

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 26, 2026

NEW ISSUE - BOOK ENTRY ONLY

Ratings:
S&P: “A+” (Stable outlook)
(See “RATINGS” herein)

In the opinion of Butler Snow LLP, as Bond Counsel, assuming continuing compliance by Jones County, Mississippi with the tax covenants and representations described herein, under existing law, interest on the Bonds (defined herein) is excludable from federal gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not a specific item of tax preference under Section 57 of the Code for the purposes of calculating federal alternative minimum taxable income. Bond Counsel is of the further opinion that interest on the Bonds is exempt from State of Mississippi income taxation under existing laws. See “TAX MATTERS” herein and APPENDIX G - FORM OF OPINION OF BOND COUNSEL attached hereto.

\$2,870,000*
JONES COUNTY, MISSISSIPPI
GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2026

Dated: Date of Delivery

Due: November 1, as shown on inside of front cover

The Jones County, Mississippi (the “County”) \$2,870,000* General Obligation Refunding Bonds, Series 2026 Bonds (the “Bonds”) are being issued for the purpose of providing funds for the current refunding of all or a portion of \$3,750,000 (original principal amount) Mississippi Development Bank Special Obligation Bonds, Series 2023 (Jones County, Mississippi General Obligation Bond REDA Project), dated September 1, 2023 (the “Series 2023 Bonds”), and all or a corresponding portion of the County’s \$3,750,000 General Obligation Bond, Series 2023, dated September 1, 2023 (the “Series 2023 County Bond”). Interest on the Bonds is payable from the date thereof, semiannually on May 1 and November 1 of each year (each an “Interest Payment Date”), commencing November 1, 2027. Except as set forth herein, interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent to the Registered Owners. Principal of the Bonds is payable at the principal corporate trust office of People’s Bank, Biloxi, Mississippi, Paying Agent.

The Bonds are issuable as fully registered instruments and will be initially issued only in book-entry form, under a book-entry system (described herein) in which The Depository Trust Company (“DTC”) is the securities depository for the Bonds, to the nominee of DTC (Cede & CO.), with no physical delivery of Bond certificates to the purchasers thereof. Principal and interest payments on the Bonds will be paid to the DTC nominee, which will distribute such payments to the participating members of DTC for subsequent remittance to the owners of the beneficial interest in the Bonds. Such beneficial owners will be permitted to exercise the rights of holders of Bonds only indirectly through DTC and its participating members.

The Bonds will be issued under and in conformity with the Constitution and Laws of the State of Mississippi and pursuant to the Bond Resolution adopted by the Board of Supervisors of the County on June 15, 2026, as amended and restated on September 21, 2026. The Bonds are secured by the full faith, credit and resources of the County and are payable from the proceeds of an unlimited, continuing, direct, annual ad valorem tax levied on taxable property within the County, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the County, in accordance with the provisions of the Bond Resolution. The Bonds are additionally secured by the Tax Pledge Agreement. See “THE BONDS – Security.”

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter listed below, subject to the final approving opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the County by its counsel, Danielle Ashley, Esq., Laurel, Mississippi. Butler Snow LLP also has acted as disclosure counsel to the Issuer in connection with the Official Statement. It is expected that the Bonds will be available for delivery on or about _____, 2026.*

RAYMOND JAMES®

The date of this Official Statement is _____, 2026.

* Preliminary, subject to change.

\$2,870,000*
JONES COUNTY, MISSISSIPPI
GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2026

MATURITY SCHEDULE*

Dated: Date of Delivery

Due: November 1, as shown on below

<u>Year of Maturity</u> <u>(Nov. 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP**</u>
2027	\$185,000	%	%	
2028	255,000			
2029	270,000			
2030	285,000			
2031	300,000			
2032	315,000			
2033	330,000			
2034	345,000			
2035	365,000			
2036	220,000			

* Preliminary, subject to change.

** CUSIP numbers have been assigned by an organization not affiliated with the County and are included for the convenience of the owners of the Bonds. The County is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated above. A CUSIP number for a specific maturity may be changed after the issuance date.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE BONDS IDENTIFIED ON THE COVER HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE BONDS BY ANY PERSON, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR THE SALE OF ANY OF THE BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

THE UNDERWRITER SHOWN ON THE COVER OF THIS OFFICIAL STATEMENT HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

INFORMATION HEREIN HAS BEEN OBTAINED FROM THE COUNTY, DTC AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITER.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE COUNTY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE COUNTY (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE BONDS FOR SALE.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE COUNTY AND THE UNDERWRITER OR HOLDERS OF THE BONDS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE REASONABLE, BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

JONES COUNTY, MISSISSIPPI

BOARD OF SUPERVISORS

*GEORGE WALTERS
T. LARRY DYKES
PHIL DICKERSON
JOEY BRADSHAW
STACEY COMEGYS*

CLERK, BOARD OF SUPERVISORS

CONCETTA BROOKS

ATTORNEY, BOARD OF SUPERVISORS

*DANIELLE ASHLEY, ESQ.
LAUREL, MISSISSIPPI*

MUNICIPAL ADVISOR

*GOVERNMENT CONSULTANTS, INC.
MADISON, MISSISSIPPI*

BOND COUNSEL

*BUTLER SNOW LLP
RIDGELAND, MISSISSIPPI*

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SEPTEMBER 30, 2024

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SEPTEMBER 30, 2025

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OFFICIAL STATEMENT
\$2,870,000*
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2026
OF
JONES COUNTY, MISSISSIPPI

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale of the \$2,870,000* General Obligation Refunding Bonds, Series 2026, to be dated the date of delivery thereof (the “Bonds”), of Jones County, Mississippi (the “County”). The County is a political subdivision incorporated under the laws of the State of Mississippi (the “State”).

Reference is made to the Act as hereinafter defined, the Bond Resolution as hereinafter defined and any and all modifications and amendments thereof for a description of the authority of the County to issue the Bonds, the nature and extent of the security of, the principal of and interest on the Bonds and the terms and conditions under which the Bonds are issued.

THE BONDS

Definitions

In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

“Act” shall mean Sections 31-15-1 *et seq.*, Mississippi Code of 1972, as amended.

“Amended and Restated Tax Pledge Agreement” shall mean the Amended and Restated Tax Agreement between the County and the City dated as of November 1, 2026.

“Bond” or “Bonds” shall mean the not to exceed \$2,870,000* General Obligation Refunding Bonds, Series 2026, of the County, authorized to be issued in the Bond Resolution.

“Bond Counsel” shall mean Butler Snow LLP, Ridgeland, Mississippi.

“Bond Resolution” shall mean the Bond Resolution adopted by the Governing Body on June 15, 2026, as amended and restated on September 21, 2026.

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the Beneficial Owner of such Bond by a DTC participant on the records of such DTC participant, or such person’s subrogee.

* Preliminary, subject to change.

“Book-Entry System” means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds.

“Callable 2023 Bonds” shall mean the Series 2023 Bonds maturing on August 1, 2038.

“City” shall mean Ellisville, Mississippi.

“Clerk” shall mean the Chancery Clerk of the County.

“Code” shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

“County” shall mean Jones County, Mississippi.

“County Bond Act” shall mean Sections 19-9-1 *et seq.*, Mississippi Code of 1972, as amended.

“Direct Participant” means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

“DTC” means The Depository Trust Company.

“DTC participants” shall mean any participant for whom DTC is a Security Depository Nominee.

“Governing Body” shall mean the Board of Supervisors of the County.

“Indirect Participant” shall mean a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository through a Direct Participant.

“Paying Agent” shall mean any bank, trust company or other institution whether designated by the Bond Resolution or hereafter designated by the Governing Body to make payments of the principal of and interest on the Bonds, and to serve as registrar and transfer agent for the registration of owners of the Bonds, and for the performance of other duties as may be specified by the Bond Resolution or hereafter specified by the Governing Body.

“Person” shall mean an individual, partnership, corporation, limited liability company, trust or unincorporated organization and a government or agency or political subdivision thereof.

“Project” shall mean together, the Refunding Project and payment of costs of issuance of the Bonds.

“Record Date” shall mean, as to interest payments, the 15th day of the month preceding the dates set for payment of interest on the Bonds and, as to payments of principal, the 15th day of the month preceding the maturity date thereof.

“Record Date Registered Owner” shall mean the Registered Owner as of the Record Date.

“Registered Owner” shall mean the Person whose name shall appear in the registration records of the County maintained by the Paying Agent.

“Refunded 2023 County Bond” shall mean the principal installments of the Series 2023 County Bond maturing on August 1, 2038 in the years 2028 through 2038, both inclusive, being prepaid, such portion being identified in the Bond Purchase Agreement as the same amount in each year of the Refunded 2023 Bonds being refunded with a portion of the proceeds of the Bonds.

“Refunded Bonds” shall mean the Refunded 2023 Bonds.

“Refunded 2023 Bonds” shall mean the Series 2023 Bonds which mature August 1, 2038.

“Refunding Project” shall mean providing funds to the County to finance the Refunding 2023 Project.

“Refunding 2023 Project” shall mean providing funds for (i) the refinancing, prepayment and current refunding of the Refunded 2023 County Bond, and (ii) the contemporaneous current refunding of the Refunded 2023 Bonds, including funds for the redemption of the Callable 2023 Bonds at a redemption price of 100% plus accrued interest

“Securities Depository” means The Depository Trust Company and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

“Securities Depository Nominee” means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration records the Bonds to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System.

“Series 2023 Bonds” shall mean the Mississippi Development Bank Special Obligation Bonds, Series 2023 (Jones County, Mississippi General Obligation Bond REDA Project), dated September 1, 2023, issued in the original aggregate principal amount of \$3,750,000.

“Series 2023 County Bond” shall mean the Jones County, Mississippi General Obligation Bond, Series 2023, dated September 1, 2023, issued in the original aggregate principal amount of \$3,750,000.

“Tax Pledge Agreement” shall mean the Tax Pledge Agreement between the County and City dated as of September 1, 2023, as amended by the Amended and Restated Tax Pledge Agreement.

“Underwriter” shall mean Raymond James & Associates, Inc., Memphis, Tennessee.

“2023 Bond Resolution” shall mean the resolution of the Governing Body adopted July 17, 2023, authorizing the issuance of the Series 2023 County Bond.

“2023 Indenture” shall mean the Indenture of Trust, dated as of September 1, 2023, by and between the Bank and the 2023 Trustee.

“2023 Trustee” shall mean Regions Bank.

“2026 Bond Fund” shall mean Jones County, Mississippi General Obligation Refunding Bonds, Series 2026, 2026 Bond Fund provided for in Section 22 of the Bond Resolution.

Purpose and Authorization

The Bonds are being issued to provide funds to the County for the purposes of financing the (1) current refunding of the Refunded Bonds in accordance with the Act; and (2) payment of the costs of issuing the Bonds. A schedule of the principal maturities of the Refunded Bonds is contained in APPENDIX E attached hereto.

The Bonds will be issued pursuant to the provisions of the Act and the Bond Resolution.

Security

The Bonds will be general obligations of the County payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the County, to be applied toward payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the County in accordance with provisions of the Bond Resolution. The County, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the County adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

The qualified electors of the State voted in a general election held on November 7, 1995, to amend the Mississippi Constitution of 1890 (the “Constitution”) to add the following new Section 172A (the “Amendment”):

SECTION 172A. Neither the Supreme Court nor any inferior court of this state shall have the power to instruct or order the state or any political subdivision thereof, or an official of the state or any political subdivision, to levy or increase taxes.

The Amendment does not affect the underlying obligation of the County to pay the principal of and interest on the Bonds as they mature and become due, nor does the Amendment affect the obligation of the County to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect Bondholders’ remedies in the event of a payment default, it potentially prevents Bondholders from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the Bonds in a court of the State. It is not certain whether the Amendment would affect the right of a federal court to direct the levy of a tax to satisfy a contractual obligation. Other effective remedies are available to the Bondholders in the event of a payment default with respect to the Bonds. For example, Bondholders can seek a writ of mandamus to compel the County to use any legally available moneys to pay the debt service on the Bonds, and if such writ of mandamus is issued and public officials fail to comply with such writ, then such public officials may be held in contempt of court. In addition, pursuant to the Mississippi Constitution §175, all public officials who are guilty of willful neglect of duty may be removed from office.

The Bonds are further secured by the Tax Pledge Agreement, which provides that the City irrevocably pledges to the County the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the City; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the County on or prior to September 1 of that year has transferred money to the Bond Fund (as defined in the Bond Resolution) from the FIL Payments (as defined in the Bond Resolution) to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the County, in accordance with the provisions of the Bond Resolution.

Certain information relating to the County is set forth in “APPENDIX A - INFORMATION ON THE COUNTY” and certain financial information on the County is included in “APPENDIX B – BUDGET,” “APPENDIX C - AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING SEPTEMBER 30, 2024,” and “APPENDIX D - UNAUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING SEPTEMBER 30, 2025.”

Form of the Bonds

The Bonds shall be dated the date of delivery thereof, shall be delivered in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity, shall be numbered from one upward in the order of issuance, shall be issued in fully registered form, and shall bear interest from the date thereof at the rate or rates specified herein on May 1 and November 1 of each year (each an “Interest Payment Date”), commencing November 1, 2027.

Redemption Provisions

Optional Redemption. The Bonds are not subject to optional redemption.

Mandatory Sinking Fund Redemption. The Bonds are term bonds subject to mandatory sinking fund redemption prior to their scheduled maturity on November 1 of the years listed below at a redemption price of 100% of the principal amount redeemed plus accrued interest to the redemption date from amounts on deposit in the General Account of the General Fund in accordance with the following schedule:

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

*Final maturity

Bond Fund

In the Bond Resolution the County establishes the 2026 Bond Fund for the Bonds, said fund to be maintained at a qualified depository of the County. Money deposited in the 2026 Bond Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due.

SOURCES AND USES OF FUNDS

The following is a summary of the estimated sources and uses of proceeds of the Bonds:

Sources of Funds

Par Amount	\$ _____
Plus/Less Net Original Issue Premium/Discount	\$ _____
Total Sources	\$ _____

Uses

Refunding of the Refunded Bonds	\$ _____
Cost of Issuance	\$ _____
Total Uses	\$ _____

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a summary of certain provisions of the Bond Resolution. This summary does not purport to be complete and is qualified in its entirety by reference to the complete document which is available from the Office of the Chancery Clerk, Jones County Courthouse, 415 North 5th Avenue, Laurel, Mississippi 39437.

Registration, Transfer and Exchange of the Bonds

The Bond Resolution provides for the registration, transfer and exchange of the Bonds upon presentation and surrender at the principal corporate trust office of the Paying Agent. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed, or be accompanied by other evidence of transfer acceptable to the Paying Agent. No service charge shall be made to the registered owner for any registration, transfer, or exchange for a different denomination of Bonds, but the County or the Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond. The County shall not be obligated to issue, exchange or transfer any Bond during the fifteen (15) day period next preceding any interest payment date. For so long as a book-entry only system is used for determining beneficial ownership of the Bonds, such interest shall be payable to DTC or its nominee. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of the DTC Participants or the Indirect Participants (See "Book-Entry Only System" herein).

Book-Entry Only System

The County has determined that it will be beneficial to have the Bonds held by a central depository system and to have transfers of the Bonds affected by book-entry on the records of DTC as such central depository system. Unless and until the book-entry-only system has been discontinued, the Bonds will be available only in book-entry form in principal amounts of \$5,000 or any integral multiple thereof. DTC will initially act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). One fully-registered Bond will be issued for each maturity of the Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York banking law, a "banking organization" within the meaning of the New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices are to be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the County or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds in definitive form will be printed and delivered.

THE COUNTY, THE PAYING AGENT AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCE THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (A) PAYMENTS OF PRINCIPAL OR INTEREST ON THE BONDS; (B) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS; OR (C) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE COUNTY, THE PAYING AGENT NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE BONDS; (B) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (C) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF AND INTEREST ON THE BONDS; (D) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTIONS TO BE GIVEN TO HOLDERS OF THE BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE BONDS.

Bond Resolution a Contract

In consideration of the purchase and acceptance of any and all of the Bonds by the Registered Owners thereof, the Bond Resolution shall constitute a contract between the County and the Registered Owners from time to time of the Bonds. The pledge made in the Bond Resolution and the covenants and agreements set forth in the Bond Resolution to be performed on behalf of the County for the benefit of the Registered Owners shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

PLAN OF REFUNDING

General

On the date of issuance and delivery of the Bonds, the Underwriter shall remit \$_____ of the proceeds of the Bonds, for and on behalf of and as directed by the County, directly to the 2023 Trustee for deposit in the Redemption Account established under the 2023 Indenture to effectuate the 2023 Refunding Project.

Purpose of Refunded Bonds

The Series 2023 Bonds were issued for the purpose of providing funds to purchase the Series 2023 County Bond, to provide funds for the 2023 County Project (as hereinafter defined), and to pay costs of issuing the Series 2023 Bonds and the Series 2023 County Bond. The 2023 County Bond was issued for the purpose of providing funds for financing (a) acquiring land and/or acquiring or constructing buildings, fixtures, machinery, equipment, utilities, port or airport facilities, roads, rail lines and rail spurs, and other related projects that have or will provide a multi-jurisdictional benefit, including all site preparation, mitigation of environmental or cultural conditions and other start-up activities; (b) construction; (c) acquisition of fixtures and of real and personal property required for the purposes of the Industrial Park Project (as defined herein) and facilities related thereto, whether publicly or privately owned, including land and any rights or undivided interests therein; (d) acquisition of machinery and equipment, including motor vehicles which are used for Industrial Park Project (as defined herein) functions; (e) closure, post-closure maintenance or correction action on environmental matters; (f) financing charges and interest prior to and during construction and during such additional period as the alliance may reasonably determine to be necessary for the placing of the Industrial Park Project (as defined herein) in operation; (g) engineering, surveying, environmental geotechnical, architectural and legal services; (h) plans and specifications and all expenses necessary or incident to determining the feasibility or practicability of the Industrial Park Project (as defined herein); (i) administrative expenses; (j) a renewal and replacement reserve, bond insurance, and/or other credit enhancement, and such other reserves as may be authorized; (k) construction or contracting for the construction of streets, roads, water, sewerage, drainage and other related facilities; (l) borrowing for the Industrial Park Project (as defined herein); (m) any other property or services related to (a) through (l) above; and for any other purposes authorized pursuant to the CPCN (as defined herein); and for other authorized purposes under the Act, and (b) paying the costs of issuance of the 2023 Bank Bonds and the 2023 County Bond (together, the “2023 County Project”).

MUNICIPAL ADVISOR

The County has retained the firm of Government Consultants, Inc., Madison, Mississippi, as Municipal Advisor to the County in connection with the issuance of the Bonds. In such capacity the Municipal Advisor has provided recommendations and other financial guidance to the County with respect to the preparation of documents, the preparation for the sale of the Bonds and of the time of the sale, tax-exempt bond market conditions and other factors related to the sale of said Bonds.

Although the Municipal Advisor performed an active role in drafting of the Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from municipal records and from other sources which are believed to be reliable, including financial records of the County and other entities which may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the County. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of same and reference is made to such original sources in all respects.

UNDERWRITING

The Bonds are being purchased for reoffering by the Underwriter, at a purchase price of \$_____ (\$_____ par amount of Bonds, less \$_____ for an Underwriter's discount, plus/less \$_____ net original issue premium/discount). The bond purchase agreement pursuant to which the Underwriter expects to purchase the Bonds provides that the Underwriter will purchase all the Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions stated in such bond purchase agreement.

The Underwriter may offer and sell the Bonds to other dealers and other purchasers at prices lower than the public offering prices stated on the inside of the front cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter.

RATINGS

Standard & Poor's is expected to assign their municipal bond rating of "A+" (Stable outlook) to the Bonds, and reflects only the view of such rating agency, and an explanation of the significance of the rating may be obtained only from said rating agency.

Standard & Poor's has assigned an underlying rating of "A+" (stable outlook) to the Bonds.

Information on the ratings may be obtained from the Clerk of the County. Such ratings reflect only the view of such organization, and an explanation of the significance of the ratings may be obtained only from said rating agency. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect upon the market price or marketability of the Bonds.

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to delivery of the Bonds in order that the interest on the Bonds not be includable in gross income of the registered owners for federal income tax purposes under Section 103 of the Code. The certificate as to non-arbitrage and other tax matters of the County, which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with such

requirements of the Code. The County agrees, covenants and represents in the Bond Resolution that it will not make any use of the gross proceeds of the Bonds or amount that may be treated as proceeds of the Bonds or do or take or omit to take any other action that would cause: (i) the Bonds to be “arbitrage bonds” as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the registered owners for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

Except as expressly stated in the following three paragraphs of this section, Bond Counsel will express no opinion as to any federal or state consequences of the ownership of, receipt of interest on, or disposition of the Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Bonds is excludable in gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Bonds is not treated as a preference item in calculating federal alternative minimum taxable income. In rendering the foregoing opinion, Bond Counsel has assumed the compliance by the County with the tax covenants and representations in the Bond Resolution and the representations in the certificate as to non-arbitrage and other tax matters. These requirements relate to, *inter alia*, the use and investment of the gross proceeds of the Bonds, the use of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds have resulted in a failure of the County to comply with its covenants. Failure of the County to comply with such covenants could result in the interest on the Bonds becoming subject to federal income tax from the date of issue.

Under existing law, Bond Counsel is of the opinion that, interest on the Bonds is exempt from all present taxes imposed by the State and any county, municipality or other political subdivision of the State, except for inheritance, estate and transfer taxes.

Under existing law, Bond Counsel is of the opinion that, interest on the Bonds is exempt from all present income taxes imposed by the State.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences in certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.

Changes in Federal and State Tax Laws

From time to time, there are legislative proposals introduced and regulatory actions proposed or announced at the federal or state level that, if enacted, could alter or amend directly or indirectly relevant federal and state tax matters, including, without limitation, those mentioned hereinabove or could adversely affect the market value of the Bonds. It cannot be predicted whether or when or in what form any such legislative or regulatory proposal might be enacted or implemented or whether if enacted or implemented it would apply to tax exempt obligations issued prior to enactment or implementation. In addition, from time to time litigation is threatened or commenced which, if concluded in a particular manner, could adversely affect relevant tax matters or the market value of the Bonds. It cannot be predicted how any particular litigation or judicial action will be resolved or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed legislation, regulatory initiatives or litigation.

Tax Treatment of Original Issue Discount

[The Bonds maturing on _____ 1 of the years 20__ through 20__ (the “Discount Bonds”) are being offered and sold to the public at an original issue discount (“OID”) from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the “issue price” of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on bond will accrue over the term of the bond, and for the Discount Bonds, the amount of accretion will be based on a single rate of interest, compounded semiannually (the “yield to maturity”). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its issue price, the portion of OID that accrues during the period that such purchaser owns the Discount Bond is added to such purchaser’s tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond and thus, in practical effect, is treated as stated interest, which is excludable from gross income for federal income tax purposes.]

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.]

Tax Treatment Of Original Issue Premium

[The Bonds maturing _____ 1 in the years 20__ through and including 20__ (for purposes of this paragraph, the “Premium Bonds”) has an issue price that is greater than the amount payable at maturity of such Premium Bonds. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the Premium

Bond's yield to maturity. As premium is amortized, the purchaser's basis in such Premium Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bond, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Premium Bonds.

Holders of Premium Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Premium Bonds and with respect to state and local tax consequences of owning and disposing of Premium Bonds]

CONTINUING DISCLOSURE

The County will execute a continuing disclosure agreement (the “Disclosure Agreement”) at the time of the closing for the Bonds. The Disclosure Agreement will be executed for the benefit of the beneficial owners of the Bonds and the County has covenanted in the Bond Resolution to comply with its terms. The Disclosure Agreement will provide that so long as the Bonds remain outstanding, the County will provide the following information to the Municipal Securities Rulemaking Board, acting through its Electronic Municipal Market Access (“EMMA”) system: (i) annually, certain financial information and operating data; and (ii) timely notice of the occurrence of certain listed events; all as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as APPENDIX F.

In the last five years, the County did not file unaudited financial statements for fiscal years 2020-2023 as required by its prior continuing disclosure undertakings. No remedial filing of the unaudited financial statements was made because audited financial statements have been filed for those years. The County adopted policies and procedures on November 3, 2014 (the “Policy”) to assist timely filing of its annual financial information. Pursuant to the Policy, the County has hired a dissemination agent to file the County’s required annual report.

MISCELLANEOUS AND LEGAL INFORMATION

No Default on Securities

No securities of the County have been in default as to principal or interest payments or in any other material respect at any time in at least the last 25 years. No principal or interest on any obligation of the County is past due.

No Bond Proceeds for Current Operating Expenses

No proceeds from the sale of securities (except tax anticipation notes issued against revenues of a current fiscal year) have been used for current operating expenses at any time in at least the last ten years.

Pension Plan

The County has no pension plan or retirement plan for employees. County employees are members of and contribute to the Mississippi Public Employees' Retirement System (PERS), a cost-sharing, multiple employer retirement system administered by the State for the benefit of its local governments and State personnel. Benefit provisions are established by State statute and may be amended from time to time only by the State Legislature.

In June 2012, the Government Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions ("**GASB-68**"). The objective of GASB-68 is to improve accounting and financial reporting of government pensions. Also, GASB-68 improves information provided by government employers about financial support for pensions that is provided by other entities. Requirements of GASB-68 are effective for financial statements whose fiscal year begins after June 15, 2014 (Fiscal Year 2015 for the County).

PERS members are required to contribute 9.00% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2018 was 15.75% of annual covered payroll. On June 26, 2018, the PERS Board of Trustees voted to increase the employer contribution rate from 15.75 to 17.40 percent, effective July 1, 2019. On August 22, 2023, the PERS Board of Trustees voted to phase in an employer contribution rate increase by 2% each State fiscal year beginning July 1, 2024, and thereafter until the rate reaches the amount recommended by the PERS actuary and approved by the Board of Trustees, which is currently estimated to be 27.40%. During the 2024 legislative session, the State Legislature passed Senate Bill 3231 which rescinded this increase and gives the State Legislature sole authority to approve any future rate increases, stripping away that power from the Board of Trustees. Senate Bill 3231 provides for a 0.5% increase in the employer's contribution rate annually on July 1 of each year from 2024 through 2028. It also states that the State Legislature is committed to maintaining current benefits for retirees and current PERS members and expresses an intent to create a new PERS tier for future members with a different payment and benefits structure. The County contributions (employer share only) to PERS for the years ending September 30, 2024, 2023 and 2022 were \$3,126,205, \$2,961,862 and \$2,743,592, respectively, which equaled the required contributions for each year.

As of September 30, 2024, the County reported a liability of \$59,465,406 for its proportionate share of the net pension liability. See Page 43 in the County's 2024 Audited Financial Statements included in APPENDIX C - Financial Information Concerning the County.

No-Litigation Certificate

The attorney for the Board of Supervisors will execute and deliver to the initial purchaser(s) of the Bonds an opinion dated as of the date of delivery that no litigation has been filed or is then pending to restrain or enjoin the issuance or delivery of the Bonds, or which would affect the provisions made for the payment of the principal of and interest on the Bonds or in any manner questioning the validity of the Bonds.

Validation

Prior to issuance, the Bonds will be validated before the Chancery Court of the County as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended.

Approval of Legal Proceedings

All legal matters in connection with the authorization and issuance of the Bonds are subject to the final approval of the legality thereof by Butler Snow LLP, Bond Counsel. The form of the opinion of Bond Counsel is attached hereto as APPENDIX G and will be available in final form at the time of delivery of the Bonds. No representation is made to the registered owners of the Bonds that Bond Counsel has verified the accuracy, completeness or fairness of the statements in the Official Statement and Bond Counsel assumes no responsibility to the registered owners of the Bonds except for the matters set forth in such opinion.

Certain legal matters will be passed upon for the County by its counsel, Danielle Ashley, Esq., Laurel, Mississippi.

Bankruptcy

The County is a “Municipality” as that term is defined in Title 11 of the United States Code (the “Bankruptcy Code”).¹ Section 109(c) of the Bankruptcy Code prescribes the conditions and circumstances under which a Municipality may file a petition for relief under the Bankruptcy Code. As a debtor, a Municipality may *only* file for relief pursuant to Chapter 9 of the Bankruptcy Code (“Chapter 9”). Pursuant to Section 303(a) of the Bankruptcy Code, no creditor or judgment holder of a Municipality may file a Chapter 9 petition on behalf of a Municipality.

Pursuant to Section 109(c)(2) of the Bankruptcy Code, before a municipality may file a petition under Chapter 9 of the Bankruptcy Code, a municipality must be specifically authorized by (a) state law or (b) a governmental officer or organization empowered to authorize such a filing. Accordingly, before a Municipality in the State may file for Chapter 9 protection, it must have specific authority granted to it. Currently, there is no State statute that prescribes, authorizes or otherwise contains authorization for any Municipality to file for Chapter 9 protection, or delegates such authority to a governmental officer or organization. As such, in order for a State Municipality, including the County, to file for Chapter 9 relief, the Municipality must obtain specific authority from the State Legislature.

The State Legislature is comprised of the Senate and the House of Representatives. The Senate is composed of 52 members, and the House of Representatives consists of 122 members. Each member of each chamber is elected to a four-year term. In the State, the Legislature convenes annually on the first Tuesday after the first Monday each January. Regular sessions of the State Legislature last 90 days in all years of an administration except for the first session after a new governor has been elected, when a 125-day session is held.

¹ Section 101(40) of the Bankruptcy Code provides that “[t]he term “municipality” means political subdivision or public agency or instrumentality of a State.” 11 U.S.C. § 101(40).

In order to obtain specific authority from the State Legislature to file for relief pursuant to Chapter 9, a Municipality would have to request both houses during the annual session of the State Legislature to approve a bill authorizing the Municipality to file for relief pursuant to Chapter 9 and such bill would have to be signed into law by the Governor of the State. There is no appeal process or any other proceeding under current State law that the Municipality may pursue if such requested specific authority is not granted by the State Legislature.

Miscellaneous

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the registered owners thereof.

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. To the best of our knowledge, information in this Official Statement does not include any untrue statement of material fact; nor does the information omit the statement of any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Preliminary Official Statement dated October 26, 2026, has been “deemed final” as of such date by the County with permitted omissions, subject to change without notice and to completion or modification in a final Official Statement (the “Official Statement”). The County will make available to the Underwriter a reasonable number of Official Statements within seven (7) business days (excluding Saturdays, Sundays and national holidays) of the award of the Bonds. The Underwriter shall conform to the requirements of the Rule, including an obligation, if any, to update the Official Statement and shall bear all costs relating thereto. During the period from the delivery of the Official Statement to and including the date which is twenty-five (25) days following the end of the underwriting period for the Bonds (as described below) the County shall notify the Underwriter if any event of which it has knowledge shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The Underwriter has agreed to file the Official Statement with a nationally recognized municipal securities information repository (a “Repository”) at the earliest practicable date after the date of delivery of the Bonds. The end of the underwriting period shall mean the earlier of (a) the date of the closing unless the County has been notified in writing to the contrary by the representative of the Underwriter on or prior to such date, or (b) the date on which the “end of the underwriting period” for the Bonds has occurred under the Rule. The Underwriter has agreed to notify the County of the date which is the “end of the underwriting period” within the meaning of the Rule.

JONES COUNTY, MISSISSIPPI

PRESIDENT, BOARD OF SUPERVISORS

CLERK, BOARD OF SUPERVISORS

APPENDIX A
INFORMATION ON THE COUNTY

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**APPENDIX A - ECONOMIC AND DEMOGRAPHIC INFORMATION FOR
JONES COUNTY, MISSISSIPPI**

General Description

Jones County is located in the southeastern part of the State. The County is divided into two judicial districts. The County seat of the Second Judicial District is the City of Laurel, Mississippi, which is approximately 84 miles from Jackson, Mississippi, the state capital, 112 miles from Mobile, Alabama, and 146 miles from New Orleans, Louisiana. The County seat of the First Judicial District is the Town of Ellisville, Mississippi, which is located approximately 7 miles southwest of Laurel.

Population

The population of the County has been recorded as follows:

1990	2000	2010	2025 Estimate
61,974	64,958	67,761	66,496

SOURCE: Census Data information at website: www.census.gov; June 2026.

Government

The governing body of the County is the Board of Supervisors which consists of five supervisors, each of whom is elected from a separate district; all are elected for four year terms which run concurrently. Current members² of the Board are:

Name	Occupation	Position Held Since
George Walters	District 1 Supervisor	2024
T. Larry Dykes	District 2 Supervisor	2020
Phil Dickerson	District 3 Supervisor	2020
Joey Bradshaw	District 4 Supervisor	2024
Stacy Comegys	District 5 Supervisor	2025

Transportation

The County is traversed and served by Interstate Highway 59, U. S. Highways 11 and 84 and by Mississippi Highways 15, 28 and 537. Rail service is provided by Gulf and Mississippi Railroad and Norfolk Southern and bus service by Greyhound and Trailways Bus Lines. Twelve motor freight carriers also serve the County. The nearest commercial airport, Pine Belt Regional, is located 20 miles from the county seat in Laurel.

Per Capita Income

Year	County	Mississippi	United States	County as % of U.S.
2023	49,765	49,652	69,810	71%
2022	48,221	47,134	66,244	73%
2021	44,858	46,869	64,460	70%
2020	40,922	42,448	59,123	69%
2019	38,841	39,143	55,566	70%

SOURCE: Bureau of Economic Analysis: Regional Economic Accounts at website: www.bea.gov, (BEA data last updated November 14, 2025). Information available as of June 2026.

Major Employers

The following is a partial listing of major employers in the County, their products or services and their approximate number of employees:

Employer	Employees	Product/Service
Howard Industries (all four divisions)	3,500	Transformer/Transport/Ballast/ Technology
South Central Regional Medical Center	1,918	Healthcare
Ellisville State School	1,390	Healthcare
Jones County Schools	1,142	Education
Sanderson Farms, Inc.	912	Poultry Processing
Masonite	564	Manufacturing
Laurel School District	528	Education
Jones County	510	Government
Sawmill Square Mall	450	Retail
Wayne Farms LLC	416	Poultry Processing
MS Industries for Individuals with Disabilities	415	Packaging & Assembly
Jones County Junior College	415	Education
Wal-Mart	392	Retail
Southern Hens Inc.	390	Poultry Processing

SOURCE: Jones County Economic Development Authority from the "Top 25 Employers List". Information available as of June 2026.

County Unemployment Statistics

Year	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Annual Average
2021	5.6	5.6	5.3	4.9	4.9	6.1	5.5	5.0	4.2	3.7	3.2	3.1	4.8
2022	4.2	3.8	3.2	3.0	3.2	4.1	3.9	3.6	3.2	2.9	2.9	2.6	3.4
2023	2.8	2.8	2.6	2.2	2.6	3.4	3.2	3.1	2.5	2.3	2.1	2.0	2.6
2024	2.5	2.3	2.2	1.6	2.3	3.2	3.1	3.1	2.8	2.8	2.9	2.9	2.6
2025	3.2	3.4	3.1	2.7	3.0	3.7	3.6	3.3	2.9		2.7	2.3	3.1
2026	2.9	3.4	3.1	2.3									2.9

SOURCE: Mississippi Department of Employment Security: Labor Market Data at website: www.mdes.ms.gov; June 2026.

County Employment Statistics

	2021	2022	2023	2024
RESIDENCE BASED EMPLOYMENT				
I. Civilian Labor Force	28,430	28,970	29,300	30,250
II. Unemployed	1,360	980	770	800
Rate	4.8	3.4	2.6	2.6
III. Employed	27,070	27,990	28,530	29,450

SOURCE: Mississippi Department of Employment Security (“MDES”): Annual Averages 2020 Forward, released April 2025, are limited to “Residence Based Amounts”. Information available as of June 2026.

Retail Sales

State Fiscal Year Ended June 30	Amount
2025	\$1,375,597,713
2024	1,412,214,879
2023	1,384,880,633
2022	1,303,125,850
2021	1,215,999,027

SOURCE: Annual Reports for each year, Mississippi Department of Revenue's website: www.dor.ms.gov; information available as of June 2026.

Educational Facilities

The Jones County School District is a public school district based in Ellisville, Mississippi, and is comprised of the geographic area of the County, with the exception of the Laurel Separate School District. The Jones County School District operates 11 schools throughout the County. Enrollment for the Jones County School Districts for the current year and the four prior years are as follows:

Scholastic Year	Enrollment
2025-26	8,558
2024-25	8,693
2023-24	8,581
2022-23	8,524
2021-22	8,541

SOURCE: Jones County School District and Office of Research and Statistics, Mississippi Department of Education's website: <http://reports.mde.k12.ms.us/data/>, June 2026.

TAX INFORMATION

Assessed Valuation of the County³

Assessment Year	Real Property	Personal Property ⁴	Public Utility Property	Total
2025	\$369,103,810	\$276,796,672	\$94,981,460	\$740,881,942
2024	346,659,642	262,163,246	83,705,970	692,528,858
2023	334,113,095	243,722,248	70,462,630	648,297,973
2022	327,217,052	226,486,461	68,242,300	621,945,813
2021	318,493,278	213,397,753	66,215,350	598,106,381

SOURCE: Jones County Tax Assessor; June 2026.

Assessed valuations are based upon the following assessment ratios:

- (a) Real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), fifteen percent (15%) of true value;
- (b) Single-family owner-occupied residential real property, ten percent (10%) of true value;
- (c) Motor vehicles and public utility property, thirty percent (30%) of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 (the "Resolution"), pursuant to which there was proposed an amendment to the Mississippi Constitution of 1890 (the "Amendment"). The Amendment provided, *inter alia*, that the assessment ratio of any one class of property shall not be more than three times the assessment ratio on any other class of property.

The Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the Amendment. The assessment ratios set forth in the Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as it existed prior to the Amendment, except that the assessment ratio for single-family, owner-occupied residential real property under the Amendment is set at ten percent (10%) of true value as opposed to fifteen percent (15%) of true value under previously existing law.

The assessed valuation figures above do include property exempt from all County ad valorem tax for a period of up to ten years, primarily for new or expanded manufacturing facilities.

Procedure for Property Assessments

Real and personal property valuations other than motor vehicles and property owned by public utilities are determined by the County Tax Assessor. All taxable real property situated in the County is assessed each year and taxes thereon paid for the ensuing year. Assessment rolls of such property subject to taxation are prepared by the County Tax Assessor and are delivered to the Board of Supervisors of the County on the first Monday in July. Thereafter, the assessments are equalized by the Board

³The total assessed valuation is approved in September preceding the fiscal year of the County and represents the value of real property, personal property, public utility property, mobile home and automobiles for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2025 are collected starting in January 2026 for the 2025-26 fiscal year budget of the County.

⁴ Personal property includes motor vehicles and mobile homes.

of Supervisors and notice is given to the taxpayers that the Board of Supervisors will meet to hear objections to the assessments. After objections are heard, the Board of Supervisors adjusts the rolls and submits them to the Mississippi Department of Revenue (formerly the known as the State Tax Commission, hereafter the “Department of Revenue”, unless otherwise indicated), which examines them on receipt. The Department of Revenue may then accept the rolls or, if it finds a roll incorrect in any particular, return the rolls to the Board of Supervisors to be corrected in accordance with the recommendations of the State Tax Commission. If the Board of Supervisors has any objections to the order of the Department of Revenue, it may arrange a hearing before the Commission. Otherwise, the assessment roll is finalized and submitted to the County Tax Collector for collection. The assessed value of motor vehicles is determined by an assessment schedule prepared each year by the Department of Revenue. With minor exceptions the property of public utilities is assessed each year by the Department of Revenue.

Tax Levy per \$1,000 Valuation⁵

GENERAL PURPOSES	2025-26	2024-25	2023-24	2022-23	2021-22
General Fund	34.75	33.50	31.30	31.80	33.00
Reappraisal Fund	1.00	1.00	1.20	1.50	1.50
Special Escrow Account Fund	1.00	1.00	1.00	1.00	1.00
Library Fund	1.00	1.00	1.00	1.00	1.00
Road Maintenance	10.00	10.00	10.00	10.00	10.00
Road, Bridge & Culvert Funds	.75	1.00	1.50	1.50	1.50
Junior College Maintenance Fund	3.00	3.00	3.00	2.76	2.10
Junior College Improvement & Enlargement Fund	2.50	2.50	2.50	2.50	2.50
Jones County Junior College Fund (State)	.50	.50	.50	.50	.47
Pat Harrison Waterway District Fund (State)	.37	.37	.87	.87	.87
County-Wide Bond Sinking & Interest Fund	6.00	7.00	8.00	8.40	8.40
Volunteer Fire Department Fund	2.00	2.00	2.00	2.00	2.00
Subtotal General Purposes	62.87	62.87	62.87	63.83	64.34
Jones County Separate School Purposes					
Maintenance Fund	55.00	53.85	55.00	55.00	55.00
County School General Obligation Bond		7.96	8.25	8.40	8.70
Special Indebtedness Fund	2.55	1.25	1.45	1.52	1.60
Glade School Note		0	0	0	0
County School Shortfall		.64	.75	.65	.29
Subtotal School Purposes	57.55	63.70	65.45	65.57	65.59
TOTAL	120.42	126.57	128.32	129.40	129.93

SOURCE: Office of the Chancery Clerk; June 2026.

⁵ Tax levy figures are given in mills.

Ad Valorem Tax Collections

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected	Difference Over/(Under)
2025	\$59,874,235	\$60,094,110	\$219,875
2024	56,815,792	57,884,558	1,068,766
2023	55,328,357	55,466,585	138,228
2022	53,719,995	53,189,035	(530,960)
2021	52,256,764	54,890,200	2,633,436

SOURCE: Office of the County Administrator; June 2026.

Procedure for Tax Collections

The Board of Supervisors is required each year to levy taxes upon all of the taxable property within the County to provide sufficient revenue to cover the operating expenses of the County, including the payment of the principal of and interest on its outstanding bonds. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes will bear interest at the rate of one percent per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real and personal property is subject to being sold at public sale for nonpayment of taxes.

Ad valorem taxes on personal property are payable at the same time and in the same manner as on real property. Section 27-41-15, Mississippi Code of 1972, as amended and supplemented from time to time, provides that upon failure of a taxpayer to make timely payment, the tax collector of each county is authorized to sell any personal property liable for unpaid taxes at the courthouse door of such county unless the property is too cumbersome to be removed. Five days' notice of the sale in an advertisement posted in three public places in such county, one of which must be the courthouse, is required. Interest, fees, costs and expenses of sale are recoverable in addition to the delinquent taxes. If sufficient personal property cannot be found, the tax collector may make a list of debts due such taxpayer by other persons and sell such debts and is further directed to distrain and sell sufficient other properties of such taxpayer to pay the delinquent taxes. Debts sold may be redeemed within six months from the sale in the same manner as redemption of land from tax sales.

Section 27-41-55, Mississippi Code of 1972, as amended and supplemented from time to time, provides that after the fifth day of August in each year, the tax collector for each county shall advertise and sell all land in such county on which all taxes due and in arrears have not been paid, as well as all land liable for other matured taxes. The sale is held at the door of the courthouse of such county on the last Monday of August following. The owner, or any person interested in the land sold for taxes, may redeem the land at any time within two years after the date of sale by paying all taxes, costs, interest and damages due to the county's chancery clerk. A valid tax sale will mature two years after the date of sale unless the land is redeemed and title will vest in the purchaser on such date.

At the option of the tax collector, advertisement for the sale of such county lands may be made after the fifteenth day of February in each year with the sale of such lands to be held on the first Monday of April following. All provisions which relate to the tax sale held in August of each year shall apply to the tax sale if held in April.

County and municipal taxes, assessed upon land or personal property, are entitled to preference over all judgments, executions, encumbrances or liens however created.

Reappraisal of Property and Limitation on Ad Valorem Levies

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972, as amended and supplemented from time to time (the "Reappraisal Act"), provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To insure that property taxes did not increase dramatically as counties completed reappraisal, the Reappraisal Act provided for the limit on increase in tax revenues discussed below.

The Reappraisal Act limits ad valorem tax levies by the County to a rate which will result in an increase in total receipts of not greater than 10% over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of the principal of and the interest on general obligation bonds issued by the County or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On August 20, 1980, the Mississippi Supreme Court rendered its decision in *State Tax Commission v. Fondren*, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the Department of Revenue was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the Department of Revenue equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the lower court's decree, on November 15, 1980, the Department of Revenue filed a master plan to assist counties in determining true value.

Homestead Exemption

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the State level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the exemption.

Subject to certain limitations, the tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the State Department of Revenue.

Largest Taxpayers

The ten largest taxpayers in the County for assessment year 2025 are as follows:

Taxpayer	Assessed Valuation	Taxes Collected
Howard Industries Inc.	\$88,510,922	\$13,601,178
Mississippi Power	31,843,080	4,785,863
Transcontinental Gas	32,861,300	3,957,158
Realty Income/PG Technology	19,078,621	3,010,798
Masonite	15,959,102	2,784,688
Sanderson Farms	13,245,062	1,811,453
Amick Farms LLC	14,699,822	1,598,209
Tennessee Gas Pipeline	8,266,600	995,464
Cold Link Logistics	10,432,322	715,050
CenterPoint Energy	4,672,980	682,342
Totals:	\$239,569,811	\$33,942,203

SOURCE: Jones County Tax Collector and Tax Assessor; June 2026.

DEBT INFORMATION

Legal Debt Limit Statement

(As of October 1, 2026)

	15% Limit	20% Limit
Authorized Debt Limit (Last Completed Assessment for Taxation - \$740,881,942)	\$111,132,291	\$148,176,388
Present Debt Subject to Debt Limits	19,044,000	19,044,000
Margin for Further Debt Under Debt Limits	\$92,088,291	\$129,132,388
Less the Series 2026 Bonds		
Margin for Further Debt Under Debt Limits		

Statutory Debt Limits

The County is subject to a general statutory debt limitation under which no county in the State may incur general obligation bonded indebtedness in an amount which will exceed fifteen percent (15%) of the assessed value of all taxable property within such county according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of this fifteen percent (15%) limitation, there may be deducted all bonds or other evidences of indebtedness issued for the construction of hospitals, ports or other capital improvements payable primarily from the net revenues to be generated from such hospital, port or other capital improvements in cases where such revenue is pledged to the retirement of the indebtedness, together with the full faith and credit of such county.

However, in no case shall any county contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes when added to all of the outstanding general obligation indebtedness, both bonded and floating, which shall exceed twenty percent (20%) of the assessed value of all taxable property within such county, but bonds issued for school purposes and bonds issued under Sections 57-1-1 through 57-1-51 are specifically excluded from both the fifteen percent (15%) limitation and the twenty percent (20%) limitation (but are subject to statutory limits applicable to bonds of each type, respectively). Bonds issued for washed-out or collapsed bridges apply only against the twenty percent (20%) limitation. Industrial development revenue bonds are excluded from all limitations on indebtedness, as are contract obligations subject to annual appropriations.

Outstanding General Obligation Bonded Debt

(As of October 1, 2026)

Issue	Date of Issue	Outstanding Principal
General Obligation Bonds, Series 2017	11/01/17	\$3,135,000
General Obligation Refunding Bonds, Series 2021	4/08/21	12,377,000
General Obligation REDA Bond, Series 2023	9/01/23	3,532,000
Total:		\$19,044,000

Other Outstanding Long-Term Debt

(As of October 1, 2026)

Issue	Date of Issue	Principal Balance
2017 Hospital Refunding Bonds ⁶	8/17/2017	2,185,000
2021 Hospital Refunding Bond	4/01/2021	1,310,000
Total:		\$3,495,000

⁶ Principal and interest on the 2017 Hospital Refunding Bonds is secured by a pledge by the County of an ad valorem tax levy on all taxable property in the County, not to exceed five mills in any one year. Such tax is not currently being levied and will only be levied upon the occurrence of certain conditions provided in the documents executed in connection with the Hospital Bonds.

Annual Debt Service Requirements

FY Ending September 30	General Obligation Debt		
	Principal	Interest	Total
2026	3,723,000.00	435,354.60	4,158,354.60
2027	3,107,000.00	392,265.10	3,499,265.10
2028	2,948,000.00	349,826.00	3,297,826.00
2029	2,481,000.00	306,739.00	2,787,739.00
2030	1,930,000.00	266,498.30	2,196,498.30
2031	1,953,000.00	230,398.10	2,183,398.10
2032	1,311,000.00	191,597.40	1,502,597.40
2033	1,353,000.00	159,949.20	1,512,949.20
2034	1,386,000.00	126,855.00	1,512,855.00
2035	610,000.00	92,300.00	702,300.00
2036	634,000.00	68,975.00	702,975.00
2037	655,000.00	44,795.00	699,795.00
2038	676,000.00	20,507.50	696,507.50
Total:	\$22,767,000.00	\$2,686,060.20	\$25,453,060.20

General Obligation Bonded Debt

Issue:	Fiscal Year Ended September 30				
	2025	2024	2023	2022	2021
G.O. Bonds, Series 2012 (6/1/12) ⁷	-0-	-0-	-0-	-0-	175,000
G.O. Bonds, Series 2013 (5/1/13) ⁸	-0-	-0-	-0-	420,000	830,000
G.O. Bonds, Series 2015 (2/17/15)	-0-	-0-	-0-	425,000	835,000
G.O. Bonds, Series 2017 (11/01/17)	3,345,000	3,550,000	3,750,000	3,945,000	4,130,000
G.O. Refunding Bonds, Series 2020 (04/30/20)	655,000	1,306,000	2,461,000	3,256,000	4,141,000
G. O. Refunding Bonds, Series 2021 (04/08/21)	15,017,000	17,633,000	20,236,000	22,402,000	24,382,000
G. O. REDA Bond Project, Series 2023 (9/01/23)	3,750,000	3,750,000	3,750,000	-0-	-0-
Totals:	\$22,767,000	\$26,239,000	\$30,197,000	\$30,448,000	\$34,493,000

⁷ The 2023 through 2027 Maturities were called on April 9, 2021.

⁸ The 2024 through 2028 Maturities were called on May 1, 2021.

Debt Ratios

FY Ended September 30	General Obligation Debt	General Obligation Debt to Assessed Value
2025	\$22,767,000	3.07%
2024	26,239,000	3.80
2023	30,197,000	4.66
2022	30,448,000	4.89
2021	34,493,000	5.77

APPENDIX B

BUDGET

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ADOPTED BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2026

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JONES COUNTY
COMBINED BUDGET FOR PUBLICATION
For The Fiscal Year Ending September 30, 2026

	Governmental Fund Types			Proprietary Fund Types		
	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Total
REVENUES						
Amount necessary to be raised by tax levy	\$22,458,041	\$7,854,105		\$3,920,243		\$34,232,389
Taxes and ad valorem other than tax levy	\$230,000					\$230,000
Road & Bridge privilege taxes	\$0	\$864,000				\$864,000
Licenses, commissions and other revenue	\$2,352,350	\$18,000				\$2,370,350
Fines and Forfeitures	\$493,000	\$253,000				\$746,000
Intergovernmental revenues:						
Federal sources	\$344,253	\$1,500				\$345,753
State Sources:	\$1,397,000	\$6,619,230				\$8,016,230
Local Sources	\$321,000	\$2,431,227				\$2,752,227
Charges for Services	\$550,000	\$620,000			\$3,261,000	\$4,431,000
Interest Income	\$250,000	\$172,000	\$1,000		\$500	\$423,500
Miscellaneous revenue	\$385,000	\$153,800			\$1,000	\$539,800
Other financing sources	\$0	\$156,110		\$386,750	\$0	\$542,860
Total Revenues	\$28,780,644	\$19,142,972	\$1,000	\$4,306,993	\$3,262,500	\$55,494,109
Beginning Cash balance	\$1,750,000	\$8,698,000	\$250,000	\$350,000	\$310,000	\$11,358,000
Total Revenues and Beginning Cash Balance	\$30,530,644	\$27,840,972	\$251,000	\$4,656,993	\$3,572,500	\$66,852,109
EXPENDITURES						
General Government	\$12,135,388	\$1,436,618				\$13,572,006
Public Safety	\$11,153,224	\$3,985,677				\$15,138,901
Public Works	\$279,328	\$14,966,210			\$3,162,152	\$18,407,690
Health and Welfare	\$1,263,604					\$1,263,604
Culture and recreation	\$770,000	\$1,151,191				\$1,921,191
Education	\$696,000					\$696,000
Conservation of natural resources	\$156,932					\$156,932
Economic development and assistance	\$533,835					\$533,835
Debt service				\$4,417,692		\$4,417,692
Other financing uses	\$962,835	\$386,750	\$251,000			\$1,600,585
Total Expenditures	\$27,951,146	\$21,926,446	\$251,000	\$4,417,692	\$3,162,152	\$57,708,436
Ending Cash balance	\$2,579,498	\$5,914,526		\$239,301	\$410,348	\$9,143,673
Total Expenditures and Ending Cash Balance	\$30,530,644	\$27,840,972	\$251,000	\$4,656,993	\$3,572,500	\$66,852,109
Consist of:	General Fund Special Escrow	All other funds	Law Enforce Complex Fund	Bond I&S	Garbage Service	

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APPENDIX C

**AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING SEPTEMBER
30, 2024**

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**AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024**

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JONES COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2024



SHAD WHITE

STATE AUDITOR

Jeff Goodwin, CPA
Director, Financial and Compliance Audit Division

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

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*The Office of the State Auditor does not discriminate on the basis of
race, religion, national origin, sex, age or disability.*



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

Shad White
AUDITOR

September 29, 2025

Members of the Board of Supervisors
Jones County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2024 financial and compliance audit report for Jones County. This audit was performed pursuant to *Section 7-7-211(e), Mississippi Code Annotated (1972)*. The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Respectfully submitted,

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

Shad White

JONES COUNTY
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JONES COUNTY

FINANCIAL SECTION

JONES COUNTY

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

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Jones County, Mississippi

Report on the Audit of the Financial Statements

Adverse, Qualified, and Unmodified Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jones County, Mississippi, (the County) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse, Qualified 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 units of Jones County, Mississippi, as of September 30, 2024, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Governmental Activities, Business-type Activities, General Fund, and Solid Waste Fund

In our opinion, except for the effects of the matters described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, general fund, and solid waste fund of Jones County, Mississippi, as of September 30, 2024, 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.

Unmodified Opinions on Countywide Bond and Interest Sinking Fund and the 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 Countywide Bond and Interest Sinking Fund and the aggregate remaining fund information of Jones County, Mississippi, as of September 30, 2024, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principle generally accepted in the United States of America.

Basis for Adverse, Qualified, and Unmodified Opinions

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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, qualified, and unmodified opinions.

Matter Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those 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 for its component units. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component units on the aggregate discretely presented component units have not been determined.

Matter Giving Rise to Qualified Opinion on the Governmental Activities, Business-type Activities and the Solid Waste Fund

As discussed in Note 11 to the financial statements, the County has not recorded a liability for other postemployment benefits in the governmental activities, business-type activities and Solid Waste Fund and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other postemployment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net position, and change the expenses of the governmental activities, business-type activities and Solid Waste Fund. The amount by which this departure would affect the liabilities, net position, and expenses of the governmental activities, business-type activities and Solid Waste Fund has not been determined.

Matter Giving Rise to Qualified Opinion on the General Fund

Management did not maintain adequate subsidiary records documenting the existence and valuation of fines receivable of the Circuit Court or the aging of these fines receivable. Adequate subsidiary records were not maintained and preserved for the Circuit Court fines receivable aging schedules at September 30, 2024. Due to the nature of the County's records, we were unable to satisfy ourselves as to the fair presentation of fines receivable, net, reported in the General Fund at \$1,212,843 as of September 30, 2024. Also, because of the nature of the fines receivable records, we could not satisfy ourselves as to the fair presentation of the related transactions of the General Fund.

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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

Management has omitted the Management's Discussion and Analysis and the Schedule of Changes in the County's Total OPEB Liability and Related Ratios 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 Jones 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. Such information 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. The 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 September 29, 2025 on our consideration of Jones County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jones 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 Jones County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

September 29, 2025

JONES COUNTY

FINANCIAL STATEMENTS

JONES COUNTY

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JONES COUNTY
Statement of Net Position
September 30, 2024

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 4,822,784	585,292	5,408,076
Investments	14,177,726		14,177,726
Restricted assets - investments	185,948		185,948
Accrued interest receivable	177,626		177,626
Property tax receivable	31,876,639		31,876,639
Accounts receivable (net of allowance for uncollectibles of \$983,679)		336,448	336,448
Fines receivable (net of allowance for uncollectibles of \$2,679,409)	1,212,843		1,212,843
Lease receivable	6,205,860		6,205,860
Intergovernmental receivables	1,343,972		1,343,972
Other receivables	100,570		100,570
Internal balances	122,585	(122,585)	
Prepaid items	24,685		24,685
Capital assets:			
Land and construction in progress	4,565,396	30,000	4,595,396
Other capital assets, net	93,071,865	1,794,169	94,866,034
Total Assets	157,888,499	2,623,324	160,511,823
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	7,653,785	522,880	8,176,665
Deferred amount on refunding	290,086		290,086
Total Deferred Outflows of Resources	7,943,871	522,880	8,466,751
LIABILITIES			
Claims payable	1,743,421	55,804	1,799,225
Intergovernmental payables	1,054,991		1,054,991
Accrued interest payable	352,814	31,278	384,092
Unearned revenue	1,132,248	312,377	1,444,625
Amounts held in custody for others	202,101		202,101
Other payables	4,977		4,977
Long-term liabilities			
Due within one year:			
Capital debt	5,981,496	421,046	6,402,542
Non-capital debt	897,794		897,794
Lease liabilities	44,526		44,526
Due in more than one year:			
Capital debt	30,335,858	1,552,730	31,888,588
Non-capital debt	1,900,707	77,231	1,977,938
Lease liabilities	53,728		53,728
Net pension liability	55,608,349	3,857,057	59,465,406
Total Liabilities	99,313,010	6,307,523	105,620,533
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	33,322	2,212	35,534
Deferred inflows related to leases	5,994,708		5,994,708
Deferred revenues - property taxes	31,876,639		31,876,639
Deferred amount on refunding	33,254		33,254
Total Deferred Inflows of Resources	37,937,923	2,212	37,940,135
NET POSITION			
Net investment in capital assets	61,478,485	(149,607)	61,328,878
Restricted for:			
Expendable:			
General government	649,879		649,879
Public safety	1,707,594		1,707,594
Public works	7,325,568		7,325,568
Culture and recreation	129,515		129,515
Economic development and assistance	2,281,141		2,281,141
Unemployment compensation	113,107		113,107
Debt service	271,252		271,252
Unrestricted	(45,375,104)	(3,013,924)	(48,389,028)
Total Net Position	\$ 28,581,437	(3,163,531)	25,417,906

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

JONES COUNTY
Statement of Activities
For the Year Ended September 30, 2024

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 13,203,066	1,240,805	397,100	1,423,792	(10,141,369)		(10,141,369)
Public safety	12,063,509	2,645,909	874,603	180,000	(8,362,997)		(8,362,997)
Public works	12,639,648		4,612,469	2,130,575	(5,896,604)		(5,896,604)
Health and welfare	1,444,776		266,111		(1,178,665)		(1,178,665)
Culture and recreation	1,386,757				(1,386,757)		(1,386,757)
Education	41,998		41,998				
Conservation of natural resources	115,536				(115,536)		(115,536)
Economic development and assistance	4,840,679			3,228,800	(1,611,879)		(1,611,879)
Interest on long-term debt	923,185				(923,185)		(923,185)
Pension expense	8,587,298				(8,587,298)		(8,587,298)
Total Governmental Activities	<u>55,246,452</u>	<u>3,886,714</u>	<u>6,192,281</u>	<u>6,963,167</u>	<u>(38,204,290)</u>		<u>(38,204,290)</u>
Business-type activities:							
Solid waste	<u>3,454,713</u>	<u>3,221,001</u>				(233,712)	(233,712)
Total Business-type Activities	<u>3,454,713</u>	<u>3,221,001</u>	<u>0</u>	<u>0</u>		<u>(233,712)</u>	<u>(233,712)</u>
Total Primary Government	<u>\$ 58,701,165</u>	<u>7,107,715</u>	<u>6,192,281</u>	<u>6,963,167</u>	<u>(38,204,290)</u>	<u>(233,712)</u>	<u>(38,438,002)</u>
General revenues:							
Property taxes					\$ 30,284,204		30,284,204
Road & bridge privilege taxes					858,840		858,840
Grants and contributions not restricted to specific programs					3,088,202		3,088,202
Unrestricted interest income					1,351,306	677	1,351,983
Miscellaneous					<u>2,807,373</u>	<u>14,425</u>	<u>2,821,798</u>
Total General Revenues					<u>38,389,925</u>	<u>15,102</u>	<u>38,405,027</u>
Changes in Net Position					<u>185,635</u>	<u>(218,610)</u>	<u>(32,975)</u>
Net Position - Beginning, as previously reported					30,626,980	(2,626,985)	27,999,995
Error corrections					<u>(2,231,178)</u>	<u>(317,936)</u>	<u>(2,549,114)</u>
Net Position - Beginning, as restated					<u>28,395,802</u>	<u>(2,944,921)</u>	<u>25,450,881</u>
Net Position - Ending					<u>\$ 28,581,437</u>	<u>(3,163,531)</u>	<u>25,417,906</u>

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

JONES COUNTY
Balance Sheet - Governmental Funds
September 30, 2024

Exhibit 3

	Major Funds			
	General Fund	Countywide Bond and Interest Sinking Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 1,644,223	27,224	3,151,337	4,822,784
Investments	3,123,278	221,175	10,833,273	14,177,726
Restricted assets - investments			185,948	185,948
Accrued interest receivable	17,756	89,007	70,863	177,626
Property tax receivable	20,130,249	4,267,100	7,479,290	31,876,639
Fines receivable (net of allowance for uncollectibles of \$2,679,409)	1,212,843			1,212,843
Lease receivable	1,000,376	4,720,000	485,484	6,205,860
Intergovernmental receivables	621,422		722,550	1,343,972
Other receivables	1,216		99,354	100,570
Due from other funds	417,151	60,660	315,248	793,059
Advances to other funds	90,111			90,111
Total Assets	\$ 28,258,625	9,385,166	23,343,347	60,987,138
LIABILITIES				
Liabilities:				
Claims payable	\$ 428,536		1,314,885	1,743,421
Intergovernmental payables	1,026,575			1,026,575
Due to other funds	258,939		530,062	789,001
Unearned revenue			1,132,248	1,132,248
Amounts held in custody for others	202,101			202,101
Other payables	4,977			4,977
Total Liabilities	1,921,128	0	2,977,195	4,898,323
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	20,130,249	4,267,100	7,479,290	31,876,639
Unavailable revenue - fines	1,212,843			1,212,843
Leases	960,594	4,494,000	540,114	5,994,708
Total Deferred Inflows of Resources	22,303,686	8,761,100	8,019,404	39,084,190
Fund balances:				
Nonspendable:				
Advances	90,111			90,111
Restricted for:				
General government			649,879	649,879
Public safety			1,707,594	1,707,594
Public works			7,325,568	7,325,568
Culture and recreation			129,515	129,515
Economic development and assistance			2,281,141	2,281,141
Unemployment compensation			113,107	113,107
Debt service		624,066		624,066
Committed to:				
General government			186,705	186,705
Unassigned	3,943,700		(46,761)	3,896,939
Total Fund Balances	4,033,811	624,066	12,346,748	17,004,625
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 28,258,625	9,385,166	23,343,347	60,987,138

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

JONES COUNTY

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2024Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 17,004,625
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$149,296,353 and accumulated amortization of \$131,170.	97,637,261
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,212,843
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(39,214,109)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(55,608,349)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(352,814)
Deferred amount on refunding.	256,832
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	7,653,785
Deferred inflows of resources related to pensions	(33,322)
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition and therefore are not reported in the funds.	<u>24,685</u>
Total Net Position - Governmental Activities	\$ <u>28,581,437</u>

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

JONES COUNTY

Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2024

	Major Funds			
	General Fund	Countywide Bond and Interest Sinking Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 18,291,648	4,600,583	7,391,973	30,284,204
Road and bridge privilege taxes			858,840	858,840
Licenses, commissions and other revenue	953,946		28,669	982,615
Fines and forfeitures	548,917		30,963	579,880
Intergovernmental revenues	2,488,758		13,754,892	16,243,650
Charges for services	774,769		1,792,776	2,567,545
Interest income	441,862	285,994	623,450	1,351,306
Miscellaneous revenues	371,670	646,750	1,420,590	2,439,010
Total Revenues	23,871,570	5,533,327	25,902,153	55,307,050
EXPENDITURES				
Current:				
General government	11,516,512		2,451,729	13,968,241
Public safety	10,199,451		3,332,088	13,531,539
Public works	249,615		16,457,820	16,707,435
Health and welfare	1,214,582			1,214,582
Culture and recreation	278,930		1,067,708	1,346,638
Education	41,998			41,998
Conservation of natural resources	119,515			119,515
Economic development and assistance	494,313		4,346,366	4,840,679
Debt service:				
Principal	292,144	4,761,797	2,724,054	7,777,995
Interest	16,999	557,040	327,193	901,232
Total Expenditures	24,424,059	5,318,837	30,706,958	60,449,854
Excess of Revenues over (under) Expenditures	(552,489)	214,490	(4,804,805)	(5,142,804)
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued	819,085		1,062,685	1,881,770
Leases issued	45,206			45,206
Proceeds from sale of capital assets	106,684		186,447	293,131
Compensation for loss of capital assets	29,463		186,178	215,641
Transfers in			1,909,764	1,909,764
Transfers out	(1,591,917)		(317,847)	(1,909,764)
Total Other Financing Sources and Uses	(591,479)	0	3,027,227	2,435,748
Net Changes in Fund Balances	(1,143,968)	214,490	(1,777,578)	(2,707,056)
Fund Balances - Beginning, as previously reported	5,148,257	240,576	14,116,388	19,505,221
Error corrections	29,522	169,000	7,938	206,460
Fund Balances - Beginning, as restated	5,177,779	409,576	14,124,326	19,711,681
Fund Balances - Ending	\$ 4,033,811	624,066	12,346,748	17,004,625

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

JONES COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2024

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (2,707,056)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$7,114,729 exceeded depreciation of \$3,684,834 and amortization of \$63,810 in the current period.	3,366,085
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 \$368,363 and the proceeds from the sale of \$293,131 and the compensation for loss of \$215,641 in the current period.	(140,409)
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.	(243,326)
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 \$7,777,995 exceeded debt proceeds of \$1,926,976.	5,851,019
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
The amount of increase in compensated absences liability.	(249,264)
The amount of increase in accrued interest payable.	(24,024)
The amortization of bond premium.	54,914
The amortization of deferred refunding charges.	(49,044)
Under the modified accrual basis of accounting used in the Governmental Funds, prepaid items are reported as expenditures. However, in the Statement of Activities, only the portion of expenses related to the current period are reported. Thus, the change in net position differs from the change in fund balances by the amount of decrease in prepaid items.	(3,799)
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	(8,587,298)
Recording of contributions made during the year	<u>2,917,837</u>
Change in Net Position of Governmental Activities	\$ <u>185,635</u>

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

JONES COUNTY
Statement of Net Position - Proprietary Fund
September 30, 2024

Exhibit 5

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Fund</u>
ASSETS	
Current assets:	
Cash	\$ 585,292
Accounts receivable (net of allowance for uncollectibles of \$983,679)	<u>336,448</u>
Total Current Assets	<u>921,740</u>
Noncurrent assets:	
Capital assets:	
Land and construction in progress	30,000
Other capital assets, net	<u>1,794,169</u>
Total Noncurrent Assets	<u>1,824,169</u>
Total Assets	<u>2,745,909</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>522,880</u>
Total Deferred Outflows of Resources	<u>522,880</u>
 LIABILITIES	
Current liabilities:	
Claims payable	55,804
Due to other funds	32,474
Advances from other funds	90,111
Accrued interest payable	31,278
Unearned revenue	312,377
Capital debt:	
Financed purchases payable	<u>421,046</u>
Total Current Liabilities	<u>943,090</u>
Noncurrent liabilities:	
Capital debt:	
Financed purchases payable	1,552,730
Non-capital debt:	
Compensated absences payable	77,231
Net pension liability	<u>3,857,057</u>
Total Noncurrent Liabilities	<u>5,487,018</u>
Total Liabilities	<u>6,430,108</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>2,212</u>
Total Deferred Inflows of Resources	<u>2,212</u>
 NET POSITION	
Net investment in capital assets	(149,607)
Unrestricted	<u>(3,013,924)</u>
Total Net Position	<u>\$ (3,163,531)</u>

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

JONES COUNTY

Exhibit 6

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
For the Year Ended September 30, 2024

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Fund</u>
Operating Revenues	
Charges for services	\$ 3,221,001
Miscellaneous	4,173
Total Operating Revenues	<u>3,225,174</u>
Operating Expenses	
Personal services	1,528,531
Contractual services	686,689
Materials and supplies	201,560
Depreciation expense	304,601
Indirect administrative cost	32,474
Pension expense	613,099
Total Operating Expenses	<u>3,366,954</u>
Operating Income (Loss)	<u>(141,780)</u>
Nonoperating Revenues (Expenses)	
Interest income	677
Gain (loss) on sale of capital assets	(26,616)
Interest expense	(61,143)
Other income (expense)	10,252
Net Nonoperating Revenue (Expenses)	<u>(76,830)</u>
Change in Net Position	<u>(218,610)</u>
Net Position - Beginning, as previously reported	(2,626,985)
Error corrections	(317,936)
Net Position - Beginning, as restated	<u>(2,944,921)</u>
Net Position - Ending	\$ <u>(3,163,531)</u>

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

JONES COUNTY
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2024

Exhibit 7

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Fund</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 3,095,410
Payments to suppliers	(883,687)
Payments to employees	(1,756,977)
Other operating cash receipts	4,173
Net Cash Provided (Used) by Operating Activities	<u>458,919</u>
Cash Flows From Capital and Related Financing Activities	
Proceeds of long-term debt	774,885
Proceeds from sale of capital assets	325,032
Acquisition and construction of capital assets	(774,885)
Principal paid on long-term debt	(430,187)
Interest paid on debt	(63,954)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(169,109)</u>
Cash Flows From Investing Activities	
Interest on deposits	677
Net Cash Provided (Used) by Investing Activities	<u>677</u>
Net Increase (Decrease) in Cash and Cash Equivalents	290,487
Cash and Cash Equivalents at Beginning of Year	<u>294,805</u>
Cash and Cash Equivalents at End of Year	\$ <u>585,292</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (141,780)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	304,601
Provision for uncollectible accounts	(42,837)
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(139,120)
(Increase) decrease in deferred outflows related to pensions	246,860
Increase (decrease) in claims payable	4,562
Increase (decrease) in unearned revenue	56,366
Increase (decrease) in compensated absences liability	3,530
Increase (decrease) in accrued payables	(23,654)
Increase (decrease) in deferred inflows related to pensions	(3,244)
Increase (decrease) in net pension liability	161,161
Increase (decrease) in interfund payables	32,474
Total Adjustments	<u>600,699</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>458,919</u>

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

JONES COUNTY
Statement of Fiduciary Net Position
September 30, 2024

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 52,596
Receivables:	
Due from other funds	<u>28,416</u>
Total Assets	\$ <u>81,012</u>
LIABILITIES	
Intergovernmental payables	\$ <u>28,416</u>
Total Liabilities	<u>28,416</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>52,596</u>
Total Net Position	\$ <u>52,596</u>

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

JONES COUNTY
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2024

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 524,212
Other taxes and fees collected for other governments	583,850
Licenses and fees collected for State	<u>732,851</u>
Total Additions	<u>1,840,913</u>
DEDUCTIONS	
Payments of tax to other governments	524,212
Payments of other taxes and fees to other governments	583,850
Payments of licenses and fees to State	<u>739,053</u>
Total Deductions	<u>1,847,115</u>
Net increase (decrease) in fiduciary net position	(6,202)
Net Position - Beginning	<u>58,798</u>
Net Position - Ending	\$ <u>52,596</u>

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

JONES COUNTY

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JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Jones 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 Jones 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 units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary for reporting in accordance with accounting principles generally accepted in the United States of America.

- South Central Regional Medical Center
- West Jones Fire Protection District
- Sharon-Shady Grove Fire Protection District
- Northeast Jones Fire Protection District
- South Jones Fire Protection District

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. 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 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

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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 a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

C. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied.

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

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

The County reports the following major Governmental Funds:

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

Countywide Bond and Interest Sinking Fund - This fund is used to account for retirement of long-term debt of the County.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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.

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.

D. 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.

E. Deposits and Investments.

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

Cash includes cash on hand, demand deposits, and all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value.

F. Receivables.

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

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

G. 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."

H. Restricted Assets.

Assets required to be held and/or used as specified in bond indentures, bond resolutions, trust agreements, board resolutions and donor specifications have been reported as restricted assets. Certain proceeds of the County's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "capitalized interest" fund is funded by bank bond proceeds and is used to pay the related interest due on the bonds during the construction or development phase of the project. The "general fund" account is used to pay the principal, premium, if any, and interest due on the bonds. The "bond issuance expense account" is used to disburse funds for costs of issuance expenses for the sale and issuance of the bonds. When both restricted and nonrestricted assets are available for use, the policy is to use the restricted assets first.

I. Capital Assets.

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

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Jones County meets these criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

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.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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	\$ 0	N/A
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Intangible assets	**	**

** 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.

J. Deferred Outflows/Inflows of Resources.

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

Deferred amount on refunding - For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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.

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

K. 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.

L. Long-term Liabilities.

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

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statement, the face amount of the debt issued is reported as other financing sources.

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

N. 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.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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.

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

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

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

Committed fund balance includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the County's highest level of decision-making authority. This formal action is an order of the Board of Supervisors as approved in the board minutes.

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.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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.

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. Changes in Accounting Standards.

GASB 100, *Accounting Changes and Error Corrections*, was implemented during the 2024 fiscal year. This Statement is an amendment of GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance*. The purpose of the standard is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

(2) Adjustments and Restatements of Beginning Balances.

Corrections of Errors in Previously Issued Financial Statements

An adjustment in the amount of \$161,740 was made to correctly report beginning capital asset balances, net of depreciation and amortization, in Governmental Activities.

An adjustment in the amount of \$(2,568,755) and \$(427,936) was made to correctly report beginning balances for net pension liability and deferred outflows/inflows related to pensions in Governmental Activities and Business-type Activities, respectively.

An adjustment in the amount of \$(30,623) was made to correctly report beginning balances for leases payable in Governmental Activities.

Adjustments in the amounts of \$29,522, \$169,000 and \$7,938 were made to correctly report leases receivable and deferred inflows related to leases in the General Fund, Countywide Bond and Interest Sinking Fund and Other Governmental Funds, respectively. An adjustment in the amount of \$206,460 was made to correctly report leases receivables and deferred inflows related to leases in Governmental Activities.

An adjustment in the amount of \$110,000 was made to correctly report beginning balances of unearned revenue in Business-type Activities and the Solid Waste Fund.

Adjustments to Beginning Balances

During fiscal year 2024, error corrections resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

	Reporting Units Affected by Adjustments to Beginning Balances					
	Funds				Government-Wide	
	General Fund	Countywide Bond and Interest Sinking Fund	Other Governmental Funds	Solid Waste Fund	Governmental Activities	Business-type Activities
9/30/2023, as previously reported	\$ 5,148,257	240,576	14,116,388	(2,626,985)	30,626,980	(2,626,985)
Error corrections	29,522	169,000	7,938	(317,936)	(2,231,178)	(317,936)
9/30/2023, as adjusted or restated	\$ 5,177,779	409,576	14,124,326	(2,944,921)	28,395,802	(2,944,921)

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2024, was \$5,460,672, and the bank balance was \$6,105,904. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by *Section 27-105-5, Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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.

Investments:

As provided in *Section 91-13-8, Mississippi Code of 1972 Annotated*, the County's Fidelity investment shown below is handled through a trust indenture between the County and the trustee related to the Cold Link economic development project. The Federated Hermes investment represents excess cash invested by the County in order to get a higher rate of return and is handled by the County's public depository.

Investments balances at September 30, 2024, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>	<u>Rating</u>
Federated Hermes Treasury Obligations Fund	Less than one year	1	\$ 14,177,726	AAA
Fidelity Investments Money Market Treasury Portfolio - Class I	Less than one year	1	<u>185,948</u>	AAA
Total			<u>\$ 14,363,674</u>	

The investments listed above are uninsured and unregistered and are not backed by the full faith and credit of the federal government.

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

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

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

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

Concentration of Credit Risk. The County places no limit on the amount the County may invest in any one issuer. More than 5 percent of the County's investments are in the Federated Hermes Treasury Obligations Fund. This investment is 98.71% of the County's total investments and is reported in various funds.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

(4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2024:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 384,677
General Fund	Solid Waste Fund	32,474
Countywide Bond and Interest Sinking Fund	General Fund	60,660
Other Governmental Funds	General Fund	169,863
Other Governmental Funds	Other Governmental Funds	145,385
Custodial Funds	General Fund	<u>28,416</u>
Total		\$ <u>821,475</u>

The receivables represent the tax revenue collected in September, 2024 but not settled until October, 2024, loans for deficit cash balances and indirect costs from the Solid Waste Fund. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ <u>90,111</u>

The advances represent interfund loans relating to indirect costs associated with solid waste operations. The advances are not expected to be repaid within one year from the date of the financial statements.

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 1,591,917
Other Governmental Funds	Other Governmental Funds	<u>317,847</u>
Total		\$ <u>1,909,764</u>

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

JONES COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2024, consisted of the following:

Description	Amount
Governmental Activities:	
Legislative tax credit	\$ 476,304
Reimbursement for housing prisoners	100,885
Community development block grants reimbursement	540,000
Emergency watershed protection program reimbursement	90,451
Emergency management performance grant reimbursement	51,693
Mississippi Development Authority reimbursement	30,062
Alcohol open container requirements reimbursement	14,568
Violence against women formula grant reimbursement	12,147
State Aid Road construction reimbursement	10,344
High intensity drug trafficking areas program reimbursement	7,728
Occupant protection grant reimbursement	6,376
Crime victim assistance grant reimbursement	<u>3,414</u>
Total Governmental Activities	<u>\$ 1,343,972</u>

(6) Restricted Assets – Investments.

The balances of the restricted asset accounts in the governmental funds are as follows:

Capitalized interest fund	\$ 185,913
General fund	33
Bond issuance expense account	<u>2</u>
Total restricted assets	<u>\$ 185,948</u>

JONES COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(7) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2024:

Governmental activities:

	Balance Oct. 1, 2023	Additions	Deletions	Adjustments*	Balance Sept. 30, 2024
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,015,713				1,015,713
Construction in progress	75,000	3,474,683			3,549,683
Total non-depreciable capital assets	1,090,713	3,474,683	0	0	4,565,396
<u>Depreciable capital assets:</u>					
Infrastructure	165,919,866	91,140			166,011,006
Buildings	34,671,935	93,200			34,765,135
Improvements other than buildings	45,257				45,257
Mobile equipment	32,477,594	3,289,362	1,185,526	761,263	35,342,693
Furniture and equipment	6,674,731	121,138	53,689	(616,487)	6,125,693
Total depreciable capital assets	239,789,383	3,594,840	1,239,215	144,776	242,289,784
<u>Less accumulated depreciation for:</u>					
Infrastructure	106,386,184	773,667		(80,500)	107,079,351
Buildings	12,847,011	651,682		(1,000)	13,497,693
Improvements other than buildings	21,723	1,810			23,533
Mobile equipment	22,070,602	1,980,646	1,066,977	645,697	23,629,968
Furniture and equipment	5,385,716	277,029	43,279	(553,658)	5,065,808
Total accumulated depreciation	146,711,236	3,684,834	1,110,256	10,539	149,296,353
Total depreciable capital assets, net	93,078,147	(89,994)	128,959	134,237	92,993,431
Governmental activities capital assets, net	\$ 94,168,860	3,384,689	128,959	134,237	97,558,827
Lease assets, net (Note 8)					78,434
Total capital assets, net, as reported in the statement of net position					\$ 97,637,261

*Adjustments are to correct prior year errors in capital asset records.

JONES COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Business-type activities:

	Balance Oct. 1, 2023	Additions	Deletions	Balance Sept. 30, 2024
<u>Non-depreciable capital assets:</u>				
Land	\$ 30,000			30,000
Total non-depreciable capital assets	30,000	0	0	30,000
<u>Depreciable capital assets:</u>				
Buildings	60,380			60,380
Mobile equipment	2,618,965	774,885	1,026,692	2,367,158
Furniture and equipment	8,749			8,749
Total depreciable capital assets	2,688,094	774,885	1,026,692	2,436,287
<u>Less accumulated depreciation for:</u>				
Buildings	12,080	1,208		13,288
Mobile equipment	1,002,859	303,393	685,296	620,956
Furniture and equipment	7,874			7,874
Total accumulated depreciation	1,022,813	304,601	685,296	642,118
Total depreciable capital assets, net	1,665,281	470,284	341,396	1,794,169
Business-type activities capital assets, net	\$ 1,695,281	470,284	341,396	1,824,169

Depreciation expense was charged to the following functions:

	Amount
Governmental activities:	
General government	\$ 210,539
Public safety	1,428,576
Public works	1,692,941
Health and welfare	239,934
Culture and recreation	112,844
Total governmental activities depreciation expense	\$ 3,684,834
	Amount
Business-type activities:	
Solid waste	\$ 304,601

Commitments with respect to unfinished capital projects at September 30, 2024, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Mad Dog Way road project	\$ 489,162	April, 2025
Bush Dairy Road bridge replacement	569,779	January, 2026
Stringer Road bridge replacement	208,402	April, 2025
Orange Drive bridge replacement	942,397	June, 2025

JONES COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(8) Intangible Right-to-Use Lease Assets.

A summary of lease asset activity during the year ended September 30, 2024 is as follows:

Governmental Activities:

	Balance Oct. 1, 2023	Additions	Deductions	Adjustments*	Balance Sept. 30, 2024
<u>Lease assets:</u>					
Furniture and equipment	\$ 183,989	45,206	60,081	40,490	209,604
Total lease assets	183,989	45,206	60,081	40,490	209,604
<u>Less accumulated amortization for:</u>					
<u>Lease assets:</u>					
Furniture and equipment	103,004	63,810	48,631	12,987	131,170
Total accumulated amortization	103,004	63,810	48,631	12,987	131,170
Total governmental activities lease assets, net	\$ 80,985	(18,604)	11,450	27,503	78,434

*Adjustments are to record lease assets not included in the prior year.

Amortization expense was charged to the following functions:

	Amount
Governmental Activities:	
General government	\$ 43,214
Public safety	14,565
Health and welfare	3,335
Conservation of natural resources	2,696
Total governmental activities amortization expense	\$ 63,810

A summary of lease liabilities during the year ended September 30, 2024 is as follows:

	Balance 10/1/2023	Additions	Deductions	Adjustments*	Balance 9/30/2024	Amounts due within one year
Lease liabilities	\$ 80,985	45,206	58,560	30,623	98,254	44,526

*Adjustments are to record lease liabilities not included in the prior year.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

Leases

The County is a lessee for various non-cancellable leases of 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 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 and amortization expense 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 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.

As Lessee:

From 2019 through 2024, Jones County entered into various lease agreements with RJ Young Company for the lease of copiers. The leases stipulated that the lessee would pay approximately \$35 to \$422 per month in lease payments for terms of three to five years.

In February 2023, Jones County entered into a lease agreement with Toshiba Business Solutions for the lease of six copiers. The lease stipulated that the lessee would pay approximately \$730 per month in lease payments for a term of four years.

In 2022 and 2023, the County entered into various lease agreements with Pitney Bowes for the lease of postage machines. The leases stipulated that the lessee would pay approximately \$31 to \$415 per month in lease payments for terms of five years.

In 2020 and 2022, Jones County entered into various lease agreements with Quadient Leasing for the lease of postage meters. The leases stipulated that the lessee would pay approximately \$89 to \$230 per month in lease payments for terms of five to six years.

JONES COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
Postage machine	1.93%	63 months	03/2020	05/2025	\$ 125	\$ 993
Postage machine	4.75%	60 months	09/2022	09/2027	88	2,959
Postage machine	4.66%	60 months	03/2023	03/2028	31	1,208
Postage machine	4.88%	63 months	11/2022	02/2028	230	8,654
Postage machine	4.88%	63 months	11/2022	02/2028	89	3,337
Postage machine	8.50%	60 months	12/2023	12/2028	415	17,410
Copier lease	1.93%	60 months	05/2020	05/2025	141	1,120
Copier lease	1.71%	48 months	06/2021	06/2025	422	3,771
Copier lease	1.86%	48 months	10/2021	10/2025	35	452
Copier lease	1.86%	48 months	10/2021	10/2025	176	2,268
Copier lease	1.71%	48 months	07/2021	07/2025	190	1,884
Copier lease	1.71%	48 months	08/2021	08/2025	387	4,222
Copier lease	1.71%	48 months	09/2021	09/2025	228	2,931
Copier lease	1.97%	48 months	10/2021	10/2025	48	617
Copier lease	1.83%	36 months	11/2021	11/2024	190	379
Copier lease	2.14%	48 months	11/2021	11/2025	70	966
Copier lease	1.74%	36 months	02/2022	02/2025	153	763
Copier lease	2.73%	36 months	04/2022	04/2025	177	1,227
Copier lease	3.25%	60 months	06/2021	06/2026	238	2,116
Copier lease	8.50%	48 months	03/2024	03/2028	145	5,153
Copier lease	8.50%	48 months	06/2024	06/2028	172	6,498
Copier lease	8.50%	48 months	06/2024	06/2028	145	5,475
Copier lease	8.50%	48 months	03/2024	03/2028	145	5,153
Copier lease	7.50%	48 months	02/2023	02/2027	730	18,698
					<u>\$ 4,770</u>	<u>\$ 98,254</u>

The following is a schedule by years of the total payments due as of September 30, 2024:

Year Ending September 30	Governmental Activities	
	Principal	Interest
2025	\$ 44,526	5,060
2026	23,702	3,212
2027	18,875	1,571
2028	10,330	419
2029	821	8
Total	<u>\$ 98,254</u>	<u>10,270</u>

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

As Lessor:

On April 21, 2011, Jones County entered into a non-cancellable lease agreement with South Central Regional Medical Center for the lease of Jones County Rest Home owned by the County for the purpose of operating a home for the care and keeping of old, inform or indigent persons who are resident citizens of Jones County. The lease stipulated that the lessee would pay approximately \$14,640 per month in lease payments commencing January 1, 2011, for a term of twenty (20) years. The County is to receive \$175,680 in rent annually with an implicit interest rate of 2.99%. Also, the most recent amendment to the lease dated April 6, 2021, requires additional debt service rental payments for the amount of principal and interest due on the \$4,225,000 Limited Tax and Hospital Revenue Refunding Bonds, Series 2017 and the \$2,405,000 Limited Tax and Hospital Revenue Refunding Bonds, Series 2021. Total income received was \$1,021,870 for the year ended September 30, 2024.

On October 1, 2003, Jones County entered into a non-cancellable lease agreement with Howard Industries for the lease of an industrial plant facility constructed and equipped by the County for the purpose of manufacturing, processing, assembling and distributing electrical substations and other related products. The lease stipulated that the lessee would make the principal and interest payments on the \$14,000,000 General Obligation MBIA Bond, Series 2003, with payments to begin October 1, 2004, for a period of twenty (20) years at an implicit interest rate of 2.99%. On April 1, 2005, Jones County entered into a non-cancellable lease agreement with Howard Industries for the lease of an industrial plant facility constructed and equipped by the County for the purpose of designing, engineering, manufacturing, processing, assembling, distributing and marketing computers and other related products. The lease stipulated that the lessee would make the principal and interest payments on the \$6,000,000 General Obligation MBIA Bond, Series 2005, with payments to commence April 1, 2006, for a period of twenty (20) years at an implicit interest rate of 2.99%. During fiscal year 2024, the County received \$1,150,000 in rental income.

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

Year Ending September 30	Principal	Interest
2025	\$ 1,228,267	217,913
2026	782,263	175,117
2027	806,878	145,302
2028	831,634	118,596
2029	861,534	86,896
2030 - 2034	1,695,284	79,766
Total	\$ 6,205,860	823,590

(9) 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, 2024, to January 1, 2025. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

JONES COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2024

(10) Long-term Debt.

Debt outstanding as of September 30, 2024, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
MBIA Bonds for Technology Park	\$ 500,000	0.00%	04/2025
G.O. Bond, Series 2017	3,550,000	2.50-3.50%	09/2038
G.O. Refunding Bond, Series 2020	1,306,000	1.20%	12/2025
G.O. Refunding Bond, Series 2021	17,633,000	0.46-1.52%	05/2034
G.O. Bond, Series 2023	<u>3,750,000</u>	4.50%	08/2038
Total General Obligation Bonds	<u>\$ 26,739,000</u>		
B. Limited Obligation Bonds:			
2017 L.O. Hospital Revenue Refunding Bond	\$ 2,955,000	3.00-4.00%	04/2031
2021 L.O. Hospital Revenue Refunding Bond	<u>1,765,000</u>	3.00-4.00%	04/2031
Total Limited Obligation Bonds	<u>\$ 4,720,000</u>		
C. Financed Purchases:			
(4) 2023 Dodge Charger vehicles	\$ 106,562	4.82%	04/2027
DHS building - EDA	464,361	3.89%	04/2026
Motorola radio equipment	1,837,084	3.87%	03/2027
Communication equipment	63,654	4.69%	02/2027
Computer equipment - Sheriff's office	49,434	4.69%	02/2027
(3) Kubota tractors	86,199	1.79%	02/2025
Kubota tractor with Terrain King mower	44,336	1.74%	08/2025
(4) John Deere 6150E cab tractors & boom mowers and (1) John Deere 5075E utility tractor & rotary cutter	273,058	3.28%	07/2026
(2) 2021 Chevrolet Silverado 3500 trucks	12,493	1.95%	07/2025
2022 Ram 5500 chassis	25,239	3.44%	08/2026
(2) Durapatcher model P5's	404,643	5.19%	07/2027
Used Broce broom	41,107	4.83%	03/2027
2023 Western Star knuckle boom	172,218	4.98%	07/2027
Motorola E911 radio system	146,138	2.22%	04/2027
2024 Ford F350 XL truck	67,285	5.16%	05/2027
2023 Dodge Ram Pro Master van	51,385	5.28%	11/2027
2023 Kubota tractor with loader & tiller	39,895	5.14%	01/2028
(2) 2023 Western Star 47X trucks	275,000	4.94%	04/2028
(15) 2023 Ford Police Interceptor vehicles	767,700	5.11%	05/2028

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
John Deere 5100E cab tractor	63,941	5.11%	05/2028
2024 Chevrolet crew pickup	50,864	5.11%	05/2028
(3) Ford F150 4WD Supercab XL pickups	140,916	4.99%	07/2028
Kubota skid steer	74,276	4.99%	07/2028
(2) John Deere 6120 cab tractors	182,508	4.99%	07/2028
2016 Peterbilt 348 fire truck	168,000	5.45%	10/2030
Total Financed Purchases	<u>\$ 5,608,296</u>		
D. Other Loans:			
MS Development Authority - Debar*	\$ 27,003	5.50%	07/2006
MS Development Authority - Debar*	200,096	5.50%	07/2010
Fire trucks	140,582	3.00%	09/2029
Total Other Loans	<u>\$ 367,681</u>		

*The possibility exists that Jones County may not have to repay these two Debar loans because they have made a good faith effort to collect after bankruptcy of Debar Construction, Inc. Currently, a judgment has been issued in favor of the County to have Debar repay the loans. No funds have been received as of the current date.

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Business-type Activities:			
A. Financed Purchases:			
Western Star 4700 garbage trucks	\$ 96,543	1.91%	01/2026
2021 Western Star garbage trucks	89,512	1.77%	12/2025
(3) 2023 Western Star 4700SB garbage trucks	598,265	4.50%	12/2025
2024 Western Star 47X with garbage body	191,110	5.02%	07/2026
2024 Western Star garbage truck	223,461	5.11%	08/2026
(3) 2025 Western Star 47X garbage trucks	774,885	4.86%	08/2027
Total Financed Purchases	<u>\$ 1,973,776</u>		

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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

Governmental Activities:

Year Ending September 30	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 3,972,000	469,287	595,000	175,500
2026	3,723,000	435,355	630,000	151,700
2027	3,107,000	392,265	650,000	126,500
2028	2,948,000	349,826	670,000	104,550
2029	2,481,000	306,739	695,000	77,750
2030 - 2034	7,933,000	975,296	1,480,000	75,450
2035 - 2039	2,575,000	226,577		
Total	\$ 26,739,000	3,155,345	4,720,000	711,450

Year Ending September 30	Financed Purchases		Other Loans	
	Principal	Interest	Principal	Interest
2025	\$ 2,003,773	242,771	253,603	27,214
2026	1,940,013	160,561	27,310	3,056
2027	1,118,385	79,357	28,141	2,226
2028	466,439	28,032	28,997	1,370
2029	25,166	4,343	29,630	737
2030 - 2034	54,522	4,496		
Total	\$ 5,608,298	519,560	367,681	34,603

Business-type Activities:

Year Ending September 30	Financed Purchases	
	Principal	Interest
2025	\$ 421,046	89,068
2026	823,672	72,509
2027	729,058	26,111
Total	\$ 1,973,776	187,688

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, 2024, the amount of outstanding debt was equal to 3.97 percent (3.97%) of the latest property assessments.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2024:

	Balance Oct. 1, 2023	Additions	Reductions	Adjustments*	Balance Sept. 30, 2024	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 1,074,737	249,264			1,324,001	
General obligation bonds	31,847,000		5,108,000		26,739,000	3,972,000
Limited obligation bonds	5,305,000		585,000		4,720,000	595,000
Add:						
Premiums	411,791		54,914		356,877	54,914
Financed purchases	5,720,523	1,881,770	1,993,997		5,608,296	2,003,773
Obligations under leases	80,985	45,206	58,560	30,623	98,254	44,526
Other loans	400,119		32,438		367,681	253,603
Total	\$ 44,840,155	2,176,240	7,832,909	30,623	39,214,109	6,923,816

*Adjustments are to record obligations under leases not included in the prior year.

	Balance Oct. 1, 2023	Additions	Reductions	Balance Sept. 30, 2024	Amount due within one year
Business-type Activities:					
Compensated absences	\$ 73,701	3,530		77,231	
Financed purchases	1,629,078	774,885	430,187	1,973,776	421,046
Total	\$ 1,702,779	778,415	430,187	2,051,007	421,046

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Countywide Road Maintenance Fund and Solid Waste Fund.

(11) Other Postemployment Benefits.

Plan Description

The Jones County Board of Supervisors administers the County's health insurance plan, which is authorized by *Sections 25-15-101 et seq., Mississippi Code of 1972 Annotated*. The County's health insurance plan may be amended by the Jones County Board of Supervisors. The County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan. However, the County has not recorded a liability for other postemployment benefits nor has the County reported the note disclosures, which are required by accounting principles generally accepted in the United States of America.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

(12) Defined Benefit Pension Plan.

General Information about the Pension Plan

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the 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, 2024, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2024 was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2024, 2023 and 2022 were \$3,126,205, \$2,961,862 and \$2,743,592, respectively, equal to the required contributions for each year.

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

At September 30, 2024, the County reported a liability of \$59,465,406 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2024 net pension liability was 0.229000 percent, which was based on a measurement date of June 30, 2024. This was an increase of 0.002185 percent from its proportionate share used to calculate the September 30, 2023 net pension liability, which was based on a measurement date of June 30, 2023.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

For the year ended September 30, 2024, the County recognized pension expense of \$9,200,397. At September 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,190,973	
Net difference between projected and actual earnings on pension plan investments	141,587	
Changes of assumptions	3,648,134	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	395,428	35,534
County contributions subsequent to the measurement date	800,543	
Total	\$ 8,176,665	35,534

\$800,543 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2025	\$ 2,986,728
2026	4,748,036
2027	88,891
2028	(483,067)
Total	\$ 7,340,588

Actuarial Assumptions. The total pension liability as of June 30, 2024 was determined by an actuarial valuation prepared as of June 30, 2023 and by the investment experience for the fiscal year ending June 30, 2024. The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 – 17.90 percent, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

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 period July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

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 %	5.15 %
International Equity	20.00	5.00
Global Equity	12.00	5.15
Fixed Income	18.00	2.75
Real Estate	10.00	3.50
Private Equity	10.00	6.25
Infrastructure	2.00	3.85
Private Credit	2.00	4.90
Cash Equivalents	1.00	0.50
Total	100.00 %	

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00 percent) and that employer contributions will be phased in to 19.90 percent over five fiscal years (17.90 percent for FYE 2025, 18.40 percent for FYE 2026, 18.90 percent for FYE 2027, 19.40 percent for FYE 2028, 19.90 percent for FYE 2029 and beyond). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 77,075,819	59,465,406	45,052,615

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

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

(13) Deficit Fund Balances of Individual Funds.

The following fund reported a deficit in fund balance at September 30, 2024:

Fund	Deficit Amount
Howard Industries Fund	\$ 46,761

(14) 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.

(15) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of \$(45,375,104) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$747,196 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, 2025. The \$6,906,589 balance of the deferred outflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next three years. The \$33,322 balance of the deferred inflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next four years.

The governmental activities' unrestricted net position amount of \$(45,375,104) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$5,994,708 balance of deferred inflows of resources related to leases at September 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next seven years.

The governmental activities' net investment in capital assets net position of \$61,478,485 includes the effect of deferred inflows/outflows of resources related to refundings of County debt. The \$290,086 balance of deferred outflows of resources related to refundings at September 30, 2024, will be recognized as an expense and will decrease the net investment in capital assets net position over the next seven years. The \$33,254 balance of the deferred inflows of resources related to refundings at September 30, 2024, will be recognized in interest expense and will increase net investment in capital assets net position over the next ten years.

The business-type activities' unrestricted net position amount of \$(3,013,924) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$53,347 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, 2025. The \$469,533 balance of the deferred outflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next three years. The \$2,212 balance of the deferred inflows of resources related to pensions at September 30, 2024, will be recognized in pension expense over the next four years.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

(16) Joint Ventures.

The County participates in the following joint ventures:

Jones County is a participant with the Cities of Laurel, Ellisville and Sandersville in a joint venture, authorized by *Section 39-3-8, Mississippi Code of 1972 Annotated*, to operate the Laurel-Jones County Library. The joint venture was created to provide free public library service to the citizens of Jones County. The Jones County Board of Supervisors appoints five of the twelve members of the board of directors. By contractual agreement, the County's appropriation to the joint venture was \$575,209 in fiscal year 2024. Complete financial statements for the Laurel-Jones County Library can be obtained from 530 Commerce Street, Laurel, MS 39440.

Jones County is a participant with Forrest County, the Cities of Hattiesburg and Laurel, and the State of Mississippi in a joint venture, authorized by *Section 61-3-5, Mississippi Code of 1972 Annotated*, to operate the Hattiesburg-Laurel Regional Airport Authority. The joint venture was created to develop and maintain the airport for the members of the board of commissioners. The Jones County Board of Supervisors appoints one of the five members of the board of commissioners. By contractual agreement, the County's appropriation to the joint venture was \$249,615 in fiscal year 2024. Complete financial statements for the Hattiesburg-Laurel Regional Airport Authority can be obtained from 1002 Terminal Drive, Moselle, MS 39459.

Jones County is a participant with the Counties of Covington, Greene, Jefferson Davis, Perry and Stone, and the Cities of Hattiesburg, Laurel and Petal in a joint venture, authorized by *Section 17-17-307, Mississippi Code of 1972 Annotated*, to operate the Pine Belt Regional Solid Waste Authority. The joint venture was created to dispose of solid waste in members of the authority. The Jones County Board of Supervisors appoints two of the 15 members of the Board of Directors. The authority is funded by user fees based on the volume of solid waste. Complete financial statements for the Pine Belt Regional Solid Waste Authority can be obtained from P.O. Box 1898, Hattiesburg, MS 39403.

Jones County is a participant with the Cities of Laurel, Ellisville, Soso and Sandersville in a joint venture, authorized by *Section 19-5-99, Mississippi Code of 1972 Annotated*, to operate the Jones County Economic Development Authority. The joint venture was created to foster, encourage and facilitate economic development in the County. The Jones County Board of Supervisors appoints six of the 22 members of the board of trustees. By contractual agreement, the County's appropriation to the joint venture was \$432,023 in fiscal year 2024. Complete financial statements for the Jones County Economic Development Authority can be obtained from P.O. Box 527, Laurel, MS 39441.

(17) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southern Mississippi Planning and Development District operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The Jones County Board of Supervisors appoints one of the 35 members of the Board of Directors. The County appropriated \$82,039 for support of the district in fiscal year 2024.

Pine Belt Mental Health Care Resources operates in a district composed of the Counties of Amite, Covington, Forrest, Franklin, Greene, Hancock, Harrison, Jefferson Davis, Jones, Lamar, Lawrence, Marion, Pearl River, Perry, Pike, Stone, Walthall and Wayne. The Jones County Board of Supervisors appoints one of the 18 members of the board of commissioners. The County appropriated \$195,517 for support of the entity in fiscal year 2024.

Jones County Junior College operates in an area composed of the Counties of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne. The Jones County Board of Supervisors appoints six of the 20 members of the college board of trustees. The County appropriated \$3,608,178 for maintenance and support of the college in fiscal year 2024.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2024

Pearl River Valley Opportunity, Inc. operates in a district composed of the Counties of Covington, Forrest, Greene, Hancock, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry and Stone. The entity was created to administer programs conducted by community action agencies, limited purpose agencies and related programs authorized by federal law. The Jones County Board of Supervisors appoints three of the 24 members of the board of directors. The primary source of funding for the entity is derived from federal funds. Each county provides a modest amount of financial support when matching funds are required for federal grants. The County appropriated \$25,000 for support of the entity in fiscal year 2024.

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

South Mississippi Fair operates in a district composed of Jones County and the City of Laurel. The Jones County Board of Supervisors appoints five of the ten members of the fair commission. The County issued general obligation bonds for the construction of a multi-purpose building to be used by the South Mississippi Fair. The County appropriated \$194,163 for support of the fair in fiscal year 2024.

(18) Tax Abatements.

As of September 30, 2024, Jones County provides tax exempt status to ten manufacturing companies and one processing plant subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for the levies involving the school, the mandatory one mill, and community college tax levies. These exemptions are authorized under *Sections 27-31-101 and 27-31-105 of the Mississippi Code of 1972 Annotated*. These exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2024 totaled \$1,305,797.

(19) 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 Jones County evaluated the activity of the County through September 29, 2025, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2024, the County issued the following debt obligations:

<u>Issue Date</u>	<u>Interest Rate</u>		<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
11/01/2024	4.66%	\$	119,700	Financed purchase	Ad valorem taxes
11/18/2024	4.68%		153,581	Financed purchase	Ad valorem taxes
11/21/2024	4.26%		46,542	Financed purchase	Ad valorem taxes
12/19/2024	4.26%		498,465	Financed purchase	Ad valorem taxes
02/12/2025	2.00%		1,136,100	Other loan	Ad valorem taxes
03/17/2025	4.86%		28,535	Financed purchase	Ad valorem taxes
03/17/2025	4.82%		55,707	Financed purchase	Ad valorem taxes
09/02/2025	4.54%		210,500	Financed purchase	Ad valorem taxes

Subsequent Events Con'd

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
09/15/2025	4.74%	74,542	Financed purchase	Ad valorem taxes
09/15/2025	4.74%	53,723	Financed purchase	Ad valorem taxes

JONES COUNTY

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JONES COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

JONES COUNTY

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JONES COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2024
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 17,713,251	18,143,927	18,143,927	
Road and bridge privilege taxes		1,410,695	1,410,695	
Licenses, commissions and other revenue	2,257,000	1,144,805	1,144,805	
Fines and forfeitures	496,000	547,877	547,877	
Intergovernmental revenues	2,109,200	2,429,797	2,429,797	
Charges for services	500,000	699,254	699,254	
Interest income	160,000	436,423	436,423	
Miscellaneous revenues	367,000	637,796	637,796	
Total Revenues	<u>23,602,451</u>	<u>25,450,574</u>	<u>25,450,574</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	10,801,586	11,844,446	11,844,446	
Public safety	9,599,092	11,399,650	11,399,650	
Public works	249,615	249,615	249,615	
Health and welfare	1,264,629	1,219,439	1,219,439	
Culture and recreation	680,000	733,269	733,269	
Education	708,000	902,091	902,091	
Conservation of natural resources	158,252	124,294	124,294	
Economic development and assistance	493,835	494,312	494,312	
Debt service:				
Principal		233,581	233,581	
Interest		12,514	12,514	
Total Expenditures	<u>23,955,009</u>	<u>27,213,211</u>	<u>27,213,211</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(352,558)</u>	<u>(1,762,637)</u>	<u>(1,762,637)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued		819,085	819,085	
Proceeds from sale of capital assets		123,499	123,499	
Compensation for loss of capital assets		24,718	24,718	
Transfers out	<u>(1,467,523)</u>	<u>(1,078,799)</u>	<u>(1,078,799)</u>	
Total Other Financing Sources and Uses	<u>(1,467,523)</u>	<u>(111,497)</u>	<u>(111,497)</u>	<u>0</u>
Net Change in Fund Balances	<u>(1,820,081)</u>	<u>(1,874,134)</u>	<u>(1,874,134)</u>	
Fund Balances - Beginning	<u>6,200,000</u>	<u>5,378,494</u>	<u>5,378,494</u>	
Fund Balances - Ending	<u>\$ 4,379,919</u>	<u>3,504,360</u>	<u>3,504,360</u>	<u>0</u>

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

JONES COUNTY
Schedule of the County's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2024
UNAUDITED

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.229000%	0.226815%	0.224445%	0.225474%	0.212742%	0.205808%	0.218941%	0.220782%	0.212147%	0.205099%
County's proportionate share of the net pension liability (asset)	\$ 59,465,406	57,043,194	46,189,686	33,326,043	41,184,379	36,205,688	36,416,392	36,701,461	37,894,752	31,704,261
Covered payroll	\$ 17,548,759	16,813,247	15,451,500	14,991,735	14,164,213	13,403,733	13,820,006	14,163,286	13,571,523	12,911,284
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	338.86%	339.28%	298.93%	222.30%	290.76%	270.12%	263.50%	259.13%	279.22%	245.55%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015.

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

JONES COUNTY
Schedule of County Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2024
UNAUDITED

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,126,205	2,961,862	2,743,592	2,613,077	2,505,849	2,170,940	2,175,284	2,229,389	2,181,330	2,033,531
Contributions in relation to the contractually required contribution	<u>3,126,205</u>	<u>2,961,862</u>	<u>2,743,592</u>	<u>2,613,077</u>	<u>2,505,849</u>	<u>2,170,940</u>	<u>2,175,284</u>	<u>2,229,389</u>	<u>2,181,330</u>	<u>2,033,531</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 17,833,456	17,022,195	15,767,770	15,017,684	14,401,431	13,434,035	13,811,327	14,154,850	13,849,717	12,911,284
Contributions as a percentage of covered payroll	17.53% **	17.40%	17.40%	17.40%	17.40%	16.16%	15.75%	15.75%	15.75%	15.75%

* This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented in the fiscal year ended September 30, 2015.

** The employer's rate at September 30, 2024 was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%.

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

JONES COUNTY

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JONES COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2024 UNAUDITED

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	<u>Governmental Fund Type</u>
	<u>General</u>
	<u>Fund</u>
Budget (Cash Basis)	\$ (1,874,134)
Increase (Decrease)	
Net adjustments for revenue accruals	(1,545,868)
Net adjustments for expenditure accruals	<u>2,276,034</u>
GAAP Basis	<u>\$ (1,143,968)</u>

JONES COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2024 UNAUDITED

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

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

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

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

2019

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

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

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

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

JONES COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2024 UNAUDITED

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

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

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

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

2021

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

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
For females, 84% of female rates up to age 72, 100% for ages above 76.
Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

For males, 134% of male rates at all ages.
For females, 121% of female rates at all ages.
Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:

For males, 97% of male rates at all ages.
For females, 110% of female rates at all ages.
Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
The price inflation assumption was reduced from 2.75% to 2.40%.
The wage inflation assumption was reduced from 3.00% to 2.65%.
The investment rate of return assumption was changed from 7.75% to 7.55%.
The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

2023

The investment rate of return assumption was changed from 7.55% to 7.00%.
The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.
Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.

JONES COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2024
UNAUDITED

For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.

The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years. The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

B. Changes in benefit provisions.

2016

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

C. Methods 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, 2022 valuation for the June 30, 2024 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	25.6 years
Asset valuation method	5-year smoothed market
Price inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

JONES COUNTY

SUPPLEMENTARY INFORMATION

JONES COUNTY

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JONES COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest service/ Passed-through the Mississippi State Treasurer's Office Forest service schools and roads cluster: Schools and roads - grants to states	10.665	Unknown	\$ 83,995
Total Forest service schools and roads cluster			<u>83,995</u>
Emergency watershed protection program (Direct Award)	10.923	N/A	<u>90,451</u>
Total U.S. Department of Agriculture			<u>174,446</u>
U.S. Department of Housing and Urban Development Passed-through the Mississippi Development Authority Community development block grants/state's program and non-entitlement grants in Hawaii*	14.228	1139-22-034-ED-01	<u>2,070,612</u>
Total U.S. Department of Housing and Urban Development			<u>2,070,612</u>
U.S. Department of Justice Passed-through the Mississippi Department of Public Safety Coronavirus emergency supplemental funding program	16.034	20LX1341	<u>4,252</u>
Passed-through the Mississippi Department of Health Crime victim assistance grant	16.575	SG-1166-R6	<u>20,484</u>
Violence against women formula grants	16.588	SG-1229-R7	<u>72,880</u>
U.S. Department of Justice Edward Byrne memorial justice assistance grant program (Direct Award)	16.738	N/A	<u>27,850</u>
Equitable sharing program (Direct Award)	16.922	N/A	<u>12,364</u>
Total U.S. Department of Justice			<u>137,830</u>
U.S. Department of Transportation Passed-through the Mississippi Department of Public Safety Highway safety cluster: State and community highway safety	20.600	OP-2024-OP-13-41	<u>92,843</u>
Total Highway safety cluster			<u>92,843</u>
Alcohol open container requirements	20.607	154AL-2024-ST-13-41	<u>97,954</u>
Total U.S. Department of Transportation			<u>190,797</u>
U.S. Department of the Treasury Coronavirus state and local fiscal recovery funds (Direct award)*	21.027	N/A	<u>2,670,067</u>
COVID-19 Local assistance and tribal consistency fund (Direct award)	21.032	N/A	<u>134,500</u>
Total U.S. Department of the Treasury			<u>2,804,567</u>
Executive Office of the President Passed-through the Mississippi Department of Public Safety High intensity drug trafficking areas program	95.001	Unknown	<u>25,064</u>
Total Executive Office of the President			<u>25,064</u>

JONES COUNTY
Schedule of Expenditures of Federal Awards (cont'd)
For the Year Ended September 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security Passed-through the Mississippi Emergency Management Agency Emergency management performance grants	97.042	Unknown	<u>51,693</u>
Passed-through the Mississippi Department of Public Safety Homeland security grant program	97.067	23LE034	<u>17,500</u>
Total U.S. Department of Homeland Security			<u>69,193</u>
Total Expenditures of Federal Awards			<u>\$ 5,472,509</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Jones County under programs of the federal government for the year ended September 30, 2024. 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 Jones County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Jones County.

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

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

Note D - Schools and Roads - Grants to States (ALN 10.665)

Of the federal expenditures presented in the Schedule, Jones County provided federal awards totaling \$41,998 to subrecipients during the fiscal year ended September 30, 2024.

* Denotes major federal award program

JONES COUNTY

OTHER INFORMATION

JONES COUNTY

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JONES COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2024
UNAUDITED

Name	Position	Company	Bond
George N. Walters	Supervisor District 1	Travelers Casualty and Surety Company	\$100,000
Thurman Larry Dykes	Supervisor District 2	Travelers Casualty and Surety Company	\$100,000
Phil A. Dickerson	Supervisor District 3	Travelers Casualty and Surety Company	\$100,000
Paul Joseph Bradshaw	Supervisor District 4	Travelers Casualty and Surety Company	\$100,000
Tommy L. Posey	Supervisor District 5	Travelers Casualty and Surety Company	\$100,000
Concetta Brooks	Chancery Clerk	Travelers Casualty and Surety Company	\$100,000
Tammy Williams	Purchase Clerk	Travelers Casualty and Surety Company	\$100,000
Richard Creel	Assistant Purchase Clerk	Travelers Casualty and Surety Company	\$50,000
Chasity Gray (Blanket Bond)	Receiving Clerk	Travelers Casualty and Surety Company	\$75,000
Assistant Receiving Clerks (Blanket Bond)	Assistant Receiving Clerks	Travelers Casualty and Surety Company	\$75,000
Charles Miller	Inventory Control Clerk	Travelers Casualty and Surety Company	\$75,000
Janice Scarbrough	Assistant Inventory Control Clerk	Travelers Casualty and Surety Company	\$50,000
David Livingston	Constable	Travelers Casualty and Surety Company	\$50,000
Jack Danny Gibson	Constable	Travelers Casualty and Surety Company	\$50,000
Wayne McLemore	Constable	Travelers Casualty and Surety Company	\$50,000
Greg Dickerson	Circuit Clerk	Travelers Casualty and Surety Company	\$100,000
Joseph K. Berlin	Sheriff	Travelers Casualty and Surety Company	\$100,000
Curtis Grant Hedgepeth	Justice Court Judge	Travelers Casualty and Surety Company	\$50,000
Travis Haynes	Justice Court Judge	Travelers Casualty and Surety Company	\$50,000
Thomas Sonny Saul	Justice Court Judge	Travelers Casualty and Surety Company	\$50,000
Stacy Walls	Justice Court Clerk	Western Surety Company	\$50,000
Jennifer Yanez	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Janice Glenn	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Cynthia Bush	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Joelle D. Knight	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Tina Byrd	Tax Assessor-Collector	Travelers Casualty and Surety Company	\$100,000
Christian Sharp	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Anna Emmons	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Brandy Hearn	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Corey Wade	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Hannah Kitchens	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Julius Matthews	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Justin Westbrook	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Lindsey Knight	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Wanda Thompson	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Wanda Welch	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Zachary Stephens	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Kendra Rayburn	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Terry Peacock	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Judy Beard	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Cindy Taylor	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
David Evans	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Frances Pruitt	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Kristi Sullivan	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Wakenda Graves	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Kristin Holifield	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Jolee Doiron	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Schuyler McCartney	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Aiesha Young	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000

JONES COUNTY

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JONES COUNTY

SPECIAL REPORTS

JONES COUNTY

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

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

Members of the Board of Supervisors
Jones 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jones County, Mississippi (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 29, 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. The report is qualified on the governmental activities, the business-type activities, and the Solid Waste Fund because the County did not record a liability or current year expense for other postemployment benefits as required by accounting principles generally accepted in the United States of America. Our report also includes a qualified opinion on the General Fund because the County did not maintain and preserve adequate subsidiary records documenting the existence and valuation of the Circuit Court fines receivable, net, and the aging of these receivables at September 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jones 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 Jones County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001, 2024-002 and 2024-003 to be material weaknesses.

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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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2024-004 and 2024-005 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jones 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Jones County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated September 29, 2025, included within this document.

Jones County's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Jones County, Mississippi's responses to the findings identified in our audit and described in the accompanying Auditee's Corrective Action Plan. Jones County, Mississippi's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

September 29, 2025



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

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

Members of the Board of Supervisors
Jones County, Mississippi

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jones County, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jones County, Mississippi's major federal programs for the year ended September 30, 2024. Jones 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, Jones County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each 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 Jones County, Mississippi 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 each major federal program. Our audit does not provide a legal determination of Jones County, Mississippi's compliance with the compliance requirements referred to above.

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 Jones County, Mississippi's federal programs.

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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 Jones 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 Jones County, Mississippi's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Jones 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 Jones 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 Jones 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

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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified

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.

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.

A handwritten signature in black ink, appearing to read "Joe E. McKnight".

JOE E. MCKNIGHT CPA
Director, County Audit Section

September 29, 2025

JONES COUNTY

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

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

Members of the Board of Supervisors
Jones County, Mississippi

We have examined Jones County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code of 1972 Annotated*, and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated*, during the year ended September 30, 2024. The Board of Supervisors of Jones 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 Jones County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

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

Board of Supervisors, Receiving Clerk and Assistant Receiving Clerks.

1. The Receiving Clerk and Assistant Receiving Clerks should be bonded in compliance with state law.

Repeat Finding No

Criteria *Section 31-7-124, Mississippi Code of 1972 Annotated*, requires the Receiving Clerk to be bonded for an amount not less than \$75,000 and the Assistant Receiving Clerks to be bonded for an amount not less than \$50,000, to be payable, conditioned and approved by law.

Condition	The Receiving Clerk and Assistant Receiving Clerks were all bonded under the same blanket bond and were not identified by name and position.
Cause	The County did not comply with state law.
Effect	Failure to comply with the state law would limit the amounts available for recovery if a loss occurred.
Recommendation	The County should implement procedures to ensure the Receiving Clerk and Assistant Receiving Clerks are bonded as required by state law.
Views of Responsible Official(s)	We are in the process of individually bonding all receiving clerks.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Jones County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2024.

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

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

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


 JOE E. MCKNIGHT, CPA
 Director, County Audit Section
 September 29, 2025

JONES COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder
For the Year Ended September 30, 2024

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

JONES COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2024

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
10/5/2023	Fire alarm system	\$ 21,500	Southern Fire Sprinkler, LLC	Public safety. Delaying incident to give opportunity for competitive bidding would be detrimental to the interest of the governing authority and
12/4/2023	Bridge repair	85,000	Ellis Dozer Service	Emergency bridge repair. Delaying incident to give opportunity for competitive bidding would be detrimental to the interest of the governing authority and traveling citizens.
12/4/2023	Bridge repair	29,992	Skyline Steel, LLC	Emergency bridge repair. Delaying incident to give opportunity for competitive bidding would be detrimental to the interest of the governing authority and traveling citizens.
12/6/2023	Bridge repair	100,000	Ellis Dozer Service	Emergency bridge repair. Delaying incident to give opportunity for competitive bidding would be detrimental to the interest of the governing authority and traveling citizens.
12/15/2023	H pile	29,992	Skyline Steel, LLC	Emergency bridge repair. Delaying incident to give opportunity for competitive bidding would be detrimental to the interest of the governing authority and traveling citizens.
12/20/2023	Bridge repair	70,000	Ellis Dozer Service	Emergency bridge repair. Delaying incident to give opportunity for competitive bidding would be detrimental to the interest of the governing authority and traveling citizens.

JONES COUNTY

Schedule 3Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2024

<u>Date</u>	<u>Item Purchased</u>		<u>Amount Paid</u>	<u>Vendor</u>
9/6/2024	International Mod 4200LP transmission	\$	5,210	Industrial Services of Laurel, Inc.

JONES COUNTY

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

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Jones County, Mississippi

In planning and performing our audit of the financial statements of Jones County, Mississippi, for the year ended September 30, 2024, we considered Jones 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 Jones County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated September 29, 2025, on the financial statements of Jones 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 certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

Board of Supervisors.

1. The County should adhere to the requirements governing the use of credit cards.

Repeat Finding Yes

Criteria *Section 19-3-68, Mississippi Code of 1972 Annotated*, authorizes the use of a county credit card for travel by the Board of Supervisors and county employees. The Chancery Clerk or Purchase Clerk is required to maintain complete records of all credit card numbers and all receipts and other documentation relating to the use of such credit cards. The supervisors and county employees must furnish receipts for the use of such credit cards each month to the Chancery Clerk or Purchase Clerk, who shall submit a written report monthly to the Board of Supervisors. The report shall include an itemized list of all expenditures and use of the credit card for the month, and such expenditures may be allowed for payment by the County in the same manner as other items in the claims docket.

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Condition	As reported in the prior three years' audit reports, we noted that the required monthly reports were not submitted to the Board of Supervisors.
Cause	The County did not comply with state law.
Effect	Failure to enforce these requirements could result in the misuse of credit cards for unauthorized and unallowed expenditures.
Recommendation	The Board of Supervisors should implement procedures to ensure that the required report is presented to the Board of Supervisors each month.

Views of Responsible Official(s)

I took the Purchase Clerk position August 2023. We are now in compliance as of December 2024. Each credit card statement is placed on the claims docket.

2. The County should make the appropriate railcar ad valorem tax settlements to all taxing districts in compliance with state law.

Repeat Finding No

Criteria *Section 27-35-519, Mississippi Code of 1972 Annotated*, requires the Clerk of the Board of Supervisors to apportion the railcar ad valorem taxes to the municipalities and other taxing districts in proportion to the number of miles of railroad in the municipality or other taxing district to the number of miles of railroad in the entire county.

Condition During our testwork, we determined that the County did not settle the appropriate railcar ad valorem taxes to all municipalities and other taxing districts in fiscal year 2024.

Cause The County did not comply with state law.

Effect Failure to correctly apportion and settle the railcar ad valorem taxes to all municipalities and other taxing districts resulted in incorrect settlement amounts and could result in the misappropriation of public funds.

Recommendation The Board of Supervisors should implement procedures to ensure that the apportionment and settlement of railcar taxes is computed in compliance with state law.

Views of Responsible Official(s)

We have adjusted the formula we use to compute the settlement amounts and have corrected the fiscal year 2024 settlements with adjustments to the fiscal year 2025 settlements.

Board of Supervisors and Chancery Clerk.

3. A contract for preservation of County records should be executed prior to paying the Chancery Clerk for such services.

Repeat Finding No

Criteria *Section 19-15-1, Mississippi Code of 1972 Annotated*, authorizes the Board of Supervisors to make and enter into a contract and agreement with any person, firm or corporation to make and prepare copies or duplicates of records, and to provide for and enter into contracts concerning the safekeeping and preservation of such copies or duplicates at points of storage at a location within the state other than the legally designated or customary locations and depository of the original of such records.

Condition During fiscal year 2024, the Board of Supervisors paid \$24,000 to the Chancery Clerk for the preservation of records without entering into a contract specifying what duties are to be performed.

Cause The County did not comply with state law and lacked the necessary controls to ensure a contract had been executed prior to paying the Chancery Clerk for preservation of records.

Effect Failure to ensure a contract was in place prior to paying the Chancery Clerk for record preservation placed both the County and the Chancery Clerk in violation of state law.

Recommendation The Board of Supervisors should implement procedures to ensure a contract for record preservation services has been executed, as required by state law, prior to approving payments for such services to the Chancery Clerk.

Views of Responsible Official(s) An order has been sent to the Board and should be on the agenda for the next board meeting.

Chancery Clerk.

4. The Chancery Clerk should reconcile bank statements for land redemption on a monthly basis.

Repeat Finding No

Criteria An effective system of internal control over cash should include the reconciliation of land redemption bank accounts on a monthly basis.

Condition We noted during our audit that the land redemption bank account has not been reconciled in the past four months.

Cause The Chancery Clerk did not have the necessary internal controls over cash.

Effect Failure to reconcile the land redemption bank account on a monthly basis could result in the loss or misappropriation of public funds.

Recommendation The Chancery Clerk should implement a system that ensures the land redemption bank account is being reconciled on a monthly basis.

Views of Responsible Official(s) The Chancery Clerk will comply to faster reconciliation in the future.

Jones County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

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


JOE E. MCKNIGHT, CPA
Director, County Audit Section

September 29, 2025

JONES COUNTY

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JONES COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JONES COUNTY

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JONES COUNTY

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2024

Section 1: Summary of Auditor's Results

Financial Statements:

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

Governmental activities	Qualified
Business-type activities	Qualified
Aggregate discretely presented component units	Adverse
General Fund	Qualified
Countywide Bond and Interest Sinking Fund	Unmodified
Aggregate remaining fund information	Unmodified
Solid Waste Fund	Qualified
2. Internal control over financial reporting:
 - a. Material weaknesses identified? Yes
 - b. Significant deficiencies identified? Yes
3. Noncompliance material to the financial statements noted? No

Federal Awards:

4. Internal control over major federal programs:
 - a. Material weakness identified? No
 - b. Significant deficiency identified? None Reported
5. Type of auditor's report issued on compliance for major federal programs: Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
7. Identification of major federal programs:
 - a. ALN 14.228, Community development block grants/state's program and non-entitlement grants in Hawaii
 - b. ALN 21.027, Coronavirus state and local fiscal recovery funds
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

JONES COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

2024-001. The County should comply with GASB Statement 75 and report on postemployment health care benefits.

Repeat Finding Yes

Criteria Jones County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan. Since retirees may obtain a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. GASB Statement 75 requires the County to report on an accrual basis the liability associated with other postemployment benefits.

Condition As reported in the prior fourteen years' audit reports, the County does not issue a publicly available financial report for its health insurance plan. The County has not recorded a liability for other postemployment benefits nor has the County reported the note disclosures which are required by accounting principles generally accepted in the United States of America.

Cause The County chooses not to calculate its OPEB liability.

Effect The failure to properly follow generally accepted accounting principles resulted in a qualified opinion on the governmental activities, business-type activities and the Solid Waste Fund.

Recommendation The Board of Supervisors should have an actuarial valuation annually so that a liability for other postemployment benefits can be recorded and the appropriate note disclosures can be made in accordance with accounting principles generally accepted in the United States of America.

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

Material Weakness

2024-002. Jones County should strengthen controls over billing and receipt of revenues for housing prisoners.

Repeat Finding No

Criteria An effective system of internal control over the recording of transactions for housing prisoners should include adequate segregation of duties.

Condition The correctional facility administrative assistant prepares the billing statements for various agencies and receives the funds.

Cause The County lacked the necessary controls over billing and receipting of revenues for housing prisoners.

JONES COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Effect The lack of adequate segregation of duties for the billing and cash receipt functions could result in the loss or misappropriation of public funds.

Recommendation The Board of Supervisors should implement a system of internal controls to ensure that all transactions are recorded and correctly classified in the County's accounting records. Additionally, the Board of Supervisors should ensure that there is an adequate segregation of duties.

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

Circuit Clerk.

Material Weakness

2024-003. The Circuit Clerk should ensure effective controls over fines receivable.

Repeat Finding No

Criteria An effective system of internal control over fines receivable records should include maintaining adequate subsidiary records to substantiate the total fines receivable balance.

Condition Management did not maintain adequate subsidiary records documenting the existence and valuation of fines receivable for the Circuit Court fines and aging of fines receivable as of September 30, 2024.

Cause The Circuit Clerk lacked adequate internal controls over fines receivable.

Effect The Independent Auditor's Report includes a qualified opinion on the General Fund because we were unable to satisfy ourselves as to the fair presentation of the Circuit Court fines receivable.

Recommendation The Circuit Clerk should establish procedures to ensure documentation of the existence and valuation of the Circuit Court fines receivable, including the aging schedule of fines receivable.

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

Justice Court Clerk.

Significant Deficiency

2024-004. The Justice Court Clerk should establish adequate segregation of duties.

Repeat Finding No

Criteria An effective system of internal control over cash should include an adequate segregation of duties.

Condition During testwork, it was noted that controls were inadequate over cash. The office manager receipts monies, prepares bank deposits, reconciles bank statements, prepares monthly settlement reports and makes all disbursements.

JONES COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Cause	The Justice Court Clerk lacks the proper segregation of duties necessary to maintain effective internal controls.
Effect	The failure to implement adequate internal controls over cash in the Justice Court office could result in the loss or misappropriation of public funds.
Recommendation	The Justice Court Clerk should ensure that there is an adequate segregation of duties in the collecting, recording and settlement functions.

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

Sheriff.

Significant Deficiency

2024-005. The Sheriff should establish adequate segregation of duties.

Repeat Finding No

Criteria An effective system of internal control over cash should include an adequate segregation of duties.

Condition During testwork, it was noted that internal controls were inadequate over cash. The administrative assistant prepares bank deposits, delivers bank deposits, reconciles bank statements, prepares monthly settlement reports and makes all disbursements.

Cause The Sheriff's office lacks the proper segregation of duties necessary to maintain effective internal controls.

Effect The failure to implement adequate internal controls over cash in the Sheriff's office could result in the loss or misappropriation of public funds.

Recommendation The Sheriff should ensure that there is an adequate segregation of duties in the collecting, recording and settlement functions.

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

Section 3: Federal Award Findings and Questioned Costs

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

JONES COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN
AND
AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

JONES COUNTY

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JONES COUNTY BOARD OF SUPERVISORS

Post Office Box 1468
Laurel, Mississippi 39441

Telephone 601.428.3139
Fax 601.428.3602

August 12, 2025

Mr. Shad White
Office of the State Auditor
PO Box 956
Jackson, Mississippi 39205

Gentlemen:

The Jones County Board of Supervisors respectfully submits the following Corrective Action Plan for the year ended September 30, 2024.

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 1: Summary of Auditor's Results does not include findings and is not addressed.

SECTION 2: FINANCIAL STATEMENT FINDINGS

- 2024-001. Corrective Action Planned: We will try to ascertain this information but it is very difficult.
- Anticipated Completion Date: Unknown
- Name of Contact Person
Responsible for Corrective
Action: Charles Miller, Chief Financial Officer
- 2024-002. Corrective Action Planned: We plan to instruct other jurisdictions to make payments for our jail housing their prisoners directly to the Board of Supervisors. The Board will submit a monthly list of all payments received to the jail so they can record the payment. We hope this will help to provide both better internal controls and assure receipt of the funds into the county depository.
- Anticipated Completion Date: Unknown
- Name of Contact Person
Responsible for Corrective
Action: Charles Miller, Chief Financial Officer

George Walters
Beat One

T. Larry Dykes
Beat Two

Phil Dickerson
Beat Three

Joey Bradshaw
Beat Four

Stacy Comegys
Beat Five

Concetta Brooks
Clerk of the Board

2024-003.	Corrective Action Planned:	I have identified the factors causing this issue and have implemented procedures to prevent any further errors in our fines receivable.
	Anticipated Completion Date:	September 30, 2025
	Name of Contact Person Responsible for Corrective Action:	Greg Dickerson, Circuit Clerk
2024-004.	Corrective Action Planned:	Each Deputy Clerk now fills out their own deposit slip and places the deposit in the deposit bag. The office manager drops off the deposit at the bank at the end of the day and retrieves the deposit bag the next day. The Justice Court Clerk compares each deposit slip with the bank's slip and the Justice Court daily deposit report.
	Anticipated Completion Date:	Unknown
	Name of Contact Person Responsible for Corrective Action:	Stacy Walls, Justice Court Clerk
2024-005.	Corrective Action Planned:	This is the same process we have been using for years. We have never had a problem before and now, all of a sudden, it's a problem. It's always something. The past administration did the same thing. We always balance at the end of the month and I don't feel safe having several hands on the money.
	Anticipated Completion Date:	Unknown
	Name of Contact Person Responsible for Corrective Action:	Joe Berlin, Sheriff

SECTION 3: FEDERAL AWARD FINDINGS

There are no findings or questioned costs related to federal awards.

Sincerely,



President, Board of Supervisors



JONES COUNTY BOARD OF SUPERVISORS

Post Office Box 1468
Laurel, Mississippi 39441

Telephone 601.428.3139
Fax 601.428.3602

August 12, 2025

Mr. Shad White
Office of the State Auditor
PO Box 956
Jackson, Mississippi 39205

Gentlemen:

The Jones County Board of Supervisors respectfully submits the following Summary Schedule of Prior Audit Findings for the year ended September 30, 2024.

The findings from the prior year's Schedule of Findings and Questioned Costs are discussed below. The findings are numbered with the numbers assigned in the first year of issuance. Section 1: Summary of Auditor's Results does not include findings and is not addressed.

SECTION 2: FINANCIAL STATEMENT FINDINGS

09-2. The County should comply with GASB Statement 75 and report on postemployment healthcare benefits.

NOT CORRECTED. Repeated as 10-2, 11-2, 12-2, 2013-003, 2014-002, 2015-002, 2016-002, 2017-002, 2018-001, 2019-001, 2020-001, 2021-001, 2022-001, 2023-001 and 2024-001.

2015-001.

The financial statements do not include the financial data for the County's legally separate component units.

NOT CORRECTED. Repeated as 2016-001, 2017-001, 2022-002 and 2023-002. An adverse opinion was issued for the component units; however, a finding is no longer warranted.

SECTION 3: FEDERAL AWARD FINDINGS

There were no prior year findings and questioned costs related to federal awards.

Sincerely,

President, Board of Supervisors

George Walters
Beat One

T. Larry Dykes
Beat Two

Phil Dickerson
Beat Three

Joey Bradshaw
Beat Four

Stacy Comegys
Beat Five

Concetta Brooks
Clerk of the Board

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APPENDIX D

**UNAUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING
SEPTEMBER 30, 2025**

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**UNAUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR
ENDING SEPTEMBER 30, 2025**

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JONES COUNTY

FINANCIAL STATEMENTS

JONES COUNTY

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JONES COUNTY
Statement of Net Position
September 30, 2025

Exhibit 1

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash	\$ 15,749,011	417,650	16,166,661
Restricted assets - investments	23,118		23,118
Accrued interest receivable	75,850		75,850
Property tax receivable	34,232,389		34,232,389
Accounts receivable (net of allowance for uncollectibles of \$1,283,817)		342,121	342,121
Fines receivable (net of allowance for uncollectibles of \$4,080,244)	1,654,775		1,654,775
Lease receivable	4,977,593		4,977,593
Intergovernmental receivables	735,696		735,696
Other receivables	94,859		94,859
Internal balances	154,937	(154,937)	
Prepaid items	20,886		20,886
Capital assets, non-depreciable:			
Land and construction in progress	1,654,279	30,000	1,684,279
Capital assets, net of accumulated depreciation and amortization:			
Other capital assets, net	97,892,852	1,607,188	99,500,040
Lease assets, net	102,350		102,350
Total Assets	157,368,595	2,242,022	159,610,617
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	6,098,804	419,571	6,518,375
Deferred amount on refunding	237,572		237,572
Total Deferred Outflows of Resources	6,336,376	419,571	6,755,947
LIABILITIES			
Claims payable	2,272,430	69,438	2,341,868
Intergovernmental payables	1,060,367		1,060,367
Accrued interest payable	324,616	24,793	349,409
Unearned revenue	13,195	317,485	330,680
Amounts held in custody for others	383,010		383,010
Other payables	5,949		5,949
Long-term liabilities			
Due within one year:			
Capital debt	6,567,026	823,767	7,390,793
Non-capital debt	512,095	8,855	520,950
Lease liabilities	40,997		40,997
Due in more than one year:			
Capital debt	26,239,129	729,054	26,968,183
Non-capital debt	1,310,287	68,074	1,378,361
Lease liabilities	86,301		86,301
Net pension liability	56,004,997	3,883,410	59,888,407
Total Liabilities	94,820,399	5,924,876	100,745,275
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,964,907	130,543	2,095,450
Deferred inflows related to leases	4,658,899		4,658,899
Deferred revenues - property taxes	34,232,389		34,232,389
Deferred amount on refunding	29,784		29,784
Total Deferred Inflows of Resources	40,885,979	130,543	41,016,522
NET POSITION			
Net investment in capital assets	66,923,816	84,367	67,008,183
Restricted for:			
Expendable:			
General government	423,973		423,973
Public safety	1,270,190		1,270,190
Public works	5,750,570		5,750,570
Culture and recreation	121,941		121,941
Economic development and assistance	751,870		751,870
Unemployment compensation	107,383		107,383
Debt service	596,261		596,261
Unrestricted	(47,947,411)	(3,478,193)	(51,425,604)
Total Net Position	\$ 27,998,593	(3,393,826)	24,604,767

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

JONES COUNTY
Statement of Activities
For the Year Ended September 30, 2025

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 13,219,440	1,917,427	407,986		(10,894,027)		(10,894,027)
Public safety	13,364,529	2,417,965	850,831	200,000	(9,895,733)		(9,895,733)
Public works	15,292,330		5,138,323	3,026,868	(7,127,139)		(7,127,139)
Health and welfare	1,455,159		271,667		(1,183,492)		(1,183,492)
Culture and recreation	1,293,499				(1,293,499)		(1,293,499)
Education	11,868		11,868		0		0
Conservation of natural resources	108,625				(108,625)		(108,625)
Economic development and assistance	1,939,009			57,059	(1,881,950)		(1,881,950)
Interest on long-term debt	900,515				(900,515)		(900,515)
Pension expense	7,089,432				(7,089,432)		(7,089,432)
Total Governmental Activities	54,674,406	4,335,392	6,680,675	3,283,927	(40,374,412)		(40,374,412)
Business-type activities:							
Solid waste	3,171,507	2,938,701				(232,806)	(232,806)
Total Business-type Activities	3,171,507	2,938,701	0	0		(232,806)	(232,806)
Total Primary Government	\$ 57,845,913	7,274,093	6,680,675	3,283,927	(40,374,412)	(232,806)	(40,607,218)
General revenues:							
Property taxes					\$ 32,560,856		32,560,856
Road & bridge privilege taxes					857,571		857,571
Grants and contributions not restricted to specific programs					2,599,639		2,599,639
Unrestricted interest income					732,580	618	733,198
Miscellaneous					2,243,382	1,893	2,245,275
Total General Revenues					38,994,028	2,511	38,996,539
Changes in Net Position					(1,380,384)	(230,295)	(1,610,679)
Net Position - Beginning, as previously reported					28,581,437	(3,163,531)	25,417,906
Error corrections					797,540		797,540
Net Position - Beginning, as restated					29,378,977	(3,163,531)	26,215,446
Net Position - Ending					\$ 27,998,593	(3,393,826)	24,604,767

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

JONES COUNTY
Balance Sheet - Governmental Funds
September 30, 2025

Exhibit 3

	Major Funds			
	General Fund	Countywide Bond and Interest Sinking Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 4,918,472	516,130	10,314,409	15,749,011
Restricted assets - investments			23,118	23,118
Accrued interest receivable		75,850		75,850
Property tax receivable	22,458,041	3,920,243	7,854,105	34,232,389
Fines receivable (net of allowance for uncollectibles of \$4,080,244)	1,654,775			1,654,775
Lease receivable	852,593	4,125,000		4,977,593
Intergovernmental receivables	663,185		72,511	735,696
Other receivables	4,013		90,846	94,859
Due from other funds	32,352	55,897	178,748	266,997
Advances to other funds	122,585			122,585
Total Assets	\$ 30,706,016	8,693,120	18,533,737	57,932,873
LIABILITIES				
Liabilities:				
Claims payable	\$ 322,454		1,949,976	2,272,430
Intergovernmental payables	1,022,766			1,022,766
Due to other funds	272,246			272,246
Unearned revenue			13,195	13,195
Amounts held in custody for others	383,010			383,010
Other payables	5,949			5,949
Total Liabilities	2,006,425	0	1,963,171	3,969,596
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	22,458,041	3,920,243	7,854,105	34,232,389
Unavailable revenue - fines	1,654,775			1,654,775
Leases	806,899	3,852,000		4,658,899
Total Deferred Inflows of Resources	24,919,715	7,772,243	7,854,105	40,546,063
Fund balances:				
Nonspendable:				
Advances	122,585			122,585
Restricted for:				
General government			423,973	423,973
Public safety			1,270,190	1,270,190
Public works			5,750,570	5,750,570
Culture and recreation			121,941	121,941
Economic development and assistance			751,870	751,870
Unemployment compensation			107,383	107,383
Debt service		920,877		920,877
Committed to:				
General government			303,729	303,729
Unassigned	3,657,291		(13,195)	3,644,096
Total Fund Balances	3,779,876	920,877	8,716,461	13,417,214
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 30,706,016	8,693,120	18,533,737	57,932,873

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

JONES COUNTY

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2025Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 13,417,214
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$152,065,761 and accumulated amortization of \$100,201.	99,649,481
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,654,775
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(34,755,835)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(56,004,997)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(324,616)
Deferred amount on refunding	207,788
Deferred outflows and inflows of resources related to pensions are applicable to future and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	6,098,804
Deferred inflows of resources related to pensions	(1,964,907)
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition and therefore are not reported in the funds.	<u>20,886</u>
Total Net Position - Governmental Activities	<u>\$ 27,998,593</u>

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

JONES COUNTY

Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2025

	Major Funds			
	General Fund	Countywide Bond and Interest Sinking Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 20,854,956	4,289,131	7,416,769	32,560,856
Road and bridge privilege taxes			857,571	857,571
Licenses, commissions and other revenue	945,889		37,953	983,842
Fines and forfeitures	526,878		4,953	531,831
Intergovernmental revenues	2,448,925		10,115,316	12,564,241
Charges for services	553,831		1,823,956	2,377,787
Interest income	319,538	162,056	250,986	732,580
Miscellaneous revenues	700,293	646,750	873,966	2,221,009
Total Revenues	<u>26,350,310</u>	<u>5,097,937</u>	<u>21,381,470</u>	<u>52,829,717</u>
EXPENDITURES				
Current:				
General government	11,792,129		2,865,232	14,657,361
Public safety	11,939,550		3,539,419	15,478,969
Public works	340,635		16,161,682	16,502,317
Health and welfare	1,226,790			1,226,790
Culture and recreation	281,373		1,083,670	1,365,043
Education	11,868			11,868
Conservation of natural resources	116,428			116,428
Economic development and assistance	484,708		1,454,301	1,939,009
Debt service:				
Principal	287,179	4,294,309	2,123,924	6,705,412
Interest	55,119	506,817	368,848	930,784
Total Expenditures	<u>26,535,779</u>	<u>4,801,126</u>	<u>27,597,076</u>	<u>58,933,981</u>
Excess of Revenues over (under) Expenditures	<u>(185,469)</u>	<u>296,811</u>	<u>(6,215,606)</u>	<u>(6,104,264)</u>
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued	1,754,265		549,138	2,303,403
Leases issued	76,974			76,974
Proceeds from sale of capital assets	17,600		72,751	90,351
Compensation for loss of capital assets	46,125			46,125
Transfers in			2,286,029	2,286,029
Transfers out	(1,963,430)		(322,599)	(2,286,029)
Total Other Financing Sources and Uses	<u>(68,466)</u>	<u>0</u>	<u>2,585,319</u>	<u>2,516,853</u>
Net Changes in Fund Balances	<u>(253,935)</u>	<u>296,811</u>	<u>(3,630,287)</u>	<u>(3,587,411)</u>
Fund Balances - Beginning	<u>4,033,811</u>	<u>624,066</u>	<u>12,346,748</u>	<u>17,004,625</u>
Fund Balances - Ending	<u>\$ 3,779,876</u>	<u>920,877</u>	<u>8,716,461</u>	<u>13,417,214</u>

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

JONES COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2025

	Amount
Net Changes in Fund Balances - Governmental Funds	\$ (3,587,411)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$5,825,412 exceeded depreciation of \$4,432,121 and amortization of \$64,508 in the current period.	1,328,783
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 \$22,373 and the proceeds from the sale of \$90,351 and compensation for loss of \$46,125 in the current period.	(114,103)
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.	441,932
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 \$6,705,412 exceeded debt proceeds of \$2,380,377.	4,325,035
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
The amount of decrease in compensated absences liability.	78,325
The amount of decrease in accrued interest payable.	28,198
The amortization of bond premium.	54,914
The amortization of deferred refunding charges.	(49,044)
Under the modified accrual basis of accounting used in the Governmental Funds, prepaid items are reported as expenditures. However, in the Statement of Activities, only the portion of expenses related to the current period are reported. Thus, the change in net position differs from the change in fund balances by the amount of decrease in prepaid items.	(3,799)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period.	(7,089,432)
Recording of contributions made during the year.	3,206,218
Change in Net Position of Governmental Activities	\$ (1,380,384)

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

JONES COUNTY
Statement of Net Position - Proprietary Fund
September 30, 2025

Exhibit 5

	Business-type Activities - Enterprise Fund	Solid Waste Fund
ASSETS		
Current assets:		
Cash	\$	417,650
Accounts receivable (net of allowance for uncollectibles of \$1,283,817)		342,121
Total Current Assets		759,771
Noncurrent assets:		
Capital assets, non-depreciable:		
Land		30,000
Capital assets, net of accumulated depreciation:		
Other capital assets, net		1,607,188
Total Noncurrent Assets		1,637,188
Total Assets		2,396,959
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions		419,571
Total Deferred Outflows of Resources		419,571
LIABILITIES		
Current liabilities:		
Claims payable		69,438
Due to other funds		32,352
Advances from other funds		122,585
Accrued interest payable		24,793
Unearned revenue		317,485
Capital debt:		
Financed purchases payable		823,767
Non-capital debt:		
Compensated absences payable		8,855
Total Current Liabilities		1,399,275
Noncurrent liabilities:		
Capital debt:		
Financed purchases payable		729,054
Non-capital debt:		
Compensated absences payable		68,074
Net pension liability		3,883,410
Total Noncurrent Liabilities		4,680,538
Total Liabilities		6,079,813
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions		130,543
Total Deferred Inflows of Resources		130,543
NET POSITION		
Net investment in capital assets		84,367
Unrestricted		(3,478,193)
Total Net Position	\$	(3,393,826)

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

JONES COUNTY
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
For the Year Ended September 30, 2025

Exhibit 6

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Fund</u>
Operating Revenues	
Charges for services	\$ 2,938,701
Miscellaneous	1,893
Total Operating Revenues	<u>2,940,594</u>
Operating Expenses	
Personal services	1,542,496
Contractual services	643,483
Materials and supplies	212,509
Depreciation expense	186,981
Indirect administrative cost	32,352
Pension expense	471,010
Total Operating Expenses	<u>3,088,831</u>
Operating Income (Loss)	<u>(148,237)</u>
Nonoperating Revenues (Expenses)	
Interest income	618
Interest expense	(82,676)
Net Nonoperating Revenues (Expenses)	<u>(82,058)</u>
Change in Net Position	(230,295)
Net Position - Beginning	<u>(3,163,531)</u>
Net Position - Ending	<u>\$ (3,393,826)</u>

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

JONES COUNTY
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2025

Exhibit 7

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Fund</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 2,938,136
Payments to suppliers	(842,358)
Payments to employees	(1,755,815)
Other operating cash receipts	1,893
Net Cash Provided (Used) by Operating Activities	<u>341,856</u>
Cash Flows From Capital and Related Financing Activities	
Principal paid on long-term debt	(420,955)
Interest paid on debt	(89,161)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(510,116)</u>
Cash Flows From Investing Activities	
Interest on deposits	618
Net Cash Provided (Used) by Investing Activities	<u>618</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(167,642)
Cash and Cash Equivalents at Beginning of Year	<u>585,292</u>
Cash and Cash Equivalents at End of Year	<u>\$ 417,650</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (148,237)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	186,981
Provision for uncollectible accounts	300,138
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(305,811)
(Increase) decrease in deferred outflows related to pensions	103,309
Increase (decrease) in claims payable	13,634
Increase (decrease) in unearned revenue	5,108
Increase (decrease) in compensated absences liability	(302)
Increase (decrease) in deferred inflows related to pensions	128,331
Increase (decrease) in net pension liability	26,353
Increase (decrease) in interfund payables	32,352
Total Adjustments	<u>490,093</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 341,856</u>

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

JONES COUNTY
Statement of Fiduciary Net Position
September 30, 2025

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 59,104
Receivables:	
Due from other funds	<u>37,601</u>
Total Assets	<u>\$ 96,705</u>
LIABILITIES	
Intergovernmental payables	\$ 37,601
Total Liabilities	<u>37,601</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	59,104
Total Net Position	<u>\$ 59,104</u>

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

JONES COUNTY
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2025

Exhibit 9

	Custodial Funds
ADDITIONS	
Tax collections for other governments	\$ 243,980
Other taxes and fees collected for other governments	572,000
Licenses and fees collected for State	792,831
Total Additions	<u>1,608,811</u>
DEDUCTIONS	
Payments of tax to other governments	243,980
Payments of other taxes and fees to other governments	572,000
Payments of licenses and fees to State	786,323
Total Deductions	<u>1,602,303</u>
Net increase (decrease) in fiduciary net position	6,508
Net Position - Beginning	<u>52,596</u>
Net Position - Ending	<u>\$ 59,104</u>

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

JONES COUNTY

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JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Jones 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 Jones 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 units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary for reporting in accordance with accounting principles generally accepted in the United States of America.

- South Central Regional Medical Center
- West Jones Fire Protection District
- Sharon-Shady Grove Fire Protection District
- Northeast Jones Fire Protection District
- South Jones Fire Protection District

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. 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 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

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

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, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

C. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied.

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

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

The County reports the following major Governmental Funds:

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

Countywide Bond and Interest Sinking Fund - This fund is used to account for retirement of long-term debt of the County.

The County reports the following major Enterprise Fund:

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

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

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.

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.

D. 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.

E. Deposits and Investments.

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

Cash includes cash on hand, demand deposits, and all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value.

F. Receivables.

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

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

G. 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."

H. Restricted Assets.

Assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. Certain proceeds of the County's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "capitalized interest" fund is funded by bank bond proceeds and is used to pay the related interest due on the bonds during the construction or development phase of the project. The "general fund" account is used to pay the principal, premium, if any, and interest due on the bonds. The "bond issuance expense account" is used to disburse funds for costs of issuance expenses for the sale and issuance of the bonds. When both restricted and nonrestricted assets are available for use, the policy is to use the restricted assets first.

I. Capital Assets.

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

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Jones County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

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.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

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	\$ 0	N/A
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Intangible assets	**	**

** 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.

J. Deferred Outflows/Inflows of Resources.

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

Deferred amount on refunding - For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

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.

Deferred inflows related to leases/leases - Deferred inflows of resources measured at the initial value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods.

K. 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.

L. Long-term Liabilities.

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

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

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

N. Compensated Absences.

The County has adopted a policy of compensation for accumulated unpaid employee personal leave. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next, the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means, and the leave that has been used but not yet been paid in cash or settled through noncash means. The current portion of this liability is estimated based on historical trends and may be affected by other factors including the county's policies. In the fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example, an employee resigns or retires.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

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.

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

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

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

Committed fund balance includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the County's highest level of decision-making authority. This formal action is an order of the Board of Supervisors as approved in the board minutes.

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.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

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.

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. Changes in Accounting Standards.

GASB 101, *Compensated Absences*, was implemented during the 2025 fiscal year. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

(2) Adjustments and Restatements of Beginning Balances.

Correction of an Error in Previously Issued Financial Statements

An adjustment in the amount of \$797,540 was made to correctly report beginning capital asset balances, net of depreciation and amortization, in Governmental Activities.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, an error correction resulted in an adjustment to and restatement of beginning net position as follows:

		Reporting Unit Affected by Adjustment to Beginning Balance
		<u>Government-Wide</u> <u>Governmental Activities</u>
9/30/2024, as previously reported	\$	28,581,437
Error correction		<u>797,540</u>
9/30/2024, as adjusted or restated	\$	<u><u>29,378,977</u></u>

(3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2025, was \$16,225,765, and the bank balance was \$17,018,174. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by *Section 27-105-5, Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public 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.

(4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2025:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ 32,352
Countywide Bond and Interest Sinking Fund	General Fund	55,897
Other Governmental Funds	General Fund	178,748
Custodial Funds	General Fund	<u>37,601</u>
Total		\$ <u><u>304,598</u></u>

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

The receivables represent the tax revenue collected in September, 2025 but not settled until October, 2025, and indirect costs from the Solid Waste Fund. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ <u>122,585</u>

The advances represent interfund loans relating to indirect costs associated with solid waste operations. The advances are not expected to be repaid within one year from the date of the financial statements.

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 1,963,430
Other Governmental Funds	Other Governmental Funds	<u>322,599</u>
Total		\$ <u>2,286,029</u>

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

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2025, consisted of the following:

<u>Description</u>	<u>Amount</u>
--------------------	---------------

Governmental Activities:

Legislative tax credit	\$ 467,142
Reimbursement for housing prisoners	56,079
Equitable sharing program grant reimbursement	56,961
Alcohol open container requirements grant reimbursement	51,328
Occupant protection grant reimbursement	48,160
Violence against women formula grant reimbursement	25,469
Crime victim assistance grant reimbursement	10,242
Other grant reimbursements	<u>20,315</u>
Total Governmental Activities	\$ <u>735,696</u>

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

(7) Restricted Assets - Investments.

The balances of the restricted asset accounts in the governmental funds are as follows:

Capitalized interest fund	\$	23,032
General fund		84
Bond issuance expense account		2
Total restricted assets	\$	<u>23,118</u>

(8) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2025:

Governmental Activities:

	Balance Oct. 1, 2024	Additions	Deletions	Adjustments*	Balance Sept. 30, 2025
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,015,713	54,000			1,069,713
Construction in progress	3,549,683	2,370,174		(5,335,291)	584,566
Total non-depreciable capital assets	4,565,396	2,424,174	0	(5,335,291)	1,654,279
<u>Depreciable capital assets:</u>					
Infrastructure	166,011,006			5,335,291	171,346,297
Buildings	34,765,135	199,542			34,964,677
Improvements other than buildings	45,257				45,257
Mobile equipment	35,342,693	3,035,923	929,346	5,847	37,455,117
Furniture and equipment	6,125,693	88,799	67,227		6,147,265
Total depreciable capital assets	242,289,784	3,324,264	996,573	5,341,138	249,958,613
<u>Less accumulated depreciation for:</u>					
Infrastructure	107,079,351	1,262,629		142,772	108,484,752
Buildings	13,497,693	655,674			14,153,367
Improvements other than buildings	23,533	1,810			25,343
Mobile equipment	23,629,968	2,221,731	821,246	(923,015)	24,107,438
Furniture and equipment	5,065,808	290,277	61,224		5,294,861
Total accumulated depreciation	149,296,353	4,432,121	882,470	(780,243)	152,065,761
Total depreciable capital assets, net	92,993,431	(1,107,857)	114,103	6,121,381	97,892,852
Governmental activities capital assets, net	\$ 97,558,827	1,316,317	114,103	786,090	99,547,131
Lease assets, net (Note 8)					102,350
Total capital assets, net, as reported in the statement of net position					\$ 99,649,481

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

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

Business-type Activities:

	Balance Oct. 1, 2024	Additions	Balance Sept. 30, 2025
<u>Non-depreciable capital assets:</u>			
Land	\$ 30,000		30,000
Total non-depreciable capital assets	30,000	0	30,000
<u>Depreciable capital assets:</u>			
Buildings	60,380		60,380
Mobile equipment	2,367,158		2,367,158
Furniture and equipment	8,749		8,749
Total depreciable capital assets	2,436,287	0	2,436,287
<u>Less accumulated depreciation for:</u>			
Buildings	13,288	1,208	14,496
Mobile equipment	620,956	185,773	806,729
Furniture and equipment	7,874		7,874
Total accumulated depreciation	642,118	186,981	829,099
Total depreciable capital assets, net	1,794,169	(186,981)	1,607,188
Business-type activities capital assets, net	\$ 1,824,169	(186,981)	1,637,188

Depreciation expense was charged to the following functions:

	Amount
Governmental Activities:	
General government	\$ 225,325
Public safety	1,567,201
Public works	2,282,042
Health and welfare	239,934
Culture and recreation	117,619
Total governmental activities depreciation expense	\$ 4,432,121

	Amount
Business-type Activities:	
Solid waste	\$ 186,981

Commitments with respect to unfinished capital projects at September 30, 2025, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Bush Dairy Road bridge replacement	\$ 4,162,059	January 2026
Norton Road bridge replacement	253,302	April 2026
Phillips Road bridge replacement	728,260	April 2026

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

(9) Intangible Right-to-Use Lease Assets.

A summary of lease asset activity during the year ended September 30, 2025, is as follows:

Governmental Activities:

	Balance Oct. 1, 2024	Additions	Deductions	Adjustments*	Balance Sept. 30, 2025
<u>Lease assets:</u>					
Furniture and equipment	\$ 209,604	76,974	84,027		202,551
Total lease assets	209,604	76,974	84,027	0	202,551
<u>Less accumulated amortization for:</u>					
<u>Lease assets:</u>					
Furniture and equipment	131,170	64,508	84,027	(11,450)	100,201
Total accumulated amortization	131,170	64,508	84,027	(11,450)	100,201
Total governmental activities lease assets, net	\$ 78,434	12,466	0	11,450	102,350

*Adjustments are to correct beginning balances of accumulated amortization.

Amortization expense was charged to the following functions:

	Amount
Governmental Activities:	
General government	\$ 54,252
Public safety	7,665
Health and welfare	2,022
Culture and recreation	569
Total governmental activities amortization expense	\$ 64,508

A summary of lease liabilities during the year ended September 30, 2025 is as follows:

	Balance Oct. 1, 2024	Additions	Reductions	Balance Sept. 30, 2025	Amounts due within one year
Lease liabilities	\$ 98,254	76,974	47,930	127,298	40,997

Leases

The County is a lessee for various non-cancellable leases of 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

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

lease commencement date. Subsequently, the lease asset is amortized in depreciation and amortization expense 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 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.

As Lessee:

From 2021 through 2025, Jones County entered into various lease agreements with RJ Young Company for the lease of copiers. The leases stipulated that the lessee would pay approximately \$35 to \$1,052 per month in lease payments commencing for terms of three to five years.

In February 2023, Jones County entered into a lease agreement with Toshiba Business Solutions for the lease of six copiers. The lease stipulated that the lessee would pay approximately \$730 per month in lease payments for a term of four years.

In 2022 and 2023, Jones County entered into various lease agreements with Pitney Bowes for the lease of postage machines. The leases stipulated that the lessee would pay approximately \$31 to \$415 per month in lease payments for terms of five years.

In 2020 and 2022, Jones County entered into various lease agreements with Quadient Leasing for the lease of postage meters. The leases stipulated that the lessee would pay approximately \$89 to \$230 per month in lease payments for terms of five to six years.

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
Postage machine	4.75%	60 months	09/2022	09/2027	\$ 88	\$ 2,019
Postage machine	4.66%	60 months	03/2023	03/2028	31	898
Postage machine	4.88%	63 months	11/2022	02/2028	230	6,269
Postage machine	4.88%	63 months	11/2022	02/2028	89	2,417
Postage machine	8.50%	60 months	12/2023	12/2028	415	13,774
Copier lease	1.86%	48 months	10/2021	10/2025	35	35
Copier lease	1.86%	48 months	10/2021	10/2025	176	176
Copier lease	1.71%	48 months	10/2021	10/2025	228	228
Copier lease	1.97%	48 months	10/2021	10/2025	48	48
Copier lease	2.14%	48 months	11/2021	11/2025	70	139
Copier lease	8.50%	48 months	03/2024	03/2028	145	3,796
Copier lease	8.50%	48 months	06/2024	06/2028	172	4,921
Copier lease	8.50%	48 months	06/2024	06/2028	145	4,146
Copier lease	8.50%	48 months	03/2024	03/2028	145	3,796
Copier lease	7.50%	48 months	02/2023	02/2027	730	11,082
Copier lease	7.25%	48 months	09/2025	08/2025	609	24,846
Copier lease	7.50%	48 months	07/2025	06/2025	1,052	41,145
Copier lease	7.25%	48 months	09/2025	08/2029	185	7,563
					<u>\$ 4,593</u>	<u>\$ 127,298</u>

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

The following is a schedule by years of the total payments due as of September 30, 2025:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 40,997	8,069
2027	37,491	5,106
2028	30,384	2,530
2029	<u>18,426</u>	<u>606</u>
Total	<u>\$ 127,298</u>	<u>16,311</u>

As Lessor:

On April 21, 2021, Jones County entered into a non-cancellable lease agreement with South Central Regional Medical Center for the lease of Jones County Rest Home owned by the County for the purpose of operating a home for the care and keeping of old, inform or indigent persons who are resident citizens of Jones County. The lease stipulated that the lessee would pay approximately \$14,160 per month in lease payments commencing January 1, 2011, for a term of twenty (20) years. The County is to receive \$175,680 in rent annually with an implicit interest rate of 2.99%. Also, the most recent amendment to the lease dated April 6, 2021, requires additional debt service rental payments for the amount of principal and interest due on the \$4,225,000 Limited Tax and Hospital Revenue Refunding Bonds, Series 2017 and the \$2,405,000 Limited Tax and Hospital Revenue Refunding Bonds, Series 2021. Total income received was \$946,182 for the year ended September 30, 2025.

On April 1, 2005, Jones County entered into a non-cancellable lease agreement with Howard Industries for the lease of an industrial plant facility constructed and equipped by the County for the purpose of designing, engineering, manufacturing, processing, assembling, distributing and marketing computers and other related products. The lease stipulated that the lessee would make the principal and interest payments on the \$6,000,000 General Obligation MBIA Bond, Series 2005, with payments to commence April 1, 2006, for a period of twenty (20) years at an implicit interest rate of 2.99%. During fiscal year 2025, the County received \$500,000 in rental income.

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 782,263	175,117
2027	806,878	145,302
2028	831,634	118,596
2029	861,534	86,896
2030	896,582	54,048
2031 - 2035	<u>798,702</u>	<u>25,718</u>
Total	<u>\$ 4,977,593</u>	<u>605,677</u>

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

(10) 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, 2025, to January 1, 2026. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(11) Long-term Debt.

Debt outstanding as of September 30, 2025, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
G.O. Bond, Series 2017	\$ 3,345,000	2.50-3.50%	09/2038
G.O. Refunding Bond, Series 2020	655,000	1.20%	12/2025
G.O. Refunding Bond, Series 2021	15,017,000	0.46-1.52%	05/2034
G.O. Bond, Series 2023	<u>3,750,000</u>	4.50%	08/2038
Total General Obligation Bonds	<u>\$ 22,767,000</u>		
B. Limited Obligation Bonds:			
2017 L.O. Hospital Revenue Refunding Bond	\$ 2,580,000	3.00-4.00%	04/2031
2021 L.O. Hospital Revenue Refunding Bond	<u>1,545,000</u>	3.00-4.00%	04/2031
Total Limited Obligation Bonds	<u>\$ 4,125,000</u>		
C. Financed Purchases:			
(4) 2023 Dodge Charger vehicles	\$ 72,699	4.82%	04/2027
DHS building - EDA	237,052	3.89%	04/2026
Motorola radio equipment	1,087,181	3.87%	03/2027
Communication equipment	43,451	4.69%	02/2027
Computer equipment - Sheriff's office	33,744	4.69%	02/2027
(4) John Deere 6150E cab tractors & boom mowers			
and (1) John Deere 5075E utility tractor & rotary cutter	138,628	3.28%	07/2026
2022 Ram 5500 chassis	12,825	3.44%	08/2026
(2) Durapatcher model P5's	276,510	5.19%	07/2027
Used Broce broom	28,046	4.83%	03/2027
2023 Western Star knuckle boom	117,521	4.98%	07/2027

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
C. Financed Purchases (cont'd):			
Motorola E911 radio system	98,501	2.22%	04/2027
2024 Ford F350 XL truck	45,975	5.16%	05/2027
2023 Dodge Ram Pro Master van	39,513	5.28%	11/2027
2023 Kubota tractor with loader & tiller	30,658	5.14%	01/2028
(2) 2023 Western Star 47X trucks	211,140	4.94%	04/2028
(15) 2023 Ford Police Interceptor vehicles	589,876	5.11%	05/2028
John Deere 5100E cab tractor	49,131	5.11%	05/2028
2024 Chevrolet crew pickup	39,082	5.11%	05/2028
(3) Ford F150 4WD Supercab XL pickups	108,217	4.99%	07/2028
Kubota skid steer	57,040	4.99%	07/2028
(2) John Deere 6120 cab tractors	140,158	4.99%	07/2028
2016 Peterbilt 348 fire truck	147,647	5.45%	10/2030
(2) 2024 Ford Super Duty F250 trucks	119,700	4.66%	11/2028
2024 John Deere 6105E cab tractor w/ diamond cutter	153,581	4.68%	11/2028
2024 Chevy Silverado 1500	46,542	4.26%	11/2028
(9) Ford F150 police responder trucks	498,465	4.26%	12/2028
2025 Ford Explorer	55,707	4.26%	03/2029
Eaton UPS system	28,535	4.26%	03/2029
2025 Ford Transit van	54,273	4.65%	04/2029
2025 Western Star 47X w/ knuckleboom body	210,500	4.54%	09/2029
Total Financed Purchases	\$ 4,771,898		
D. Other Loans:			
MS Development Authority - Debar*	\$ 27,003	5.50%	07/2006
MS Development Authority - Debar*	200,096	5.50%	07/2010
Fire trucks	114,022	3.00%	09/2029
(3) Fire trucks	1,075,879	2.00%	04/2035
Total Other Loans	\$ 1,417,000		

*The possibility exists that Jones County may not have to repay these two Debar loans because they have made a good faith effort to collect after bankruptcy of Debar Construction, Inc. Currently, a judgment has been issued in favor of the County to have Debar repay the loans. No funds have been received as of the current date.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Business-type Activities:			
A. Financed Purchases:			
Western Star 4700 garbage trucks	\$ 48,728	1.91%	01/2026
2021 Western Star garbage trucks	45,149	1.77%	12/2025
(3) 2023 Western Star 4700SB garbage trucks	494,125	4.50%	12/2025
2024 Western Star 47X with garbage body	131,996	5.02%	07/2026
2024 Western Star garbage truck	175,448	5.11%	08/2026
(3) 2025 Western Star 47X garbage trucks	657,375	4.86%	08/2027
Total Financed Purchases	\$ 1,552,821		

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

Governmental Activities:

Year Ending September 30	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2026	\$ 3,723,000	435,355	630,000	151,700
2027	3,107,000	392,265	650,000	126,500
2028	2,948,000	349,826	670,000	104,550
2029	2,481,000	306,739	695,000	77,750
2030	1,930,000	266,497	725,000	49,950
2031 - 2035	6,613,000	801,099	755,000	25,500
2036 - 2040	1,965,000	134,277		
Total	\$ 22,767,000	2,686,058	4,125,000	535,950

Year Ending September 30	Financed Purchases		Other Loans	
	Principal	Interest	Principal	Interest
2026	\$ 2,213,007	212,698	359,293	46,667
2027	1,403,626	119,299	135,142	20,669
2028	764,357	55,240	138,158	17,653
2029	336,386	18,245	140,938	14,819
2030	26,538	2,971	113,612	11,832
2031 - 2035	27,984	1,525	529,857	24,186
Total	\$ 4,771,898	409,978	1,417,000	135,826

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

Business-type Activities:

Year Ending September 30	Financed Purchases	
	Principal	Interest
2026	\$ 823,767	72,509
2027	729,054	26,111
Total	\$ 1,552,821	98,620

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, 2025, the amount of outstanding debt was equal to 3.22 percent (3.22%) of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2025:

	Balance Oct. 1, 2024	Additions	Reductions	Balance Sept. 30, 2025	Amount due within one year
Governmental Activities:					
Compensated absences*	\$ 1,324,001		78,325	1,245,676	98,907
General obligation bonds	26,739,000		3,972,000	22,767,000	3,723,000
Limited obligation bonds	4,720,000		595,000	4,125,000	630,000
Add:					
Premiums	356,877		54,914	301,963	54,914
Financed purchases	5,608,296	1,167,303	2,003,701	4,771,898	2,213,007
Obligations under leases	98,254	76,974	47,930	127,298	40,997
Other loans	367,681	1,136,100	86,781	1,417,000	359,293
Total	\$ 39,214,109	2,380,377	6,838,651	34,755,835	7,120,118

	Balance Oct. 1, 2024	Reductions	Balance Sept. 30, 2025	Amount due within one year
Business-type Activities:				
Compensated absences*	\$ 77,231	302	76,929	8,855
Financed purchases	1,973,776	420,955	1,552,821	823,767
Total	\$ 2,051,007	421,257	1,629,750	832,622

*The change in compensated absences is presented as a net change.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

(12) Other Postemployment Benefits.

Plan Description

The Jones County Board of Supervisors administers the County's health insurance plan, which is authorized by *Sections 25-15-101 et seq., Mississippi Code of 1972 Annotated*. The County's health insurance plan may be amended by the Jones County Board of Supervisors. The County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan. However, the County has not recorded a liability for other postemployment benefits nor has the County reported the note disclosures, which are required by accounting principles generally accepted in the United States of America.

(13) Defined Benefit Pension Plan.

General Information about the Pension Plan

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

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

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

Contributions. At September 30, 2025, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2025 was 18.40% of annual covered payroll. This rate increased as of July 1, 2025 from 17.90%. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2025, 2024 and 2023 were \$3,419,267, \$3,126,205 and \$2,961,862, respectively, equal to the required contributions for each year.

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

At September 30, 2025, the County reported a liability of \$59,888,407 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2025 net pension liability was 0.235940 percent, which was based on a measurement date of June 30, 2025. This was an increase of 0.006940 percent from its proportionate share used to calculate the September 30, 2024 net pension liability, which was based on a measurement date of June 30, 2024.

For the year ended September 30, 2025, the County recognized pension expense of \$7,560,442. At September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,825,443	
Net difference between projected and actual earnings on pension plan investments		1,523,333
Changes of assumptions	1,353,710	572,117
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	1,446,744	
County contributions subsequent to the measurement date	892,478	
Total	\$ 6,518,375	2,095,450

\$892,478 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

Year ending September 30	Amount
2026	\$ 4,816,690
2027	157,545
2028	(790,054)
2029	(653,734)
Total	\$ 3,530,447

Actuarial Assumptions. The total pension liability as of June 30, 2025 was determined by an actuarial valuation prepared as of June 30, 2024. The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 – 17.90 percent, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Mortality rates for service retirees were based on the PubS-2010(B) Retiree Table with the following adjustments: For males, 107% of all rates. For females, 97% of female rates up to age 82, 100% for ages 83 to 87 and 110% for ages above 87. Mortality rates for disability retirees were based on the PubG-2010 Disabled Table set forward one year and adjusted 134% for males and set forward two years and adjusted 125% for females. Mortality rates for Contingent Annuitants were based on the PubS-2010(B) Contingent Annuitant Table, set forward three years for males and set forward two years for females. Mortality rates will be projected generationally using the MP-2021 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 period July 1, 2020 to June 30, 2024. The experience report is dated April 16, 2025.

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	27.00 %	4.75
International Equity	20.00	4.75
Global Equity	12.00	4.95
Fixed Income	20.00	2.25
Real Estate	10.00	3.75
Private Equity	10.00	6.00
Cash Equivalents	1.00	0.50
Total	100.00 %	

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00 percent) and that employer contributions will be phased in to 19.90 percent over five fiscal years (17.90 percent for FYE 2025, 18.40 percent for FYE 2026, 18.90 percent for FYE 2027, 19.40 percent for FYE 2028, 19.90 percent for FYE 2029 and beyond). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 77,876,341	59,888,407	45,112,349

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

(14) Deficit Fund Balances of Individual Funds.

The following fund reported a deficit in fund balance at September 30, 2025:

Fund	Deficit Amount
2024 ARPA Fund	\$ 13,195

(15) 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.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

(16) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of \$(47,947,411) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$836,877 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, 2026. The \$5,261,927 balance of the deferred outflows of resources related to pensions at September 30, 2025, will be recognized in pension expense over the next three years. The \$1,964,907 balance of the deferred inflows of resources related to pensions at September 30, 2025, will be recognized in pension expense over the next four years.

The governmental activities' unrestricted net position amount of \$(47,947,411) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$4,658,899 balance of deferred inflows of resources related to leases at September 30, 2025, will be recognized as revenue and will increase the unrestricted net position over the next six years.

The governmental activities' net investment in capital assets net position of \$66,923,816 includes the effect of deferred inflows/outflows of resources related to refundings of County debt. The \$237,572 balance of deferred outflows of resources related to refundings at September 30, 2025, will be recognized as an expense and will decrease the net investment in capital assets net position over the next six years. The \$29,784 balance of the deferred inflows of resources related to refundings at September 30, 2025, will be recognized in interest expense and will increase net investment in capital assets net position over the next nine years.

The business-type activities' unrestricted net position amount of \$(3,478,193) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$55,601 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, 2026. The \$363,970 balance of the deferred outflows of resources related to pensions at September 30, 2025, will be recognized in pension expense over the next three years. The \$130,543 balance of the deferred inflows of resources related to pensions at September 30, 2025, will be recognized in pension expense over the next four years.

(17) Joint Ventures.

The County participates in the following joint ventures:

Jones County is a participant with the Cities of Laurel, Ellisville and Sandersville in a joint venture, authorized by *Section 39-3-8, Mississippi Code of 1972 Annotated*, to operate the Laurel-Jones County Library. The joint venture was created to provide free public library service to the citizens of Jones County. The Jones County Board of Supervisors appoints five of the twelve members of the board of directors. By contractual agreement, the County's appropriation to the joint venture was \$611,652 in fiscal year 2025. Complete financial statements for the Laurel-Jones County Library can be obtained from 530 Commerce Street, Laurel, MS 39440.

Jones County is a participant with Forrest County, the Cities of Hattiesburg and Laurel, and the State of Mississippi in a joint venture, authorized by *Section 61-3-5, Mississippi Code of 1972 Annotated*, to operate the Hattiesburg-Laurel Regional Airport Authority. The joint venture was created to develop and maintain the airport for the members of the board of commissioners. The Jones County Board of Supervisors appoints one of the five members of the board of commissioners. By contractual agreement, the County's appropriation to the joint venture was \$340,635 in fiscal year 2025. Complete financial statements for the Hattiesburg-Laurel Regional Airport Authority can be obtained from 1002 Terminal Drive, Moselle, MS 39459.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

Jones County is a participant with the Counties of Covington, Greene, Jefferson Davis, Perry and Stone, and the Cities of Hattiesburg, Laurel and Petal in a joint venture, authorized by *Section 17-17-307, Mississippi Code of 1972 Annotated*, to operate the Pine Belt Regional Solid Waste Authority. The joint venture was created to dispose of solid waste in members of the authority. The Jones County Board of Supervisors appoints two of the 15 members of the Board of Directors. The authority is funded by user fees based on volume of solid waste. Complete financial statements for the Pine Belt Regional Solid Waste Authority can be obtained from P.O. Box 1898, Hattiesburg, MS 39403.

Jones County is a participant with the Cities of Laurel, Ellisville, Soso and Sandersville in a joint venture, authorized by *Section 19-5-99, Mississippi Code of 1972 Annotated*, to operate the Jones County Economic Development Authority. The joint venture was created to foster, encourage and facilitate economic development in the County. The Jones County Board of Supervisors appoints six of the 22 members of the board of trustees. By contractual agreement, the County's appropriation to the joint venture was \$433,023 in fiscal year 2025. Complete financial statements for the Jones County Economic Development Authority can be obtained from P.O. Box 527, Laurel, MS 39441.

(18) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southern Mississippi Planning and Development District operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The Jones County Board of Supervisors appoints one of the 35 members of the Board of Directors. The County appropriated \$60,799 for support of the district in fiscal year 2025.

Pine Belt Mental Health Care Resources operates in a district composed of the Counties of Amite, Covington, Forrest, Franklin, Greene, Hancock, Harrison, Jefferson Davis, Jones, Lamar, Lawrence, Marion, Pearl River, Perry, Pike, Stone, Walthall and Wayne. The Jones County Board of Supervisors appoints one of the 18 members of the board of commissioners. The County appropriated \$211,563 for support of the entity in fiscal year 2025.

Jones County Junior College operates in an area composed of the Counties of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne. The Jones County Board of Supervisors appoints six of the 20 members of the college board of trustees. The County appropriated \$3,844,054 for maintenance and support of the college in fiscal year 2025.

Pearl River Valley Opportunity, Inc. operates in a district composed of the Counties of Covington, Forrest, Greene, Hancock, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry and Stone. The entity was created to administer programs conducted by community action agencies, limited purpose agencies and related programs authorized by federal law. The Jones County Board of Supervisors appoints three of the 24 members of the board of directors. The primary source of funding for the entity is derived from federal funds. Each county provides a modest amount of financial support when matching funds are required for federal grants. The County appropriated \$25,000 for support of the entity in fiscal year 2025.

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

South Mississippi Fair operates in a district composed of Jones County and the City of Laurel. The Jones County Board of Supervisors appoints five of the ten members of the fair commission. The County issued general obligation bonds for the construction of a multi-purpose building to be used by the South Mississippi Fair. The County appropriated \$220,000 for support of the fair in fiscal year 2025.

JONES COUNTY

Notes to Financial Statements For the Year Ended September 30, 2025

(19) Tax Abatements.

As of September 30, 2025, Jones County provides tax exempt status to seven manufacturing companies, two distribution companies and two processing plants subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for the levies involving the school, the mandatory one mill, and community college tax levies. These exemptions are authorized under *Sections 27-31-101 and 27-31-105 of the Mississippi Code of 1972 Annotated*. These exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2025 totaled \$1,255,456.

(20) 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 Jones County evaluated the activity of the County through @date, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements:

Subsequent to September 30, 2025, the County issued the following debt obligations:

<u>Issue Date</u>	<u>Interest Rate</u>		<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/06/2025	4.74%	\$	59,663	Financed purchase	Ad valorem taxes
01/20/2026	4.27%		808,150	Financed purchase	Ad valorem taxes
02/17/2026	4.16%		550,070	Financed purchase	Ad valorem taxes
02/17/2026	4.16%		155,812	Financed purchase	Ad valorem taxes
03/16/2026	4.41%		226,223	Financed purchase	Ad valorem taxes
04/06/2026	4.47%		68,035	Financed purchase	Ad valorem taxes
04/06/2026	4.45%		45,010	Financed purchase	Ad valorem taxes
04/06/2026	4.45%		176,705	Financed purchase	Ad valorem taxes
05/04/2026	4.25%		216,641	Financed purchase	Ad valorem taxes

REQUIRED SUPPLEMENTARY INFORMATION

JONES COUNTY

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JONES COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2025
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 20,360,949	20,641,675	20,641,675	
Road and bridge privilege taxes		1,433,515	1,433,515	
Licenses, commissions and other revenue	2,315,850	1,125,880	1,125,880	
Fines and forfeitures	487,500	513,210	513,210	
Intergovernmental revenues	2,080,000	2,122,182	2,122,182	
Charges for services	600,000	520,387	520,387	
Interest income	275,000	283,498	283,498	
Miscellaneous revenues	395,000	518,527	518,527	
Total Revenues	<u>26,514,299</u>	<u>27,158,874</u>	<u>27,158,874</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	11,646,420	11,918,170	11,918,170	
Public safety	10,342,621	12,273,361	12,273,361	
Public works	253,935	340,635	340,635	
Health and welfare	1,225,410	1,223,114	1,223,114	
Culture and recreation	735,000	732,008	732,008	
Education	718,000	922,107	922,107	
Conservation of natural resources	160,763	118,526	118,526	
Economic development and assistance	493,835	484,707	484,707	
Debt service:				
Principal	285,388	239,250	239,250	
Interest	14,585	49,436	49,436	
Total Expenditures	<u>25,875,957</u>	<u>28,301,314</u>	<u>28,301,314</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>638,342</u>	<u>(1,142,440)</u>	<u>(1,142,440)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued		1,754,265	1,754,265	
Proceeds from sale of capital assets		51,821	51,821	
Compensation for loss of capital assets		15,091	15,091	
Transfers in		502,275	502,275	
Transfers out	(837,835)	(1,011,155)	(1,011,155)	
Total Other Financing Sources and Uses	<u>(837,835)</u>	<u>1,312,297</u>	<u>1,312,297</u>	<u>0</u>
Net Change in Fund Balance	(199,493)	169,857	169,857	0
Fund Balances - Beginning	<u>3,550,000</u>	<u>3,504,360</u>	<u>3,504,360</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 3,350,507</u>	<u>3,674,217</u>	<u>3,674,217</u>	<u>0</u>

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

JONES COUNTY
Schedule of the County's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2025
UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County's proportion of the net pension liability (asset)	0.235940%	0.229000%	0.226815%	0.224445%	0.225474%	0.212742%	0.205808%	0.218941%	0.220782%	0.212147%
County's proportionate share of the net pension liability (asset)	\$ 59,888,407	59,465,406	57,043,194	46,189,686	33,326,043	41,184,379	36,205,688	36,416,392	36,701,461	37,894,752
Covered payroll	\$ 18,588,527	17,548,759	16,813,247	15,451,500	14,991,735	14,164,213	13,403,733	13,820,006	14,163,286	13,571,523
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	322.18%	338.86%	339.28%	298.93%	222.30%	290.76%	270.12%	263.50%	259.13%	279.22%
Plan fiduciary net position as a percentage of the total pension liability	58.38%	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%

* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015.

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

JONES COUNTY
Schedule of County Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2025
UNAUDITED

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 3,419,267	3,126,205	2,961,862	2,743,592	2,613,077	2,505,849	2,170,940	2,175,284	2,229,389	2,181,330
Contributions in relation to the contractually required contribution	<u>3,419,267</u>	<u>3,126,205</u>	<u>2,961,862</u>	<u>2,743,592</u>	<u>2,613,077</u>	<u>2,505,849</u>	<u>2,170,940</u>	<u>2,175,284</u>	<u>2,229,389</u>	<u>2,181,330</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 18,974,845	17,833,456	17,022,195	15,767,770	15,017,684	14,401,431	13,434,035	13,811,327	14,154,850	13,849,717
Contributions as a percentage of covered payroll	18.02% **	17.53%	17.40%	17.40%	17.40%	17.40%	16.16%	15.75%	15.75%	15.75%

* This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented in the fiscal year ended September 30, 2015.

** The employer's rate at September 30, 2025 was 18.40% of annual covered payroll. This rate increased as of July 1, 2025 from 17.90%.

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

JONES COUNTY

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JONES COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2025 UNAUDITED

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	<u>Governmental Fund Type</u>	
	<u>General</u>	
	<u>Fund</u>	
Budget (Cash Basis)	\$	169,857
Increase (Decrease)		
Net adjustments for revenue accruals		(1,237,052)
Net adjustments for expenditure accruals		<u>813,260</u>
GAAP Basis	\$	<u><u>(253,935)</u></u>

JONES COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2025 UNAUDITED

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

The wage inflation 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 6.00% to 7.00%.

2019

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

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

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

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

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

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

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

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

JONES COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2025 UNAUDITED

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

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

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

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

2021

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

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

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

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

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

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

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

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

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:

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

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

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

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

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

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

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

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

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

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

2023

The investment rate of return assumption was changed from 7.55% to 7.00%.

The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.

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

The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.

JONES COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2025 UNAUDITED

For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.

The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.

The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

2025

Mortality, withdrawal, disability rates and service retirement rates were adjusted to reflect actual experience more closely.

The assumed load for administrative expenses was decreased from 0.26% to 0.25% of payroll.

B. Changes in benefit provisions.

2016

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

C. Methods 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, 2023 valuation for the June 30, 2025 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	24.7 years
Asset valuation method	5-year smoothed market
Price inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

SUPPLEMENTARY INFORMATION

JONES COUNTY

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JONES COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service/ Passed-through the Mississippi State Treasurer's Office Forest service schools and roads cluster:			
School and roads - grants to states	10.665	Unknown	\$ 23,736
Total Forest service schools and road cluster			<u>23,736</u>
Emergency watershed protection program (Direct Award)	10.923	N/A	<u>126,532</u>
Total U.S. Department of Agriculture			<u>150,268</u>
U.S. Department of Housing and Urban Development Passed-through the Mississippi Development Authority Community development block grants/state's program and non-entitlement grants in Hawaii	14.228	1139-22-034-ED-01	<u>29,388</u>
Total U.S. Department of Housing and Urban Development			<u>29,388</u>
U.S. Department of Justice Passed-through the Mississippi Department of Health Crime victim assistance	16.575	SG-1166-R7	<u>20,484</u>
Violence against women formula grants	16.588	SG-1229-R8	<u>68,613</u>
U.S. Department of Justice Bulletproof vest partnership program (Direct Award)	16.607	N/A	<u>12,831</u>
Edward Byrne memorial justice assistance grant program (Direct Award)	16.738	15PBJA-21-GG-01623-JAGX	18,369
Edward Byrne memorial justice assistance grant program (Direct Award)	16.738	15PBJA-22-GG-02534-JAGX	21,639
Edward Byrne memorial justice assistance grant program (Direct Award)	16.738	15PBJA-24-GG-04908-JAGX	10,550
Passed-through the Mississippi Department of Public Safety Edward Byrne memorial justice assistance grant program	16.738	23LB1341	<u>5,000</u>
Subtotal			<u>55,558</u>
Equitable sharing program (Direct award)	16.922	N/A	<u>56,961</u>
Total U.S. Department of Justice			<u>214,447</u>
U.S. Department of Transportation Passed-through the Mississippi Department of Public Safety Highway safety cluster:			
State and community highway safety	20.600	OP-2024-OP-13-41	<u>140,756</u>
Total Highway safety cluster			<u>140,756</u>
Alcohol open container requirements	20.607	M5HVE-2025-MD-13-41	<u>147,265</u>
Total U.S. Department of Transportation			<u>288,021</u>
U.S. Department of the Treasury Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	<u>1,180,437</u>
COVID-19 Local assistance and tribal consistency fund (Direct Award)	21.032	N/A	<u>129,135</u>
Total U.S. Department of the Treasury			<u>1,309,572</u>

JONES COUNTY
Schedule of Expenditures of Federal Awards (cont'd)
For the Year Ended September 30, 2025

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
Executive Office of the President Passed-through the Mississippi Department of Public Safety High intensity drug trafficking areas program	95.001	Unknown	18,790
Total Executive Office of the President			18,790
U.S. Department of the Homeland Security Passed-through the Mississippi Emergency Management Agency Disaster grants - public assistance (Presidentially declared diasters)	97.036	Unknown	2,059
Total U.S. Department of Homeland Security			2,059
Total Expenditures of Federal Awards			\$ 2,012,545

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Jones County under programs of the federal government for the year ended September 30, 2025. 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 Jones County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Jones County.

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

Jones County has elected to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D - Schools and Roads - Grants to States (ALN 10.665)

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$11,868 to subrecipients during the year ended September 30, 2025.

Note E - Edward Byrne Memorial Justice Assistance Grant Program (Direct Award) (ALN 16.738)

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling \$40,008 to subrecipients during the year ended September 30, 2025.

* Denotes major federal award program

JONES COUNTY

OTHER INFORMATION

JONES COUNTY

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JONES COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2025
UNAUDITED

Name	Position	Company	Bond
George N. Walters	Supervisor District 1	Travelers Casualty and Surety Company	\$100,000
Thurman Larry Dykes	Supervisor District 2	Travelers Casualty and Surety Company	\$100,000
Phil A. Dickerson	Supervisor District 3	Travelers Casualty and Surety Company	\$100,000
Paul Joseph Bradshaw	Supervisor District 4	Travelers Casualty and Surety Company	\$100,000
Stacy Comegys	Supervisor District 5	Travelers Casualty and Surety Company	\$100,000
Concetta Brooks	Chancery Clerk	Travelers Casualty and Surety Company	\$100,000
Brittany Welch	Purchase Clerk	Travelers Casualty and Surety Company	\$100,000
Richard Creel	Assistant Purchase Clerk	Travelers Casualty and Surety Company	\$50,000
Robert C. Ainsworth	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Angelia Arrington	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
George Barnett	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Danny T. Broadway	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Kelly Ellzie	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Gabriel W. Field	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Kimberly G. Knight	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Jami Lewis	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Stephanie M. Loftin	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Kenyada McGilberry	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Jeffrey Parker	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Danny Shows	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Deana Smith	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Jarad Smith	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Carmen R. Sumrall	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Don Sumrall	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Ashley N. Warren	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
David Welch	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Aaron Welsh	Assistant Receiving Clerk	Travelers Casualty and Surety Company	\$50,000
Charles Miller	Inventory Control Clerk	Travelers Casualty and Surety Company	\$75,000
Janice Scarbrough	Assistant Inventory Control Clerk	Travelers Casualty and Surety Company	\$50,000
David Livingston	Constable	Travelers Casualty and Surety Company	\$50,000
Jack Danny Gibson	Constable	Travelers Casualty and Surety Company	\$50,000
Wayne McLemore	Constable	Travelers Casualty and Surety Company	\$50,000
Greg Dickerson	Circuit Clerk	Travelers Casualty and Surety Company	\$100,000
Susan Bryant	Deputy Circuit Clerk	Travelers Casualty and Surety Company	\$50,000
Lisa S. Coulson	Deputy Circuit Clerk	Travelers Casualty and Surety Company	\$50,000
Angela Kelley	Deputy Circuit Clerk	Travelers Casualty and Surety Company	\$50,000
Kimberly Knight	Deputy Circuit Clerk	Travelers Casualty and Surety Company	\$50,000
Laurie Langley	Deputy Circuit Clerk	Travelers Casualty and Surety Company	\$50,000
Hanna A. Morris	Deputy Circuit Clerk	Travelers Casualty and Surety Company	\$50,000
Shannon M. Odom	Deputy Circuit Clerk	Travelers Casualty and Surety Company	\$50,000
Carmen R. Sumrall	Deputy Circuit Clerk	Travelers Casualty and Surety Company	\$50,000
Joseph K. Berlin	Sheriff	Travelers Casualty and Surety Company	\$100,000
Curtis Grant Hedgepeth	Justice Court Judge	Travelers Casualty and Surety Company	\$50,000
Travis Haynes	Justice Court Judge	Travelers Casualty and Surety Company	\$50,000
Thomas Sonny Saul	Justice Court Judge	Travelers Casualty and Surety Company	\$50,000
Stacy Walls	Justice Court Clerk	Western Surety Company	\$50,000
Jennifer Yanez	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Janice Glenn	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Cynthia Bush	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Joelle D. Knight	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Jami Lewis	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Tracy Nowell	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Omeria A. Wilkins	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Lisa Williams	Deputy Justice Court Clerk	Travelers Casualty and Surety Company	\$50,000
Tina Byrd	Tax Assessor-Collector	Travelers Casualty and Surety Company	\$100,000
Corey Wade	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Julius Matthews	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Lindsey Knight	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Wanda Welch	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000

JONES COUNTY
Schedule of Surety Bonds for County Officials (cont'd)
For the Year Ended September 30, 2025
UNAUDITED

Name	Position	Company	Bond
Kendra Rayburn	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Sydney Conway	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Myra Emmons	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Annabelle Faust	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Richard Alan Tew	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Brianna A. Middleton	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Matthew Pickering	Deputy Tax Assessor	Travelers Casualty and Surety Company	\$10,000
Judy Beard	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Cindy Taylor	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Francis Pruitt	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Kristi Sullivan	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Wakenda Graves	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Kristin Holifield	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Jolee Doiron	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Aiesha Young	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Sommer N. Barlow	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Stormey G. Clark	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Wendy Gray	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Suzanne Landrum	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000
Hayley Ritchey	Deputy Tax Collector	Travelers Casualty and Surety Company	\$50,000

APPENDIX E
SCHEDULE OF REFUNDED BONDS

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SCHEDULE OF REFUNDED BONDS

\$3,750,000

MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS

SERIES 2023

(JONES COUNTY, MISSISSIPPI GENERAL OBLIGATION BOND REDA PROJECT)

DATED: September 1, 2023

\$228,000*	at	4.500%	due August 1, 2027
\$239,000	at	4.500%	due August 1, 2028
\$249,000	at	4.500%	due August 1, 2029
\$261,000	at	4.500%	due August 1, 2030
\$272,000	at	4.500%	due August 1, 2031
\$285,000	at	4.500%	due August 1, 2032
\$297,000	at	4.500%	due August 1, 2033
\$311,000	at	4.500%	due August 1, 2034
\$325,000	at	4.500%	due August 1, 2035
\$339,000	at	4.500%	due August 1, 2036
\$355,000	at	4.500%	due August 1, 2037
\$371,000	at	4.500%	due August 1, 2038

*This figure represents the outstanding Refunded 2023 Bonds to be refunded.

Interest Payment Dates are February 1 and August 1 of each year.

Principal of the Refunded 2023 Bonds are to be optionally redeemed on _____, 2026,
at par.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “**Disclosure Certificate**”) is executed and delivered by Jones County, Mississippi (the “**Issuer**”) in connection with the issuance of \$ _____ Jones County, Mississippi General Obligation Refunding Bonds, Series 2026, dated their date of delivery (the “**Bonds**”) of the Issuer. The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the County for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “**SEC**”).

Section 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“**Dissemination Agent**” shall mean, initially, the County, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“**Material Events**” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“**MSRB**” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“**Participating Underwriter**” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“**Rule**” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than twelve (12) months following the end of the County’s fiscal year of each year, commencing with the County’s fiscal year ending September 30, 2026, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the County shall provide the Annual Report to the Dissemination Agent (if other than the County). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the County may be submitted

separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the County; it is not required that the format reflected in this Official Statement be used in future years.

(b) If the County is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the County shall file or cause to be filed, in a timely manner, with the MSRB a notice in substantially the form attached as Exhibit “A.”

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) if the Dissemination Agent is other than the County, send written notice to the County at least 30 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof.

Section 4. Content of Annual Reports. The County’s Annual Report shall contain or incorporate by reference the following:

(a) A copy of its audited annual financial statements, if any, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, the County shall provide unaudited financial information by the time specified in Section 3(a) above, and audited financial statements within 30 days from the receipt thereof from the Office of the State Auditor and when such statements are made publicly available.

(b) An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the County or related public entities, which are available to the public on the MSRB’s Internet Web Site or filed with the SEC. The County shall clearly identify each such document incorporated by reference.

Section 5. Reporting of Material Events. The County shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers or their failure to perform;

- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) Modifications to rights of bondholders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the County¹;
- (m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- (o) Incurrence of a financial obligation² of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect security holders, if material.
- (p) The occurrence of a default, an event of acceleration, a termination event, a modification of terms, or other similar event under the terms of a financial obligation² of the County, any of which reflect financial difficulties.

¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

² For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the County intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

Section 6. Mandatory Electronic Filing with EMMA. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 7. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the County shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 8. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist the County in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The County will provide notice of such amendment or waiver to the MSRB.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 11. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the

Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

JONES COUNTY, MISSISSIPPI

By: _____
President, Board of Supervisors

ATTEST:

Clerk, Board of Supervisors

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Jones County, Mississippi

Name of Bond Issue: \$_____ Jones County, Mississippi General Obligation
Refunding Bonds, Series 2026

Date of Issuance: _____, 2026

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated _____, 2026. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

JONES COUNTY, MISSISSIPPI

By: _____
Authorized Officer

EXHIBIT B

Government

The governing body of the County is the Board of Supervisors, which consists of five members, each of whom is elected from a separate district or “beat” for concurrent four-year terms. The current members of the Board of Supervisors are as follows:

Name	Occupation	Position Held Since

Per Capita Income

Year	County	Mississippi	United States	County as % of U.S.

Major Employers

The following is a partial listing of major employers in the County, their products or services and their approximate number of employees:

Employer	Employees	Product/Service

Unemployment Statistics

January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Annual Average					

Employment Statistics

RESIDENCE BASED EMPLOYMENT					
I. Civilian Labor Force					
II. Unemployed					
Rate					
III. Employed					
ESTABLISHMENT BASED EMPLOYMENT					
I. Manufacturing					
II. Non-manufacturing					
A. Agriculture, Forestry, Fishing & Hunting					
B. Mining					
C. Utilities					
D. Construction					
E. Wholesale Trade					
F. Retail Trade					
G. Transportation & Warehousing					
H. Information					
I. Finance & Insurance					
J. Real Estate, Rental & Leasing					
K. Prof., Scientific & Technical Service					
L. Management of Companies & Entertainment					
M. Administrative Support & Waste Management					
N. Educational Services					
O. Health Care & Social Assistance					
P. Arts, Entertainment & Recreation					
Q. Accommodation & Food Service					
R. Other Services (except Public Administration)					
S. Government Education					
Total Employment					

Retail Sales

State Fiscal Year Ended June 30	Amount

TAX INFORMATION

Assessed Valuation of the County⁹

Assessment Year	Real Property	Personal Property	Public Utility Property	Mobile Homes	Auto- Mobiles	Total

⁹ The total assessed valuation is approved in September preceding the fiscal year of the County and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 20__ are collected starting in January, 20__ for the 20__-20__ fiscal year budget of the County.

Tax Levy Per \$1,000 Valuation¹⁰

	Years in Which Taxes Levied				
GENERAL COUNTY:					
General Purposes					
Reappraisal Escrow					
Reappraisal Maintenance					
Road Maintenance & Construction					
Bridges Maintenance & Construction					
Sanitation Purposes					
Fire Protection					
Co-Lin Community College-Maintenance					
Co-Lin Community College-Enlargement and Improvement Funds					
Hinds Community College-Maintenance Funds					
Hinds Community College – Enlargement					
2010 G/O Bond					
Industrial Park B&I					
2001 Industrial Bond					
2007 Road & Bridge G/O B&I					
SUB-TOTAL:					
SCHOOL PURPOSES:					
Jones County School District B&I					
Jones County School Maintenance					
SUB-TOTAL:					
TOTAL LEVY:					

¹⁰ Tax levy figures given is mills. The County levies a tax of nine cents per acre on all timbered and/or uncultivated land located in the County.

Ad Valorem Tax Collections

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected	Difference Over/(Under)

Ten Largest Taxpayers

The ten largest taxpayers in the County for assessment year ____, are as follows:

Taxpayer	Assessed Valuation	Taxes Collected

DEBT INFORMATION

Legal Debt Limit Statement

(as of _____)

	15% Limit	20% Limit
Authorized Debt Limit (Last Completed Assessment for Taxation - \$ _____)		
Present Debt Subject to Debt Limits		
Margin for Further Debt Under Debt Limits		

Outstanding General Obligation Bonded Debt

(as of _____)

Issue	Date of Issue	Outstanding Principal

Other Outstanding Debt

(as of _____)

Issue	Date of Issue	Outstanding Principal

Annual Debt Service Requirements

FY Ending September 30	Existing Debt		
	Principal	Interest	Total

General Obligation Bonded Debt

Fiscal Year Ended September 30					
Issue					
Total					

Debt Ratios

FY Ended September 30	General Obligation Debt	General Obligation Debt to Assessed Value

APPENDIX G

FORM OF OPINION OF BOND COUNSEL

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[FORM OF OPINION OF BOND COUNSEL]

_____, 2026

Board of Supervisors
Jones County, Mississippi

Re: \$ _____ * Jones County, Mississippi General Obligation Refunding Bonds,
Series 2026, dated their date of delivery (herein called the “Bonds”)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by Jones County, Mississippi (the “County”), of the above-described Bonds. The Bonds bear interest, mature and may be transferred and exchanged as set out in the Bonds and in the resolution adopted by the Board of Supervisors of the County on June 15, 2026, as amended and restated on September 21, 2026, authorizing their issuance (the “Bond Resolution”). The Bonds are subject to redemption prior to their stated maturities as provided in the Bond Purchase Agreement dated _____, 2026, by and between the County and the Underwriter (the “Bond Purchase Agreement”). Capitalized terms not defined herein are to be defined as set forth in the Bond Resolution.

We have acted as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the laws of the State of Mississippi (the “State”), and with respect to the excludability of interest on the Bonds from federal income taxation and the exemption of interest on the Bonds from State income taxation. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the certified transcript of proceedings described in the following paragraph. We have relied on the authenticity, truthfulness and completeness set forth in such documents, instruments and certificates. We have not assumed any responsibility with respect to the financial condition or capabilities of the County or the disclosure thereof in connection with the sale of the Bonds.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a certified transcript of proceedings pertaining to the Bonds which contains copies of certain proceedings of the County, customary certificates of officers, agents and representatives of the County and other public officials and other matters relating to the authorization and issuance of the Bonds including a certification of the County prepared pursuant to Section 1.148-2(b)(2)(i) of the United States Treasury Regulations (the “Non-Arbitrage Certificate”). We have also examined executed Bond No. 1 of this issue.

Based on such examination and subject to the qualifications, assumptions and statements of reliance herein, it is our opinion as Bond Counsel, on the date hereof, that:

* Preliminary, subject to change.

1. The transcript of proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the laws of the State presently in effect.

2. Assuming the due authentication thereof by the Paying Agent, the Bonds constitute valid and legally binding obligations of the County, payable from and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the County, in accordance with the terms and provisions of the Bond Resolution, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the County, in accordance with the provisions of the Bond Resolution.

3. Under existing statutes, regulations, rulings, and court decisions, as presently interpreted and construed, Bond Counsel is of the opinion interest on the Bonds is exempt from all present income taxes imposed by the State.

4. Under existing statutes, regulations, rulings and court decisions, subject to the assumptions stated below, interest on the Bonds is excludable from gross income for federal income tax purposes. Furthermore, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax. We express no opinion regarding other federal tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Bonds.

The Board of Supervisors, acting for and on behalf of the County, has covenanted in the Bond Resolution that it will not make any use of the gross proceeds of the Bonds or amount that may be treated as proceeds of the Bonds or do or take or omit to take any other action that would cause: (i) the Bonds to be “arbitrage bonds” as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the registered owners for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code. Failure of the County to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue.

In rendering the opinion in paragraph 4 above, Bond Counsel has assumed the continuing compliance by the County with the tax covenants and representations in the Bond Resolution and the representations in the Non-Arbitrage Certificate. These requirements relate to, *inter alia*, the use and investment of the gross proceeds of the Bonds, the Refunding Project, the use of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the Refunded Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds have resulted in a failure of the County to comply with its covenants. Failure of the County to comply with such covenants could result in the interest on the Bonds becoming subject to federal income tax from the date of issue.

Owners of the Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the environmental tax, the branch

profits tax and the tax on passive investment income of corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

It is understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar law affecting creditors' rights heretofore or hereafter enacted and that the enforcement thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records of all certificates, resolutions, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, certificates, resolutions, documents and proceedings. In rendering the opinion, we have relied upon the opinion of Danielle Ashley, Esq., Laurel, Mississippi, acting as counsel for the County, dated the date hereof, as to the due authorization and execution by and enforceability against the County as to the Bonds and the Bond Resolution.

Very truly yours,

BUTLER SNOW LLP

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