,008

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

JASPER COUNTY, MISSISSIPPI
STATEMENT OF ACTIVITIES
For the year ended September 30, 2022

Exhibit 2

		Program revenue			Net (expense) revenue and changes in net position		
		Charges for	Operating	Capital Grants	Governmental	Business-	Total
	Expenses	service	Grants and Contributions	and Contributions	activities	type activities	
Governmental activities:							
General government	\$ (5,131,155)	257,897	10,095	1,591,103	(3,272,060)	-	(3,272,060)
Public safety	(3,707,557)	224,471	432,631	-	(3,050,455)	-	(3,050,455)
Public works	(5,998,844)	-	3,545,344	795,489	(1,658,011)	-	(1,658,011)
Health and welfare	(251,247)	-	19,517	-	(231,730)	-	(231,730)
Culture and recreation	(25,626)	-	-	-	(25,626)	-	(25,626)
Conservation of natural resources	(46,441)	-	-	-	(46,441)	-	(46,441)
Economic development and assistance	(283,831)	-	-	-	(283,831)	-	(283,831)
Interest on long-term debt	(102,271)	-	-	-	(102,271)	-	(102,271)
Pension expense	(1,402,114)	-	-	-	(1,402,114)	-	(1,402,114)
Total governmental activities	<u>(16,949,086)</u>	<u>482,368</u>	<u>4,007,587</u>	<u>2,386,592</u>	<u>(10,072,539)</u>	<u>-</u>	<u>(10,072,539)</u>
Business-type activities:							
Garbage and solid waste	(1,294,031)	1,146,327	-	-	-	(147,704)	(147,704)
Total business-type activities	<u>(1,294,031)</u>	<u>1,146,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,704)</u>	<u>(147,704)</u>
Total primary government	<u>\$ (18,243,117)</u>	<u>1,628,695</u>	<u>4,007,587</u>	<u>2,386,592</u>	<u>(10,072,539)</u>	<u>(147,704)</u>	<u>(10,220,243)</u>
General revenues:							
Taxes:							
Property taxes					10,739,068	-	10,739,068
Road & bridge privilege taxes					218,301	-	218,301
Grants and contributions not restricted to specific programs					2,266,227	-	2,266,227
Unrestricted investment earnings					59,439	-	59,439
Gain (loss) on the sale of capital assets					624,666	-	624,666
Miscellaneous					382,542	-	382,542
Transfers in (out)					(125,000)	125,000	-
Total general revenues and transfers					<u>14,165,243</u>	<u>125,000</u>	<u>14,290,243</u>
CHANGES IN NET POSITION					4,092,704	(22,704)	4,070,000
Net position - beginning, as previously reported					28,014,617	(400,826)	27,613,791
Prior period adjustments, Note 2					(1,695,783)	-	(1,695,783)
Net position - beginning, as restated					<u>26,318,834</u>	<u>(400,826)</u>	<u>25,918,008</u>
Net position - ending					<u>\$ 30,411,538</u>	<u>(423,530)</u>	<u>29,988,008</u>

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

FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

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JASPER COUNTY, MISSISSIPPI
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2022

Exhibit 3

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,264,387	11,794,196	20,058,583
Property tax receivable	6,759,256	3,969,269	10,728,525
Fines receivable (net of allowance for uncollectibles of \$2,741,785)	240,437	-	240,437
Lease receivable	113,125	1,606,835	1,719,960
Intergovernmental receivables	181,168	377,540	558,708
Other receivables	14,921	-	14,921
Due from other funds	9,518	60,169	69,687
Advances to other funds	<u>351,393</u>	<u>-</u>	<u>351,393</u>
Total assets	\$ <u>15,934,205</u>	<u>17,808,009</u>	<u>33,742,214</u>
LIABILITIES			
Liabilities:			
Claims payable	\$ 287,894	467,706	755,600
Intergovernmental payables	197,827	-	197,827
Due to other funds	72,434	-	72,434
Advances from other funds	<u>-</u>	<u>145,011</u>	<u>145,011</u>
Total liabilities	<u>558,155</u>	<u>612,717</u>	<u>1,170,872</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	6,759,255	3,969,269	10,728,524
Deferred inflows related to leases	86,683	1,412,470	1,499,153
Unavailable revenue - fines	<u>240,437</u>	<u>-</u>	<u>240,437</u>
Total deferred inflows of resources	<u>7,086,375</u>	<u>5,381,739</u>	<u>12,468,114</u>
FUND BALANCES			
Nonspendable:			
Advances	351,393	-	351,393
Restricted for:			
General government	-	4,759,943	4,759,943
Public safety	-	38,547	38,547
Public works	-	4,065,177	4,065,177
Culture and recreation	-	77,454	77,454
Economic development and assistance	-	1,843,674	1,843,674
Debt service	-	1,003,758	1,003,758
Unemployment compensation	-	25,000	25,000
Unassigned	<u>7,938,282</u>	<u>-</u>	<u>7,938,282</u>
Total fund balances	<u>8,289,675</u>	<u>11,813,553</u>	<u>20,103,228</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>15,934,205</u>	<u>17,808,009</u>	<u>33,742,214</u>

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

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

September 30, 2022

Total governmental funds balance	\$	20,103,228
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Amounts reported for governmental activities in the statement of net position are different than those reported in the fund financial statements because of the following:

Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$18,614,449.	28,111,631
--	------------

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	240,437
--	---------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(5,236,683)
--	-------------

Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(24,662)
---	----------

Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition and, therefore, are not reported in the funds.	45,153
---	--------

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	1,668,589
--	-----------

Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	(20,874)
---	----------

Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(14,475,281)
--	--------------

Net position of governmental activities	\$	<u>30,411,538</u>
--	-----------	--------------------------

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

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

For the Year Ended September 30, 2022

	Major Fund	Other	Total
	General Fund	Governmental Funds	Governmental Funds
REVENUES			
Property taxes	\$ 6,748,650	3,990,418	10,739,068
Road and bridge privilege taxes	-	218,301	218,301
Licenses, commissions, and other revenues	166,280	-	166,280
Fines and forfeitures	102,625	2,681	105,306
Intergovernmental revenues	1,922,083	6,738,323	8,660,406
Charges for services	36,400	183,478	219,878
Interest income	22,486	36,953	59,439
Miscellaneous	353,096	29,446	382,542
Total revenues	<u>9,351,620</u>	<u>11,199,600</u>	<u>20,551,220</u>
EXPENDITURES			
Current:			
General government	5,354,830	30,236	5,385,066
Public safety	3,437,906	592,537	4,030,443
Public works	-	7,933,178	7,933,178
Health and welfare	257,000	-	257,000
Culture and recreation	-	17,606	17,606
Conservation of natural resources	68,191	-	68,191
Economic development and assistance	-	286,963	286,963
Debt service:			
Principal	101,386	1,962,767	2,064,153
Interest	6,457	113,683	120,140
Total expenditures	<u>9,225,770</u>	<u>10,936,970</u>	<u>20,162,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>125,850</u>	<u>262,630</u>	<u>388,480</u>
OTHER FINANCING SOURCES (USES)			
Long-term capital debt issued	464,893	1,418,402	1,883,295
Proceeds from sale of capital assets	-	1,164,772	1,164,772
Compensation for loss of capital assets	5,279	83,628	88,907
Transfers in	-	230,734	230,734
Transfers out	(355,734)	-	(355,734)
Total other financing sources (uses)	<u>114,438</u>	<u>2,897,536</u>	<u>3,011,974</u>
Net changes in fund balances	240,288	3,160,166	3,400,454
Fund balances - beginning, as previously reported	<u>8,022,945</u>	<u>9,320,756</u>	<u>17,343,701</u>
Prior period adjustments, Note 2	<u>26,442</u>	<u>(667,369)</u>	<u>(640,927)</u>
Fund balances - beginning, as restated	<u>8,049,387</u>	<u>8,653,387</u>	<u>16,702,774</u>
Fund balances - ending	<u><u>\$ 8,289,675</u></u>	<u><u>11,813,553</u></u>	<u><u>20,103,228</u></u>

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

JASPER COUNTY, MISSISSIPPI

Exhibit 4-1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended September 30, 2022

Net change in fund balances - total governmental funds \$ 3,400,454

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$3,265,699 exceeded depreciation of \$1,597,289 in the current period.

1,668,410

In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$624,666 and the proceeds from the sale of \$1,253,679 in the current period.

(629,013)

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.

(9,096)

Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$2,064,153 exceeded debt proceeds of \$1,883,295.

180,858

Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:

Decrease in compensated absences liability	8,560
(Increase) in accrued interest payable	17,869
Increase in prepaids	(4,374)

Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:

Recording of pension expense for the current period	(1,402,114)
Recording of contributions made during the year	861,150

Changes in net position of governmental activities \$ 4,092,704

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

PROPRIETARY FUNDS FINANCIAL STATEMENTS

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JASPER COUNTY, MISSISSIPPI
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
September 30, 2022

Exhibit 5

	<u>Business-type Activities Solid Waste</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 88,355
Accounts receivable (net of allowance for uncollectibles of \$434,482)	<u>108,621</u>
Total current assets	<u>196,976</u>
Noncurrent assets:	
Capital assets:	
Other capital assets, net	<u>17,185</u>
Total noncurrent assets	<u>17,185</u>
Total assets	<u>214,161</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	<u>39,762</u>
Total deferred outflows of resources	<u>39,762</u>
LIABILITIES	
Current liabilities:	
Claims payable	97,666
Due to other funds	17,461
Advances from other funds	206,382
Finance purchase payable	<u>9,690</u>
Total current liabilities	<u>331,199</u>
Noncurrent liabilities:	
Finance purchase payable	818
Net pension liability	<u>344,939</u>
Total noncurrent liabilities	<u>345,757</u>
Total liabilities	<u>676,956</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	<u>497</u>
Total deferred inflows of resources	<u>497</u>
NET POSITION	
Net investment in capital assets	6,677
Unrestricted	<u>(430,207)</u>
Total net position	<u><u>\$ (423,530)</u></u>

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

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

For the Year Ended September 30, 2022

	<u>Business-type Activities Solid Waste</u>
OPERATING REVENUES	
Charges for services	\$ 1,146,327
Total operating revenues	<u>1,146,327</u>
OPERATING EXPENSES	
Personnel services	156,585
Pension expense	42,631
Contractual services	1,065,167
Materials and supplies	20,566
Depreciation	6,727
Indirect administrative cost	<u>1,945</u>
Total operating expenses	<u>1,293,621</u>
Operating income (loss)	<u>(147,294)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest expense	<u>(410)</u>
Net Income (Loss) Before Transfers	<u>(147,704)</u>
Transfers In	125,000
Change in net position	(22,704)
Net position - beginning	<u>(400,826)</u>
Net position - ending	<u><u>\$ (423,530)</u></u>

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

JASPER COUNTY, MISSISSIPPI
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended September 30, 2022

Exhibit 7

	<u>Business-type Activities Solid Waste</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,136,085
Payments to suppliers	(1,066,170)
Payments to employees	(176,592)
Net cash provided (used) by operating activities	(106,677)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to / from other funds	125,000
Net cash provided (used) in noncapital financing activities	125,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital debt	(9,439)
Interest paid on capital debt	(410)
Net cash (used) in capital and related financing activities	(9,849)
Net increase (decrease) in cash and cash equivalents	8,474
Beginning of the year	79,881
End of the year	<u>\$ 88,355</u>
<i>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</i>	
Operating income (loss)	\$ (147,294)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	6,727
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(10,242)
(Increase) decrease in deferred outflows of resources	9,785
Increase (decrease) in claims payable	21,508
Increase (decrease) in net pension liability	89,323
Increase (decrease) in deferred inflows of resources	(76,484)
Total Adjustments	40,617
Net cash provided (used) by operating activities	<u>\$ (106,677)</u>

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

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FIDUCIARY FUND FINANCIAL STATEMENTS

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JASPER COUNTY, MISSISSIPPI
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2022

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 170,431
Receivables:	
Due from other funds	<u>20,208</u>
Total assets	<u>190,639</u>
LIABILITIES	
Intergovernmental payables	<u>32,740</u>
Total liabilities	<u>32,740</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>157,899</u>
Total net position	<u>\$ 157,899</u>

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

JASPER COUNTY, MISSISSIPPI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended September 30, 2022

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 840,097
Licenses and fees collected for State	<u>145,452</u>
Total additions	<u>985,549</u>
DEDUCTIONS	
Payments of tax to other governments	806,404
Payments of licenses and fees to State	<u>225,750</u>
Total deductions	<u>1,032,154</u>
Net increase (decrease) in fiduciary net position	(46,605)
Net position - beginning	1,079,435
Prior period adjustment	<u>(874,931)</u>
Net position - beginning, as restated	<u>204,504</u>
Net position - ending	<u>\$ 157,899</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

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JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

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

◆ Jasper General Hospital

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

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

B. Individual Component Unit Disclosures

Blended Component Units

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

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

D. Measurement Focus and Basis of Accounting

The Government-wide, Proprietary Funds and Fiduciary Funds 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.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The County reports the following major Governmental Fund:

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

The County reports the following major Enterprise Fund:

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

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

- ◆ Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- ◆ Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
- ◆ Capital Projects Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUND TYPE

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FIDUCIARY FUND TYPE

- ◆ Custodial Funds - Custodial Funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets 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, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the County did not invest in any governmental securities during the fiscal year.

G. Receivables

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

H. Interfund Transactions and Balances

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

I. Prepaid Items

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Capital Assets

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

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

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

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

* Intangible assets for the County represent right-to-use leased assets and are capitalized as a group for reporting purposes. The estimated useful life is the term of the lease agreement. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized.

The term "depreciation" includes the amortization of intangible assets.

K. Deferred Outflows/Inflows of Resources

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 12 for additional details.

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

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

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

Deferred inflows related to leases - Deferred inflows of resources measured at the initial value of the lease receivable to reflect that the receivable relates to future periods.

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 12 for additional details.

L. Leases

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases* (GASB 87), to establish a single leasing model for accounting and reporting purposes. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. GASB 87 was implemented during fiscal year 2022.

The County uses the Federal Prime Borrowing Rate to calculate the present value of lease payments when the rate implicit in the lease is not known.

M. Pensions

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. 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 financed purchases and other commitments.

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

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

O. 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.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- ◆ *Nonspendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.
- ◆ *Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.
- ◆ *Unassigned fund balance* is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

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

P. 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.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. 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.

R. 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.

S. Changes in Accounting Standards

GASB 87, *Leases*, was implemented during fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments.

T. Use of Estimates

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 2. PRIOR PERIOD ADJUSTMENTS

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

Exhibit 2 – Statement of Activities – Governmental Activities.

<u>Explanation</u>	<u>Amount</u>
To implement lease accounting	\$ (1,449,356)
To correct prior years errors in recording fixed assets	(246,427)
Total prior period adjustment	<u>\$ (1,695,783)</u>

Exhibit 4 – Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

<u>Explanation</u>	<u>Amount</u>
To implement lease accounting	\$ (640,927)
Total prior period adjustment	<u>\$ (640,927)</u>

NOTE 3. DEPOSITS

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$20,317,369, and the bank balance was \$20,691,176. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 4. INTERFUND TRANSACTIONS AND BALANCES

The following is a summary of interfund balances at September 30, 2022:

A. Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ 9,518
Other Governmental Funds	Solid Waste Fund	7,943
Other Governmental Funds	General Fund	52,226
Custodial Funds	General Fund	20,208
Total		<u>\$ 89,895</u>

The receivable in the General Fund represents the calculated indirect costs for the fiscal year from the Solid Waste Fund representing user fees collected in September 2022 but settled in October 2022. Other Governmental and Custodial Fund receivables represent the tax revenue collected in September 2022, but not settled until October 2022. All interfund balances are expected to be repaid within one year from the date of the financial statement.

B. Advances to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ 206,382
General Fund	Other Governmental Funds	145,011
Total		<u>\$ 351,393</u>

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

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 230,734
Solid Waste Fund	General Fund	125,000
Total		<u>\$ 355,734</u>

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

NOTE 5. INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at September 30, 2022, consisted of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 147,032
Oil severance	327,036
Gas severance	50,504
Gasoline tax	34,136
Total Governmental Activities	<u>\$ 558,708</u>

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 6. CAPITAL ASSETS

The following is a summary of capital assets activity for the year ended September 30, 2022:

Capital Assets	Balance October 1, 2021	Increases	Decreases	Adjustments	Balance September 30, 2022
Governmental activities:					
<u>Non-depreciable capital assets:</u>					
Land	\$ 673,597	-	-	-	673,597
Construction in progress	4,128,342	729,826	-	(4,844,048)	14,120
Total non-depreciable capital assets:	4,801,939	729,826	-	(4,844,048)	687,717
<u>Depreciable capital assets:</u>					
Infrastructure	17,389,942	-	-	4,702,239	22,092,181
Buildings	10,264,416	-	-	-	10,264,416
Improvements - other than buildings	38,167	51,500	-	160,793	250,460
Mobile equipment	7,852,136	2,223,639	1,275,825	3,114,755	11,914,705
Furniture and equipment	1,228,703	260,734	74,307	-	1,415,130
Leased property under capital leases	3,124,744	-	-	(3,124,744)	-
Intangible right-to-use land	-	-	-	13,746	13,746
Intangible right-to-use equipment	-	-	-	87,725	87,725
Total depreciable capital assets	39,898,108	2,535,873	1,350,132	4,954,514	46,038,363
<u>Less accumulated depreciation for:</u>					
Infrastructure	5,390,231	446,047	-	1,520	5,837,798
Buildings	3,478,677	180,183	-	-	3,658,860
Improvements - other than buildings	30,534	2,060	-	-	32,594
Mobile equipment	6,807,508	828,435	653,730	1,021,640	8,003,853
Furniture and equipment	958,286	119,832	67,389	-	1,010,729
Leased property under capital leases	716,150	-	-	(716,150)	-
Intangible right-to-use land	-	3,187	-	6,374	9,561
Intangible right-to-use equipment	-	17,545	-	43,509	61,054
Total accumulated depreciation	17,381,386	1,597,289	721,119	356,893	18,614,449
Total depreciable capital assets, net	22,516,722	938,584	629,013	4,597,621	27,423,914
Total governmental activities	\$ 27,318,661	1,668,410	629,013	(246,427)	28,111,631

Total capital assets, net, excluding intangible right to use assets	\$ 28,080,775
Intangible right to use assets, net	30,856
Total capital assets, net, as reported in the statement of net position	<u>\$ 28,111,631</u>

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 6. CAPITAL ASSETS (continued)

	Balance October 1, 2021	Increases	Decreases	Adjustments	Balance September 30, 2022
Business-type activities:					
<u>Depreciable capital assets:</u>					
Mobile equipment	\$ -	-	-	37,366	37,366
Leased property under capital leases	37,366	-	-	(37,366)	-
Total depreciable capital assets	37,366	-	-	-	37,366
<u>Less accumulated depreciation for:</u>					
Mobile equipment	-	6,727	-	13,454	20,181
Leased property under capital leases	13,454	-	-	(13,454)	-
Total accumulated depreciation	13,454	6,727	-	-	20,181
Total depreciable capital assets, net	23,912	(6,727)	-	-	17,185
Total business-type activities	<u>\$ 23,912</u>	<u>(6,727)</u>	<u>-</u>	<u>-</u>	<u>17,185</u>

*The adjustments above for leased assets are a result of the implementation of GASB 87. Under the new guidance, leases that were previously reported as capital leases and whereby the asset conveys to the lessee at the conclusion of the lease, are now considered financed purchases. Since these assets are no longer considered leased assets, reclassifications have been made to report them in their respective category. Other adjustments are to reclassify completed construction in progress to infrastructure and to correct prior year errors in capital asset balances.

Depreciation expense was charged to the following functions for the year ended September 30, 2022 as follows:

Functions/Programs	Depreciation Expense
Governmental activities:	
General government	\$ 176,768
Public safety	300,981
Public works	1,111,520
Culture and recreation	8,020
Total governmental activities depreciation expense	<u>\$ 1,597,289</u>
Business-type activities:	
Solid waste	\$ 6,727
Total business-type activities depreciation expense	<u>\$ 6,727</u>

Commitments with respect to unfinished capital projects at September 30, 2022, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
SAP-31(62) Box Culvert CR 8	\$ 329,763	9/30/2023

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 7. CLAIMS AND JUDGMENTS

Risk Financing

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2022, to January 1, 2023. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

NOTE 8. LEASES

The County is a lessee for various non-cancellable leases of land and equipment. For leases that have a maximum possible term of 12 months or less at commencement, the County recognizes expense based on the provisions of the lease contract. For all other leases, other than short-term, the County recognized a lease liability and an intangible right-to-use lease asset.

At lease commencement, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized in depreciation on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The County generally uses the historical federal prime borrowing rate as the discount rate for leases unless the rate that the lessor charges is known.

The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a county or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the County and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 8. LEASES (continued)

As Lessee:

Governmental Activities:

Lease Assets

	Balance 10/1/2021	Additions	Amortization	Adjustments*	Balance 9/30/2022
Intangible right-to-use land	\$ -	-	3,187	7,372	4,185
Intangible right-to-use equipment	-	-	17,545	44,216	26,671
Total	\$ -	-	20,732	51,588	30,856

*Adjustments made to add intangible right-to-use assets due to implementation of GASB 87.

See Note 6 for further details regarding intangible right-to-use assets, which represents leased assets.

Lease Liabilities

	Balance 10/1/2021	Additions	Principal Payments	Adjustments*	Balance 9/30/2022
Land	\$ -	-	3,087	10,799	7,712
Equipment	-	-	17,339	60,702	43,363
Total	\$ -	-	20,426	71,501	51,075

*Adjustments made to add intangible right-to-use assets due to implementation of GASB 87.

The County has entered into certain leases for equipment and real property which do not give rise to property rights. Lease terms range from January 2016 through April 2026. Real property leased for the District 1 is renewed in three and a half year intervals. The lease agreements can only be cancelled if both parties agree. There are no options to extend the lease agreement and no variable payment options.

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
CR 173	4.75%	58 mos	3/1/2020	4/1/2025	\$ 200	1,146
Land at County Barn	4.75%	36 mos	1/9/2020	2/9/2023	100	6,566
Copier	5.25%	60 mos	8/5/2019	8/2/2024	394	8,599
Copier	5.25%	60 mos	8/5/2019	8/2/2024	789	17,239
Postage machine	3.25%	60 mos	4/5/2021	4/5/2026	366	14,825
Postage machine	3.5%	60 mos	3/30/2020	3/30/2026	94	2,700
					\$ 1,943	51,075

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 8. LEASES (continued)

The following is a schedule by years of the total payments due as of September 30, 2022:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 21,407	78
2024	20,053	881
2025	7,081	272
2026	2,534	28
Total	<u>\$ 51,075</u>	<u>1,259</u>

As Lessor:

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

The County has a non-cancellable lease with Jasper County Economic Development District that started on July 12, 2011. The lease had an original term of 10 year with monthly payments of \$1,000. On July 13, 2011, JCEDD assigned and sublet the property to Southern Industrial Technologies. On June 25, 2013, the lease agreement was modified to add \$22,000 of past due rent amortized over the remaining lease term. As of July 1, 2013, the total amount due per month is \$1,229. It is agreed that in the event Southern Industrial Technology pays rent when due, no demand will be made for the arrearage of \$22,000.

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

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

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 8. LEASES (continued)

On December 22, 2017, Jasper County entered into a non-cancellable lease agreement with Hol-Mac Corporation for the real estate purchase of property/premises for the expansion of a manufacturing facility. The lease stipulated that the lessee would pay monthly payments of \$1,899 commencing on December 22, 2017 for a term of ten years. At the end of the lease term, Hol-Mac Corporation has the option to purchase the premises for ten dollars.

On February 22, 2022, Jasper County entered into a non-cancellable lease agreement with Hol-Mac Corporation for the real estate purchase of property/premises for the expansion of a manufacturing facility. The lease stipulated that the lessee would pay monthly payments of \$10,121 commencing on February 22, 2022 for a term of ten years. At the end of the lease term, Hol-Mac Corporation has the option to purchase the premises for ten dollars.

Remaining amounts to be received associated with these leases are as follows:

Year Ending September 30,	Principal	Interest
2023	\$ 289,951	36,923
2024	259,707	29,769
2025	214,130	23,652
2026	197,008	18,961
2027	187,378	14,348
2028-2032	571,786	26,892
Total	<u>\$ 1,719,960</u>	<u>150,545</u>

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

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

Benefits Provided

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

Contributions

At September 30, 2022, PERS members are required to contribute 9.00% of their annual covered salary and the Jasper County, Mississippi is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2022 was 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Jasper County, Mississippi's contribution (employer share only) to PERS for the year ended September 30, 2022, 2021, and 2020 was \$883,737, \$874,882, and \$833,808 respectively, which equal to the required contributions for each year.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 9. DEFINED BENEFIT PENSION PLAN(continued)

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

At September 30, 2022, the County reported a liability of \$14,820,220 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share used to calculate the September 30, 2022 net pension liability was 0.07% percent, which was based on a measurement date of June 30, 2022. This was a decrease of 0.01% percent from its proportionate share used to calculate the September 30, 2021 net pension liability, which was based on a measurement date of June 30, 2021.

For the year ended September 30, 2022, the County recognized pension expense of \$1,402,114 in governmental activities and \$42,631 in business-type activities for a total pension expense of \$1,444,745. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Annual Changes	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 209,845	-
Net difference between projected and actual earnings on pension plan investments	778,429	-
Changes of assumptions	512,573	-
Changes in proportion and differences between the County contributions and proportionate share of contributions	-	21,371
The County contributions subsequent to the measurement date	207,504	-
Total	\$ 1,708,351	21,371

\$207,504 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	Pension Expense
2023	\$ 564,069
2024	398,424
2025	(287,203)
2026	804,186
Total	\$ 1,479,476

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 9. DEFINED BENEFIT PENSION PLAN(continued)

Actuarial assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2021 and a measurement date determined as of June 30, 2022 using standard rollforward techniques, using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the Pub.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.

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

Asset class	Target Allocation	Long-term expected real rate of return
Domestic equity	25.00 %	4.60 %
International equity	20.00	4.50
Global equity	12.00	4.85
Fixed income	18.00	1.40
Real estate	10.00	3.65
Private equity	10.00	6.00
Private infrastructure	2.00	4.00
Private credit	2.00	4.00
Cash Equivalents	1.00	(0.10)
Total	100.00 %	

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 9. DEFINED BENEFIT PENSION PLAN(continued)

Discount Rate

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

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.55%, 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%) or 1-percentage-point higher (8.55%) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
The County's proportionate share of the net pension liability	\$ 18,804,626	14,820,220	10,784,204

Pension plan fiduciary net position

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 10. LONG-TERM DEBT

Debt outstanding as of September 30, 2022, consisted of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
Governmental activities:			
A. General obligation bonds:			
General Obligation Road and Bridge Bonds, Series 2013	\$ 80,000	2.75/3.75%	09/2023
District 1 Road & Bridge Bonds, Series 2013	115,000	2.40/2.70%	09/2023
District 2 Road & Bridge Bonds, Series 2013	85,000	2.125/2.25%	09/2023
District 3 Road & Bridge Bonds, Series 2013	25,000	2.50/3.50%	09/2023
District 5 Road & Bridge Bonds, Series 2013	105,000	2.875%	09/2023
Total General Obligation Bonds	\$ 410,000		
B. Financed Purchases:			
150 MHZ Model 2 Portable and One MHZ Model 2 Portable	\$ 1,743	3.19%	03/2023
Ten (10) 2020 Dodge Durangos	172,521	1.47%	10/2024
2022 Peterbuilt 220 Truck and 2021 LeeBoy Patcher	187,672	1.44%	12/2025
Seven (7) 2022 Ram 1500	235,193	2.99%	09/2026
District 1 - Kubota Tractor	32,360	3.19%	01/2024
District 1 - CAT Excavator	34,149	3.19%	01/2024
District 1 - 2019 Ford F 150	10,393	2.59%	10/2023
District 1 - 2021 Kenworth Dump Truck	155,910	1.19%	03/2023
District 1 - 2022 Kenworth Dump Truck	67,560	1.49%	03/2026
District 1 - 2023 Kenworth Dump Truck	184,272	2.24%	06/2026
District 1 - 6 Metric Ton MHE	77,346	2.74%	06/2026
District 2 - 2023 T880 Kenworth	196,000	1.23%	03/2024
District 2 - 2023 Kenworth T880	207,654	1.43%	05/2024
District 2 - 2023 Kenworth Dump Truck	207,654	3.04%	08/2024
District 2 - 18' Boom Mower	59,258	3.19%	08/2026
District 3 - Two (2) 2021 Kenworth Dump Truck	249,493	1.19%	03/2023
District 4 - Dump Truck	45,772	1.96%	08/2024
District 4 - 2021 Kenworth Dump Truck	155,910	1.19%	03/2023
District 5 - 6 Metric Ton Mini Excavator	44,883	1.44%	01/2025
District 5 - 2023 Kenworth Dump Truck	196,000	1.23%	03/2024
District 5 - 2023 Kenworth Dump Truck	207,654	3.87%	08/2024
District 5 - 2021 John Deer 332RP	50,270	1.44%	10/2025
Total Financed Purchases	\$ 2,779,667		
C. Other Loans:			
Negotiable Note - District 1	\$ 60,000	3.24%	08/2023
Negotiable Note - District 2	70,000	2.99%	05/2023
Negotiable Note - District 4	60,000	3.24%	08/2023
Negotiable Note - District 5	60,000	3.24%	08/2023
Hol-mac Building	108,238	3.00%	12/2024
MDA CAP Revolving Loan	698,597	2.00%	09/2029
Workforce Training Loan	788,083	3.25%	09/2036
Total Other Loans	\$ 1,844,918		

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 10. LONG-TERM DEBT (continued)

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
Business-type Activities:			
A. Financed Purchases:			
2020 Chevrolet Silverado	\$ 10,508	2.59%	10/2023
Total Financed Purchases	\$ 10,508		

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

Governmental Activities:

<u>Year Ending September 30,</u>	<u>General Obligation Bonds</u>		<u>Financed Purchases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 410,000	11,639	975,600	48,790
2024	-	-	1,393,128	31,726
2025	-	-	253,394	6,988
2026	-	-	157,545	1,875
Total	\$ 410,000	11,639	2,779,667	89,379

<u>Year Ending September 30,</u>	<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 446,369	48,514
2024	202,072	33,166
2025	170,466	28,714
2026	162,438	24,129
2027	167,101	19,407
2028-2032	458,632	40,132
2033-2037	237,840	5,800
Total	\$ 1,844,918	199,862

Business-type Activities:

<u>Year Ending September 30,</u>	<u>Financed Purchases</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 9,690	162
2024	818	2
Total	\$ 10,508	164

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, 2022, the amount of outstanding debt was equal to less than 1% of the latest property assessments.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 10. LONG-TERM DEBT (continued)

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments*</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:						
Compensated absences	\$ 159,583	-	8,560	-	151,023	-
General obligation debt	815,000	-	405,000	-	410,000	410,000
Capital leases	2,094,267	-	-	(2,094,267)	-	-
Financed purchases	-	1,883,295	1,197,895	2,094,267	2,779,667	975,600
Leases payable	-	-	20,426	71,501	51,075	21,407
Other loans	2,285,750	-	440,832	-	1,844,918	446,369
Total governmental activities	<u>\$ 5,354,600</u>	<u>1,883,295</u>	<u>2,072,713</u>	<u>71,501</u>	<u>5,236,683</u>	<u>1,853,376</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments*</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-type activities:						
Capital lease	\$ 19,947	-	-	(19,947)	-	-
Financed purchases	-	-	9,439	19,947	10,508	9,690
Total business-type activities	<u>\$ 19,947</u>	<u>-</u>	<u>9,439</u>	<u>-</u>	<u>10,508</u>	<u>9,690</u>

*Adjustments above for capital leases and leases payable are a result of the implementation of GASB 87. Under the new guidance, leases that were previously reported as capital leases and whereby the asset conveys to the lessee at the conclusion of the lease, are now considered finance purchases.

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

NOTE 11. CONTINGENCIES

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

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 12. EFFECT OF DEFERRED AMOUNTS ON NET POSITION

The governmental activities' unrestricted net position amount of \$(4,624,131) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$202,674 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, 2023. The \$1,465,915 balance of the deferred outflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next four years. The \$20,874 balance of the deferred inflow of resources related to pension at September 30, 2022, will be recognized in pension expense over the next three years.

The governmental activities' unrestricted net position amount of \$(4,624,131) includes the effect of deferring the recognition of revenue resulting from interest on leases. The \$1,499,153 balance of deferred inflows of resources at September 30, 2022, will be recognized as revenue and will increase the unrestricted net position over the next ten years.

The business-type activities' unrestricted net position amount of \$(430,207) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$4,830 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, 2023. The \$34,932 balance of the deferred outflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next four years. The \$497 balance of the deferred inflow of resources related to pension at September 30, 2022 will be recognized in pension expense over the next three years.

NOTE 13. JOINT VENTURE

The County participates in the following joint venture:

Jasper County is a participant with Clarke County in a joint venture, authorized by Section 39-3-11, Miss. Code Ann. (1972), to operate the East Mississippi Regional Library System (Regional Library). The joint venture was created to provide free public library services to citizens of the respective counties, and is governed by a five-member board. The two counties rotate board appointments so that each county has a majority of board members in alternate years. Each county is obligated by contract to levy not less than one-half mill tax as provided by Section 39-3-5, Miss. Code Ann. (1972), for the ongoing financial support of the joint venture. For the fiscal year ended September 30, 2022, Jasper County contributed \$140,833. Complete financial statements for the Regional Library can be obtained from the East Mississippi Regional Library, Quitman, MS.

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 14. JOINTLY GOVERNED ORGANIZATIONS

The County participates in the following jointly governed organizations:

Jones County Junior College operates in a district composed of the counties of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne. The Jasper County Board of Supervisors appoints two of the twenty members of the college board of trustees. The County appropriated \$612,407 for maintenance and support of the College for the year ended September 30, 2022.

Multi-County Community Service Agency operates in a district composed of the counties of Clarke, Jasper, Lauderdale, Newton and Wayne. The entity was created to administer programs conducted by community action agencies, limited purpose agencies, and related programs authorized by federal law. The Jasper County Board of Supervisors appoints one of the twenty-four members of the board of directors. In addition to modest monthly bill support, the County appropriated \$20,000 for support of the agency for the year ended September 30, 2022.

East Central Mississippi Planning and Development District operates in a district comprised of the counties of Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith. The Jasper County Board of Supervisors appoints one of the fifteen members of the board of directors. The County appropriated \$14,434 for support of the district for the year ended September 30, 2022.

Mid-Mississippi Development District operates in a district comprised of the counties of Clarke, Jasper, Lauderdale, Newton, Scott and Smith. The district was organized to foster, encourage and facilitate economic development in the member counties. The district's board of trustees is composed of thirty members, five each from the six member counties. The County appropriated \$31,500 for support of the district for the year ended September 30, 2022.

Region Ten Mental Health-Mental Retardation Commission operates in a district composed of the counties of Clarke, Jasper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith. The Jasper County Board of Supervisors appoints one of the nine members of the board of commissioners. The County appropriated \$33,725 for support of the commission for the year ended September 30, 2022.

NOTE 15. TAX ABATEMENTS

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

The Jasper County Board of Supervisors negotiates property tax abatements on an individual basis. Abatements are for ten years and are for economic development purposes. The County had five (5) tax abatement agreements with five (5) entities as of September 30, 2022.

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

JASPER COUNTY, MISSISSIPPI
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 15. TAX ABATEMENTS (Continued)

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

All allowable property tax levies

All five companies have tax abatements listed under this statute.

Their economic development projects, collectively, had \$964,455 in taxes abated in fiscal year 2022 accounting for 91% of taxes abated of potential collections without abatements present.

NOTE 16. SUBSEQUENT EVENTS

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

Subsequent to September 30, 2022, the County issued the following debt obligations:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Paid Off</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
11/2022	3.41%	207,654		Lease	ad valorem revenue
11/2022	3.73%	196,273		Lease	ad valorem revenue
03/2023	4.59%	155,827		Lease	ad valorem revenue
03/2023	4.59%	350,000		negotiable note	ad valorem revenue
03/2023	4.59%	420,000		negotiable note	ad valorem revenue
03/2023	4.59%	210,000		negotiable note	ad valorem revenue
07/2023	4.47%	51,395		Lease	ad valorem revenue
10/2023	4.97%	10,000,000		bond issue	ad valorem revenue
12/2023	4.45%	455,400		Lease	ad valorem revenue
03/2024	4.99%	455,400		Lease	ad valorem revenue
03/2024	4.99%	176,400		Lease	ad valorem revenue
04/2024	5.66%	76,003		Lease	ad valorem revenue
04/2024	5.18%	365,598		Lease	ad valorem revenue
06/2024	5.04%	170,000		Lease	ad valorem revenue
06/2024	5.04%	170,000		Lease	ad valorem revenue
08/2024	5.02%	301,850		Lease	ad valorem revenue
12/2024	4.78%	210,326		Lease	ad valorem revenue
12/2024	4.78%	77,578		Lease	ad valorem revenue

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REQUIRED SUPPLEMENTARY INFORMATION

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JASPER COUNTY, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE-
BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the Year Ended September 30, 2022
(UNAUDITED)

	Original Budgeted	Final Budgeted	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 6,513,419	6,768,917	6,768,917	-
Licenses, commissions and other revenues	127,700	193,973	193,973	-
Fines and forfeitures	152,500	95,991	95,991	-
Intergovernmental revenues	642,400	875,424	875,424	-
Charges for services	10,000	36,400	36,400	-
Interest income	18,000	22,486	22,486	-
Miscellaneous revenues	<u>62,000</u>	<u>1,746,395</u>	<u>1,746,395</u>	<u>-</u>
Total Revenues	<u>7,526,019</u>	<u>9,739,586</u>	<u>9,739,586</u>	<u>-</u>
Expenditures by Major Budgetary Function				
General government	5,452,946	5,500,142	5,500,142	-
Public safety	3,387,492	2,973,759	2,973,759	-
Health and welfare	617,950	258,473	258,473	-
Culture and recreation	24,400	-	-	-
Conservation of natural resources	70,950	67,966	67,966	-
Debt service expenditures	<u>-</u>	<u>84,208</u>	<u>84,208</u>	<u>-</u>
Total Expenditures	<u>9,553,738</u>	<u>8,884,548</u>	<u>8,884,548</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,027,719)</u>	<u>855,038</u>	<u>855,038</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers out	250,000	(316,210)	(316,210)	-
Other financing sources (uses)	<u>-</u>	<u>5,279</u>	<u>5,279</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>(310,931)</u>	<u>(310,931)</u>	<u>-</u>
Net Change in Fund Balance	(1,777,719)	544,107	544,107	-
Fund Balances-Beginning	<u>(4,849,107)</u>	<u>10,503,358</u>	<u>10,503,358</u>	<u>-</u>
Fund Balances-Ending	<u><u>\$ (6,626,826)</u></u>	<u><u>11,047,465</u></u>	<u><u>11,047,465</u></u>	<u><u>-</u></u>

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

JASPER COUNTY, MISSISSIPPI

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

Public Employees Retirement System of Mississippi

Last 10 Fiscal Years*

(UNAUDITED)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.07 %	0.08 %	0.07 %	0.07 %	0.07 %	0.07 %	0.07 %	0.07 %	0.07 %
County's proportionate share of the net pension liability (asset)	\$14,820,220	11,351,376	13,551,186	12,314,381	11,643,080	12,045,644	12,455,519	10,820,620	8,375,337
County's covered payroll	\$ 4,959,550	5,107,859	4,771,531	4,772,494	4,680,455	4,468,251	4,460,809	4,387,816	4,184,298
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	298.82 %	222.23 %	284.00 %	258.03 %	248.76 %	269.58 %	279.22 %	246.61 %	200.16 %
Plan fiduciary net position as a percentage of the total pension liability	59.93 %	70.44 %	58.97 %	61.59 %	62.54 %	61.49 %	57.47 %	61.70 %	67.21 %

*The amount presented for each fiscal year were determined as of the 12 months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirements to show information for 10 years. However, GASB 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10-year trend is compiled, the County has only presented information for the years for which information is available.

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

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

Public Employees Retirement System of Mississippi

Last 10 Fiscal Years*

(UNAUDITED)

	<u>2022</u>	<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	\$ 883,737	874,882	833,808	775,422	735,018	742,261	703,750	702,558	656,637
Contributions in relation to the contractually required contribution	<u>(883,737)</u>	<u>(874,882)</u>	<u>(833,808)</u>	<u>(775,422)</u>	<u>(735,018)</u>	<u>(742,261)</u>	<u>(703,750)</u>	<u>(702,558)</u>	<u>(656,637)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 5,078,946	5,028,053	4,791,988	4,793,020	4,666,785	4,712,768	4,468,251	4,460,686	4,169,124
Contributions as a percentage of covered payroll	17.40 %	17.40 %	17.40 %	16.18 %	15.75 %	15.75 %	15.75 %	15.75 %	15.75 %

*This schedule is presented to illustrate the requirements to show information for 10 years. However, GASB 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10-year trend is compiled, the County has only presented information for the years for which information is available.

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

JASPER COUNTY, MISSISSIPPI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022
(UNAUDITED)

NOTE 1. BUDGETARY COMPARISON SCHEDULE

A. Budgetary Information

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

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

B. Basis of Presentation

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

C. Budget/GAAP Reconciliation

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

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

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

	<u>Governmental Fund Types General Fund</u>
Budget (Cash Basis)	\$ 544,107
Increase (Decrease)	
Net adjustments for revenue accruals	76,927
Net adjustments for expenditure accruals	(380,746)
GAAP Basis	<u>\$ 240,288</u>

JASPER COUNTY, MISSISSIPPI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022
(UNAUDITED)

NOTE 2. PENSION SCHEDULES

A. Changes of Assumptions

2015

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

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

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

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

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

2016

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

2017

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

The Wage inflation assumption was reduced from 3.75% to 3.25%. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2019

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

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

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

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

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

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

JASPER COUNTY, MISSISSIPPI

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2022

(UNAUDITED)

NOTE 2. PENSION SCHEDULES (continued)

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

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

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 in the line of duty was decrease 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.

JASPER COUNTY, MISSISSIPPI

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2022

(UNAUDITED)

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

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2020 valuation for the June 30, 2022 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	27.7 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

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SUPPLEMENTARY INFORMATION

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JASPER COUNTY, MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
<i>Direct Program</i>			
Emergency Watershed Protection Program	10.923	N/A	\$ 363,909
Total U.S. Department of Agriculture			<u>363,909</u>
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed-through the Mississippi Development Authority</i>			
Community development block grants/state's program and non-entitlement grants in Hawaii	14.228	N/A	<u>125,778</u>
<i>Total Passed-through Mississippi Development Authority</i>			<u>125,778</u>
Total U.S. Department of Housing and Urban Development			<u>125,778</u>
<u>U.S Department of Homeland Security</u>			
<i>Passed-through State of Mississippi Emergency Management Agency</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036 97.036	4536-DR-MS 4415-DR-MS	2,256,186 <u>119,438</u>
<i>Total Passed-through State of Mississippi Emergency Management Agency</i>			<u>2,375,624</u>
Total U.S Department of Homeland Security			<u>2,375,624</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,865,311</u>

JASPER COUNTY, MISSISSIPPI
NOTES TO THE SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022

NOTE 1. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the County under programs of the federal government for the year ended September 30, 2022. 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 the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

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 credits made in the normal course of business to amounts reported as expenditures in prior years.

C. Indirect Cost Rate

The County has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

D. Disaster grants - public assistance (Presidentially declared disasters) - ALN 97.036

After a Presidentially declared disaster, FEMA provides Disaster grants - public assistance (Presidentially declared disasters) (ALN 97.036) to reimburse eligible costs associated with repair, replacement or restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. In fiscal year 2022, FEMA approved \$173,924 in eligible expenditures that were incurred in the prior two fiscal years. These approved eligible expenditures are included on the SEFA for the year ended September 30, 2022.

OTHER INFORMATION

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JASPER COUNTY, MISSISSIPPI**SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS**

For the Year Ended September 30, 2022

(UNAUDITED)

Name	Position	Company	Amount
Williams Eddie Helms	Supervisor District 1	RLI Insurance	\$ 100,000
Sandy Stephens	Supervisor District 2	RLI Insurance	100,000
Paul Douglas Rogers	Supervisor District 3	RLI Insurance	100,000
Randy Corley	Supervisor District 4	RLI Insurance	100,000
Curtis Gray, Sr.	Supervisor District 5	RLI Insurance	100,000
Sharon G. King	Chancery Clerk	RLI Insurance	100,000
Bonita Huddleston	Deputy Chancery Clerk	RLI Insurance	50,000
Jessica Lamar	Deputy Chancery Clerk	RLI Insurance	50,000
Brady Pittman	Deputy Chancery Clerk	RLI Insurance	50,000
Elizabeth Smith	Deputy Chancery Clerk	RLI Insurance	50,000
Erika Ball	Deputy Chancery Clerk	RLI Insurance	50,000
Jacquelyne McCullum	Deputy Chancery Clerk	RLI Insurance	50,000
Gloria Jones	Warrant Clerk	RLI Insurance	50,000
Sherrie Campbell	Purchase Clerk	RLI Insurance	75,000
Cindy Hendry	Inventory Control Clerk	Western Surety	75,000
Keith Barlow	Constable	RLI Insurance	50,000
Billy Rayner	Circuit Clerk	RLI Insurance	100,000
Mary Ann Thigpen	Deputy Circuit Clerk	RLI Insurance	50,000
Terri Stevens	Deputy Circuit Clerk	RLI Insurance	50,000
Teresa Jones	Deputy Circuit Clerk	RLI Insurance	50,000
Randy Johnson	Sheriff	RLI Insurance	100,000
Sullivan Dukes, Jr.	Justice Court Judge	RLI Insurance	50,000
Joseph Marvin Jones	Justice Court Judge	RLI Insurance	50,000
Lydia Pittman	Justice Court Clerk	RLI Insurance	50,000
Jamie McCullough	Deputy Justice Court Clerk	RLI Insurance	50,000
Hope Lynette McCullum	Deputy Justice Court Clerk	RLI Insurance	50,000
Lashana Stevens	Deputy Justice Court Clerk	RLI Insurance	50,000
LaCorsha Ellis	Solid Waste Clerk	RLI Insurance	50,000
Angela Hughes	Solid Waste Clerk	RLI Insurance	50,000
Timothy McRee	Tax Assessor-Collector	RLI Insurance	100,000
Nila Cornwell	Deputy Tax Collector/Assessor	RLI Insurance	60,000
Karen Jernigan	Deputy Tax Collector/Assessor	RLI Insurance	60,000
Christy Ulmer	Deputy Tax Collector/Assessor	RLI Insurance	60,000
Mae Ellis	Deputy Tax Collector/Assessor	RLI Insurance	60,000
Michelle Dixon	Deputy Tax Collector/Assessor	RLI Insurance	60,000

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SPECIAL REPORTS

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

To the Members of the Board of Supervisors
Jasper County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jasper County, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Jasper County, Mississippi's basic financial statements and have issued our report thereon dated January 16, 2025. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as 2022-001, 2022-002, 2022-003, and 2022-004 that we consider to be material weaknesses.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jasper County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as item 2022-001.

Jasper County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Jasper County, Mississippi's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Jasper County, Mississippi's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Wolfe, McDuff & Oppen

Pascagoula, Mississippi
January 16, 2025



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

To the Members of the Board of Supervisors
Jasper County, Mississippi

Report on Compliance for Major Federal Program

Opinion on the Major Federal Program

We have audited the Jasper County, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Jasper County, Mississippi's major federal programs for the year ended September 30, 2022. Jasper County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jasper County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jasper County, Mississippi's and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Jasper County, Mississippi's compliance with the compliance requirements referred to above.

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
Page 2

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Jasper County, Mississippi's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jasper County, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jasper County, Mississippi's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jasper County, Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jasper County, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Jasper County, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
Page 3

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2022-005 to be material weaknesses.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Jasper County, Mississippi's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Jasper County, Mississippi's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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.

Wolfe, McDuff + Oppa

Pascagoula, Mississippi
January 16, 2025



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

Members of the Board of Supervisors
Jasper County, Mississippi

We have examined Jasper County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2022. The Board of Supervisors of Jasper County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

In our opinion, Jasper County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2022.

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

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

Wolfe, McDuff & Oppie

Pascagoula, Mississippi
January 16, 2025

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JASPER COUNTY, MISSISSIPPI**Schedule 1****SCHEDULE OF PURCHASES FROM OTHER THAN THE LOWEST BIDDER**

For the Year Ended September 30, 2022

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
05/16/2022	Emergency Watershed Project	\$ 150,840	Magco, Inc.	\$ 150,388	Lowest bidder performed poor work on previous projects and failed to meet the specifications of the granting agency funding the project

JASPER COUNTY, MISSISSIPPI
SCHEDULE OF EMERGENCY PURCHASES
For the Year Ended September 30, 2022

Schedule 2

Our test did not identify any emergency purchases.

JASPER COUNTY, MISSISSIPPI

Schedule 3

SCHEDULE OF PURCHASES MADE NONCOMPETITIVELY FROM A SOLE SOURCE

For the Year Ended September 30, 2022

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

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

Members of the Board of Supervisors
Jasper County, Mississippi

In planning and performing our audit of the financial statements of Jasper County, Mississippi for the year ended September 30, 2022, we considered Jasper County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Jasper County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated January 16, 2025, on the financial statements of Jasper County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, *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 immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response is disclosed below:

Purchasing Clerk

1. The Purchase Clerk Should Ensure Compliance with State Law over Surety Bonds.

Repeat Finding Yes

Criteria

Section 31-7-124, Mississippi Code of 1972, is amended as follows:

"The receiving clerk and inventory control clerk shall give bond in a penalty equal to Seventy-five Thousand Dollars (\$75,000.00) and the purchase clerk shall give bond in a penalty equal to One Hundred Thousand Dollars (\$100,000.00) with sufficient surety, to be payable, conditioned and approved as provided by law. All assistant purchasing, receiving and inventory control clerks shall be bonded in a penalty not less than Fifty Thousand Dollars (\$50,000.00). Such bond shall be in addition to any other bond required by law, with sufficient surety, to be payable, conditioned and approved as provided by law. The premiums of such bonds shall be paid from any funds available to the board of supervisors for the payment of such premiums."

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Limited Internal Control and Compliance Review Management Report
Page 2

Condition	During the review of Jasper County, Mississippi, the auditor noted the following exceptions with the County's surety bonds: <ul style="list-style-type: none">♦ The following positions were bonded for an insufficient amount:<ul style="list-style-type: none">◦ One (1) Purchase Clerk
Cause	The Purchase Clerk did not follow state laws.
Effect	Failure to sufficiently bond individuals could limit the amount available for recovery if a loss occurs.
Recommendation	We recommend that the County secure bonds that are of sufficient amounts.
Views of Responsible Officials	The Purchase Clerk will obtain sufficient bonds.

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

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

Wolfe, McDuff + Oppen

Pascagoula, Mississippi
January 16, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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JASPER COUNTY, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

Section I: Summary of Auditor's Results

Financial Statements:

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

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

2. Internal controls over financial reporting:

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

3. Noncompliance material to financial statements noted?

Yes

Federal Awards:

4. Internal control over major programs:

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

5. Type of auditor's report issued on compliance for major programs:

Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes

7. Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>ALN Number</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036

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)?

Yes

JASPER COUNTY, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

Section II: Financial Statement Findings

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

Board of Supervisors

Material Weakness / Material Noncompliance

2022-001	The County should include discretely-presented component units within its financial statements.
Repeat Finding	Yes, 2021-001
Criteria	Generally accepted accounting principles require the financial data of the County's discretely presented component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data of the legally separate component units.
Condition	The financial statements do not include the financial data of the legally separate component units.
Cause	Management chooses to omit this information.
Effect	The Independent Auditor's Report on the discretely-presented component units is adverse because of the failure of the County to include this information alongside the financial data of the County's primary government resulting in the failure to properly follow generally accepted accounting principles.
Recommendation	The Board of Supervisors should provide the financial data for its discretely presented component units for inclusion in the County's financial statements.
Views of Responsible Official(s)	See auditee's corrective action plan.

Justice Court Clerk

Material Weakness

2022-002	Controls over cash collections and disbursements in the Justice Court Clerk's office should be strengthened.
Repeat Finding	Yes, 2021-002
Criteria	An effective system of internal control over cash should include an adequate segregation of duties.

JASPER COUNTY, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

Condition	As reported in the prior nine audits for District 1 and District 2, it was noted that cash collection and disbursement functions in the Justice Court Clerk's offices are not adequately segregated for effective internal control and therefore, controls over cash are inadequate.
Cause	The Justice Court Clerk receipts cash, prepares all bank deposits, maintains the cash journals, reconciles the bank statements, calculates the monthly settlements and disburses all funds.
Effect	Failure to implement controls over cash in the Justice Court Clerk's office could result in the loss or misappropriation of public funds.
Recommendation	The Justice Court Clerk should ensure there is adequate segregation of duties in the collecting, recording and settlement functions.
Views of Responsible Official(s)	See auditee's corrective action plan.

Solid Waste Clerk

Material Weakness	
2022-003	Solid Waste records should be reconciled to the bank statements.
Repeat Finding	Yes, 2021-003
Criteria	An effective system of internal control should include the reconciliation of garbage fee collections posted in the solid waste records with the collections recorded in the general ledger along with the reconciliation of the bank account to the solid waste records.
Condition	As reported in the prior eight audits, garbage fee collections were not reconciled to the County's general ledger. Also, solid waste records were not reconciled to the bank statements in both Districts 1 and 2.
Cause	Inaction.
Effect	Failure to reconcile accounting records could result in the loss or misappropriation of public funds.
Recommendation	The Board of Supervisors should establish and maintain procedures to ensure solid waste records are reconciled to the bank statements and also to garbage fee collections recorded in the County's general ledger.
Views of Responsible Official(s)	See auditee's corrective action plan.

JASPER COUNTY, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

Solid Waste Clerk

Material Weakness

2022-004	Controls over cash collections and disbursements in the Solid Waste office should be strengthened.
Repeat Finding	Yes, 2021-004
Criteria	An effective system of internal control over cash should include an adequate segregation of duties.
Condition	As reported in the prior seven audits, cash collections and disbursement functions in both the District One and District Two Solid Waste offices were not adequately segregated for effective internal controls.
Cause	The Solid Waste Clerks receipt all collections, prepare daily check-up sheets, deposit monthly settlements, take deposits to the bank, post to computerized system, and write checks for all disbursements.
Effect	Failure to implement adequate segregation of duties could result in the loss or misappropriation of public funds.
Recommendation	The Board of Supervisors should take steps to ensure that there is an adequate segregation of duties in the collection and disbursement functions in the Solid Waste offices or that there is external oversight over the operations in the Solid Waste offices.
Views of Responsible Official(s)	See auditee's corrective action plan.

Section III: Federal Award Findings and Questioned Costs

The results of our tests did disclose findings and questioned costs related to the federal awards.

Compliance Requirement Reporting

Material Weakness

2022-005	The County did not properly track and report federal expenditures
ALN Number	97.036
Federal Award	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Pass-Through	Mississippi Emergency Management Agency
Questioned Cost	None

JASPER COUNTY, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

Repeat Finding	No.
Criteria	An effective system of internal control over federal grants includes properly tracking and reporting all federal programs and the related expenditures
Condition	The County did not properly track and report federal expenditures for the fiscal year ended September 30, 2022
Cause	This was caused by a lack of internal controls over federal grants.
Effect	The failure to properly track and report federal expenditures increases the possibility of not reporting all federal disbursements and could affect the requirement to have a Single Audit.
Recommendation	The Board of Supervisors should implement controls to ensure the federal expenditures are properly tracked and reported in accordance with the grant agreement.
Views of Responsible Official(s)	See Auditee's Corrective Action Plan

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BOARD OF SUPERVISORS JASPER COUNTY

P.O. Box 406
Bay Springs, MS 39422

Telephone: 601-764-3469

Fax: 601-764-3468

January 14, 2025

Wolfe, McDuff & Oppie, P.A.
3103 Pascagoula Street
Pascagoula, Mississippi 39567

RE: CORRECTIVE ACTION PLAN

Greetings:

The Jasper County Board of Supervisors respectfully submits the following Corrective Action Plan for the year ended September 30, 2022.

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 II: FINANCIAL STATEMENT FINDINGS

2022-001 The County should include discretely-presented component units within its financial statements.

Corrective Action Planned: The Board of Supervisors will consider adding these to the financials in future periods.

Anticipated Completion Date: Ongoing

Name of Contact Person Responsible for Corrective Action: The Board of Supervisors; Doug Rogers, President

2022-002 Controls over cash collections and disbursements in the Justice Court Clerk's office should be strengthened.

Corrective Action Planned: In District 1, the deputy clerks receipt cash and prepare deposits. I reconcile the bank statements and perform monthly settlements. The District 1 deputy clerk is receiving training in the accounting process to correct any internal control deficiencies. In District 2, the deputy clerk receipts payments and assists with deposits. I reconcile the bank statements and perform monthly settlements.

The District 2 deputy clerk is receiving training in the accounting process to correct any internal control deficiencies.

Eddie Helms
Sandy Stephens
Doug Rogers

Randy Corley
Jon R. Jones
William Ruffin, Attorney
Sharon King, Chancery Clerk

Anticipated Completion Date: March 31, 2025

Name of Contact Person Responsible for Corrective Action: Hope McCullum, Justice Court Clerk

2022-003 Solid Waste records should be reconciled to the bank statements.

Corrective Action Planned: The County has established procedures to ensure that the records are reconciled to the bank statement along with the County's general ledger.

Anticipated Completion Date: March 31, 2025

Name of Contact Person Responsible for Corrective Action: Doug Rogers, Board President

2022-004 Controls over cash collections and disbursements in the Solid Waste office should be strengthened.

Corrective Action Planned: Disbursements are made by the employee who balances the bank statements in each district. District 1 has two employees who collect and receipt payments. District 2 has four employees who collect and receipt payments. One employee in each district prepares the deposits and a separate employee in each district takes the deposited funds to the bank.

Anticipated Completion Date: March 31, 2025

Name of Contact Person Responsible for Corrective Action: Doug Rogers, Board President

SECTION III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

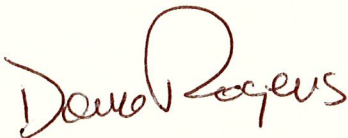
2022-005 The County did not properly track and report federal expenditures.

Corrective Action Planned: We concur. We will put procedures in place to ensure all federal awards are tracked and identified in the future. A separate fund will be established for Disaster Grants – Public Assistance.

Anticipated Completion Date: Ongoing

Name of Contact Person Responsible for Corrective Action: Cindy Hendry, Comptroller

Sincerely,



Doug Rogers, President
Jasper County Board of Supervisors



BOARD OF SUPERVISORS JASPER COUNTY

P.O. Box 406
Bay Springs, MS 39422

Telephone: 601-764-3469

Fax: 601-764-3468

AUDITEE'S SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

As required by the Uniform Guidance, Jasper County, Mississippi has prepared and hereby submits the following summary of prior year audit findings as of September 30, 2022:

Finding:

2021-001
2021-002
2021-003
2021-004

Status:

Not corrected, see 2022-001
Not corrected, see 2022-002
Not corrected, see 2022-003
Not corrected, see 2022-004

Sincerely,

A handwritten signature in blue ink that reads "Doug Rogers".

Doug Rogers, President
Jasper County Board of Supervisors

Eddie Helms
Sandy Stephens
Doug Rogers

Randy Corley
Jon R. Jones
William Ruffin, Attorney
Sharon King, Chancery Clerk