PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 2, 2026

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1). This Preliminary Official Statement and the information contained herein are subject to revisions, completion or amendment in the final Official Statement. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**ONE NEW ISSUE/BOOK- ENTRY ONLY**

**RATING: S&P "AA-"**
**(See "RATING" herein)**

*In the opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2026 Bonds (as defined herein) should be treated as includable in gross income of the holders thereof for federal income tax purposes. Bond Counsel is further of the opinion that under existing laws, regulations, rulings and judicial decisions, interest on the Series 2026 Bonds is exempt from all income taxation in the State of Mississippi. See "TAX MATTERS" herein and APPENDIX D - FORM OF OPINION OF BOND COUNSEL hereto.*

# $30,000,000
# MISSISSIPPI DEVELOPMENT BANK
## TAXABLE SPECIAL OBLIGATION BONDS
## (JACKSON COUNTY, MISSISSIPPI GENERAL OBLIGATION PORT BOND PROJECT), SERIES 2026

**Dated: Date of Delivery** **Due: September 1, as shown on inside front cover**

The $30,000,000 Mississippi Development Bank Taxable Special Obligation Bonds (Jackson County, Mississippi General Obligation Port Bond Project), Series 2026 (the "Series 2026 Bonds"), are being issued by the Mississippi Development Bank (the "Bank"), will be dated the date of delivery thereof and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside front cover. The Series 2026 Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2026 Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2026 Bonds will not receive physical delivery of certificates representing their interests in the Series 2026 Bonds. Interest on the Series 2026 Bonds is payable on March 1 and September 1 of each year, commencing September 1, 2027. So long as DTC or its nominee is the Registered Owner of the Series 2026 Bonds, interest, together with the principal of and premium, if any, on the Series 2026 Bonds, will be paid directly to DTC by Hancock Whitney Bank, Ridgeland, Mississippi (the "Trustee") under the Indenture (as defined herein), as more fully described herein under the caption "DESCRIPTION OF THE SERIES 2026 BONDS -- Book-Entry-Only System."

The Series 2026 Bonds are issued by the Bank for the principal purpose of providing funds for the purchase of the County Bond (as defined herein) being issued by Jackson County, Mississippi (the "County"), as more fully described in this Official Statement.

The Series 2026 Bonds are subject to redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2026 BONDS -- Redemption."

**THE SERIES 2026 BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE BANK AND ARE PAYABLE SOLELY OUT OF THE TRUST ESTATE OF THE BANK PLEDGED THEREFOR UNDER THE INDENTURE, INCLUDING THE COUNTY BOND AND PAYMENTS DERIVED THEREFROM, AS MORE FULLY DESCRIBED HEREIN. THE SERIES 2026 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF THE CREDIT OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MISSISSIPPI, OR A PLEDGE OF THE FULL FAITH AND CREDIT, TAXING POWER OR MORAL OBLIGATION OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF. THE BANK HAS NO TAXING POWER. THE COUNTY BOND SECURING THE SERIES 2026 BONDS IS, HOWEVER, A GENERAL OBLIGATION OF THE COUNTY, SECURED BY THE FULL FAITH, CREDIT AND TAXING POWER OF THE COUNTY AS MORE FULLY DESCRIBED HEREIN.**

Purchase of the Series 2026 Bonds involves a certain degree of risk, and reference is made to the section "RISKS TO THE OWNERS OF THE SERIES 2026 BONDS" for a discussion of such risks.

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS OFFICIAL STATEMENT. PROSPECTIVE INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

The Series 2026 Bonds are offered subject to the final approval of the legality thereof by Butler Snow LLP, Jackson, Mississippi, Bond Counsel. Butler Snow LLP has also acted as Disclosure Counsel in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Bank by Balch & Bingham, LLP, Jackson, Mississippi, for the County by its counsel, James H. Colmer, Jr., Esq., Pascagoula, Mississippi, and for the Underwriter, Jones Walker LLP, Jackson, Mississippi. Government Consultants, Inc., Madison, Mississippi, serves as the Municipal Advisor to the County in connection with the sale and issuance of the Series 2026 Bonds and the purchase of the County Bond. The Series 2026 Bonds are expected to be available in definitive form for delivery on or about September 24, 2026*

**RAYMOND JAMES®**

The date of this Official Statement is September ____, 2026.

---

* Preliminary, subject to change.

## SERIES 2026 BONDS

## MATURITY SCHEDULE*

| Maturity (September 1)* | Principal Amount* | Interest Rate | Yield | CUSIP[1] |
|---|---|---|---|---|
| 2027 | $1,470,000 | | | |
| 2028 | 1,435,000 | | | |
| 2029 | 1,505,000 | | | |
| 2030 | 1,580,000 | | | |
| 2031 | 1,655,000 | | | |
| 2032 | 1,740,000 | | | |
| 2033 | 1,830,000 | | | |
| 2034 | 1,925,000 | | | |
| 2035 | 2,030,000 | | | |
| 2036 | 2,145,000 | | | |
| 2037 | 2,260,000 | | | |
| 2038 | 2,390,000 | | | |
| 2039 | 2,525,000 | | | |
| 2040 | 2,675,000 | | | |
| 2041 | 2,835,000 | | | |

* Preliminary, subject to change.

[1] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP® numbers are provided for convenience only, and the Bank, the County and the Underwriter do not make any representation with respect to such CUSIP® numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of the Series 2026 Bonds.

**THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE SERIES 2026 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 SERIES 2026 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 SERIES 2026 BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF. ALL OPINIONS, ESTIMATES OR ASSUMPTIONS, WHETHER OR NOT EXPRESSLY IDENTIFIED, ARE INTENDED AS SUCH AND NOT AS REPRESENTATIONS OF FACT.**

**THE UNDERWRITER (AS DEFINED HEREIN) 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 BANK, 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 SERIES 2026 BONDS WILL NOT BE REGISTERED BY THE BANK 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 BANK (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2026 BONDS FOR SALE.**

**THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE BANK AND THE PURCHASERS OR HOLDERS OF THE SERIES 2026 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 OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2026 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE PRICES AT WHICH THE SERIES 2026 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS.**

**THIS OFFICIAL STATEMENT CONTAINS FORECASTS, PROJECTIONS AND ESTIMATES THAT ARE BASED ON EXPECTATIONS AND ASSUMPTIONS WHICH EXISTED AT THE TIME SUCH FORECASTS, PROJECTIONS AND ESTIMATES WERE PREPARED. IN LIGHT OF THE IMPORTANT FACTORS THAT MAY MATERIALLY AFFECT ECONOMIC CONDITIONS OF THE STATE, THE UNITED STATES OF AMERICA, AND THE CITY THE INCLUSION IN THIS OFFICIAL STATEMENT OF SUCH FORECASTS, PROJECTIONS AND ESTIMATES SHOULD NOT BE REGARDED AS A REPRESENTATION BY THE ISSUER, THE CITY OR THE UNDERWRITER THAT SUCH FORECASTS, PROJECTIONS AND ESTIMATES WILL OCCUR. SUCH FORECASTS, PROJECTIONS AND ESTIMATES ARE NOT INTENDED AS REPRESENTATIONS OF FACT OR GUARANTEES OF RESULTS.**

**IF AND WHEN INCLUDED IN THIS OFFICIAL STATEMENT, THE WORDS "EXPECTS," "FORECASTS," "PROJECTS," "INTENDS," "ANTICIPATES, "ESTIMATES" AND ANALOGOUS EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS AND ANY SUCH STATEMENTS INHERENTLY ARE SUBJECT TO A VARIETY OF RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED. SUCH RISKS AND UNCERTAINTIES INCLUDE, AMONG OTHERS, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN POLITICAL, SOCIAL AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, LITIGATION AND VARIOUS OTHER EVENTS, CONDITIONS AND CIRCUMSTANCES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE ISSUER AND THE CITY. THESE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE ISSUER DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGE IN THE ISSUER'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.**

**THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE OF REFERENCE ONLY, AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISION OR SECTIONS OF THIS OFFICIAL STATEMENT. THE OFFERING OF THE SERIES 2026 BONDS IS MADE ONLY BY MEANS OF THIS OFFICIAL STATEMENT.**

**THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IS PRINTED IN ITS ENTIRETY FROM SUCH WEBSITE.**

## TABLE OF CONTENTS

**Page**


INTRODUCTION....1
The Bank....1
Sources of Payment and Security for the Series 2026 Bonds....1
Purpose of the Series 2026 Bonds....2
Authority for Issuance....2
Description of the Series 2026 Bonds....2
Tax Matters....3
Professionals Involved in the Offering....3
Offering and Delivery of the Series 2026 Bonds....3
Risks to the Owners of the Series 2026 Bonds....3
Other Information....3
Format of Official Statement....4

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS....4
General....4
The County and the County Bond....5
Provisions for Payment of the County Bond....5

RISKS TO THE OWNERS OF THE SERIES 2026 BONDS....5
General....5
County Bond....6
Remedies; Litigation; Bankruptcy....6
Failure to Compel the Levy of Taxes on the County Bond....7
Maintenance of Rating....8
Secondary Market....8
Cybersecurity....8
Environment/Climate....8

DESCRIPTION OF THE SERIES 2026 BONDS....8
General Description....8
Book-Entry-Only System....9
Redemption....11

APPLICATION OF THE PROCEEDS OF THE SERIES 2026 BONDS....12

DEBT SERVICE REQUIREMENTS FOR THE SERIES 2026 BONDS....13

PURCHASE OF THE COUNTY BOND....13
General....13
County Project....13

THE MISSISSIPPI DEVELOPMENT BANK....13
General....13
Organization and Membership of the Bank....14
Prior Bonds of Bank....14

FUNDS AND ACCOUNTS....15
Creation of Funds and Accounts....15
Deposit of Net Proceeds of the Series 2026 Bonds and Other Receipts....15

OPERATION OF FUNDS AND ACCOUNTS....15
General Fund....15
Amounts Remaining in Funds....16
Investment of Funds....16

THE INDENTURE....17
Provisions for Issuance of Refunding Bonds....17
Mutilated, Lost, Stolen or Destroyed Bonds....17
Registration, Transfer and Exchange of Bonds; Persons Treated as Owners....18
Nonpresentment of Bonds....18
Other Obligations Payable from Revenues....19
Limitations on Obligations of Bank....19

Payment of Debt Service .... 19
Performance of Covenants by Bank .... 19
Discharge of Indenture .... 20
Defaults; Events of Default .... 21
Remedies; Rights of Bondholders .... 22
Rights of Bondholders to Direct Proceedings .... 22
Application of Monies .... 23
Remedies Vested in the Trustee .... 24
Rights and Remedies of Bondholders .... 24
Termination of Proceedings .... 24
Waivers of Events of Default .... 24
Supplemental Indentures not Requiring Consent of Bondholders .... 25
Supplemental Indentures Requiring Consent of Bondholders .... 25

THE SERIES 2026 BONDS AS LEGAL INVESTMENTS .... 26

LITIGATION .... 26

TAX MATTERS .... 27

LEGAL MATTERS .... 27

PENSION PLAN .... 27

INDEPENDENT AUDITORS .... 28

CONTINUING DISCLOSURE .... 28

RATING .... 29

UNDERWRITING .... 29

MUNICIPAL ADVISOR .... 29

VALIDATION .... 29

MISCELLANEOUS .... 29

APPENDIX A - Information Concerning the County
APPENDIX B - Financial Information Concerning the County
APPENDIX C - Information Concerning the County Bond Resolution and the County Bond
APPENDIX D - Form of Opinion of Bond Counsel
APPENDIX E - Definitions
APPENDIX F - Form of Continuing Disclosure Certificate

**OFFICIAL STATEMENT**

**$30,000,000**
**MISSISSIPPI DEVELOPMENT BANK**
**TAXABLE SPECIAL OBLIGATION BONDS**
**(JACKSON COUNTY, MISSISSIPPI GENERAL OBLIGATION**
**PORT BOND PROJECT), SERIES 2026**

## INTRODUCTION

The purpose of this Official Statement, including its Appendices, is to set forth certain information concerning the sale and issuance by the Mississippi Development Bank (the "Bank") of its Taxable Special Obligation Bonds (Jackson County, Mississippi General Obligation Port Bond Project), Series 2026 (the "Series 2026 Bonds") issued in the aggregate principal amount of $30,000,000.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, the inside front cover and all appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2026 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not defined in this Official Statement are defined in APPENDIX E – DEFINITIONS hereto and in the Indenture.

### The Bank

The Bank was established in 1986 as a separate body corporate and politic of the State of Mississippi (the "State") for the public purposes set forth under the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented (the "Bank Act"). The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power. The Bank is governed by a Board of Directors composed of nine members.

Pursuant to the Bank Act, the purpose of the Bank is to assist "local governmental units," defined in the Bank Act to be (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (b) the State or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under state law, through programs of purchasing the bonds, notes or evidences of indebtedness of such local governmental units under agreements between such local governmental units and the Bank. Jackson County, Mississippi (the "County"), as further described in APPENDIX A hereto, is such a local governmental unit.

### Sources of Payment and Security for the Series 2026 Bonds

The Series 2026 Bonds will be issued by and under and secured by an Indenture of Trust, dated as of September 1, 2026 (the "Indenture"), by and between the Bank and Hancock Whitney Bank, Ridgeland, Mississippi, as trustee (the "Trustee"). The principal of, premium, if any, and interest on any and all of the Series 2026 Bonds, are payable from those Funds and Accounts (as defined herein) of the Bank, which, together with the general obligation bond issued by the County and designated as the $30,000,000 Jackson County, Mississippi General Obligation Port Bond (Industrial Development Project), Series 2026 (the "County Bond"), are pledged pursuant to the Indenture for the benefit of the owners of the Series 2026 Bonds equally and ratably without priority. The full faith, credit and taxing power of the State is not pledged to the payment of the principal of, premium, if any, and interest on any of the Series 2026 Bonds. The Series 2026 Bonds are not a debt, liability, loan of the credit or pledge of the full faith and credit, or moral obligation of the Bank, the State or of any political subdivision thereof other than the County. The Bank has no taxing power and has only those powers and sources of revenue set forth in the Bank Act. The Series 2026 Bonds are issued and secured separately from any other obligations issued by the Bank.

The County Bond securing the Series 2026 Bonds is, however, a general obligation of the County, secured by the full faith, credit and taxing power of the County.

The Series 2026 Bonds are secured by the pledge of the Trust Estate established under the Indenture (the "Trust Estate"), defined to be (a) cash and securities in the Funds and Accounts established by the Indenture and the investment earnings thereon and all proceeds thereof, (b) the County Bond, the payments thereunder, the earnings thereon and the proceeds thereof, and (c) all Funds and Accounts hereinafter pledged to the Trustee as security for the Series 2026 Bonds by the Bank. All Series 2026 Bonds will be secured equally and ratably by all of the foregoing. The sources of payment for the Series 2026 Bonds are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" herein and APPENDIX C hereto.

The principal of and interest on the County Bond are payable out of County revenues as explained more fully below. The County Bond is being issued pursuant to Sections 59-9-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented (the "Port Act" and together with the Bank Act, the "Act"). The County Bond is scheduled to be purchased by the Bank with the proceeds of the Series 2026 Bonds. The sources of payment for the County Bond are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" herein and APPENDIX C hereto.

**Purpose of the Series 2026 Bonds**

The Series 2026 Bonds are being issued to provide funds (a) to purchase the County Bond, and (b) to pay the Costs of Issuance of the Series 2026 Bonds and the County Bond (collectively, the "Project"). See "PURCHASE OF THE COUNTY BOND – County Project" for a more detailed description of the use of the proceeds of the County Bond.

**Authority for Issuance**

The Series 2026 Bonds are issued pursuant to the provisions of the Act and the Indenture.

**Description of the Series 2026 Bonds**

***Redemption***. The Series 2026 Bonds are subject to redemption prior to maturity as more fully described under the caption "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption" herein.

***Denominations***. The Series 2026 Bonds will be issued in denominations of $5,000 or any integral multiple thereof.

***Registration, Transfers and Exchanges***. The Series 2026 Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2026 Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the Series 2026 Bonds will not receive physical delivery of certificates representing their respective interests in the Series 2026 Bonds.

***Payments***. Interest on the Series 2026 Bonds is payable on March 1 and September 1 of each year, commencing September 1, 2027. So long as DTC or its nominee is the Registered Owner of the Series 2026 Bonds, interest, together with the principal of and premium, if any, on the Series 2026 Bonds will be paid directly to DTC by the Trustee. The final disbursement of such payments to a Beneficial Owner of the Series 2026 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, as described herein under the caption "DESCRIPTION OF THE SERIES 2026 BONDS -- Book-Entry-Only System."

**For a more complete description of the Series 2026 Bonds and the basic documentation pursuant to which the Series 2026 Bonds are being issued, see the captions "DESCRIPTION OF THE SERIES 2026 BONDS," "FUNDS AND ACCOUNTS" and "OPERATION OF FUNDS AND ACCOUNTS" in this Official Statement.**

**Tax Matters**

In the opinion of Butler Snow LLP, Ridgeland, Mississippi ("Bond Counsel"), under existing laws, regulations, rulings and judicial decisions, interest on the Series 2026 Bonds should be treated as includable in gross income of the holders thereof for federal income tax purposes and under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2026 Bonds is exempt from all income taxation in the State. Also, see the caption "TAX MATTERS" herein and, see "APPENDIX D" for the proposed form of opinion of Bond Counsel.

**Professionals Involved in the Offering**

Hancock Whitney Bank, Ridgeland, Mississippi, will act as Trustee under the Indenture for the Series 2026 Bonds. Government Consultants, Inc., Madison, Mississippi, is employed as the municipal advisor to the County with respect to the Series 2026 Bonds and the County Bond. Certain proceedings in connection with the issuance of the Series 2026 Bonds are subject to the approval of Bond Counsel. Certain legal matters will be passed upon for the Bank by Balch & Bingham, LLP, Jackson, Mississippi, for the County by its counsel, James H. Colmer, Jr., Esq., Pascagoula, Mississippi, and for the Underwriter, Jones Walker LLP, Jackson, Mississippi. See the captions "LEGAL MATTERS" and "MUNICIPAL ADVISOR" in this Official Statement.

**Offering and Delivery of the Series 2026 Bonds**

Raymond James & Associates, Inc., Memphis, Tennessee (the "Underwriter") has agreed to purchase all of the Series 2026 Bonds subject to certain conditions set forth in a bond purchase agreement by and among the Underwriter, the Bank and the County (the "Bond Purchase Agreement"). The Series 2026 Bonds are expected to be available in definitive form for delivery in New York, New York on or about September 24, 2026.*

**Risks to the Owners of the Series 2026 Bonds**

There are certain risks involved in the ownership of the Series 2026 Bonds which should be considered by prospective purchasers. The ability of the Bank to pay principal of, premium, if any, and interest on the Series 2026 Bonds depends upon the receipt by the Bank of payments of principal (and premium, if any) and interest on the County Bond (the "County Bond Payments") from the County. There can be no representation or assurance that the County will levy a tax sufficient to make the required County Bond Payments. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS" herein. See the caption "RISKS TO THE OWNERS OF THE SERIES 2026 BONDS" in this Official Statement.

**Other Information**

This Official Statement speaks only as of its date, and certain information contained herein is subject to change.

Copies of other documents and information are available, upon request, and upon payment to the Bank of a charge for copying, mailing and handling, from Larry W. Mobley, Jr., Executive Director, Mississippi Development Bank, 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

**NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT; AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS OFFICIAL STATEMENT DOES NOT**

---

* Preliminary, subject to change.

**CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2026 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE BANK, THE COUNTY, DTC AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE BANK OR THE COUNTY SINCE THE DATE HEREOF.**

**THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

### Format of Official Statement

There follows in this Official Statement a description of the security and sources of payment for the Series 2026 Bonds, the County Project, the Bank, and summaries of certain provisions of the Series 2026 Bonds, the Indenture, and certain provisions of the Act. All discussions of the Act and the Indenture are qualified in their entirety by reference to the Act and the Indenture, copies of which are available from the Bank, and all discussions of the Series 2026 Bonds are qualified in their entirety by reference to the definitive form and the information with respect to the Series 2026 Bonds contained in the Indenture.

Certain information relating to the County is set forth in APPENDIX A - INFORMATION CONCERNING THE COUNTY; certain financial information relating to the County is set forth in APPENDIX B - FINANCIAL INFORMATION CONCERNING THE COUNTY; certain information concerning the County Bond Resolution and the County Bond are set forth in APPENDIX C – INFORMATION CONCERNING THE COUNTY BOND RESOLUTION AND THE COUNTY BOND; the proposed form of opinion of Bond Counsel with respect to the Series 2026 Bonds is set forth in APPENDIX D - FORM OF OPINION OF BOND COUNSEL; certain definitions of certain terms used in this Official Statement are set forth in APPENDIX E – DEFINITIONS; and the form of the continuing disclosure certificate of the County is set forth in APPENDIX F - FORM OF CONTINUING DISCLOSURE CERTIFICATE. Each of the Appendices to this Official Statement is an integral part of this Official Statement and should be read in its entirety by any and all owners or prospective owners of the Series 2026 Bonds.

## SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS

### General

The Series 2026 Bonds are payable only out of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, premium, if any, and interest on all of the Series 2026 Bonds. The Series 2026 Bonds do not constitute a debt, liability or loan of the credit of the Bank, the State or any political subdivision thereof under the constitution of the State or a pledge of the full faith, credit and taxing power or moral obligation of the Bank, the State or any political subdivision thereof other than the County. The Bank has no taxing power. The County Bond securing the Series 2026 Bonds is, however, a general obligation of the County, secured by the full faith, credit and taxing power of the County. The sources of payment of, and security for, the Series 2026 Bonds are more fully described below.

Under the Indenture, the Series 2026 Bonds are secured by a pledge to the Trustee of the County Bond and all County Bond Payments, as described herein. In addition, the Indenture pledges to the payment of the Series 2026 Bonds all proceeds of the Trust Estate, including without limitation all cash and securities held in the Funds and Accounts created by the Indenture, together with investment earnings thereon and proceeds thereof (except for any amounts which are transferred from such Funds and Accounts from time to time in accordance with the Indenture), and all other funds, accounts and monies pledged by the Bank to the Trustee as security under the Indenture, to the extent of any such pledge.

**The County and the County Bond**

From the proceeds of the Series 2026 Bonds, the Bank intends to purchase from the County and, upon purchase, will pledge to the Trustee the County Bond as described in APPENDIX C. See "PURCHASE OF THE COUNTY BOND" herein.

**Provisions for Payment of the County Bond**

The County Bond securing the Series 2026 Bonds is a general obligation of the County, secured by the full faith, credit and taxing power of the County. The issuance of the County Bond has been authorized by a resolution (the "County Bond Resolution") adopted by the Board of Supervisors of the County (the "Governing Body") pursuant to the Act on June 15, 2026. Under the County Bond Resolution, the County is unconditionally obligated to make payments secured by the full faith, credit and taxing power of the County in an aggregate amount sufficient, with any other funds legally available therefor, for the payment in full of the principal of, premium, if any, and interest on all Series 2026 Bonds issued and Outstanding under the Indenture to the date of payment thereof and certain costs, expenses and charges of the Bank and the Trustee.

In the County Bond Resolution, the County covenants to levy a direct, continuing special tax upon all of the taxable property within the geographical limits of the County, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of, premium, if any, and the interest on the County Bond. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the County are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount; 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 for the County Bond, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the County Bond due during the ensuing Fiscal Year of the County, in accordance with the provisions of the County Bond Resolution. The avails of said tax are irrevocably pledged in the County Bond Resolution for the payment of the principal of, premium, if any, and interest on the County Bond as the same shall mature and accrue.

The County Bond will never, within the meaning of any constitutional or statutory limitation, be a debt, liability or obligation of the Bank, the State or any political subdivision of the State, other than the County, and neither the full faith and credit nor taxing power or moral obligation of the State or any political subdivision thereof, other than the County, is pledged to the payment of the principal, premium, if any, and interest on the County Bond. The County Bond securing the Series 2026 Bonds is a general obligation of the County, secured by the full faith, credit and taxing power of the County. The County Bond issued under the County Bond Resolution shall be issued for the purpose of providing funds to finance the costs of the County Project and to pay related Costs of Issuance of the Series 2026 Bonds and the County Bond. See APPENDIX C – INFORMATION CONCERNING THE COUNTY BOND RESOLUTION AND THE COUNTY BOND for further description of the County Bond.

## RISKS TO THE OWNERS OF THE SERIES 2026 BONDS

**General**

The Series 2026 Bonds will be payable solely from the payments to be made by the Bank under the Indenture. Pursuant to the Indenture, such payments are limited to County Bond Payments payable by the County on the County Bond pursuant to the County Bond Resolution. No reserve fund is created in the Indenture or the County Bond Resolution to pay debt service on the Series 2026 Bonds or the County Bond. Purchasers of the Series 2026 Bonds are advised of certain risk factors with respect to the County Bond.

In addition, purchasers of the Series 2026 Bonds are advised of certain additional information in connection with the County as set forth in APPENDIX A and APPENDIX B.

**County Bond**

The ability of the Bank to pay the principal of, premium, if any, and interest on the Series 2026 Bonds depends upon the receipt by the Bank of County Bond Payments from the County which is obligated under the County Bond Resolution to make such payments to the Bank. There is no Fund or Account established by the Indenture which is required to contain amounts to make up for any deficiencies in the event of one or more "defaults" by the County in making the County Bond Payments, and there is no source from which the General Fund will be replenished except the County Bond Payments and investment income on monies in the Funds and Accounts.

**Remedies; Litigation; Bankruptcy**

The remedies available to the Trustee, to the Bank or to the owners of the Series 2026 Bonds upon an "event of default" under the Indenture or under the terms of the County Bond purchased by the Bank are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The pledge of the full faith and credit and taxing power of the County for payment of the County Bond granted by the Governing Body in the County Bond Resolution may be limited by a number of factors, including the ability to collect levied taxes. Under current law, such a pledge and assignment as attempted to be effected by the County Bond Resolution may be further limited by the following: (a) statutory liens; (b) rights arising in favor of the United States of America or any agency thereof; (c) prohibitions against assignment set forth in federal statutes; (d) constructive trusts, equitable liens or other rights which might be impressed or conferred by any state or federal court in the exercise of equitable jurisdiction; (e) the Bankruptcy Code (as hereinafter defined) affecting taxes and other revenues of the County received within 90 days preceding and after any effectual institution of bankruptcy, liquidation or reorganization proceedings by or against the County; (f) rights of third parties in revenues converted to cash and not in the possession of the Trustee; and (g) sales, liens and/or pledges made by the County. If an "event of default" does occur, it is uncertain that the Trustee could successfully obtain an adequate remedy at law or in equity.

The County is a "Municipality" as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code"). 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 Municipality of the State, 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.

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 of the State Legislature during the annual session of the State Legislature or a special session of the State Legislature called for such purpose 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.

In the event the County were to become a debtor under the United States Bankruptcy Code, payments under the County Bond may be stayed or under certain circumstances may be subject to avoidance or disgorgement and the interest of the Trustee in such payments may not extend to payments required after the commencement of such bankruptcy case or within 90 days prior thereto. Under existing constitutional and statutory law and judicial decisions, including the United States Bankruptcy Code, the remedies provided in the Indenture and the County Bond Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

Furthermore, if a bankruptcy court concludes that the Trustee has "adequate protection," it may enter orders affecting the security of the Trustee, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the "indubitable equivalent." Thus, in the event of the bankruptcy of the County, the amount realized by the Trustee may depend on the bankruptcy court's interpretation of "indubitable equivalent" and "adequate protection" under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the County Bond Resolution, the County Bond or related documents that make bankruptcy and related proceedings by the County an "event of default" thereunder. All of these events would adversely affect the payment of debt service on the Series 2026 Bonds.

**Failure to Compel the Levy of Taxes on the County Bond**

The County Bond will be a general obligation of the County payable as to principal, premium, if any, 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. The County has agreed to 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, premium, if any, and interest on the County Bond 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 to pay the principal of and interest on the County Bond as it matures and becomes due, nor does it affect the obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect remedies of a holder of the County Bond in the event of a payment default, it potentially prevents such holder from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the County Bond in a State court. 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 holder of the County Bond in the event of a payment default with respect to the County Bond. For example, such holder can seek a writ of mandamus to compel the County to use any legally available monies to pay the debt service on the County Bond; 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 Section 175 of the Constitution, all public officials who are guilty of willful neglect of duty may be removed from office.

### Maintenance of Rating

The Series 2026 Bonds will be rated as to their creditworthiness by the national credit rating agency listed under the heading "RATING" herein. While the Bank and the County do not anticipate any material changes in the future, no assurance can be given that the Series 2026 Bonds will maintain their original rating. If the rating on the Series 2026 Bonds decreases or is withdrawn, the Series 2026 Bonds may lack liquidity in the secondary market in comparison with other similar municipal obligations. See "RATING" in this Official Statement.

### Secondary Market

There can be no assurance that a secondary market can or will be maintained for the Series 2026 Bonds after their initial issuance and prospective purchasers of the Series 2026 Bonds should therefore be prepared, if necessary, to hold their Series 2026 Bonds to maturity.

### Cybersecurity

The County is dependent on electronic information technology systems to deliver high quality, coordinated and cost-efficient services. These systems may contain sensitive information or support critical operational functions which may be valued for unauthorized purposes. As a result, the electronic systems and networks of the County may be targets of cyberattack. The County has taken, and continues to take, measures to protect its information technology systems, and the private, confidential information that those systems may contain, against cyberattack. While the County employs information technology professionals and utilizes operational safeguards that are tested periodically, no assurance can be given that such measures will protect the County against all cybersecurity threats or attacks. The County uses Arctic Wolf, a cybersecurity software platform to guard against cyberattacks. County employees receive monthly updates and training through Arctic Wolf. In addition, the County maintains insurance in event of a cyberattack.

### Environment/Climate

Mississippi is susceptible to the effects of extreme weather events and natural disasters, including but not limited to, hurricanes, tornadoes, floods and droughts. The occurrence of such an event in the County could produce significant negative ecological, environmental and economic impacts to the County. Such impacts could be exacerbated by a longer-term shift in the climate over several decades, commonly referred to as climate change. Planning for climate change and its impact on the financial operations of the County is an unknown challenge and therefore its future impact on the County cannot be quantified reliably at this time.

To help mitigate the financial impact associated with hurricane, wind and hail events, the County maintains property insurance that includes coverage for wind and hail. The County’s current insurance program provides a $75,000,000 loss limit for wind/hail losses, subject to a 3% deductible per building and a $100,000 minimum deductible per occurrence. The County regularly reviews its property insurance program with its insurance advisors in connection with the annual renewal process, including available limits, deductibles, property values, market conditions and the County’s overall exposure to catastrophic weather events. While no insurance program can eliminate the operational or economic effects of a major natural disaster, the County’s insurance program is designed to transfer a significant portion of the financial risk associated with covered catastrophic property losses and to protect the County’s financial position and physical assets.

## DESCRIPTION OF THE SERIES 2026 BONDS

### General Description

The Series 2026 Bonds are issuable under the Indenture as fully registered bonds. When issued, the Series 2026 Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests from DTC in the Series 2026 Bonds will be made in book-entry-only form (without certificates) in the denomination of $5,000 or any integral multiple thereof. See "DESCRIPTION OF THE SERIES 2026 BONDS - Book-Entry-Only System" herein.

The Series 2026 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the inside cover page of this Official Statement. Interest on the Series 2026 Bonds will be payable semiannually on March 1 and September 1 of each year, commencing September 1, 2027 (each, an "Interest Payment Date"). Interest will be calculated on the basis of a 360-day year consisting of 12 thirty-day months.

Each Series 2026 Bond will be dated the date of delivery thereof. If any Series 2026 Bond is authenticated on or prior to September 1, 2027, it will bear interest from the initial date of delivery thereof. Each Series 2026 Bond authenticated after September 1, 2027, will bear interest from the most recent Interest Payment Date on or prior to the date of authentication of such Series 2026 Bond, unless such Series 2026 Bond is authenticated after the fifteenth day of the calendar month preceding an Interest Payment Date (the "Record Date") and on or prior to the next following Interest Payment Date, in which case such Series 2026 Bond will bear interest from such following Interest Payment Date.

The principal of the Series 2026 Bonds will be payable upon maturity at the corporate trust office of the Trustee in Ridgeland, Mississippi, and interest on the Series 2026 Bonds will be paid by check of the Trustee dated the due date and mailed or delivered on or before the Business Day prior to each Interest Payment Date to the Registered Owners of record as of the close of business on the most recent Record Date or, at the written election of the Registered Owner of $1,000,000 or more in aggregate principal amount of Series 2026 Bonds delivered to the Trustee at least one Business Day prior to the Record Date for which such election will be effective, by wire transfer to such Registered Owner or by deposit into the account of such Registered Owner if such account is maintained by the Trustee.

So long as DTC or its nominee is the Registered Owner of the Series 2026 Bonds, payments of the principal of, premium, if any, and interest on the Series 2026 Bonds will be made directly by the Trustee by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to Direct Participants will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners of the Series 2026 Bonds will be the responsibility of the Direct Participants and the Indirect Participants.

**Book-Entry-Only System**

The Bank has determined that it will be beneficial to have the Series 2026 Bonds held by a central depository system and to have transfers of the Series 2026 Bonds affected by book-entry on the books of DTC as such central depository system. Accordingly, Beneficial Ownership interests in the Series 2026 Bonds will be available in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. Purchasers of Beneficial Ownership interests in the Series 2026 Bonds (the "Beneficial Owners") will not receive certificates representing their interests in the Series 2026 Bonds purchased.

The information provided under this caption has been provided by DTC. No representation is made by the Bank, the Underwriter or the Trustee as to the accuracy or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be initially issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by the authorized representative of DTC. One fully registered certificate for each maturity of the Series 2026 Bonds will be issued for the Series 2026 Bonds in the aggregate principal amount of each such maturity 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 Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2026 Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' (together, the "DTC 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 transaction, 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 Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 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 Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 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.

Redemption notices are to be sent to DTC. If less than all of the Series 2026 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2026 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an "Omnibus Proxy" to the Trustee 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 Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal payments and interest payments on the Series 2026 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 detail information from the Bank or the Trustee, 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 Trustee, or the Bank subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal payments 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 Bank or the Trustee, 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 Series 2026 Bonds at any time by giving reasonable notice to the Bank or the Trustee. Under such circumstances, and in the event that a successor depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered.

In addition, the Bank may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bank and the Underwriter believe to be reliable, but the Bank and the Underwriter take no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered holder of the Series 2026 Bonds as nominee of DTC, references herein to the Holders, holders, or registered owners of the Series 2026 Bonds mean Cede & Co. and not the Beneficial Owners of the Series 2026 Bonds.

THE BANK, THE TRUSTEE AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS (A) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM, IF ANY, ON THE SERIES 2026 BONDS; (B) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2026 BONDS; OR (C) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2026 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 SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE BANK, THE TRUSTEE NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM, IF ANY, ON THE SERIES 2026 BONDS; (C) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (D) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2026 BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

**Redemption**

***Redemption Generally.*** If the County directs the Bank to redeem the Series 2026 Bonds in accordance with Section 14 of the County Bond Resolution, the Bank has agreed under the Indenture to accept redemption and to redeem the Series 2026 Bonds in accordance with the Indenture.

***Optional Redemption.*** The Series 2026 Bonds (or any portions thereof in integral multiples of $5,000 each) which mature on or after September 1, 2032 are subject to optional redemption prior to their stated date of maturity in whole or in part, in principal amounts and maturities as selected by the Bank on any date on or after September 1, 2031, at par, plus accrued interest to the date of redemption thereof. Under the Indenture, selection of the Series 2026 Bonds to be redeemed within a maturity will be made by lot by the Trustee. In accordance with DTC's standard practices and its agreement with the Issuer, DTC and the DTC Participants will make this selection so long as the Series 2026 Bonds are in book-entry form.

***Mandatory Sinking Fund Redemption.*** To be provided if necessary.*

***Notice of Redemption.*** Notice of the call for any optional redemption, identifying the Series 2026 Bonds (or any portions thereof in integral multiples of $5,000 each) to be redeemed (which may be a conditional notice of redemption), will be given by the Trustee at least 30 days but not more than 45 days prior to the date fixed for redemption by mailing a copy of the redemption notice by registered or certified mail to the registered owner of each Series 2026 Bond to be redeemed at the address shown on the registration records of the Bank. Failure to mail such notice to any particular owner of Series 2026 Bonds, or any defect in the notice mailed to any such owner of Series 2026 Bonds, will not affect the validity of the call for the redemption of any other Series 2026 Bonds. No notice of redemption shall be required for Series 2026 Bonds subject to mandatory sinking fund redemption.

***Redemption Payments.*** The Trustee will apply funds deposited with the Trustee by the Bank or the County in an amount sufficient to pay the Redemption Price of the Series 2026 Bonds, or portions thereof called, together with accrued interest thereon to the redemption date. After the redemption date, if proper notice of redemption by mailing has been given and sufficient funds have been deposited with the Trustee, interest will cease to accrue on the Series 2026 Bonds that have been called.

## APPLICATION OF THE PROCEEDS OF THE SERIES 2026 BONDS

### Estimated Sources of Funds

| | |
|---|---|
| Par Amount of Bonds | $30,000,000.00 |
| Plus Net Original Issue Premium | |
| Total Sources of Funds | |

### Estimated Uses of Funds

| | |
|---|---|
| Deposit to the General Fund, Purchase Account for purchase of the County Bond | |
| Deposit to the General Fund, Bond Issuance Expense Account for payment of Costs of Issuance[1] | |
| Total Uses of Funds | |

[1] Includes payments for Costs of Issuance, which include but are not limited to, legal fees and expenses, financial advisory fees and expenses and the Underwriter's Discount paid directly to the Underwriter.

* Preliminary, subject to change.

## DEBT SERVICE REQUIREMENTS FOR THE SERIES 2026 BONDS

The following table sets forth the annual principal and interest requirements on the Series 2026 Bonds:

| Fiscal Year | Principal | Interest[1] | Total Debt Service on the Series 2026 Bonds |
|---|---|---|---|
| 2027 | | | |
| 2028 | | | |
| 2029 | | | |
| 2030 | | | |
| 2031 | | | |
| 2032 | | | |
| 2033 | | | |
| 2034 | | | |
| 2035 | | | |
| 2036 | | | |
| 2037 | | | |
| 2038 | | | |
| 2039 | | | |
| 2040 | | | |
| 2041 | | | |
| **TOTAL** | | | |

[1] Calculated based on interest rates set forth on the cover page hereof.

## PURCHASE OF THE COUNTY BOND

### General

The Bank has determined to purchase the County Bond of the County from the proceeds received upon the issuance of the Series 2026 Bonds. Upon the execution by the County of the County Bond Purchase Agreement with the Bank prior to or as of the date of the approval of the sale of the Series 2026 Bonds, the County will be obligated to sell the County Bond to the Bank in accordance with the requirements of the Act and in accordance with the County Bond Purchase Agreement.

The Bank Act provides that the County Bond purchased by the Bank, upon delivery to the Bank, must be accompanied by all documentation required by the Board of Directors of the Bank, including the approving opinion of Bond Counsel. The Bank will be prepared to cause the purchase price of the County Bond to be paid to the County promptly after the receipt of such proceeds by the Bank. Under the Indenture, any purchase of the County Bond is subject to receipt by the Trustee of certain documents and opinions as described in Section 2.04 of the Indenture.

### County Project

The County will use the proceeds from the sale of the County Bond to the Bank for the purpose of providing funds to pay the costs of the financing, construction and installation of a facility or facilities for industrial development purposes to be owned by the County and leased to a manufacturing enterprise (the "County Project").

## THE MISSISSIPPI DEVELOPMENT BANK

### General

The Bank was created in 1986 and is organized and existing under and by virtue of the Bank Act as a separate body corporate and politic for the public purposes set forth in the Bank Act. The Bank is not an agency of the State is separate from the State in its corporate and sovereign capacity and has no taxing power.

The purpose of the Bank is to foster and promote, in accordance with the Bank Act, the provision of adequate markets and facilities for the borrowing of funds for public purposes and purposes of (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (b) the State, or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under State law, including the County.

**THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON ANY OF THE SERIES 2026 BONDS, AND THE SERIES 2026 BONDS ARE NOT A DEBT, LIABILITY, LOAN OF THE CREDIT, MORAL OBLIGATION OR PLEDGE OF THE FULL FAITH, CREDIT AND TAXING POWER OF THE STATE.**

Under the Bank Act, the Bank is granted the power to borrow money and issue its bonds in such principal amounts as it shall deem necessary to provide funds to accomplish a public purpose or purposes of the State provided for under the Bank Act, including the purchasing of securities of local governmental units (as defined in the Bank Act) and the making of loans to such local governmental units (the "Program").

**Organization and Membership of the Bank**

The Bank is governed by a nine-member Board of Directors. The members of the Board of Directors are elected by the members of the Mississippi Business Finance Corporation ("MBFC") at the time and place fixed by MBFC's bylaws. Appointments are for terms of one year. The members of the Board of Directors are as follows:

| NAME | OCCUPATION | TERM* |
|---|---|---|
| Michael Boerner | Architect | 08/01/26 – 07/31/27 |
| Noel Daniels | Owner, Noel Daniels Motor Company | 08/01/26 – 07/31/27 |
| Merle Flowers | Real Estate | 08/01/26 – 07/31/27 |
| William L. Freeman, Jr. | Retired Bank President | 08/01/26 – 07/31/27 |
| Brandi Hough | Director of Business Development – Harrison Co. Development Commission | 08/01/26 – 07/31/27 |
| Bobby James | Operations Manager, Atmos Energy | 08/01/26 – 07/31/27 |
| Colby Rogers | Director of Marketing, Forman Watkins & Krutz LLP | 08/01/26 – 07/31/27 |
| William D. Sones | Bank Chairman | 08/01/26 – 07/31/27 |
| Mark Wiggins | Retired Business Owner | 08/01/26 – 07/31/27 |

* Members of the Board of Directors of the Bank serve until reappointed or new directors are appointed and approved.

The operations of the Bank are administered by Larry W. Mobley, Jr., EDFP, Executive Director and Treasurer. Mr. Mobley is a graduate of California State University, Chico, California with a Bachelor of Science in Industrial Engineering Technology and the University of Southern Mississippi, Hattiesburg, Mississippi with a Master of Science in Business and Economic Development.

**Prior Bonds of Bank**

As of August 1, 2026, the Bank has previously issued bonds for various purposes totaling in principal approximately $10,972,514,402.00. Of such amount, approximately $3,097,302,991.86 was outstanding as of August 1, 2026.

The full faith and credit and taxing power of the State and the Bank are not pledged to the payment of the principal of, premium, if any, and interest on any of the bonds issued or planned for issuance by the Bank; and all such bonds are not a debt, liability, loan of the credit or pledge of the full faith and credit and taxing power of the State or the Bank.

The Bank is presently considering the issuance under the Bank Act of additional special obligation bonds for other purposes authorized under the Bank Act.

## FUNDS AND ACCOUNTS

### Creation of Funds and Accounts

The Indenture establishes the following special Funds and Accounts to be held by the Trustee:

A General Fund - comprised of the following:

(1) General Account,

(2) Purchase Account,

(3) Redemption Account, and

(4) Bond Issuance Expense Account.

### Deposit of Net Proceeds of the Series 2026 Bonds and Other Receipts

The Trustee will deposit the net proceeds from the sale of the Series 2026 Bonds as follows:

(a) To the Bond Issuance Expense Account of the General Fund, the amount of $________ (which does not include the Underwriter's discount of $________) to pay a portion of the Costs of Issuance of the Series 2026 Bonds and the County Bond; and

(b) To the Purchase Account of the General Fund, the sum of $________ to be used to purchase the County Bond.

The Trustee will deposit County Bond Payments and other receipts (except the proceeds of the Series 2026 Bonds) into the General Account of the General Fund based on the amount due on the Series 2026 Bonds.

## OPERATION OF FUNDS AND ACCOUNTS

### General Fund

***General Account***. The Trustee will disburse the amounts held in the General Account for the following purposes and, in the event of insufficient funds to make all of such required disbursements, in the following order of priority:

(a) On or before each Interest Payment Date, to the Registered Owners such amount (including Investment Securities held by the Trustee maturing or callable on or before the applicable Interest Payment Date) as may be necessary to pay the principal and interest coming due on the Series 2026 Bonds on such Interest Payment Date.

(b) At such times as shall be necessary, to pay Program Expenses.

(c) After making all required payments under subparagraphs (a) and (b) above, the Trustee shall make a determination of the amounts reasonably expected to be received in the form of cash in the succeeding 12 months and shall transfer all monies in the General Account, which, together with such expected receipts for the succeeding 12 months, are in excess of the amounts needed to pay principal and interest on the Series 2026 Bonds within the immediately succeeding 12-month period, to the County at the request of the County with the prior written approval of the Bank.

***Bond Issuance Expense Account***. Upon the Trustee's receipt of invoices or requisitions acceptable to the County and the Bank, the Trustee will disburse the amounts held in the Bond Issuance Expense Account for the payment of the Costs of Issuance of the Series 2026 Bonds and the County Bond or to reimburse the Bank or the County for amounts previously advanced for such costs. On the date which is 60 days after the date of issuance of the Series 2026 Bonds, any amounts remaining in the Bond Issuance Expense Account will be transferred to the General Account.

***Purchase Account***. Upon submission of duly authorized written requisitions of an Authorized Officer of the Bank stating that all requirements for purchases under the Act, the Indenture and the established policies of the Bank have been or will be met, the Trustee will disburse the amounts held in the Purchase Account for the purchase of the County Bond. Upon purchase of the County Bond, the County will provide for the deposit of such funds in the 2026 Construction Fund of the County established under the County Bond Resolution, which fund will be used by the County to finance the cost of the County Project. Any amounts remaining in the Purchase Account after the purchase of the County Bond shall be transferred to the General Account.

***Redemption Account.*** The Trustee will deposit in the Redemption Account all monies received upon the sale or redemption prior to maturity of the County Bond or otherwise received under the Indenture, and will disburse the funds in the Redemption Account to redeem Series 2026 Bonds of such maturity or maturities as directed by an Authorized Officer if such Bonds are then subject to redemption.

**Amounts Remaining in Funds**

Any amounts remaining in any Fund or Account after full payment of all of the Series 2026 Bonds outstanding under the Indenture, all required rebates to the United States of America and the fees, charges and expenses of the Trustee, will be distributed to the County, except for any monies owing to the Bank which shall be paid to such party and except as provided in Section 3.08 of the Indenture.

**Investment of Funds**

Any monies held as part of any Fund or Account created under or pursuant to Article VI of the Indenture shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed by the Bank (such direction to be confirmed in writing). All such investments shall at all times be a part of the Fund or Account in which the monies used to acquire such investments had been deposited; and, except as provided in Article VI, all income and profits on such investments shall be deposited as received in the General Account of the General Fund for the Funds and Accounts for the Series 2026 Bonds. The Trustee may make any and all such investments through its bond department or through the bond department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Monies in separate Funds and Accounts for the Series 2026 Bonds may not be commingled for the purpose of investment or deposit. Under the Indenture, the Trustee and the Bank agree that all investments, and all instructions of the Bank to the Trustee with respect thereto shall be made in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve principal. Any investment losses shall be charged to the Fund or Account in which monies used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the provisions of Section 8.01 of the Indenture, the Trustee shall not be liable for any investment losses. Monies in any Fund or Account shall be invested in Investment Securities with a maturity date, or a redemption date determined by the owner of the Investment Securities at said owner's option, which shall coincide as nearly as practicable with times at which monies in such Funds or Accounts will be required for the purposes thereof. The Trustee shall sell and reduce to cash a sufficient amount of such Investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid. All investment income from the assets held in any Fund or Account will be added to the General Account of the General Fund for the Funds and Accounts for the Series 2026 Bonds.

The Bank (a) has certified in the Indenture to the owners of the Series 2026 Bonds from time to time outstanding that monies on deposit in any Fund or Account in connection with the Series 2026 Bonds, whether or not such monies were derived from the proceeds of the sale of the Series 2026 Bonds or from any other sources, are not intended to be used in a manner which will cause the interest on the Series 2026 Bonds to lose the excludability from gross income for federal income tax purposes; and (b) has covenanted in the Indenture with the owners of the Series 2026 Bonds from time to time outstanding that, so long as any of the Series 2026 Bonds remain outstanding, monies on deposit in any Fund or Account established in connection with the Series 2026 Bonds, whether or not such monies were derived from the proceeds of the sale of the Series 2026 Bonds or from any other source, will not be used in any manner which will cause the interest on the Series 2026 Bonds to become subject to federal income taxation.

## THE INDENTURE

The following is a summary of certain provisions of the Indenture. This summary does not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such document, a copy of which may be obtained upon written request to the Bank.

### Provisions for Issuance of Refunding Bonds

(a) All or any part of one or more series of Refunding Bonds may be issued under the Indenture, authenticated and delivered upon original issuance to refund all or any part of the Outstanding Bonds. Refunding Bonds shall be issued in a principal amount sufficient, together with other monies available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Act, the Indenture and by the Supplemental Indenture authorizing said Refunding Bonds.

(b) Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by the Trustee of the documents required by Section 2.04 of the Indenture) of:

(i) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Series 2026 Bonds to be refunded on the redemption date specified in such instructions;

(ii) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice provided for in Section 4.05 of the Indenture to the owners of the Series 2026 Bonds being refunded (which may be a conditional notice of redemption); and

(iii) Either (A) monies in an amount sufficient to effect timely payment at the Redemption Price or principal payment amount of the Series 2026 Bonds to be refunded or paid, respectively, together with accrued interest on such Series 2026 Bonds to the redemption or maturity date and all necessary and appropriate fees and expenses of the Trustee, which monies shall be held by the Trustee or an escrow agent approved by the County in a separate account irrevocably in trust for and assigned to the respective owners of the Series 2026 Bonds to be refunded or paid, or (B) Governmental Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Article IX of the Indenture which Governmental Obligations shall be held in trust and used only as provided in said Article.

### Mutilated, Lost, Stolen or Destroyed Bonds

If any Bond is mutilated, lost, stolen or destroyed, the Bank shall execute and the Trustee shall authenticate a new Bond or Bonds of the same maturity and denomination, as that mutilated, lost, stolen or destroyed; provided that in the case of any mutilated Bond, it shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with security and/or indemnity satisfactory to it. In the event any such Bond shall have matured or been called for redemption instead of issuing and authenticating a duplicate Bond, the Trustee may pay the same without surrender thereof; provided, however, that in the case of a lost, stolen or destroyed Bond, there shall be first furnished to the

Trustee evidence of such loss, theft or destruction satisfactory to the Trustee together with security and/or indemnity satisfactory to it. The Trustee may charge the owner of such Bond its reasonable fees and expenses in connection with replacing any Bonds mutilated, lost, stolen or destroyed. Any Bond issued as described in this paragraph shall be deemed part of the original series of the Bonds in respect of which it was issued and a contractual obligation of the Bank replacing the obligation evidenced by such mutilated, lost, stolen or destroyed Bond.

**Registration, Transfer and Exchange of Bonds; Persons Treated as Owners**

The Bank shall cause records for the registration and for the transfer of the Bonds to be kept by the Trustee at its Principal Office, and the Trustee is constituted and appointed the bond registrar of the Bank for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said records may be inspected and prepared by the Bank or by Beneficial Owners (or a designated representative thereof) of five percent or more in aggregate principal amount of the Bonds then Outstanding.

Upon surrender for transfer of any Bond at the Principal Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Registered Owner or his attorney duly authorized in writing, the Bank shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity for a like aggregate principal amount. The Bonds may be transferred or exchanged without cost to the Bondholders except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The execution by the Bank of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Trustee shall not be required to (a) register, transfer or exchange any Bond during a period of 15 days next preceding mailing of a notice of redemption of any Bond, or (b) to register, transfer or exchange any Bond selected, called or being called for redemption in whole or in part after mailing notice of such call has been made.

The person in whose name a registered Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal, premium, if any, and interest thereon, shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove described. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

All Bonds delivered upon any transfer or exchange shall be valid obligations of the Bank, evidencing the same debt as the Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

**Nonpresentment of Bonds**

In the event any Bond shall not be presented for payment when the principal thereof comes due, either at maturity or at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the owner thereof, all liability of the Bank to the owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds for four years, for the benefit of the owner of such Bond, without liability for interest thereon to such owner, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under the Indenture or on, or with respect to, said Bond.

Any money so deposited with and held by the Trustee not so applied to the payment of Bonds within four years after the date on which the same shall become due shall be repaid by the Trustee to the Bank and thereafter the Bondholders shall be entitled to look only to the Bank for payment, and then only to the extent of the amount so repaid, and the Bank shall not be liable for any interest thereon to the Bondholders and shall not be regarded as a trustee of such money.

**Other Obligations Payable from Revenues**

The Bank shall grant no liens or encumbrances on or security interests in the Trust Estate (other than those created by the Indenture), and, except for the Bonds, shall issue no bonds or other evidences of indebtedness payable from the Trust Estate.

**Limitations on Obligations of Bank**

The Series 2026 Bonds, together with interest thereon, shall be limited obligations of the Bank but payable solely from Revenues and shall be a valid claim of the respective owners thereof only against the Funds and Accounts established under the Indenture and the County Bond acquired by the Trustee, all of which are assigned and pledged under the Indenture for the equal and ratable payment of the Series 2026 Bonds and shall be used for no other purpose than the payment of the Series 2026 Bonds, except as may be otherwise expressly authorized in the Indenture. The Series 2026 Bonds do not constitute a debt or liability or moral obligation of the State or of any political subdivision thereof under the constitution of the State or a pledge of the faith and credit or taxing power of the State or any political subdivision thereof, but shall be payable solely from the Revenues and funds pledged therefor in accordance with the Indenture including, without limitation, the avails of the full faith, credit and taxing power of the County derived or to be derived from County Bond Payments made in respect of the County Bond pursuant to the County Bond Resolution. The issuance of the Series 2026 Bonds under the provisions of the Act does not directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Series 2026 Bonds and the interest payable thereon do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution of the State or the statutes of the State and do not now and shall never constitute a charge against the credit or taxing power of the State or any political subdivision thereof; provided, however, that the County Bond is a general obligation of the County. Neither the State nor any agent, attorney, member or employee of the State or of the Bank, shall in any event be liable for the payment of the principal of, and premium, if any, or interest on the Series 2026 Bonds or damages, if any, for the nonperformance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bank. No breach by the Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any of the State's or the Bank's agents, members, attorneys, and employees or any charge upon the general credit of the State or a charge against the taxing power of the State or any political subdivision thereof. In the Bank Act, the State has pledged and agreed with the holders of any Series 2026 Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Series 2026 Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Series 2026 Bonds are fully met and discharged.

**Payment of Debt Service**

The Bank covenants and agrees under the Indenture that it will promptly pay the principal of, Redemption Price and interest on every Bond issued under the Indenture at the place, on the dates and in the manner provided in the Indenture and in said Bonds according to the true intent and meaning thereof, provided that the principal, Redemption Price and interest are payable by the Bank solely from the Revenues and any other funds or assets constituting the Trust Estate pledged to the Trustee as security by the Bank to the extent of that pledge.

**Performance of Covenants by Bank**

The Bank covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture and every Bond executed, authenticated and delivered under the Indenture and in all of its proceedings pertaining thereto. The Bank covenants and agrees under the Indenture that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Bonds authorized and to execute the Indenture and to pledge the Revenues and all other property pledged in the manner and to the extent set forth in the

Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken, and that the Bonds in the possession of the owners thereof are and will be valid and enforceable limited obligations of the Bank according to the terms thereof and of the Indenture.

**Discharge of Indenture**

Except as provided herein below, if payment or provision for payment is made to the Trustee, of the principal of, premium, if any, and interest due and to become due on the Bonds at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions of the Indenture, and all other amounts due under the Indenture have been paid in full, then the Trust Estate and rights granted under the Indenture shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the Bank such instruments in writing as shall be requisite to cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Bank any and all estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee by the Indenture or otherwise subject to the lien of the Indenture, except monies or securities held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of the Indenture when (a) payment of the principal of (and premium, if any, on) such Bond and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption or otherwise), either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee or other financial institution (which must meet the requirements of the Indenture) which provides services as escrow agent for the Bank (an "Escrow Agent"), in trust and exclusively for such payment, (A) monies sufficient to make such payment or (B) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient monies to make such payment, or (C) a combination of such monies and Governmental Obligations, and (b) all necessary and proper fees and expenses of the Trustee pertaining to the Bonds, with respect to which such deposit is made, shall have been paid or deposited with the Trustee.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Bank shall have given the Trustee, in a form satisfactory to the Trustee, irrevocable instructions:

(x) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by the Indenture);

(y) to timely call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to (x) of this paragraph; and

(z) to timely mail, in the manner prescribed by Article IV of the Indenture, a notice to the owners of such Bonds satisfying the requirements thereof.

Any monies so deposited with the Trustee or the Escrow Agent as provided above may at the direction of the Bank also be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Governmental Obligations in the possession of the Trustee as described hereinabove which is not required for the payment of the Bonds and interest thereon with respect to which such monies shall have been so deposited, shall be deposited in the General Account, as and when and collected for use and application as are other monies deposited in such General Account.

Notwithstanding any provision of the Indenture to the contrary, all monies or Governmental Obligations set aside and held in trust pursuant to the Indenture for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such monies or obligations have been set aside in trust.

Upon the deposit with the Trustee or Escrow Agent, in trust, at or before maturity, of money or Governmental Obligations in the necessary amount to pay or redeem all Outstanding Bonds as aforesaid (whether upon or prior to their maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in the Indenture, or provisions satisfactory to the Trustee shall have been made for the giving of such notice, and compliance with the other payment requirements of the Indenture, the Indenture may be discharged in accordance with the provisions thereof but the limited liability of the Bank in respect of such Bonds shall continue provided that the owners thereof shall thereafter be entitled to payment only out of the monies or Governmental Obligations deposited with the Trustee or Escrow Agent as aforesaid.

**Defaults; Events of Default**

If any of the following events occurs, it is defined as and declared to be and to constitute an "Event of Default" under the Indenture:

(a) Default in the due and punctual payment of any interest on any Bond; or

(b) Default in the due and punctual payment of the principal or Redemption Price of any Bond whether at the stated maturity thereof or on any date fixed for redemption; or

(c) Failure of the Bank to remit to the Trustee within the time limits prescribed in the Indenture any monies which are required by the Indenture to be so remitted; or

(d) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Bank contained in the Indenture or in the Bonds and failure to remedy the same within the time provided in, and after notice thereof pursuant to, the Indenture; or

(e) Any warranty, representation or other statement by or on behalf of the Bank contained in the Indenture or in any instrument furnished in compliance with or in reference to the Indenture is false or misleading, when made, in any material respect, and failure to remedy the same within the time provided in, and after notice thereof pursuant to, the Indenture; or

(f) A petition is filed against the Bank under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect and is not dismissed within 60 days after such filing; or

(g) The Bank files a petition in voluntary bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, adjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect, or consents to the filing of any petition against it under such law; or

(h) The Bank is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt, or makes an assignment for the benefit of creditors, or a liquidator or trustee of the Bank or any of its property is appointed by court order or otherwise takes possession of such property and such order remains in effect or such possession continues for more than 60 days; or

(i) Default in the due and punctual payment of any interest or principal on the County Bond; or

(j) (j) The Bank for any reason shall be rendered incapable of fulfilling its obligations under the Indenture; or

(k) There is a default under the County Bond Resolution.

**Remedies; Rights of Bondholders**

Upon the occurrence of an Event of Default, the Trustee shall, in its discretion, except for Events of Default under paragraphs (a), (b), (i) and (k) above, notify the owners of all Bonds Outstanding of such Event of Default by registered or certified mail, and will have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of, Redemption Price, and interest on the Bonds then Outstanding, including enforcement of any rights of the Bank or the Trustee under the County Bond.

(b) (b) The Trustee may by action or suit in equity, require the Bank to account as if it were the trustee of an express trust for the holders of the Bonds and may take such action with respect to the County Bond as the Trustee deems necessary or appropriate and in the best interest of the Bondholders, subject to the terms of the County Bond.

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders under the Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) The Trustee may declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with the Indenture and the Act, by notice to the Bank and the County.

Upon the occurrence of an Event of Default, (a) if requested to do so by the holders of 25% or more in aggregate principal amount of all Bonds Outstanding, and (b) if secured and/or indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by the Indenture as set forth above as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Bondholders.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders under the Indenture or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default under the Indenture, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

**Rights of Bondholders to Direct Proceedings**

Anything in the Indenture to the contrary notwithstanding, the Beneficial Owners of a majority in aggregate principal amount of Bonds Outstanding shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

**Application of Monies**

All monies received by the Trustee pursuant to any right or remedy given or action taken under the provisions of the Indenture (including monies received by virtue of action taken under provisions of the County Bond) shall, after payment of the costs and expenses of the proceedings resulting in the collection of such monies and payment of the expenses, liabilities and advances incurred or made by the Trustee and any other monies owed to the Trustee under the Indenture, be deposited in the General Account and all monies in such Account shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such monies shall be applied:

FIRST – To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, including interest on any past due principal of any Bond at the rate borne by such Bond, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to such payment ratably, according to the amounts due on such installments, to the persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due either at maturity or pursuant to a call for redemption (other than Bonds called for redemption for the payment of which other monies are held pursuant to the provisions of the Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Bonds due on any particular date, together with such interest, then to such payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may then become due either at maturity or upon call for redemption prior to maturity, and, if the amount available shall not be sufficient to pay in full the principal of and interest on Bonds due on any particular date, such payment shall be made ratably according to the amount of principal and interest due on such date to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such monies shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Whenever monies are to be applied as set forth above, such monies shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such monies and of the fixing of any such date, and shall not be required to make payment of principal to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of and interest on all Bonds have been paid under the provisions of the Indenture and all expenses and charges of the Trustee have been paid and all other amounts due under the Indenture have been paid in full, any balance remaining in the General Account shall be paid as provided in Article VI of the Indenture.

**Remedies Vested in the Trustee**

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of all the Outstanding Bonds.

**Rights and Remedies of Bondholders**

No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust of the Indenture or for the appointment of a receiver or any other remedy under the Indenture, unless (a) a Default has occurred, (b) such Default shall have become an Event of Default and the Beneficial Owners of not less than 25% in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies granted under the Indenture or to institute such action, suit or proceeding in its own name, (c) such Beneficial Owners of Bonds have offered to the Trustee security and/or indemnity as provided in the Indenture, and (d) the Trustee has refused or for 60 days after receipt of such request and offer of security and/or indemnification has failed to exercise the remedies granted under the Indenture or to institute such action, suit or proceeding in its own name, and such request and offer of security and/or indemnity are declared under the Indenture in every case at the option of Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its, his, her or their action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal and ratable benefit of the owners of all Bonds Outstanding. However, nothing contained in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the limited obligation of the Bank to pay the principal of, premium, if any, and interest on each of the Bonds issued under the Indenture to the respective owners thereof at the time and place, from the source and in the manner expressed in the Bonds.

**Termination of Proceedings**

In case the Trustee or any owner of any Bonds shall have proceeded to enforce any right under the Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, and with regard to the property subject to the Indenture, and all rights, remedies and powers of the Trustee and the owners of the Bonds shall continue as if no such proceedings had ever taken place.

**Waivers of Events of Default**

The Trustee may at its discretion waive any Event of Default under the Indenture and its consequences, and shall do so upon the written request of the Beneficial Owners of (a) more than 66 2/3% in aggregate principal amount of all the Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists, or (b) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any Event of Default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or (ii) any Event of Default in the payment when due of the interest on any Outstanding Bond unless prior to such waiver all of the interest or all payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for or (iii) any Event of

Default for nonpayment of Program Expenses. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any rights consequent thereon.

**Supplemental Indentures not Requiring Consent of Bondholders**

The Bank and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the opinion of Bond Counsel, does not materially and adversely affect the interest of the owners of Outstanding Bonds and does not require unanimous consent of the Bondholders pursuant to the Indenture;

(c) To subject to the Indenture additional Revenues, properties or collateral;

(d) To modify, amend or supplement the Indenture or any indenture supplemental to the Indenture in such a manner as to permit the qualification of the Indenture and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental to the Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;

(e) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee under the Indenture or the succession of a new registrar and/or paying agent; and

(f) In connection with the issuance of Refunding Bonds.

**Supplemental Indentures Requiring Consent of Bondholders**

Exclusive of Supplemental Indentures provided for by the Indenture and subject to the terms and provisions contained in this paragraph, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds Outstanding which are affected (exclusive of Bonds held by the Bank), shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Bank and the Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing in the Indenture contained shall permit, or be construed as permitting, without the consent of the owners of all then Outstanding Bonds, (a) an extension of the maturity of the principal of or the interest on any Bond issued under the Indenture, or (b) a reduction in the principal amount of any Bond or change in the rate of interest, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (e) the creation of any lien securing any Bonds other than a lien ratably securing all of the Bonds Outstanding under the Indenture, or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

If at any time the Bank shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes set forth above, the Trustee shall, upon being satisfactorily secured and/or indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each owner of a Bond at the address shown on the registration records maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondholders. If, within 60 days, or such longer period as shall be prescribed by the Bank, following the mailing of such notice, the owners of not less than 51% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture (exclusive of Bonds held by the Bank) shall have consented to and approved the execution of such Supplemental Indenture as provided in the Indenture, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Bank from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as permitted and provided above, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

## THE SERIES 2026 BONDS AS LEGAL INVESTMENTS

The Series 2026 Bonds are legal investments in which all public officers and public bodies of the State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons may invest. The Series 2026 Bonds may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivisions of the State and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

## LITIGATION

There is not now pending nor, to the Bank's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2026 Bonds or prohibiting the Bank from purchasing the County Bond with the proceeds of such Series 2026 Bonds or in any way contesting or affecting the validity of the Series 2026 Bonds, any proceedings of the Bank taken with respect to the issuance or sale thereof or the pledge or application of any monies or security provided for the payment of the Series 2026 Bonds. The creation, organization or existence of the Bank or the title of any of the present directors or other officers of the Bank to their respective offices is not being contested.

There is not now pending nor, to the knowledge of the County, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the County Bond or prohibiting the County from selling the County Bond to the Bank or in any way contesting or affecting the validity of the Series 2026 Bonds, the County Bond, or any proceedings of the County taken with respect to the issuance or sale of the County Bond or the pledge or application of any monies or security provided for the payment of the County Bond. Neither the creation, organization or existence, nor the title of the members of the Governing Body to their offices, is being challenged or questioned.

The County is currently involved in an annexation dispute with the City of Pascagoula, Mississippi (the "City"), entitled "*In the Matter of the Enlarging, Extending, and Defining the Corporate Limits and Boundaries of the City of Pascagoula, Jackson County, Mississippi, Cause No. 25-1215*" (the "Annexation Dispute"), pursuant to which the City is attempting to annex an industrial area in the County known as the Bayou Casotte Industrial Zone (the "Zone"). The County has objected to the proposed annexation of the Zone on numerous grounds including a specific law recently passed by the Legislature of the State prohibiting such annexation. While the County does not believe that the City will succeed in its attempt to annex the Zone, if the City were successful, it could result in reduced tax collections to the County.

While the County is involved in numerous other legal proceedings, there is no action, suit, proceeding or investigation, at law or in equity before or by any court, public body or other body pending or, to its knowledge, threatened against or affecting the County, including the Annexation Dispute, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated under the Series 2026 Bonds or the County Bond or the performance of the obligations of the County under the County Bond.

## TAX MATTERS

**INTEREST ON THE SERIES 2026 BONDS SHOULD BE TREATED AS INCLUDABLE IN GROSS INCOME OF THE HOLDERS THEREOF FOR FEDERAL INCOME TAX PURPOSES.**

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2026 Bonds is exempt from income taxation in the State**.**

## LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Series 2026 Bonds by the Bank are subject to the approval of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel, whose approving opinion will be delivered concurrently with the delivery of the Series 2026 Bonds. Butler Snow LLP has also acted as Disclosure Counsel in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the Bank by its counsel, Balch & Bingham, LLP, Jackson, Mississippi, for the County by its counsel, James H. Colmer, Jr., Esq., Pascagoula, Mississippi, and for the Underwriter, Jones Walker LLP, Jackson, Mississippi.

Bond Counsel is also serving as Bond Counsel for the County in connection with the issuance and sale of the County Bond.

The remedies available to the Trustee, to the Bank or to the owners of the Series 2026 Bonds upon an "event of default" under the Indenture or under the terms of the County Bond purchased by the Bank are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and under the County Bond may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

## 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 on 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, and from 17.40 to 17.90 percent as of July 1, 2024. 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.

In the 2025 legislative session, the State Legislature added a Tier 5 to PERS which provides a new benefit structure for PERS-covered employees hired March 1, 2026, and thereafter. Employees hired prior to March 1, 2026, are not affected.

The County contributions (employer share only) to PERS for the years ending September 30, 2025, 2024 and 2023 were $7,693,504, $7,160,913 and $6,706,648, respectively, which equaled the required contributions for each year. As of September 30, 2025, the County reported a liability of $136,366,061 for its proportionate share of the net pension liability. See Pages 9 and 50 in the County's 2025 Audited Financial Statements included in "APPENDIX B - Financial Information Concerning the County."

## INDEPENDENT AUDITORS

The audited financial statements of the County for the year ended September 30, 2025, included in this Official Statement as "APPENDIX B – Financial Information Concerning the County," (the "Audit Report") have been prepared by the County Audit Section, Office of the State Auditor, Shad White (the "Auditor"). The Country has not requested and will not obtain a letter of consent from the Auditor for inclusion of the Audit Report in this Official Statement. The Auditor has not been engaged to perform, and has not performed, since the date of the Audit Report, any procedures on the financial statements addressed in the Audit Report. The Auditor also has not performed any procedures relating to this Official Statement.

## CONTINUING DISCLOSURE

The County will execute a continuing disclosure certificate (the "Disclosure Certificate") at the time of the closing for the Series 2026 Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Series 2026 Bonds, and the County has covenanted in the County Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as any Series 2026 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.

The County has previously entered into continuing disclosure undertakings with respect to bonds it has issued or for which it is the "obligated person" within the meaning of Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). There have been instances in the last five years in which the County has failed to timely file its audited financial statements, unaudited financial statements and certain annual financial information and operating data as required by its prior continuing disclosure undertakings. The County's audited financial statements were not timely filed in fiscal years 2021, 2022, 2023 and 2024. However, the County posted the required notices of failure to file the audited financial statements for each of the aforementioned fiscal years in a timely manner. The County does not prepare unaudited financial statements and consequently did not file them in fiscal years 2021 through 2024. In the event that its audited financial statements are not available in a timely manner, the County intends to file unaudited financial information. In addition, there have been instances in which some information and tables included in its prior continuing disclosure undertakings were not included in every filing on EMMA or posted in a timely manner.

The County has adopted policies and procedures to ensure timely filing of its annual financial information (the "Policy"). Pursuant to the Policy, a staff designee of the County will appoint or engage a dissemination agent to assist in carrying out its obligations under the Policy and/or the staff designee will be responsible for submitting the information required under the Policy. In accordance with the Policy, the County has hired a dissemination agent to file the County's required annual report. The County has also adjusted the timing of its reporting deadline on future issues to 12 months to ensure timely filing.

## RATING

S&P Global Ratings ("S&P") has assigned a rating of "AA-" to the Series 2026 Bonds. Such rating reflects only the view of S&P, and an explanation of the significance of the rating may be obtained only from said rating agency.

There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P if in its judgment circumstances so warrant. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Series 2026 Bonds. Such rating is not a recommendation to buy, sell or hold any of the Series 2026 Bonds.

## UNDERWRITING

The Series 2026 Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase all of the Series 2026 Bonds from the Bank at a purchase price of $________, which is equal to the principal amount thereof minus the Underwriter's discount of $_________. The Underwriter is obligated to purchase all the Series 2026 Bonds, if any are purchased, the obligation to make such purchases being subject to certain terms and conditions set forth in the Bond Purchase Agreement with respect to the Series 2026 Bonds, the approval of certain legal matters by counsel and certain other conditions.

## MUNICIPAL ADVISOR

The County has retained the firm of Government Consultants, Inc., Madison, Mississippi, as independent registered municipal advisor (the "Municipal Advisor") to the County in connection with the issuance of the Series 2026 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 Series 2026 Bonds and the time of the sale, market conditions and other factors related to the sale of the Series 2026 Bonds.

Although the Municipal Advisor performed an active role in the drafting of this 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 the County's records and from other sources which are believed to be reliable, including financial records of the County and other entities, which records 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 the same and reference is made to such original sources in all respects.

## VALIDATION

The Series 2026 Bonds will be validated before the Chancery Court of the First Judicial District of Hinds County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended. The County Bond will be validated by the Chancery Court of Jackson County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended.

## MISCELLANEOUS

The Bank's offices are located at 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

All quotations from, and summaries and explanations of, the Act and the Indenture contained in this Official Statement do not purport to be complete, and reference is made to each such document or instrument for full and complete statements of their provisions. In the event a reference is made to the Act of Indenture, which does not related directly to the purpose for which the reference is made, then the section citation should be disregarded and the most sensible and related reference shall be considered and applied. The attached Appendices are an integral part of this Official Statement and must be read together with all of the foregoing statements. Copies in reasonable quantity of the Act, the Indenture and the supplemental materials furnished to the Bank by the County may be obtained upon request directed to the Bank.

Neither any advertisement of the Series 2026 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2026 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement has been duly approved, executed and delivered by the Bank. The Bank will provide copies of this Official Statement to be distributed to the purchasers of the Series 2026 Bonds.

**MISSISSIPPI DEVELOPMENT BANK**

By: ____________________________________
Executive Director

# APPENDIX A

# INFORMATION CONCERNING THE COUNTY

[THIS PAGE INTENTIONALLY LEFT BLANK]

## INFORMATION CONCERNING THE COUNTY

### General Description

Jackson County, Mississippi (the "County") bordering on the Gulf of Mexico and the State of Alabama and named after President Andrew Jackson, was formed in 1812. With a land area of 744 square miles, the County has the location and resources which have proven conducive to rapid manufacturing growth, especially for industries oriented to water transportation and resources. A variety of enterprises such as farming, fishing, mining, construction, governmental activities and medical services are also found within the County. The County has an abundance of recreational facilities including deep-sea and freshwater fishing, crabbing, backwoods hunting, championship golfing, skiing and competition sail boating.

The County seat, the City of Pascagoula (the "City"), is a historic waterfront community. The City derived its name from the Pascagoula Indians. It is home to one of the Southeast's largest employers, HII's Ingalls Shipbuilding, and to Chevron USA Inc.'s most modern refinery. The City is located 39 miles southwest of Mobile, Alabama, 106 miles northeast of New Orleans, Louisiana, and 184 miles southeast of Jackson, the capitol of the State.

### Population

County and State population figures have been recorded as follows:

| | 2000 | 2010 | 2020 | 2025 Estimates |
|---|---|---|---|---|
| **County** | 131,420 | 139,668 | 143,252 | 147,666 |
| **State** | 2,844,658 | 2,967,297 | 2,961,279 | 2,954,160 |

SOURCE: United States Department of Commerce, Bureau of the Census, August 2026.

### Government

The County is governed by a five-member Board of Supervisors (the "Governing Body"), each of whom is elected from a separate district or "beat," to concurrent four-year terms. Current members of the Governing Body are:

| Name and Title | Occupation | Beginning of Current Term | End of Current Term |
|---|---|---|---|
| Barry Cumbest | Full-Time Supervisor | 01/01/24 | 12/31/27 |
| Ennit Morris | Full-Time Supervisor | 01/01/24 | 12/31/27 |
| Ken Taylor | Full-Time Supervisor | 01/01/24 | 12/31/27 |
| Troy Ross | Full-Time Supervisor | 01/01/24 | 12/31/27 |
| Randy Bosarge | Full-Time Supervisor | 01/01/24 | 12/31/27 |

The Governing Body prepares the budget, levies such taxes on County property as may be needed to meet the budget, authorizes bond issues and regulates construction and maintenance of County roads, bridges and buildings.

### Transportation

**Airports.** Trent Lott International Airport is owned and operated by the County and is located approximately six miles from the City. It has a paved runway which extends for 6,500 feet at an elevation of 17 feet. Gulfport-Biloxi International Airport serves the Jackson County area with services offered by American/American Eagle Airlines, Delta Air Lines, United Airlines and US Airways, featuring 15 daily flights. There is also a large commercial airport in Mobile, Alabama, located approximately 40 miles from the City, featuring 42 daily flights by American Eagle Airline, Delta Air Lines/ASA and US Airways.

**Highways.** United States Highway 90 runs east and west through the southern end of the County and State Highways 57, 63 and 613 run north and south in the County. Interstate Highway 10 parallels United States Highway 90 and connects the County with Mobile, Alabama, to the east, and New Orleans, Louisiana, to the west.

**Railroads.** The CSX System Railroad and the Mississippi Export Railroad serve the County with freight service. These rail lines provide piggy-back service with daily stops in the County.

**Bus Lines.** Greyhound Lines, Inc. operates a bus line providing connections to New Orleans, Louisiana to the west, Mobile, Alabama to the east and Memphis, Tennessee to the north.

**Ports.** The Port of Pascagoula (the "Port"), located in the City, is a full-service deep water port providing facilities for the movement of cargo around the world. The Port is one of the most accessible ports in the Gulf of Mexico for deepwater foreign and domestic commerce. The Port is only 12 miles from the deep water of the world shipping lanes with a maximum pilotage time of 60 to 90 minutes. For barge shipments, the Port is only four miles from the Gulf Intercoastal Waterway. The Port has two harbors, the Pascagoula River Harbor and the Bayou Cassotte Harbor. The two harbors are a combination of public and private terminals moving in excess of 30 million tons of cargo annually. The Port is the largest seaport in Mississippi and ranks nationally in the top 20 ports in foreign cargo volume. The Pascagoula ship channel has a depth of 38 feet throughout and is 350 feet wide with the exception of the Bayou Cassotte entrance channel which is 225 feet wide. Pilot service is available 24 hours a day.

**Educational Facilities**

**Higher Education.** The University of Southern Mississippi located 70 miles to the north of the County in Hattiesburg, Mississippi, operates a branch in the County, providing both undergraduate and graduate courses. In addition, the County is home to a junior college known as the Jackson County Campus of the Mississippi Gulf Coast Community College.

**Public Schools.** Educational facilities within the County include Jackson County School District, Pascagoula-Gautier School District, Moss Point Municipal Separate School District and Ocean Springs Municipal Separate School District. Such districts operate 28 public elementary schools and 16 middle and senior high schools and one special education school for all grades. The combined enrollment history for all above school districts, is as follows:

| Scholastic Year | Enrollment |
|---|---|
| 2025-26 | 22,132 |
| 2024-25 | 22,762 |
| 2023-24 | 22,849 |
| 2022-23 | 22,901 |
| 2021-22 | 22,891 |

SOURCE: Mississippi Department of Education, at www.newreports.mdek12.org; August 2026.

**Medical Facilities**

Hospital services in the County are provided by the Singing River Health System (the "Health System") which includes Singing River Hospital (435 beds), serving the Pascagoula-Moss Point, Mississippi areas, and Ocean Springs Hospital (136 beds), serving the Ocean Springs, Mississippi area. The Health System is a County-owned and operated, hospital system offering all major health care services. The

Health System operates four intensive care units: Medical, Surgical, Neuro/Pediatric and a Cardiac Surgery Care Unit. There is a 24-hour emergency room at each hospital with a complete emergency room staff. Each hospital has been designated and serves as a Level 3 regional trauma center for the Mississippi Gulf Coast.

Nursing home facilities in the County include Singing River Hospital Rehabilitation and Nursing Center (160 beds), Plaza Community Living Center (120 beds), and Ocean Springs Nursing Center (115 apartments). Acadian Ambulance and Air-Med Services, Inc. provide ambulance and air-med services for the Mississippi Gulf Coast, including the County.

**Communication Services**

*The Sun Herald* is published in Biloxi, Mississippi and is a daily newspaper which is available locally at newsstands and by subscription. *The Clarion-Ledger*, Jackson, Mississippi, and *The Times-Picayune/New Orleans Advocate*, New Orleans, Louisiana, are newspapers also widely circulated in the County. *The Ocean Springs Record* is a weekly newspaper published in the County.

The County is served by two local AM and two FM radio stations. The area also receives signals from New Orleans, Louisiana and Mobile, Alabama radio stations. Television stations representing the three major networks are located on the Mississippi Gulf Coast and are accessible by residents of the County. The local cable television service provides approximately 35 regional and national channels, one local cable channel, six paid subscription channels and one pay-per-view channel.

**Fire and Police Protection Services**

Each municipality in the County has its own police department with specialized departments for narcotics, juveniles, SWAT and civil defense operations. The County's Sheriff's Department provides protection to all unincorporated areas of the County. Fire protection is provided by four municipal fire departments and nine volunteer departments located throughout the County.

**Per Capita Income**

The following represents per capita income annually for the County and for non-metropolitan portions of Mississippi and the United States of America:

| Year | County | Mississippi | United States | County as % of U.S. |
|---|---|---|---|---|
| 2023 | $48,028 | $49,652 | $69,810 | 69% |
| 2022 | 45,432 | 47,134 | 66,244 | 69 |
| 2021 | 45,976 | 46,869 | 64,460 | 71 |
| 2020 | 41,521 | 42,448 | 59,123 | 70 |
| 2019 | 38,522 | 39,143 | 55,566 | 69 |

SOURCE: Bureau of Economic Analysis: Regional Economic Accounts at website: www.bea.gov, (BEA data last updated November 14, 2024). August 2026.

### Retail Sales and Sales Tax Collected

| State Fiscal Year Ended June 30 | Amount of Sales | Sales Tax Collected |
|---|---|---|
| 2025 | $2,257,326,079 | $142,869,066 |
| 2024 | 2,193,988,356 | 138,862,576 |
| 2023 | 2,080,088,943 | 133,642,318 |
| 2022 | 2,058,639,951 | 131,891,076 |
| 2021 | 1,989,504,819 | 126,350,629 |

SOURCE: Department of Revenue, State of Mississippi, Annual Reports at www.dor.ms.gov, August 2026.

### Major Employers

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

| Employer | Product or Service | Employees |
|---|---|---|
| Ingalls Shipbuilding | Manufacturing/Shipbuilding | 12,250 |
| Chevron U.S.A. Inc. | Oil Refinery | 3,600 |
| Singing River Health System | Medical Services | 2,300 |
| VT Halter Marine | Manufacturing/Shipbuilding | 1,700 |
| Pascagoula-Gautier School District | Education | 1,302 |
| Jackson County School District | Education | 1,200 |
| Ocean Springs School District | Education | 750 |
| Wal-Mart (Ocean Springs) | Retail | 450 |
| Wal-Mart (Pascagoula) | Retail | 450 |
| SUPSHIP | Government | 400 |

SOURCE: Jackson County Economic Development Foundation, Inc., August 2026.

### County Unemployment Statistics

| Year | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Annual Average |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2020** | 5.6 | 5.2 | 7.1 | 18.3 | 14.9 | 10.6 | 9.2 | 7.3 | 7.0 | 6.1 | 6.0 | 6.1 | 8.5 |
| **2021** | 6.4 | 6.3 | 5.9 | 5.4 | 5.6 | 6.5 | 5.9 | 5.3 | 4.5 | 4.1 | 3.7 | 3.5 | 5.3 |
| **2022** | 4.5 | 4.1 | 3.4 | 3.3 | 3.6 | 4.5 | 4.3 | 3.9 | 3.6 | 3.3 | 3.3 | 3.0 | 3.7 |
| **2023** | 3.4 | 3.1 | 2.9 | 2.4 | 2.9 | 3.6 | 3.4 | 3.3 | 2.8 | 2.5 | 2.4 | 2.5 | 2.9 |
| **2024** | 3.0 | 2.7 | 2.4 | 1.9 | 2.8 | 3.7 | 3.5 | 3.4 | 3.1 | 3.1 | 3.3 | 3.4 | 3.0 |
| **2025** | 3.9 | 4.0 | 3.6 | 3.1 | 3.5 | 4.2 | 4.1 | 3.9 | 3.5 | | 3.4 | 3.1 | 3.7 |
| **2026** | 3.8 | 4.1 | 3.7 | 3.0 | 3.3 | 3.9 | | | | | | | 3.6 |

SOURCE: *Annual Labor Force Report,* Mississippi Employment Security Commission, August 2026.

**County Employment Statistics**

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| **Residence Based Employment** | 63,423 | 64,991 | 65,017 | 65,184 | 66,508 | 67,767 |
| Civilian Labor Force | 5,419 | 3,415 | 2,430 | 1,908 | 2,014 | 2,488 |
| Unemployed | 8.5 | 5.3 | 3.7 | 2.9 | 3.0 | 3.7 |
| Unemployment Rate | 58,004 | 61,576 | 62,587 | 63,276 | 64,494 | 65,279 |
| Employed | 63,423 | 64,991 | 65,017 | 65,184 | 66,508 | 67,767 |

SOURCE: Mississippi Department of Employment Security ("MDES"): Annual Averages 2020 Forward. Information available as of August 2026.

## TAX INFORMATION

**Description of County Taxes**

**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 Governing Body on the first Monday in July. Thereafter, the assessments are equalized by the Governing Body and notice is given to the taxpayers that the Governing Body will meet to hear objections to the assessments. After objections are heard, the Governing Body adjusts the rolls and submits them to the Department of Revenue (formerly the State Tax Commission) of the State (the "Department of Revenue"). The Department of Revenue may then accept the rolls, or, if it finds the rolls incorrect in any valuation, it may return the rolls to the Governing Body for correction. The Governing Body then revises the tax rolls in accordance with the recommendations of the Department of Revenue. If the Governing Body has any objections to the direction of the Department of Revenue to revise the rolls, it may arrange a hearing before the Department of Revenue. Otherwise, the assessment rolls are finalized and are 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.

**Procedure for Tax Collections.** The Governing Body 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, 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, 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. 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.

**Assessed Valuation**[1]

| Assessment Year | Real Property | Personal Property[2] | Public Utility Property | Total |
|---|---|---|---|---|
| 2025 | $1,101,218,669 | $946,906,596 | $300,617,777 | $2,348,743,042 |
| 2024 | 1,027,025,741 | 908,339,607 | 304,159,861 | 2,239,525,209 |
| 2023 | 1,002,180,979 | 936,471,335 | 304,143,561 | 2,242,795,875 |
| 2022 | 978,412,910 | 875,625,132 | 322,857,591 | 2,176,895,633 |
| 2021 | 963,350,831 | 845,487,854 | 322,830,005 | 2,131,668,690 |

1 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.

2 Includes mobile homes and automobiles.

SOURCE: Office of the Jackson County Chancery Clerk; August 2026.

The above 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), 15% of true value;

(b) single-family, owner-occupied residential real property, 10% of true value; and

(c) motor vehicles and public utility property, 30% of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 pursuant to which there was proposed an amendment to Section 112 of 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 amended, 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 10% of true value as opposed to 15% of true value under previously existing law. The Amendment was ratified by the electorate on June 3, 1986.

The assessed valuation figures above do not include property exempt from all County ad valorem taxes for a period of up to 10 years, primarily for new or expanded manufacturing facilities. This real and personal property will become subject to County ad valorem taxation at different points in time during the next 10 years. In addition, certain other industrial and manufacturing facilities are exempt from ad valorem taxation pursuant to Section 57-3-33, Mississippi Code of 1972, as amended and other applicable laws.

**Reappraisal of Property and Limitations 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 (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. The County has completed its reappraisal.

**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.

Those homeowners who qualify for homestead exemption and (a) have reached the age of 65 years on or before January 1 of the year for which the exemption is claimed, or (b) are service-connected and totally disabled veterans who (i) were honorably discharged from military service, (ii) are classified as disabled under the Federal Social Security Act, Railroad Retirement Act, or any other federal act approved the by State Department of Revenue, (iii) are totally disabled under the provisions of a retirement plan that is considered to be qualified under the United States Internal Revenue Code, which qualification is determined by the State Department of Revenue, or (iv) are totally disabled as determined by the State Department of Revenue pursuant to its rules and regulations, are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of $7,500 of assessed value thereof.

Subject to the limitations hereinafter described, the tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the State Department of Revenue. Reimbursements are limited to, in the case of exempted county taxes, to $50.00 for county taxes exempted and $100.00 for school taxes exempted per qualified homestead exemption applicant. In the case of tax losses suffered by a municipality as a result of those qualified applicants who have reached 65 years of age or meet the disability requirements found in subsection (2) of Section 27-33-67, Mississippi Code of 1972, as amended, the reimbursement shall equal the full amount of the actual exemption allowed, not to exceed $200.00 per qualified homestead applicant. Provided, however, no taxing unit may be reimbursed an amount in excess of 106% of the total net reimbursement made to such taxing unit in the next preceding year, nor may any taxing unit be reimbursed less than the total net reimbursement made to such taxing unit in the next preceding year.

**Tax Levy Per $1,000 Valuation[1]**

| | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|---|---|---|---|---|---|---|
| ***General Purposes*** | | | | | | |
| General County | 32.340 | 32.100 | 32.470 | 32.430 | 32.170 | 33.260 |
| Reappraisal Maintenance | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Airport | 1.340 | 1.000 | .950 | 0.930 | 0.930 | 0.840 |
| Solid Waste | 5.890 | 5.890 | 5.890 | 5.890 | 5.890 | 5.890 |
| Fire District | 5.780 | 5.780 | 5.780 | 5.780 | 5.780 | 5.780 |
| Road | 8.720 | 8.420 | 8.270 | 8.270 | 8.240 | 8.360 |
| Bridge & Culvert | 1.220 | 1.180 | 1.090 | 1.090 | 1.010 | 1.000 |
| General Debt Service | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Road Debt Service | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Port Bond Redemption | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital Improvements | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Library | 1.820 | 1.740 | 1.660 | 1.220 | 1.590 | 1.480 |
| MGCCC-Maintenance | 2.600 | 2.600 | 2.600 | 2.600 | 2.600 | 2.600 |
| MGCCC-Bonds | 1.820 | 1.820 | 1.820 | 1.820 | 1.820 | 1.820 |
| Pat Harrison-Operation | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Port Operations | .500 | .500 | .500 | 1.000 | 1.000 | 0.000 |
| **TOTAL GENERAL PURPOSES** | 63.030 | 62.030 | 62.030 | 62.030 | 62.030 | 62.030 |
| ***School Purposes*** | | | | | | |
| Jackson County School District | 55.000 | 51.560 | 51.680 | 54.880 | 55.000 | 54.000 |
| Jackson County School Notes | 2.770 | 2.990 | 0.330 | 2.430 | 3.000 | 2.790 |
| Jackson County School District | 0.000 | 0.000 | 2.600 | 0.000 | 0.000 | 0.000 |
| **TOTAL SCHOOL PURPOSES** | 57.770 | 54.550 | 54.610 | 57.310 | 58.000 | 56.790 |
| | | | | | | |
| **TOTAL GENERAL PURPOSES AND SCHOOL PURPOSES** | 120.800 | 116.580 | 116.640 | 119.340 | 120.030 | 118.820 |
| ***Special Districts*** | | | | | | |
| St. Andrews Lighting District | 4.100 | 2.920 | 2.890 | 2.000 | 2.000 | 2.000 |
| Triple Subdivision Lighting District | 2.000 | 1.740 | 1.730 | 1.730 | 1.730 | 1.730 |
| Gulf Hills Lighting District | 1.710 | 1.710 | 1.530 | 1.530 | 1.530 | 1.530 |
| Helena Lighting District | 8.710 | 6.420 | 6.420 | 6.420 | 6.420 | 6.420 |
| West Jackson County Utility District | 2.380 | 2.030 | 1.960 | 1.960 | 1.830 | 1.620 |
| Gulf Park/St. Andrews Fire District | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 | 2.000 |
| Gulf Park/St. Andrews District | 5.780 | 5.780 | 5.780 | 5.780 | 5.780 | 5.780 |
| **TOTAL SPECIAL DISTRICTS** | 26.680 | 22.600 | 22.310 | 21.420 | 21.290 | 21.080 |

[1] Tax levy figures are given in mills. The County also levies a tax of nine cents ($0.09) for forestry acreage.

SOURCE: Office of the Jackson County Chancery Clerk, August 2026.

**Ad Valorem Tax Collections**

| Fiscal Year Ended September 30 | Taxes Due | Taxes Collected | Difference Over (Under) |
|---|---|---|---|
| 2025 | $110,018,230 | $113,608,749 | $3,590,519 |
| 2024 | 109,516,070 | 114,005,415 | 4,489,345 |
| 2023 | 107,218,597 | 108,434,170 | 1,215,573 |
| 2022 | 103,087,055 | 105,125,832 | 2,038,777 |
| 2021 | 100,500,000 | 100,574,944 | 74,944 |

SOURCE: Office of the Jackson County Chancery Clerk, August 2026.

**Ten Largest Taxpayers**[1]

| Taxpayer | Assessed Valuation | Taxes Paid |
|---|---|---|
| Chevron Refinery Site | $467,762,804 | $28,052,368 |
| Mississippi Power Company | 207,157,669 | 12,590,851 |
| Ingalls Shipbuilding Corporation | 143,864,784 | 5,162,259 |
| Gulf LNG Energy LLC | 52,145,777 | 3,234,603 |
| Bollinger Mississippi Shipbuilding | 21,809,926 | 1,005,073 |
| Tri States NGL Pipeline LLC | 17,206,255 | 1,051,874 |
| Plain Pipeline LP | 17,016,267 | 1,055,519 |
| Gulfstream Natural Gas System LLC | 13,300,000 | 790,641 |
| Omega Protein | 10,968,817 | 552,390 |
| Florida Power & Light Co | 8,350,761 | 517,998 |

[1] As of Fiscal Year ended September 30, 2025.

SOURCE: Office of the Jackson County Tax Collector; August 2026.

## DEBT INFORMATION

### County Debt Limitations

**Statutory Debt Limitations.** 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 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 15% limitation, there may be deducted all bonds or other evidences of indebtedness heretofore or hereafter issued for the construction of hospitals, ports or other capital improvements payable primarily from the net revenues to be generated from such hospitals, ports 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 may a county incur indebtedness which, when added to all of its outstanding indebtedness, both bonded and floating, exceeds 20% of the assessed value of the taxable property within such county.

The total general obligation indebtedness of a county, both bonded and floating (including bonds excepted from the 15% debt limit above), may not exceed 20% of the assessed value of all taxable property within such county. However, bonds issued for school purposes and industrial development bonds issued under the State's Balance Agriculture with Industry Program are specifically excluded from both the 15% debt limitation and the 20% debt 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 20% debt limitation.

**Legal Debt Limit Statement**

**(As of August 1, 2026)**

| | **15% Limit** | **20% Limit** | **20% Port Bond Limit** |
|---|---|---|---|
| Authorized Debt Limit (Last Completed Assessment for Taxation - $2,348,743,042) | $352,311,456 | $469,748,608 | $469,748,608 |
| **Present Debt Subject to Debt Limits** | 12,630,000 | 12,630,000 | 33,655,000 |
| Margin for Further Debt Under Debt Limits | $339,681,456 | $457,118,608 | $436,093,608 |
| Series 2026 Bonds | 0 | 0 | 30,000,000 |
| Margin for Further Debt Under Debt Limits after Issuance of the County Bond | $339,681,456 | $457,118,608 | $406,093,608 |

SOURCE: Office of the Jackson County Chancery Clerk; August 2026.

**Outstanding General Obligation Bonded Debt**

**(As of August 1, 2026)**

| **Name of Issue** | **Date of Issue** | **Original Principal Amount** | **Outstanding Principal Amount** |
|---|---|---|---|
| ***General Obligation Bonds*** | | | |
| General Obligation Road and Bridge Bonds, Series 2017 | 12/27/17 | $ 6,065,000 | $ 1,360,000 |
| General Obligation Refunding Bonds, Series 2021A | 9/13/21 | 18,465,000 | 11,270,000 |
| **TOTAL** | | | **$12,630,000** |
| | | | |
| ***General Obligation Port* Bonds**[1, 2] | | | |
| Water System Special Obligation Bonds, Series 2009[3] | 12/15/09 | $24,000,000 | $24,000,000 |
| General Obligation Port Bonds, Series 2023 | 6/1/23 | 11,370,000 | 9,655,000 |
| **TOTAL** | | | **$33,655,000** |

1 Subject only to the 20% statutory debt limit prescribed by Section 59-9-37, Mississippi Code of 1972, as amended.

2 Does not include the Series 2026 Bonds.

3 Principal and interest on these bonds is paid from revenues from an industrial water pipeline for the Bayou Cassotte Industrial area and is guaranteed by Chevron Corporation.

SOURCE: Office of the Jackson County Administrator; August 2026.

**Other Outstanding Bonded Debt**

**(As of August 1, 2026)**

| Name of Issue | Date of Issue | Original Principal Amount | Outstanding Principal Amount |
|---|---|---|---|
| 2018 Special Obligation Bonds (Limited Tax Note) | 12/19/18 | $21,347,000 | $ 5,523,000 |
| 2021 Limited Tax Hospital Revenue Refunding Bonds | 3/15/21 | 29,783,000 | 19,134,000 |
| 2021 Special Obligation Bonds (Jackson County GOMESA Project) | 8/31/21 | 15,000,000 | 11,725,000 |
| **TOTAL** | | | **$ 36,382,000** |

SOURCE: Office of the Jackson County Chancery Clerk; August 2026.

Principal and interest on the 2018 Limited Tax Note and 2021 Hospital Refunding Bonds described above are secured by revenue derived from the net operating revenue of the Health System, in addition to 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 2018 Limited Tax Note and 2021 Hospital Refunding Bonds. Consequently, this debt is not included in the 20% debt limit prescribed by Section 19-9-5, Mississippi Code of 1972, as amended, as described herein. In addition, the 2021 GOMESA Bonds are revenue bonds payable solely from revenues paid to the County pursuant to the Gulf of Mexico Energy Security Act of 2006 and are not subject to the legal debt limit of the County.

**Five Years Annual Debt Service Requirements[1, 2]**

| Year Ending September 30 | Principal | Interest | Total Debt Service |
|---|---|---|---|
| 2027 | $616,000 | $457,647 | $1,073,647 |
| 2028 | 645,000 | 428,449 | 1,073,449 |
| 2029 | 675,000 | 397,876 | 1,072,876 |
| 2030 | 708,000 | 365,881 | 1,073,881 |
| 2031 | 741,000 | 332,321 | 1,073,321 |

[1] Does not include the 2009 Water System Bonds because principal and interest are paid from revenues from an industrial water pipeline for the Bayou Cassotte Industrial area and is guaranteed by Chevron Corporation.

[2] Does not include the Series 2026 Bonds.

SOURCE: Office of the Jackson County Chancery Clerk; August 2026.

**Debt Ratios**

| Fiscal Year Ended September 30 | Assessed Valuation | General Obligation Debt to Assessed Value[1] | Debt Ratio |
|---|---|---|---|
| 2025 | $2,348,743,042 | $48,660,000 | 2.08% |
| 2024 | 2,239,525,209 | 64,471,000 | 2.88 |
| 2023 | 2,242,795,875 | 68,018,000 | 3.03 |
| 2022 | 2,176,895,633 | 48,102,600 | 2.21 |
| 2021 | 2,131,668,690 | 35,317,000 | 1.60 |

SOURCE: Office of the Jackson County Chancery Clerk; August 2026.

**Outstanding Industrial Development Revenue Bonds**[1]

**(As of August 1, 2026)**

| **Name** | **Date of Issue** | **Outstanding Principal Amount** |
|---|---|---|
| Pollution Control (Chevron U.S.A. Inc.), Series 1994 | 12/06/94 | $18,100,000 |
| **TOTAL** | | **$18,100,000** |

[1] The County has no direct or indirect obligation to pay these bonds.

SOURCE: Office of Jackson County Chancery Clerk, August 2026.

**Current Underlying General Obligation Indebtedness**

| **Name** | **FY 2025 Assessed Valuations** | **% of City/School District A/V to County A/V** | **General Obligation Bonded Debt**[1] |
|---|---|---|---|
| **Municipalities** | | | |
| Gautier | $ 153,432,158 | 6.53% | $ 8,817,000 |
| Moss Point | 105,966,984 | 4.51 | 9,481,000 |
| Ocean Springs | 289,311,702 | 12.32 | 7,201,000 |
| Pascagoula | 347,499,507 | 14.80 | 17,835,000 |
| **School Districts** | | | |
| Jackson County | 681,131,560 | 29.00 | 0 |
| Moss Point | 191,796,883 | 8.17 | 0 |
| Ocean Springs | 410,733,456 | 17.49 | 1,935,000 |
| Pascagoula-Gautier | 1,065,081,143 | 45.35 | 0 |

[1] As of September 1, 2025.

SOURCES: Office of the Jackson County Chancery Clerk, August 2026; Offices of the City Clerks of the cities of Gautier, Moss Point, Ocean Springs and Pascagoula, Mississippi and most recent audits of the Jackson County, Moss Point Ocean Springs and Pascagoula-Gautier School Districts.

## APPENDIX B

## FINANCIAL INFORMATION CONCERNING THE COUNTY

**[THIS PAGE INTENTIONALLY LEFT BLANK]**

**FISCAL YEAR 2025**

**AUDITED FINANCIAL STATEMENT**

[THIS PAGE INTENTIONALLY LEFT BLANK]

# JACKSON COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2025

# SHAD WHITE

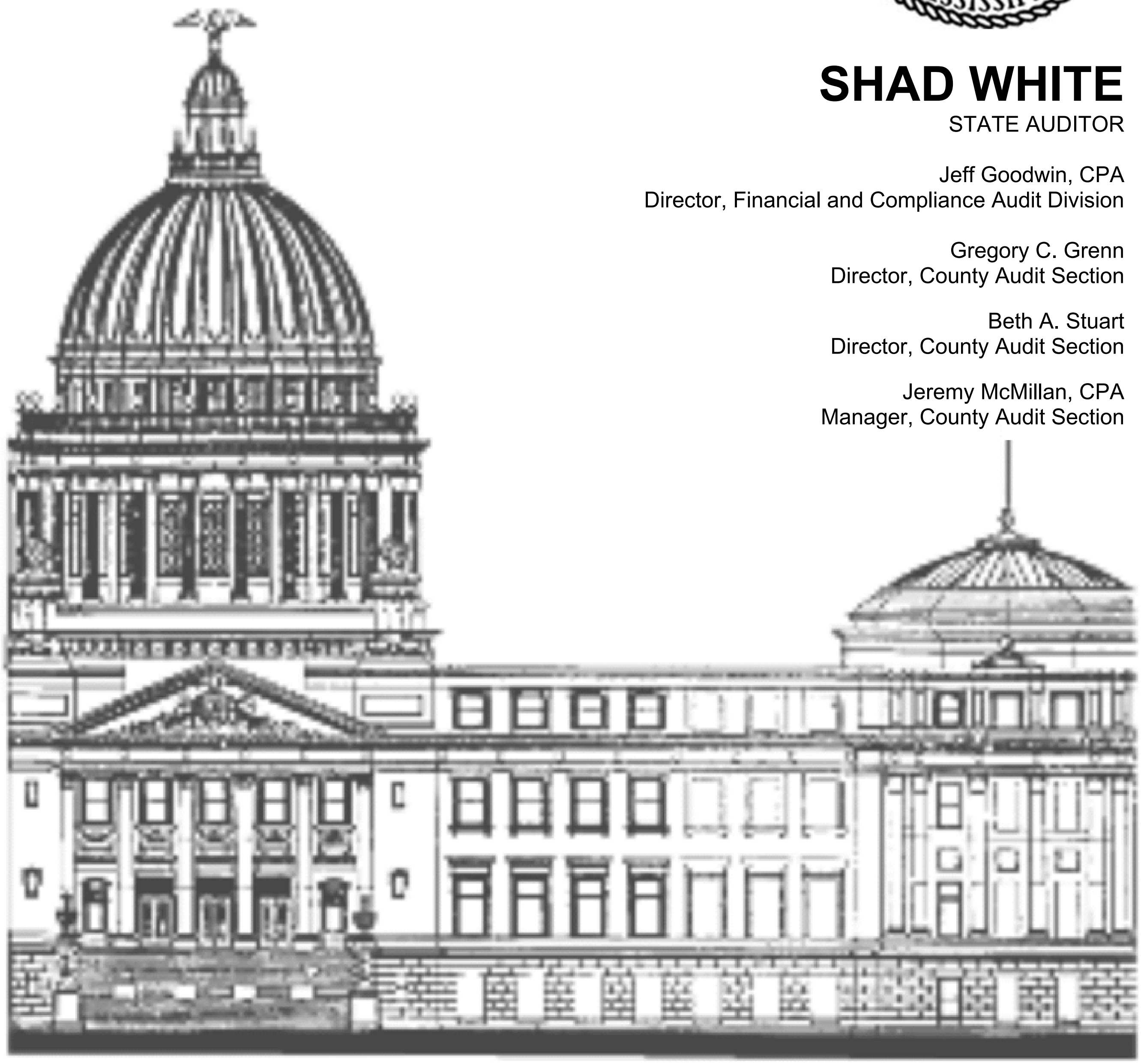
STATE AUDITOR

Jeff Goodwin, CPA
Director, Financial and Compliance Audit Division

Gregory C. Grenn
Director, County Audit Section

Beth A. Stuart
Director, County Audit Section

Jeremy McMillan, CPA
Manager, County Audit Section



A Report from the County Audit Section

**www.osa.state.ms.us**

**STATE OF MISSISSIPPI**
**OFFICE OF THE STATE AUDITOR**
**Shad White**
AUDITOR

July 29, 2026

Members of the Board of Supervisors
Jackson County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2025 financial and compliance audit report for Jackson County. This audit was performed pursuant to *Section 7-7-211(e), Mississippi Code of 1972 Annotated*. The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Respectfully submitted,

Shad White

**POST OFFICE BOX 956 • JACKSON, MISSISSIPPI 39205 • (601) 576-2800 • FAX (601) 576-2650**
**www.osa.state.ms.us**

JACKSON COUNTY

TABLE OF CONTENTS

FINANCIAL SECTION ....... 1
INDEPENDENT AUDITOR'S REPORT ....... 3
FINANCIAL STATEMENTS ....... 7
Statement of Net Position ....... 9
Statement of Activities ....... 10
Balance Sheet - Governmental Funds ....... 11
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position ....... 12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds ....... 13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities ....... 14
Statement of Net Position - Proprietary Funds ....... 15
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds ....... 16
Statement of Cash Flows - Proprietary Funds ....... 17
Statement of Fiduciary Net Position ....... 18
Statement of Changes in Fiduciary Net Position ....... 19
Notes to Financial Statements ....... 21
REQUIRED SUPPLEMENTARY INFORMATION ....... 59
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – General Fund ....... 61
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – Road Fund ....... 62
Schedule of the County’s Proportionate Share of the Net Pension Liability ....... 63
Schedule of County Contributions ....... 64
Schedule of Changes in the County’s Total OPEB Liability and Related Ratios ....... 65
Notes to the Required Supplementary Information ....... 67
SUPPLEMENTARY INFORMATION ....... 71
Schedule of Expenditures of Federal Awards ....... 73
OTHER INFORMATION ....... 75
Schedule of Surety Bonds for County Officials ....... 77
SPECIAL REPORTS ....... 79
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* ....... 81
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance ....... 83
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*) ....... 87
Limited Internal Control and Compliance Review Management Report ....... 93
SCHEDULE OF FINDINGS AND QUESTIONED COSTS ....... 95
AUDITEE’S CORRECTIVE ACTION PLAN ....... 99

JACKSON COUNTY

# FINANCIAL SECTION

(This page left blank intentionally.)

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

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Jackson County, Mississippi

## Report on the Audit of the Financial Statements

### *Adverse 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 Jackson County, Mississippi, (the County) as of and for the year ended September 30, 2025, 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 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 Jackson County, Mississippi, as of September 30, 2025, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Unmodified Opinions on Governmental Activities, Business-type Activities, Each Major Fund and 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 governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Jackson County, Mississippi, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Adverse and Unmodified Opinions*

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

**POST OFFICE BOX 956 • JACKSON, MISSISSIPPI 39205 • (601) 576-2800 • FAX (601) 576-2650**
**www.osa.state.ms.us**

*Matters 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 has not been determined.

***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 Schedules and corresponding notes, the Schedule of Changes in the County's Total OPEB Liability and Related Ratios, the Schedule of the County's Proportionate Share of the Net Pension Liability, 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 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 Jackson County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 GAAS. 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 July 29, 2026 on our consideration of Jackson County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jackson County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jackson County, Mississippi's internal control over financial reporting and compliance.

JEREMY MCMILLAN, CPA
Manager, County Audit Section

July 29, 2026

JACKSON COUNTY

# FINANCIAL STATEMENTS

(This page left blank intentionally.)

JACKSON COUNTY
Statement of Net Position
September 30, 2025

Exhibit 1

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash | $ 172,959,213 | | 172,959,213 |
| Restricted assets - cash | 1,811,802 | 1,154,873 | 2,966,675 |
| Restricted assets - investments | 2,550,823 | | 2,550,823 |
| Property tax receivable | 108,038,861 | | 108,038,861 |
| Fines receivable (net of allowance for uncollectibles of $28,895,045) | 6,247,436 | | 6,247,436 |
| Loans receivable (net of allowance for uncollectibles of $136,254) | 3,800,000 | | 3,800,000 |
| Leases receivable | 6,705,504 | | 6,705,504 |
| Intergovernmental receivables | 5,450,882 | | 5,450,882 |
| Other receivables | 59,082 | 3,840 | 62,922 |
| Prepaid expenses | 1,915,137 | | 1,915,137 |
| Capital assets, non-depreciable: | | | |
| Land and construction in progress | 45,945,114 | 305,909 | 46,251,023 |
| Capital assets, net of accumulated depreciation and amortization: | | | |
| Other capital assets, net | 318,886,903 | 5,729,366 | 324,616,269 |
| Lease assets, net | 2,146,875 | 634,929 | 2,781,804 |
| Subscription IT assets, net | 1,949,979 | | 1,949,979 |
| Total Assets | 678,467,611 | 7,828,917 | 686,296,528 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pensions | 13,488,544 | 158,314 | 13,646,858 |
| Deferred outflows related to OPEB | 1,203,717 | | 1,203,717 |
| Total Deferred Outflows of Resources | 14,692,261 | 158,314 | 14,850,575 |
| LIABILITIES | | | |
| Claims payable | 12,141,931 | 86,132 | 12,228,063 |
| Intergovernmental payables | 3,667,255 | 7,582 | 3,674,837 |
| Accrued interest payable | 581,985 | 19,401 | 601,386 |
| Unearned revenue | 7,030,741 | | 7,030,741 |
| Claims and judgments payable | 1,160,129 | | 1,160,129 |
| Long-term liabilities | | | |
| Due within one year: | | | |
| Capital debt | 4,124,726 | | 4,124,726 |
| Non-capital debt | 232,820 | 4,948 | 237,768 |
| Lease liabilities | 180,144 | 29,632 | 209,776 |
| SBITA liabilities | 408,104 | | 408,104 |
| Due in more than one year: | | | |
| Capital debt | 35,178,255 | | 35,178,255 |
| Non-capital debt | 3,338,256 | 70,939 | 3,409,195 |
| Lease liabilities | 1,965,542 | 617,070 | 2,582,612 |
| SBITA liabilities | 1,335,318 | | 1,335,318 |
| Net pension liability | 134,794,461 | 1,571,600 | 136,366,061 |
| Net OPEB liability | 4,975,500 | | 4,975,500 |
| Total Liabilities | 211,115,167 | 2,407,304 | 213,522,471 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | 5,135,996 | 92,181 | 5,228,177 |
| Deferred inflows related to OPEB | 1,137,476 | | 1,137,476 |
| Deferred inflows related to leases | 6,260,177 | | 6,260,177 |
| Deferred revenues - property taxes | 108,038,861 | | 108,038,861 |
| Total Deferred Inflows of Resources | 120,572,510 | 92,181 | 120,664,691 |
| NET POSITION | | | |
| Net investment in capital assets | 325,736,782 | 6,023,502 | 331,760,284 |
| Restricted for: | | | |
| Expendable: | | | |
| General government | 886,402 | | 886,402 |
| Public safety | 1,906,545 | 487,437 | 2,393,982 |
| Public works | 47,671,259 | | 47,671,259 |
| Health and welfare | 6,276,005 | | 6,276,005 |
| Culture and recreation | | 143,922 | 143,922 |
| Conservation of natural resources | 18,117,158 | | 18,117,158 |
| Economic development and assistance | 250,259 | | 250,259 |
| Unemployment compensation | 254,281 | | 254,281 |
| Debt service | 18,944,409 | | 18,944,409 |
| Unrestricted | (58,570,905) | (1,167,115) | (59,738,020) |
| Total Net Position | $ 361,472,195 | 5,487,746 | 366,959,941 |

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

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

Exhibit 2

| | | | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | |
| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | $ 36,840,778 | 3,864,477 | 5,629,212 | | (27,347,089) | | (27,347,089) |
| Public safety | 32,118,424 | 1,540,261 | 3,608,980 | 9,000 | (26,960,183) | | (26,960,183) |
| Public works | 48,724,676 | 63,614 | 26,480,727 | 30,526 | (22,149,809) | | (22,149,809) |
| Health and welfare | 8,662,824 | 72,712 | 7,048,393 | | (1,541,719) | | (1,541,719) |
| Culture and recreation | 9,147,513 | 221,645 | 1,023,853 | | (7,902,015) | | (7,902,015) |
| Education | 350,195 | | | | (350,195) | | (350,195) |
| Conservation of natural resources | 536,503 | | 263,575 | | (272,928) | | (272,928) |
| Economic development and assistance | 2,556,806 | 878,759 | 1,175,737 | 89,647 | (412,663) | | (412,663) |
| Interest on long-term debt | 1,417,383 | | | | (1,417,383) | | (1,417,383) |
| Pension expense | 15,729,222 | | | | (15,729,222) | | (15,729,222) |
| OPEB expense | 542,557 | | | | (542,557) | | (542,557) |
| Total Governmental Activities | 156,626,881 | 6,641,468 | 45,230,477 | 129,173 | (104,625,763) | | (104,625,763) |
| Business-type activities: | | | | | | | |
| Adult detention center canteen fund | 80,777 | 223,555 | | | | 142,778 | 142,778 |
| Harbor | 642,339 | 306,909 | | | | (335,430) | (335,430) |
| Golf course | 1,532,792 | 1,214,834 | | | | (317,958) | (317,958) |
| Total Business-type Activities | 2,255,908 | 1,745,298 | 0 | 0 | | (510,610) | (510,610) |
| Total Primary Government | $ 158,882,789 | 8,386,766 | 45,230,477 | 129,173 | (104,625,763) | (510,610) | (105,136,373) |
| General revenues: | | | | | | | |
| Property taxes | | | | | $ 98,130,369 | | 98,130,369 |
| Road & bridge privilege taxes | | | | | 1,953,163 | | 1,953,163 |
| Grants and contributions not restricted to specific programs | | | | | 5,192,903 | | 5,192,903 |
| In lieu taxes - Mississippi Power | | | | | 6,178,410 | | 6,178,410 |
| In lieu taxes - Enviva | | | | | 202,983 | | 202,983 |
| Unrestricted gifts and donations | | | | | 2,364,479 | | 2,364,479 |
| Unrestricted interest income | | | | | 9,797,336 | 88,141 | 9,885,477 |
| Miscellaneous | | | | | 9,909,190 | 4,338 | 9,913,528 |
| Total General Revenues | | | | | 133,728,833 | 92,479 | 133,821,312 |
| Changes in Net Position | | | | | 29,103,070 | (418,131) | 28,684,939 |
| Net Position - Beginning, as previously reported | | | | | 342,317,707 | 5,905,877 | 348,223,584 |
| Error corrections | | | | | (9,948,582) | | (9,948,582) |
| Net Position - Beginning, as restated | | | | | 332,369,125 | 5,905,877 | 338,275,002 |
| Net Position - Ending | | | | | $ 361,472,195 | 5,487,746 | 366,959,941 |

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

JACKSON COUNTY
Balance Sheet - Governmental Funds
September 30, 2025

Exhibit 3

| | Major Funds | | | |
|---|---|---|---|---|
| | General Fund | Road Fund | Other Governmental Funds | Total Governmental Funds |
| ASSETS | | | | |
| Cash | $ 73,545,405 | 18,294,079 | 74,237,188 | 166,076,672 |
| Restricted assets - cash | 1,811,802 | | | 1,811,802 |
| Restricted assets - investments | | | 2,550,823 | 2,550,823 |
| Property tax receivable | 71,000,985 | 18,388,586 | 18,649,290 | 108,038,861 |
| Fines receivable (net of allowance for uncollectibles of $28,895,045) | 6,247,436 | | | 6,247,436 |
| Loans receivable (net of allowance for uncollectibles of $136,254) | | | 3,800,000 | 3,800,000 |
| Leases receivable | 5,457,889 | | 1,247,615 | 6,705,504 |
| Intergovernmental receivables | 1,618,960 | 28,222 | 3,803,700 | 5,450,882 |
| Other receivables | 50,457 | 6,466 | 2,159 | 59,082 |
| Due from other funds | 1,048,254 | 313,692 | 2,121,904 | 3,483,850 |
| Advances to other funds | 1,103,063 | | | 1,103,063 |
| Total Assets | $ 161,884,251 | 37,031,045 | 106,412,679 | 305,327,975 |
| LIABILITIES | | | | |
| Liabilities: | | | | |
| Claims payable | $ 4,546,367 | 2,679,350 | 4,916,214 | 12,141,931 |
| Intergovernmental payables | 2,997,428 | 11,741 | 460,340 | 3,469,509 |
| Due to other funds | 2,760,576 | | 1,048,254 | 3,808,830 |
| Advances from other funds | | | 1,103,063 | 1,103,063 |
| Unearned revenue | | | 7,030,741 | 7,030,741 |
| Total Liabilities | 10,304,371 | 2,691,091 | 14,558,612 | 27,554,074 |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| Unavailable revenue - property taxes | 71,000,985 | 18,388,586 | 18,649,290 | 108,038,861 |
| Unavailable revenue - fines | 6,247,436 | | | 6,247,436 |
| Leases | 4,979,200 | | 1,280,977 | 6,260,177 |
| Total Deferred Inflows of Resources | 82,227,621 | 18,388,586 | 19,930,267 | 120,546,474 |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Advances | 1,103,063 | | | 1,103,063 |
| Restricted for: | | | | |
| General government | | | 886,402 | 886,402 |
| Public safety | | | 1,906,545 | 1,906,545 |
| Public works | | 15,951,368 | 31,719,891 | 47,671,259 |
| Health and welfare | | | 426,359 | 426,359 |
| Conservation of natural resources | | | 18,117,158 | 18,117,158 |
| Economic development and assistance | | | 250,259 | 250,259 |
| Unemployment compensation | | | 254,281 | 254,281 |
| Tort claims | 1,811,802 | | | 1,811,802 |
| Debt service | | | 19,526,394 | 19,526,394 |
| Unassigned | 66,437,394 | | (1,163,489) | 65,273,905 |
| Total Fund Balances | 69,352,259 | 15,951,368 | 71,923,800 | 157,227,427 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | $ 161,884,251 | 37,031,045 | 106,412,679 | 305,327,975 |

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

JACKSON COUNTY

Exhibit 3-1

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2025

| | | Amount |
|---|---|---|
| Total Fund Balance - Governmental Funds | $ | 157,227,427 |
| 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 $223,150,153 and accumulated amortization of $751,345. | | 368,928,871 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | 6,247,436 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | | (46,763,165) |
| Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds. | | (4,975,500) |
| Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds. | | (134,794,461) |
| Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds. | | (581,985) |
| Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition, and therefore, are not reported in the funds. | | 1,915,137 |
| Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds: | | |
| Deferred outflows of resources related to pensions | | 13,488,544 |
| Deferred inflows of resources related to pensions | | (5,135,996) |
| Deferred outflows related to other postemployment benefits | | 1,203,717 |
| Deferred inflows related to other postemployment benefits | | (1,137,476) |
| Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position. | | 5,849,646 |
| Total Net Position - Governmental Activities | $ | 361,472,195 |

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

JACKSON COUNTY — Exhibit 4

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

For the Year Ended September 30, 2025

| | Major Funds | | | |
|---|---|---|---|---|
| | General Fund | Road Fund | Other Governmental Funds | Total Governmental Funds |
| REVENUES | | | | |
| Property taxes | $ 63,388,811 | 17,138,713 | 17,602,845 | 98,130,369 |
| Road and bridge privilege taxes | | 1,953,163 | | 1,953,163 |
| Licenses, commissions and other revenue | 3,420,508 | | | 3,420,508 |
| Fines and forfeitures | 1,229,360 | | 399,666 | 1,629,026 |
| In lieu taxes - Mississippi Power | 6,178,410 | | | 6,178,410 |
| In lieu taxes - Enviva | 202,983 | | | 202,983 |
| Intergovernmental revenues | 6,040,715 | 3,790,050 | 43,086,267 | 52,917,032 |
| Charges for services | 1,374,994 | | | 1,374,994 |
| Interest income | 5,410,877 | 1,246,514 | 2,779,148 | 9,436,539 |
| Miscellaneous revenues | 5,006,433 | 86,303 | 3,561,059 | 8,653,795 |
| Total Revenues | 92,253,091 | 24,214,743 | 67,428,985 | 183,896,819 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 44,209,501 | | 322,331 | 44,531,832 |
| Public safety | 24,569,227 | | 14,046,090 | 38,615,317 |
| Public works | 3,000,413 | 35,352,847 | 28,893,706 | 67,246,966 |
| Health and welfare | 9,088,839 | | 3,057,557 | 12,146,396 |
| Culture and recreation | 7,959,429 | | 3,406,345 | 11,365,774 |
| Education | 350,195 | | | 350,195 |
| Conservation of natural resources | 292,657 | 2,495 | 263,575 | 558,727 |
| Economic development and assistance | 2,716,784 | | 1,150,500 | 3,867,284 |
| Debt service: | | | | |
| Principal | 2,490,676 | 5,614 | 2,664,824 | 5,161,114 |
| Interest | 269,689 | 115 | 1,077,301 | 1,347,105 |
| Total Expenditures | 94,947,410 | 35,361,071 | 54,882,229 | 185,190,710 |
| Excess of Revenues over (under) Expenditures | (2,694,319) | (11,146,328) | 12,546,756 | (1,293,891) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Leases issued | 1,168,330 | | | 1,168,330 |
| SBITA issued | 2,251,182 | | | 2,251,182 |
| Proceeds from sale of capital assets | 70,555 | 41,214 | 1,383 | 113,152 |
| Transfers in | 36,790 | 7,360,077 | 10,859,612 | 18,256,479 |
| Transfers out | (3,892,959) | | (14,363,520) | (18,256,479) |
| Total Other Financing Sources and Uses | (366,102) | 7,401,291 | (3,502,525) | 3,532,664 |
| Net Changes in Fund Balances | (3,060,421) | (3,745,037) | 9,044,231 | 2,238,773 |
| Fund Balances - Beginning, as previously reported | 72,330,017 | 19,696,405 | 62,886,681 | 154,913,103 |
| Error corrections | 82,663 | | (7,112) | 75,551 |
| Fund Balances - Beginning, as restated | 72,412,680 | 19,696,405 | 62,879,569 | 154,988,654 |
| Fund Balances - Ending | $ 69,352,259 | 15,951,368 | 71,923,800 | 157,227,427 |

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

JACKSON COUNTY
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

Exhibit 4-1

| | | Amount |
|---|---|---|
| Net Changes in Fund Balances - Governmental Funds | $ | 2,238,773 |
| 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 $48,879,841 exceeded depreciation of $13,745,705 and amortization of $567,669 in the current period. | | 34,566,467 |
| In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of $21,949 and the proceeds from the sale of $113,152 in the current period. | | (135,101) |
| 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. | | 216,940 |
| 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 $5,161,114 exceeded debt proceeds of $3,419,512. | | 1,741,602 |
| 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. | | (151,213) |
| The amount of increase in accrued interest payable. | | (70,278) |
| The increase in other postemployment benefits payable. | | (544,759) |
| Under the modified accrual basis of accounting used in the Governmental Funds, prepaid items are reported as expenditures. However, in the Statement of Activities, only the portion of expenses related to the current period are reported. Thus, the change in net position differs from the change in fund balance by the amount of decrease in prepaid items. | | (104,215) |
| 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. | | (15,729,222) |
| Recording of contributions made during the year. | | 7,588,234 |
| Some items reported in the Statement of Activities relating to the implementation of GASB 75 are not reported in the governmental funds. These activities include: | | |
| Amortization of other postemployment benefits deferred outflows/inflows. | | 114,560 |
| An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities. | | (628,718) |
| Change in Net Position of Governmental Activities | $ | 29,103,070 |

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

JACKSON COUNTY
Statement of Net Position - Proprietary Funds
September 30, 2025

Exhibit 5

| | Business-type Activities - Enterprise Funds | Governmental Activities |
|---|---|---|
| | Non-major Funds | Internal Service Funds |
| ASSETS | | |
| Current assets: | | |
| Cash | $ | 6,882,541 |
| Restricted assets - cash | 1,154,873 | |
| Other receivables | 3,840 | |
| Due from other funds | | 130,317 |
| Total Current Assets | 1,158,713 | 7,012,858 |
| Noncurrent assets: | | |
| Capital assets, non-depreciable: | | |
| Land and construction in progress | 305,909 | |
| Capital assets, net of accumulated depreciation and amortization: | | |
| Other capital assets, net | 5,729,366 | |
| Lease assets, net | 634,929 | |
| Total Noncurrent Assets | 6,670,204 | 0 |
| Total Assets | 7,828,917 | 7,012,858 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows related to pensions | 158,314 | |
| Total Deferred Outflows of Resources | 158,314 | 0 |
| LIABILITIES | | |
| Current liabilities: | | |
| Claims payable | 86,132 | |
| Claims and judgments payable | | 1,160,129 |
| Intergovernmental payables | 7,582 | 3,083 |
| Accrued interest payable | 19,401 | |
| Capital debt: | | |
| Lease liabilities | 29,632 | |
| Non-capital debt: | | |
| Compensated absences payable | 4,948 | |
| Total Current Liabilities | 147,695 | 1,163,212 |
| Noncurrent liabilities: | | |
| Capital debt: | | |
| Lease liabilities | 617,070 | |
| Non-capital debt: | | |
| Compensated absences payable | 70,939 | |
| Net pension liability | 1,571,600 | |
| Total Noncurrent Liabilities | 2,259,609 | 0 |
| Total Liabilities | 2,407,304 | 1,163,212 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows related to pensions | 92,181 | |
| Total Deferred Inflows of Resources | 92,181 | 0 |
| NET POSITION | | |
| Net investment in capital assets | 6,023,502 | |
| Restricted for: | | |
| Public safety | 487,437 | |
| Health and welfare | | 5,849,646 |
| Culture and recreation | 143,922 | |
| Unrestricted | (1,167,115) | |
| Total Net Position | $ 5,487,746 | 5,849,646 |

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

JACKSON COUNTY Exhibit 6

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

| | Business-type Activities - Enterprise Funds | Governmental Activities |
|---|---|---|
| | Non-major Funds | Internal Service Funds |
| Operating Revenues | | |
| Sales and charges for services | $ 1,745,298 | |
| Premiums | | 11,241,718 |
| Miscellaneous | 4,338 | 1,255,395 |
| Total Operating Revenues | 1,749,636 | 12,497,113 |
| Operating Expenses | | |
| Personal services | 851,162 | |
| Contractual services | 216,349 | |
| Materials and supplies | 485,585 | |
| Depreciation and amortization expense | 478,238 | |
| Claims payments | | 13,486,628 |
| Pension expense | 218,005 | |
| Total Operating Expenses | 2,249,339 | 13,486,628 |
| Operating Income (Loss) | (499,703) | (989,515) |
| Nonoperating Revenues (Expenses) | | |
| Interest income | 88,141 | 360,797 |
| Interest expense | (6,569) | |
| Net Nonoperating Revenues (Expenses) | 81,572 | 360,797 |
| Net Income (Loss) | (418,131) | (628,718) |
| Changes in Net Position | (418,131) | (628,718) |
| Net Position - Beginning | 5,905,877 | 6,478,364 |
| Net Position - Ending | $ 5,487,746 | 5,849,646 |

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

JACKSON COUNTY
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2025

Exhibit 7

| | | Business-type Activities - Enterprise Funds | Governmental Activities |
|---|---|---|---|
| | | Non-major Fund | Internal Service Funds |
| Cash Flows From Operating Activities | | | |
| Receipts from customers | $ | 1,741,458 | |
| Receipts for premiums | | | 11,195,540 |
| Payments to suppliers | | (663,793) | |
| Payments to employees | | (940,288) | |
| Payments for claims | | | (12,872,795) |
| Other operating cash receipts | | 4,338 | 1,255,395 |
| Net Cash Provided (Used) by Operating Activities | | 141,715 | (421,860) |
| Cash Flows From Noncapital Financing Activities | | | |
| Cash received from other funds: | | | |
| Operating transfers in | | | 120,046 |
| Cash paid to other funds: | | | |
| Operating transfers out | | | (120,046) |
| Net Cash Provided (Used) by Noncapital Financing Activities | | 0 | 0 |
| Cash Flows From Capital and Related Financing Activities | | | |
| Acquisition and construction of capital assets | | (311,065) | |
| Principal paid on long-term debt | | (36,709) | |
| Other receipts (payments) | | (1) | |
| Net Cash Provided (Used) by Capital and Related Financing Activities | | (347,775) | 0 |
| Cash Flows From Investing Activities | | | |
| Interest on deposits | | 88,141 | 360,797 |
| Net Cash Provided (Used) by Investing Activities | | 88,141 | 360,797 |
| Net Increase (Decrease) in Cash and Cash Equivalents | | (117,919) | (61,063) |
| Cash and Cash Equivalents at Beginning of Year | | 1,272,792 | 6,943,604 |
| Cash and Cash Equivalents at End of Year | $ | 1,154,873 | 6,882,541 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating income (loss) | $ | (499,703) | (989,515) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation and amortization expense | | 478,238 | |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in other receivables | | (3,840) | |
| (Increase) decrease in interfund receivables | | | (46,178) |
| Increase (decrease) in claims payable | | 31,124 | |
| Increase (decrease) in claims and judgments liability | | | 809,588 |
| Increase (decrease) in compensated absences liability | | 16,046 | |
| Increase (decrease) in intergovernmental payables | | 7,017 | |
| Increase (decrease) in interfund payables | | | (195,755) |
| Increase (decrease) in net pension liability, deferred outflows/inflows, net | | 112,833 | |
| Total Adjustments | | 641,418 | 567,655 |
| Net Cash Provided (Used) by Operating Activities | $ | 141,715 | (421,860) |

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

JACKSON COUNTY
Statement of Fiduciary Net Position
September 30, 2025

Exhibit 8

| | | Custodial Funds |
|---|---|---|
| ASSETS | | |
| Cash | $ | 3,178,996 |
| Receivables: | | |
| Due from other funds | | 194,663 |
| Total Assets | | 3,373,659 |
| | | |
| LIABILITIES | | |
| Intergovernmental payables | | 1,325,203 |
| Total Liabilities | | 1,325,203 |
| | | |
| NET POSITION | | |
| Restricted for: | | |
| Individuals, organizations and other governments | | 2,048,456 |
| Total Net Position | $ | 2,048,456 |

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

JACKSON COUNTY

Statement of Changes in Fiduciary Net Position

For the Year Ended September 30, 2025

Exhibit 9

| | | Custodial Funds |
|---|---|---|
| ADDITIONS | | |
| Tax collections for other governments | $ | 23,784,277 |
| Other taxes and fees collected for other governments | | 888,359 |
| Licenses and fees collected for State | | 905,473 |
| Total Additions | | 25,578,109 |
| DEDUCTIONS | | |
| Payments of tax to other governments | | 24,294,613 |
| Payments of licenses and fees to State | | 905,473 |
| Total Deductions | | 25,200,086 |
| Net increase (decrease) in fiduciary net position | | 378,023 |
| Net Position - Beginning | | 1,670,433 |
| Net Position - Ending | $ | 2,048,456 |

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

(This page left blank intentionally.)

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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 Mississippi Mental Health Center, Region XVI
- Singing River Health System
- West Jackson County Utility District
- Jackson County Emergency Communications District
- Jackson County Port Authority
- Jackson-George Regional Library System

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

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

B. 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 of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. Internal service fund balances have been eliminated against the expenses and program revenue. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the County.

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.

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

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

PROPRIETARY FUND TYPES

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

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

FIDUCIARY FUND TYPE

Custodial Funds - Custodial Funds are used to report fiduciary activities that are not held in a trust or equivalent 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.

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. Inventories and Prepaid Items.

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

I. Restricted Assets.

<u>Cash:</u>

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

<u>Investments:</u>

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 resources and revenues associated with the County’s revenue bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The “bond proceeds” fund is used to receive the proceeds of the bonds which shall be used to pay the cost of issuance of the bonds. The “debt service” fund is used to pay the interest on the bonds as it becomes due. The “construction” fund is used to receive the proceeds of the bond and shall be applied by the borrower to the costs of the project. The “debt service reserve fund” is used to receive pledged revenues. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

J. Capital Assets.

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

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

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements and Proprietary Funds. Depreciation is calculated on the straight-line basis for all assets, except land. 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 |
| Subscription IT assets | | ** | ** |
| Intangible assets | | ** | ** |

** Intangible assets for the County represent right-to-use leased assets and right-to-use subscription IT assets. Each type of right-to-use asset is capitalized in groups for reporting purposes. The terms right-to-use leased assets and right-to-use subscription IT assets are used interchangeably with the terms leased assets and subscription IT assets, respectively. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized.

The term “depreciation” includes the amortization of intangible assets.

K. Deferred Outflows/Inflows of Resources.

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

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

Deferred outflows related to OPEB - This amount represents the County’s deferred outflows of resources reported by the OPEB plan in which the County participates. See Note 12 for additional details.

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

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

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

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

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.

Deferred inflows related to OPEB - This amount represents the County's deferred inflows of resources reported by the OPEB plan in which the County participates. See Note 12 for additional details.

L. Leases.

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

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

M. Subscription-Based Information Technology Arrangements.

The Governmental Accounts Standards Board (GASB) issued Statement No.96, Subscription-Based Information Technology Arrangements (SBITAs) (GASB 96) to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, relatability, relevance and consistency of information about SBITAs. GASB 96 was implemented during fiscal year 2023.

N. Long-term Liabilities.

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

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. 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.

P. Other Postemployment Benefits.

Plan Description

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

Q. 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.

R. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

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

*Unassigned fund balance* is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

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

S. 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 collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

T. 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.

U. 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 $(10,024,133) was made to correctly report beginning capital asset balances, net of depreciation, in Governmental Activities.

An adjustment in the amount of $(7,112) was made to correctly report beginning intergovernmental receivables balances in Governmental Activities and Other Governmental Funds.

An adjustment in the amount of $82,663 was made to correct prior year errors in recording payroll expenditures in Governmental Activities and the General Fund.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, error corrections resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

| | Reporting Units Affected by Adjustments to and Restatements of Beginning Balances | | |
|---|---|---|---|
| | Funds | | Government-Wide |
| | General Fund | Other Governmental Funds | Governmental Activities |
| 9/30/2024, as previously reported | $ 72,330,017 | 62,886,681 | 342,317,707 |
| Error corrections | 82,663 | (7,112) | (9,948,582) |
| 9/30/2024, as adjusted or restated | $ 72,412,680 | 62,879,569 | 332,369,125 |

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2025, was $179,104,884, and the bank balance was $183,482,099. 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.

Investments:

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

Investments balances at September 30, 2025, are as follows:

| Investment Type | Maturities | Fair Value Level | Fair Value | Rating |
|---|---|---|---|---|
| Goldman Sachs Financial Square Government Fund | Less than one year | 1 | $ 2,550,823 | AAA |

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

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Level 1 inputs include U.S. government and agency securities, foreign government debt, listed equities and money market securities.

The County has the following recurring fair value measurements as of September 30, 2025:

- Money market securities of $2,550,823 are valued using quoted market prices (Level 1 inputs).

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

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

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

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

(4) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Other Governmental Funds | $ 1,048,254 |
| Road Fund | General Fund | 313,692 |
| Other Governmental Funds | General Fund | 2,121,904 |
| Internal Service Funds | General Fund | 130,317 |
| Custodial Funds | General Fund | 194,663 |
| Total | | $ 3,808,830 |

The receivables represent the tax revenue collected in September, 2025, but not settled until October, 2025 and operating loans for cash flow and grant reimbursements. The amount payable to the internal service funds represent unpaid charges. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances From/To Other Funds:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General Fund | Other Governmental Funds | $ 1,103,063 |

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

C. Transfers In/Out:

| Transfers In | Transfers Out | Amount |
|---|---|---|
| General Fund | Other Governmental Funds | $ 36,790 |
| Road Fund | Other Governmental Funds | 7,360,077 |
| Other Governmental Funds | General Fund | 3,892,959 |
| Other Governmental Funds | Other Governmental Funds | 6,966,653 |
| Total | | $ 18,256,479 |

The principal purpose of interfund transfers was to provide funds for the proper and efficient operation of the County and to adhere to the requirements of a bond agreement. 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:

| Description | Amount |
|---|---|
| **Governmental Activities:** | |
| Legislative tax credit | $ 1,119,674 |
| Reimbursement for housing prisoners | 99,029 |
| Property tax charitable credit reimbursement | 54,559 |
| Mississippi Department of Marine Resources reimbursement | 1,204,909 |
| FEMA flood mitigation grant reimbursement | 1,175,737 |
| Homeland Security grant program reimbursement | 61,482 |
| Court expense reimbursement | 181,207 |
| Community development block grant reimbursement | 575,860 |
| Mississippi Department of Transportation reimbursement | 658,261 |
| Emergency management performance grant reimbursement | 98,816 |
| Mississippi Development Authority reimbursement | 146,500 |
| Various grant reimbursements | 46,994 |
| Various expense reimbursements | 27,854 |
| Total Governmental Activities | $ 5,450,882 |

(6) Loans Receivable.

On September 10, 2024, Jackson County signed a $3,800,000 loan agreement with Jackson County Utility Authority to fund the Authority's purchase of the Escatawpa Utility District from the City of Moss Point. The note is to be repaid in one hundred twenty (120) equal amortized monthly installments commencing October 1, 2025. The stated interest rate is 4.00%.

Loans receivable balances at September 30, 2025, are as follows:

| Description | Date of Loan | Interest Rate | Maturity Date | Receivable Balance |
|---|---|---|---|---|
| Sandco Industries* | 10/01/1991 | 4.00% | 11/04/2004 | $ 50,000 |
| Bayou Blend* | 09/22/1994 | 4.00% | 09/01/1999 | 86,254 |
| Jackson County Utility Authority | 09/10/2024 | 4.00% | 10/01/2035 | 3,800,000 |
| Total | | | | 3,936,254 |
| Less: Allowance for doubtful accounts* | | | | (136,254) |
| Loans receivable, net | | | | $ 3,800,000 |

*The County has deemed these loans to be uncollectible.

(7) Restricted Assets - Cash.

As of September 30, 2025, restricted assets - cash consisted of:

| | Governmental Activities | Business-type Activities |
|---|---|---|
| Tort Claims Escrow - Hancock (cash) | $ 1,811,802 | |
| ADC Canteen (cash) | | 489,500 |
| Golf Course (cash) | | 233,788 |
| Ocean Springs Harbor (cash) | | 431,585 |
| Total restricted assets | $ 1,811,802 | 1,154,873 |

(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 |
|---|---|---|---|---|---|---|
| Non-depreciable capital assets: | | | | | | |
| Land | $ | 15,268,179 | 1,432,797 | | (497,807) | 16,203,169 |
| Construction in progress | | 19,831,143 | 25,576,301 | | (15,665,499) | 29,741,945 |
| Total non-depreciable capital assets | | 35,099,322 | 27,009,098 | 0 | (16,163,306) | 45,945,114 |
| Depreciable capital assets: | | | | | | |
| Infrastructure | | 261,324,440 | 5,005,656 | 10,896 | (9,763,456) | 256,555,744 |
| Buildings | | 125,808,605 | 5,227,858 | | 9,191,393 | 140,227,856 |
| Improvements other than buildings | | 83,021,489 | 804,453 | | (3,138,187) | 80,687,755 |
| Mobile equipment | | 48,143,459 | 5,135,185 | 1,424,039 | (91,753) | 51,762,852 |
| Furniture and equipment | | 10,220,957 | 2,278,079 | 45,098 | 348,911 | 12,802,849 |
| Total depreciable capital assets | | 528,518,950 | 18,451,231 | 1,480,033 | (3,453,092) | 542,037,056 |
| Less accumulated depreciation for: | | | | | | |
| Infrastructure | | 120,536,059 | 4,353,478 | 10,896 | (6,742,753) | 118,135,888 |
| Buildings | | 40,124,269 | 2,421,412 | | (1,779,031) | 40,766,650 |
| Improvements other than buildings | | 19,164,483 | 3,086,821 | | (976,323) | 21,274,981 |
| Mobile equipment | | 32,865,388 | 2,985,166 | 1,289,935 | (82,577) | 34,478,042 |
| Furniture and equipment | | 7,651,446 | 898,828 | 44,101 | (11,581) | 8,494,592 |
| Total accumulated depreciation | | 220,341,645 | 13,745,705 | 1,344,932 | (9,592,265) | 223,150,153 |
| Total depreciable capital assets, net | | 308,177,305 | 4,705,526 | 135,101 | 6,139,173 | 318,886,903 |
| Governmental activities capital assets, net | $ | 343,276,627 | 31,714,624 | 135,101 | (10,024,133) | 364,832,017 |
| Lease assets, net (Note 9) | | | | | | 2,146,875 |
| Subscription IT assets, net (Note 9) | | | | | | 1,949,979 |
| Total capital assets, net, as reported in the statement of net position | | | | | $ | 368,928,871 |

**Business-type Activities:**

| | Balance Oct. 1, 2024 | Additions | Adjustments* | Balance Sept. 30, 2025 |
|---|---|---|---|---|
| Non-depreciable capital assets: | | | | |
| Land | $ 199,029 | | | 199,029 |
| Construction in progress | 12,838 | 94,042 | | 106,880 |
| Total non-depreciable capital assets | 211,867 | 94,042 | 0 | 305,909 |
| Depreciable capital assets: | | | | |
| Buildings | 1,370,247 | | | 1,370,247 |
| Improvements other than buildings | 7,834,853 | | | 7,834,853 |
| Mobile equipment | 680,167 | 34,094 | (114,074) | 600,187 |
| Furniture and equipment | 348,650 | 182,929 | 114,074 | 645,653 |
| Total depreciable capital assets | 10,233,917 | 217,023 | 0 | 10,450,940 |
| Less accumulated depreciation for: | | | | |
| Buildings | 191,839 | 27,405 | | 219,244 |
| Improvements other than buildings | 3,390,381 | 313,284 | | 3,703,665 |
| Mobile equipment | 461,888 | 31,163 | (3,042) | 490,009 |
| Furniture and equipment | 238,911 | 66,703 | 3,042 | 308,656 |
| Total accumulated depreciation | 4,283,019 | 438,555 | 0 | 4,721,574 |
| Total depreciable capital assets, net | 5,950,898 | (221,532) | 0 | 5,729,366 |
| Business-type activities capital assets, net | $ 6,162,765 | (127,490) | 0 | 6,035,275 |
| Lease assets, net (Note 9) | | | | 634,929 |
| Total capital assets, net, as reported in the statement of net position | | | | $ 6,670,204 |

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

Depreciation expense was charged to the following functions:

| | Amount |
|---|---|
| **Governmental Activities:** | |
| General government | $ 1,766,206 |
| Public safety | 2,303,861 |
| Public works | 7,962,607 |
| Health and welfare | 314,114 |
| Culture and recreation | 1,374,138 |
| Economic development and assistance | 24,779 |
| Total governmental activities depreciation expense | $ 13,745,705 |

| | | Amount |
|---|---|---|
| **Business-type Activities:** | | |
| Ocean Springs Harbor | $ | 325,887 |
| Golf Course | | 112,668 |
| Total business-type activities depreciation expense | $ | 438,555 |

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 |
|---|---|---|---|
| Animal Shelter Water Supply Booster Pump | $ | 100,000 | 12/1/2026 |
| Antioch Bridge (SA75) | | 350,000 | 12/1/2025 |
| Avtech Turn Lane/Saracennia Road | | 500,000 | 12/1/2025 |
| Beachview Drive Bridge Replacement | | 3,500,000 | 12/1/2027 |
| Beachview Drive Improvements Phase II (Proj #183836) | | 2,500,000 | 12/1/2025 |
| Brodnax Road Widening Project | | 200,000 | 12/1/2025 |
| Cedar Grove East Detention Pond | | 1,000,000 | 12/1/2026 |
| Cedar Grove West Ditch Rehab Phase 2 | | 1,200,000 | 12/1/2026 |
| Coastal Roadway Hurricane Protection | | 59,000 | 12/1/2025 |
| Colonial Court Drainage Project | | 500,000 | 12/1/2026 |
| Constitution Road Bridge/Box Culvert | | 1,500,000 | 12/1/2026 |
| Cool Ridge Drainage Improvements 2022-04-714 | | 250,000 | 12/1/2025 |
| Edberg Boulevard Drainage Improvements | | 100,000 | 12/1/2025 |
| Eglin Road Bridge Replacement SA-184 | | 250,000 | 12/1/2025 |
| Field Lighting Project - West Jackson County Soccer Field | | 50,000 | 6/1/2026 |
| Greenfield Road Drainage Project | | 1,000,000 | 12/1/2025 |
| Gulf Hills Drainage - Pine Road Project | | 100,000 | 12/1/2026 |
| Gulf Park Estates Drainage & Outfall Project | | 500,000 | 12/1/2025 |
| Hamill Farm Road Extension Project | | 200,000 | 6/1/2026 |
| Helena Area Drainage Improvements, Wildwood Rd (Phase I) | | 2,000,000 | 4/1/2026 |
| Hickory Lane | | 75,000 | 12/1/2026 |
| Highway 63 Boat Launch Pier | | 250,000 | 12/1/2026 |
| Horseshoe Drive Drainage Project | | 10,000 | 12/1/2025 |
| Household Hazardous Waste Facility | | 2,500,000 | 6/1/2027 |
| Hwy SR609 and Old Fort Bayou Road (STP-9385-00(015))LPA/106888-701000 | | 5,000,000 | 3/1/2026 |
| Jackson County Buildings LED Lighting Upgrades - Path Energy 2025 | | 200,000 | 3/1/2026 |
| Jackson County Emergency Operations Center New Building | | 5,000,000 | 10/1/2026 |
| Jackson County Recreation Department New Equipment Storage Building - Vancleave | | 300,000 | 9/1/2026 |
| Jackson County Soccer Complex (Gautier - Phase III) Restroom Pavilion | | 272,200 | 10/1/2026 |
| Jackson County Soccer Complex (Gautier) - New LED Lighting Phase I (Field 216) | | 50,000 | 6/1/2026 |
| Jackson County Soccer Complex (Gautier) - New Pickleball Courts | | 500,000 | 12/1/2026 |
| Jim Ramsay and Old Fort Bayou Intersection Project | | 1,200,000 | 6/1/2026 |

| Description of Commitment | Remaining Financial Commitment | Expected Date of Completion |
|---|---|---|
| Joseph Street Park - Renovations | 150,000 | 12/1/2025 |
| Lake Mars Ave - New Park | 500,000 | 12/1/2026 |
| Larue Road Realignment Project | 2,000,000 | 12/1/2027 |
| Latimer Fire Sub Station No. 6 (West Jim Ramsey Rd) Improvements Project | 150,000 | 1/1/2026 |
| Lemoyne Blvd Sidewalk Improvement Project | 500,000 | 1/1/2026 |
| Lum Cumbest Park - New Beach Volleyball Complex | 65,000 | 3/1/2026 |
| Lum Cumbest Sports Complex - Trail System | 250,000 | 4/1/2026 |
| Main Street - Biddix Evans Road | 2,200,000 | 6/1/2026 |
| McClelland Road Box Culvert | 1,700,000 | 12/1/2026 |
| McGregor Road Drainage Improvements | 30,000 | 7/1/2026 |
| Mount Pleasant Rd Drainage | 50,000 | 12/1/2026 |
| Multipurpose Arena Lum Cumbest Park - Lean-To, Drainage & Site Improvements | 900,000 | 6/1/2026 |
| North Apron Expansion and Taxiway Connector | 8,000,000 | 12/1/2026 |
| North Riviera Road Extension | 300,000 | 12/1/2026 |
| Old Biloxi Rd Bridge SA-82 Replacement | 500,000 | 12/1/2026 |
| Old Biloxi Road (SAP-30(27)) | 2,600,000 | 6/1/2027 |
| Old Ft Bayou Rd-SR 577 Connector Project | 400,000 | 12/1/2026 |
| Paige Bayou Bridge Replacement SA-067 | 500,000 | 12/1/2025 |
| Paige Bayou Bridge Replacement SA-070 | 500,000 | 12/1/2025 |
| Pascagoula River Jackson County Blueway Connection | 2,000,000 | 12/1/2026 |
| Pinehill Road Drainage Project | 250,000 | 12/1/2026 |
| Pointe Aux Chenes Road Widening | 50,000 | 7/1/2026 |
| Pollock Ferry Bridge | 500,000 | 12/1/2025 |
| Racetrack Road Boat Launch (Phase II) | 250,000 | 2/1/2026 |
| Racetrack Road Boat Launch (Phase I) | 450,000 | 2/1/2026 |
| Racetrack Road Boat Launch - Phase III - Tidelands | 300,000 | 2/1/2026 |
| Rayford Shumock Road Drainage Survey | 75,000 | 6/1/2026 |
| Riviera Dr. Bridge Replacement SA-176 | 500,000 | 12/1/2026 |
| Roy Cumbest Bridge PRJ000009 | 32,000,000 | 12/1/2027 |
| Saracennia Road Turn Lane Project | 1,000,000 | 12/1/2026 |
| Shady Pine Drive Drainage Improvements | 30,000 | 6/1/2025 |
| Shore Drive Drainage Project/Bridge | 750,000 | 12/1/2025 |
| South Mississippi Mental Health Complex - Major Building Improvements | 5,000,000 | 6/1/2027 |
| St Martin Sports Complex - New Bathroom Building for Baseball Fields | 600,000 | 6/1/2026 |
| St. Andrews Park New Basketball and Pickleball Courts | 250,000 | 3/1/2026 |
| Steven Center Landscaping and Site Improvements | 250,000 | 3/1/2026 |
| Tanner Williams Bridge Replacement SA-30 | 9,000,000 | 12/1/2027 |
| Trent Lott Airport - South Apron Development | 3,000,000 | 12/1/2027 |
| Trent Lott Airport New Terminal Building | 3,000,000 | 12/1/2027 |
| Trent Lott International Airport - Taxi Lane Extension (South) | 350,000 | 12/1/2026 |
| Vancleave Tennis Court Settlement | 150,000 | 9/1/2026 |
| Wade Vancleave Rd Overlay SAP30 | 500,000 | 12/1/2026 |
| Webb's Landing Boat Launch - Parking Lot Expansion | 750,000 | 12/1/2026 |

| Description of Commitment | Remaining Financial Commitment | Expected Date of Completion |
|---|---|---|
| West Jackson County Soccer Complex - New Pickleball Courts | 1,400,000 | 7/1/2026 |
| Yellow Jacket Blvd. Sidewalk Improvements | 400,000 | 2/1/2026 |
| Whispering Pines Golf Course Maintenance Facility | 1,000,000 | 12/1/2026 |
| Whispering Pines Golf Course - Course Renovations | 3,000,000 | 6/1/2027 |
| Whispering Pines Golf Course Irrigation Well | 450,000 | 6/1/2026 |

(9) Intangible Right-to-Use Leases and Subscription Based IT Assets.

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

**Governmental Activities:**

| | Balance Oct. 1, 2024 | Additions | Deductions | Remeasurements | Balance Sept. 30, 2025 |
|---|---|---|---|---|---|
| Lease assets: | | | | | |
| Land | $ 1,236,117 | 936,041 | | 47,929 | 2,220,087 |
| Furniture and equipment | 213,112 | 232,289 | 68,471 | | 376,930 |
| Total lease assets | 1,449,229 | 1,168,330 | 68,471 | 47,929 | 2,597,017 |
| Less accumulated amortization for: | | | | | |
| Lease assets: | | | | | |
| Land | 209,457 | 125,541 | | | 334,998 |
| Furniture and equipment | 115,175 | 68,440 | 68,471 | | 115,144 |
| Total accumulated amortization | 324,632 | 193,981 | 68,471 | 0 | 450,142 |
| Total lease assets, net | 1,124,597 | 974,349 | 0 | 47,929 | 2,146,875 |
| Subscription IT assets | 652,373 | 2,251,182 | 652,373 | | 2,251,182 |
| Less accumulated amortization | 579,888 | 373,688 | 652,373 | | 301,203 |
| Subscription IT assets, net | 72,485 | 1,877,494 | 0 | 0 | 1,949,979 |
| Total governmental activities lease and subscription IT assets, net | $ 1,197,082 | 2,851,843 | 0 | 47,929 | 4,096,854 |

**Business-type Activities:**

| | Balance Oct. 1, 2024 | Additions | Remeasurements | Balance Sept. 30, 2025 |
|---|---|---|---|---|
| Lease assets: | | | | |
| Land | $ 495,879 | | 255,665 | 751,544 |
| Total lease assets | 495,879 | 0 | 255,665 | 751,544 |
| Less accumulated amortization for: | | | | |
| Lease assets: | | | | |
| Land | 76,932 | 39,683 | | 116,615 |
| Total accumulated amortization | 76,932 | 39,683 | 0 | 116,615 |
| Total lease assets, net | $ 418,947 | (39,683) | 255,665 | 634,929 |

Amortization expense was charged to the following functions:

| | Amount |
|---|---|
| **Governmental Activities:** | |
| General government | $ 424,202 |
| Public safety | 15,395 |
| Public works | 7,489 |
| Culture and recreation | 119,623 |
| Economic development and assistance | 960 |
| Total governmental activities amortization expense | $ 567,669 |

| | Amount |
|---|---|
| **Business-type Activities:** | |
| Golf Course | $ 39,683 |

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

**Governmental Activities:**

| | Balance Oct. 1, 2024 | Additions | Reductions | Remeasurements | Balance Sept. 30, 2025 | Amounts due within one year |
|---|---|---|---|---|---|---|
| Lease liabilities | $ 1,158,957 | 1,168,330 | 229,530 | 47,929 | 2,145,686 | 180,144 |
| Subscription IT liabilities | | 2,251,182 | 507,760 | | 1,743,422 | 408,104 |
| Total | $ 1,158,957 | 3,419,512 | 737,290 | 47,929 | 3,889,108 | 588,248 |

**Business-type Activities:**

| | Balance Oct. 1, 2024 | Reductions | Remeasurements | Balance Sept. 30, 2025 | Amounts due within one year |
|---|---|---|---|---|---|
| Lease liabilities | $ 427,746 | 36,709 | 255,665 | 646,702 | 29,632 |

**Leases**

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

At lease commencement, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized in depreciation 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 historical federal prime borrowing rate as the discount rate for leases unless the rate that the lessor charges is known. The rate used to measure leases of 16th section real property was 4.00% in accordance with *Section 29-3-113, Mississippi Code of 1972 Annotated*.

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 to agree to extend) are excluded from the lease term.

*As Lessee:*

From 1989 through 2024, Jackson County entered into various non-cancellable lease agreements with the Jackson County School District for the lease of several parcels of 16th section land owned by the School District. The leases stipulated that the lessee would pay lease payments ranging from $450 to $55,500 per year for terms of 25 to 40 years.

On November 10, 2024, Jackson County entered into a non-cancellable lease agreement with Alice Martin for the lease of real property owned by Alice Martin. The lease stipulated that the lessee would pay $29,500 per year in lease payments for a term of five years.

From 2020 to 2023, Jackson County entered into various non-cancellable lease agreements with Dex Imaging for the lease of copiers owned by Dex Imaging. The leases stipulated that the lessee would pay $192 to $2,985 per month in lease payments for terms of four to five years.

On March 1, 2025, Jackson County entered into a non-cancellable lease agreement with Dell Financial Services for the lease of equipment owned by Dell Financial Services. The lease stipulated that the lessee would pay $51,255.05 per year in lease payments for a term of five years.

**Governmental Activities:**

| Description | Discount Rate | Term | Issue Date | Maturity Date | Monthly Payment | Amount Outstanding |
|---|---|---|---|---|---|---|
| 16th section lease | 4.00% | 40 years | 05/1989 | 04/2029 | $ 531 * | $ 17,692 |
| 16th section lease | 4.00% | 40 years | 11/1995 | 11/2035 | 104 * | 10,138 |
| 16th section lease | 4.00% | 40 years | 08/2007 | 08/2047 | 38 * | 6,116 |
| 16th section lease | 4.00% | 25 years | 01/2009 | 01/2034 | 246 * | 17,705 |
| 16th section lease | 4.00% | 25 years | 02/2010 | 02/2035 | 140 * | 12,454 |
| 16th section lease | 4.00% | 25 years | 07/2014 | 07/2039 | 3,092 * | 370,468 |
| 16th section lease | 4.00% | 25 years | 01/2016 | 01/2041 | 4,069 * | 542,888 |
| 16th section lease | 4.00% | 25 years | 03/2017 | 02/2042 | 458 * | 66,911 |
| 16th section lease | 4.00% | 25 years | 11/2024 | 11/2049 | 4,146 * | 758,537 |
| Alice Martin | 7.75% | 25 years | 11/2024 | 11/2029 | 2,458 * | 98,254 |
| Copier lease | 3.25% | 60 months | 10/2020 | 10/2025 | 477 | 476 |
| Copier lease | 3.25% | 60 months | 12/2021 | 12/2026 | 192 | 2,452 |
| Copier lease | 8.50% | 48 months | 08/2023 | 07/2027 | 2,985 | 60,561 |
| Copier lease | 8.50% | 48 months | 03/2025 | 03/2029 | 4,271 | 181,034 |
| | | | | | $ 23,207 | $ 2,145,686 |

**Business-type Activities:**

| Description | Discount Rate | Term | Issue Date | Maturity Date | Monthly Payment | Amount Outstanding |
|---|---|---|---|---|---|---|
| 16th section lease | 4.00% | 25 years | 01/2016 | 01/2041 | $ 4,625 * | $ 646,702 |

*Lease payment made annually, but is shown monthly for reporting purposes.

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

| Year Ending September 30 | Governmental Activities Principal | Governmental Activities Interest | Business-type Activities Principal | Business-type Activities Interest |
|---|---|---|---|---|
| 2026 | $ 180,144 | 93,059 | 29,632 | 25,868 |
| 2027 | 181,561 | 83,088 | 30,817 | 24,683 |
| 2028 | 160,183 | 74,450 | 32,050 | 23,450 |
| 2029 | 161,711 | 66,548 | 33,332 | 22,168 |
| 2030 | 89,020 | 58,483 | 34,665 | 20,835 |
| 2031 - 2035 | 490,556 | 236,434 | 195,268 | 82,232 |
| 2036 - 2040 | 500,224 | 133,716 | 237,573 | 39,927 |
| 2041 - 2045 | 201,698 | 60,303 | 53,365 | 2,135 |
| 2046 - 2050 | 180,589 | 18,411 | | |
| Total | $ 2,145,686 | 824,492 | 646,702 | 241,298 |

*As Lessor:*

On September 1, 2021, Jackson County entered into a non-cancellable lease agreement with the Mississippi Department of Corrections for the lease of a County owned building for the purpose of housing the Jackson County Probation and Parole Office. The lease stipulated that the lessee would pay $3,552.50 per month in lease payments for a term of five (5) years. The County is to receive $42,630 in rent annually with an implicit interest rate of 3.25%. Total income received was $42,630 for the year ended September 30, 2025.

On July 14, 2021, Jackson County entered into a fixed base operator (FBO) lease agreement with Southern Sky Aviation KPQL, LLC (SSA). The lease allows SSA to operate a commercial fixed base operation business at the County owned Trent Lott International Airport. The lease stipulated that the lessee would pay a minimum amount of $10,000 per month in lease payments as well as other variable fees and commissions related to the FBO, commencing July 15, 2021 for a term of twenty (20) years. On September 27, 2022, Jackson County and SSA agreed to amend the FBO lease to add Hanger 6 to the leased property for a term of three (3) years. The lease amendment stipulated that the lessee would pay a minimum amount of $14,750 per month, commencing November 1, 2022 and continuing for the period Hanger 6 was leased. After the expiration of the Hanger 6 lease term, the minimum lease payment will revert to $10,000 per month. The County is to receive between $100,000 and $177,000 annually with an implicit interest rate of 6.25%. Total income received was $177,000 for the year ended September 30, 2025.

On April 1, 2023, Jackson County entered into a non-cancellable lease agreement with Singing River Health System for the lease of a County owned building for the purpose of operating a medical facility for a term of sixty (60) months concluding on March 31, 2028. The lease terms were established by judgment of the Chancery Court. The lease stipulated the lessee would pay $146,503.80 per month, less a $20,000 monthly credit, until October 2023. Beginning in November 2023, the rent increases to $148,701.35 per month, less the $20,000 monthly credit. The lease payment increases 1.50% each November until the end of the term. The County is to receive between $759,023 and $1,612,974 annually with an implicit interest rate of 8.00%. Total income received was $1,565,652 for the year ended September 30, 2025.

On July 1, 2025, Jackson County entered into a non-cancellable lease agreement with the South Mississippi Mental Health Center, a component unit, for the lease of four County-owned buildings for the purpose of housing the operations of the Mental Health Center for a term of five (5) years. Monthly lease payments are as follows: $2,000 for the IDD Building, $7,200 for the Plaza Building, $15,000 for the Crisis Stabilization Unit, and $4,800 for the Psychosocial Rehabilitation Building. Total monthly building lease payments are $29,000 or $348,000 annually. The lease has an implicit interest rate of 7.50%. The County received no payments for the year ended September 30, 2025.

On July 1, 2025, Jackson County entered into a non-cancellable lease agreement with the South Mississippi Mental Health Center, a component unit, for the lease of six County owned vehicles for the purpose of the operations of the Mental Health Center. The lease stipulated that the lessee would pay lease payments of $66,800 per year for a term of seven (7) years with an implicit interest rate of 7.50%. The County received no payments for the year ended September 30, 2025.

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

| Year Ending September 30 | | Principal | Interest |
|---|---|---|---|
| 2026 | $ | 1,729,354 | 438,410 |
| 2027 | | 1,848,324 | 299,450 |
| 2028 | | 1,190,737 | 161,638 |
| 2029 | | 421,548 | 113,252 |
| 2030 | | 365,859 | 81,941 |
| 2031 - 2035 | | 477,358 | 256,243 |
| 2036 - 2040 | | 488,131 | 111,869 |
| 2041 - 2045 | | 184,193 | 2,806 |
| Total | $ | 6,705,504 | 1,465,609 |

**SBITA**

The County is party to a non-cancellable subscription-based information technology arrangement (SBITA contract) that conveys control of the right to use a vendor's information technology (IT) software. For contracts that have a maximum possible term of 12 months or less at commencement, the County recognizes expense based on the provisions of the contract. For all other contracts, other than short-term, the County recognized a subscription liability and an intangible right-to-use subscription asset.

At subscription commencement, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, plus subscription payments made at or before the subscription commencement date, plus any capitalizable initial implementation costs, less any vendor incentives received at or before the subscription commencement date. Subsequently, the subscription asset is amortized in depreciation and amortization expense on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT asset.

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

The subscription term includes the non-cancellable period of the subscription plus any additional periods covered by either a County or vendor 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 vendor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the subscription term.

On October 14, 2024, Jackson County entered into a SBITA with Virtual Academy for the right-to-use software owned by Virtual Academy. The contract stipulated that the County would pay $11,250 per year in payments for a term of three (3) years.

On January 30, 2025, Jackson County entered into a SBITA with Workday, Inc. for the right-to-use software owned by Workday, Inc. The contract stipulated that the County would pay $363,588 per year in payments for a term of five (5) years.

On February 7, 2025, Jackson County entered into a SBITA with Dell Financial Services, for the right-to-use software owned by Dell, Inc. The contract stipulated that the County would pay $120,053.34 per year in payments for a term of five (5) years.

On April 1, 2025, Jackson County entered into a SBITA with Thomson Reuters, for the right-to-use software owned by Thomson Reuters, requiring monthly payments of $3,220.01 for a term of thirty-six (36) months, with payments increasing by 5% annually over the life of the agreement.

**Governmental Activities:**

| Description | Discount Rate | Term | Issue Date | Maturity Date | | Annual Payment | | Amount Outstanding |
|---|---|---|---|---|---|---|---|---|
| Virtual Academy contract | 7.50% | 3 years | 10/2024 | 09/2027 | $ | 11,250 | $ | 20,062 |
| Workday contract | 8.00% | 5 years | 01/2025 | 12/2029 | | 363,588 | | 1,217,777 |
| Dell Financial Services contract* | 6.64% | 5 years | 02/2025 | 02/2025 | | 120,053 | | 409,937 |
| Thomson Reuters contract | 7.50% | 3 years | 04/2025 | 04/2025 | | 16,100 ** | | 95,646 |
| | | | | | $ | 510,991 | $ | 1,743,422 |

*Payment is made annually at the beginning of each term.
**Payments increase 5% annually.

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

| Year Ending September 30 | | Principal Payments | Interest Payments | Total |
|---|---|---|---|---|
| 2026 | $ | 408,104 | 126,233 | 534,337 |
| 2027 | | 440,094 | 96,215 | 536,309 |
| 2028 | | 444,426 | 64,067 | 508,493 |
| 2029 | | 450,798 | 32,846 | 483,644 |
| Total | $ | 1,743,422 | 319,361 | 2,062,783 |

(10) Claims and Judgments.

Risk Financing.

*Worker's Compensation Benefits*

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

*Health and Accident Benefits*

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

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

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

> The County has purchased coinsurance, which functions on specific stop loss coverage. This coverage is purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds $200,000.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At September 30, 2025, the amount of these liabilities was $1,160,129. An analysis of claims activities is presented below:

| | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | Balance at Fiscal Year End |
|---|---|---|---|---|
| 2023 - 2024 | $ 9,906 | 12,076,178 | (11,735,543) | 350,541 |
| 2024 - 2025 | $ 350,541 | 14,296,216 | (13,486,628) | 1,160,129 |

(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. Bonds, Series 2017 | $ 2,011,000 | 2.30% | 12/2027 |
| Special Obligation Bond, Series 2021 | 12,930,000 | 3.63% | 11/2036 |
| Correctional Facility, Series 2021A | 13,057,000 | 1.47% | 07/2032 |
| General Obligation Bond, Series 2023 | 10,243,000 | 4.74% | 09/2038 |
| Total General Obligation Bonds | $ 38,241,000 | | |
| B. Other Loans: | | | |
| Rail Loan, Series 2011 | $ 27,772 | 0.00% | 03/2026 |
| Rail Loan, Series 2019 | 1,034,209 | 0.75% | 06/2034 |
| Total Other Loans | $ 1,061,981 | | |

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

**Governmental Activities:**

| | General Obligation Bonds | | Other Loans | |
|---|---|---|---|---|
| Year Ending September 30 | Principal | Interest | Principal | Interest |
| 2026 | $ 3,981,000 | 1,175,634 | 143,726 | 7,390 |
| 2027 | 4,085,000 | 1,071,197 | 116,824 | 6,564 |
| 2028 | 4,198,000 | 963,402 | 117,703 | 5,684 |
| 2029 | 3,606,000 | 851,986 | 118,600 | 4,800 |
| 2030 | 3,699,000 | 753,245 | 119,482 | 3,907 |
| 2031 - 2035 | 14,095,000 | 2,250,004 | 445,646 | 6,587 |
| 2036 - 2040 | 4,577,000 | 322,254 | | |
| Total | $ 38,241,000 | 7,387,722 | 1,061,981 | 34,932 |

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 1.62 percent (1.62%) 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 | Remeasurements | Balance Sept. 30, 2025 | Amount due within one year |
|---|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | | |
| Compensated absences* | $ 3,419,863 | 151,213 | | | 3,571,076 | 232,820 |
| General obligation bonds | 42,483,000 | | 4,242,000 | | 38,241,000 | 3,981,000 |
| Obligations under leases | 1,158,957 | 1,168,330 | 229,530 | 47,929 | 2,145,686 | 180,144 |
| Obligations under SBITA | | 2,251,182 | 507,760 | | 1,743,422 | 408,104 |
| Other loans | 1,243,805 | | 181,824 | | 1,061,981 | 143,726 |
| Total | $ 48,305,625 | 3,570,725 | 5,161,114 | 47,929 | 46,763,165 | 4,945,794 |

| | Balance Oct. 1, 2024 | Additions | Reductions | Remeasurements | Balance Sept. 30, 2025 | Amount due within one year |
|---|---|---|---|---|---|---|
| **Business-type Activities:** | | | | | | |
| Compensated absences* | $ 59,841 | 16,046 | | | 75,887 | 4,948 |
| Obligations under leases | 427,746 | | 36,709 | 255,665 | 646,702 | 29,632 |
| Total | $ 487,587 | 16,046 | 36,709 | 255,665 | 722,589 | 34,580 |

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

(12) Other Postemployment Benefits.

Plan Description

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

Funding Policy

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

Per *Section 25-15-103, Mississippi Code of 1972 Annotated*, any retired employee electing to purchase retiree health insurance must pay the full cost of the insurance premium monthly to the County. For the year ended September 30, 2025, retiree premiums range from $799 to $1,049 depending on dependent coverage and Medicare eligibility.

Employees covered by benefit terms. At September 30, 2025, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefit payments | 12 |
| Inactive employees entitled to but not yet receiving benefit payments | 0 |
| Active employees | 660 |
| Total | 672 |

Total OPEB Liability

The County's total OPEB liability of $4,975,500 was measured as of September 30, 2024, and was determined by an actuarial valuation as of October 1, 2024. The County's Health Insurance Plan's Report of the Actuary on the Other Postemployment Benefits Valuation was prepared as of October 1, 2024 for the years ending September 30, 2024 and 2025.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Salary increases | 2.00%, average, including inflation |
| Discount rate | 4.06% |
| Healthcare cost trend rates | 7% for 2024, then 7.50% in 2025 grading down to 6.60% uniformly over 3 years, and trending to the ultimate rate of 4.04% in 2075 following the updated Getzen model |
| Retirees' share of benefit-related costs | 100% of projected health insurance premiums for retirees |

The actuarial assumptions used in the October 1, 2024 valuation have been prepared using employee data and plan documentation furnished by the County as of October 1, 2024.

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index of September 30, 2024.

Mortality rates were based on the Pub-2010 General Headcount Weighted Table projected using Scale MP-2021.

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

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|---|---|
| Balance at September 30, 2024 | $ 4,430,741 |
| Changes for the year: | |
| Service cost | 462,993 |
| Interest | 194,124 |
| Benefit payments | (112,358) |
| Net changes | 544,759 |
| Balance at September 30, 2025 | $ 4,975,500 |

Changes of assumptions and other inputs did not reflect a change in the discount rate for 2025 from 4.06 percent (4.06%) reported in 2024.

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

| | 1% Decrease (3.06%) | Current Discount Rate (4.06%) | 1% Increase (5.06%) |
|---|---|---|---|
| Total OPEB Liability | $ 5,475,483 | $ 4,975,500 | $ 4,523,437 |

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

| | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|---|---|---|---|
| Total OPEB Liability | $ 4,322,804 | $ 4,975,500 | $ 5,766,214 |

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

For the year ended September 30, 2025, the County recognized OPEB expense of $542,557. At September 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 351,684 | $ 146,683 |
| Changes of assumptions or other inputs | 852,033 | 990,793 |
| Total | $ 1,203,717 | $ 1,137,476 |

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

| Year ending September 30 | Amount |
|---|---|
| 2026 | $ (114,560) |
| 2027 | (120,842) |
| 2028 | (126,200) |
| 2029 | 44,523 |
| 2030 | 44,527 |
| Thereafter | 338,793 |
| Total | $ 66,241 |

(13) Defined Benefit Pension Plan.

*General Information about the Pension Plan*

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the 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, 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 $7,693,504, $7,160,913 and $6,706,648, 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 $136,366,061 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 0.537236 percent, which was based on a measurement date of June 30, 2025. This was an increase of 0.010327 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 $15,947,227. 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 | $ 6,482,468 | |
| Net difference between projected and actual earnings on pension plan investments | | 3,414,328 |
| Changes of assumptions | 3,157,350 | 1,302,712 |
| Changes in the proportion and differences between the County's contributions and proportionate share of contributions | 2,175,091 | 511,137 |
| County contributions subsequent to the measurement date | 1,831,949 | |
| Total | $ 13,646,858 | 5,228,177 |

$1,831,949 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:

| Year ending September 30 | Amount |
|---|---|
| 2026 | $ 10,402,803 |
| 2027 | (320,897) |
| 2028 | (2,006,622) |
| 2029 | (1,488,552) |
| Total | $ 6,586,732 |

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 | % | |

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 | $ | 177,324,632 | 136,366,061 | 102,720,936 |

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 funds reported deficits in fund balances at September 30, 2025:

| Fund | Deficit Amount |
|---|---|
| SMMET Operating Account Fund | $ 35,748 |
| Hurricane Ida Fund | 416,497 |
| Hurricane Zeta Fund | 395,741 |
| Tideland Fund | 315,503 |

(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.

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

Hospital Revenue Bond Contingencies - The County issues revenue bonds with maturities ranging from July 1, 2035, through July 1, 2038, to provide funds for constructing and improving capital facilities of Singing River Hospital. Revenue bonds are reported as a liability of the hospital because such debt is payable primarily from the hospital's pledged revenues. However, the County remains contingently liable for the retirement of these bonds because the full faith, credit and taxing power of the County is secondarily pledged in case of default by the hospital. In addition, the bonds are supported by a five mill pledge on the assessed value of real property by Jackson County. The principal amount of hospital revenue bonds outstanding at September 30, 2025, is $26,461,000.

(16) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of $(58,570,905) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of $1,806,906 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 $11,681,638 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 $5,135,996 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 $(58,570,905) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from other postemployment benefits (OPEB). The $1,203,717 balance of deferred outflows of resources related to OPEB, at September 30, 2025, will be recognized as an expense and will decrease the unrestricted net position over the next eleven years.

The governmental activities' unrestricted net position amount of $(58,570,905) includes the effect of deferring the recognition of revenue resulting from a deferred inflows from other postemployment benefits (OPEB). The $1,137,476 balance of deferred inflows of resources related to OPEB, at September 30, 2025, will be recognized as revenue and will increase the unrestricted net position over the next eleven years.

The governmental activities' unrestricted net position amount of $(58,570,905) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The $6,260,177 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 sixteen years.

The business-type activities' unrestricted net position amount of $(1,167,115) 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 $20,675 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 $110,025 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 $76,102 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 business-type activities' restricted for culture and recreation net position amount of $143,922 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 $4,368 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 $23,246 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 $16,079 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) Segment Information for Enterprise Funds.

The County maintains three enterprise funds, which provide recreation and community services, rental services, and food services. Summary financial information for each enterprise fund is presented for the year ended September 30, 2025.

Condensed Statement of Net Position:

| | | ADC Canteen Fund | Ocean Springs Harbor Fund | Golf Course Fund | Total |
|---|---|---|---|---|---|
| Current assets | $ | 493,340 | 431,585 | 233,788 | 1,158,713 |
| Capital assets | | 4,204 | 4,216,942 | 2,449,058 | 6,670,204 |
| Deferred outflows of resources | | | 27,614 | 130,700 | 158,314 |
| Total Assets and Deferred Outflows of Resources | | 497,544 | 4,676,141 | 2,813,546 | 7,987,231 |
| Current liabilities | | 5,903 | 11,768 | 130,025 | 147,696 |
| Noncurrent liabilities | | | 287,430 | 1,972,178 | 2,259,608 |
| Deferred inflows of resources | | | 16,079 | 76,102 | 92,181 |
| Total Liabilities and Deferred Inflows of Resources | | 5,903 | 315,277 | 2,178,305 | 2,499,485 |
| Net position: | | | | | |
| Net investment in capital assets | | 4,204 | 4,216,942 | 1,802,356 | 6,023,502 |
| Restricted | | 487,437 | 143,922 | | 631,359 |
| Unrestricted | | | | (1,167,115) | (1,167,115) |
| Total Net Position | $ | 491,641 | 4,360,864 | 635,241 | 5,487,746 |

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

| | | ADC Canteen Fund | Ocean Springs Harbor Fund | Golf Course Fund | Total |
|---|---|---|---|---|---|
| Operating revenues | $ | 227,395 | 306,909 | 1,215,332 | 1,749,636 |
| Operating expenses | | (80,777) | (304,806) | (1,385,518) | (1,771,101) |
| Depreciation expense | | | (325,886) | (152,352) | (478,238) |
| Operating Income (Loss) | | 146,618 | (323,783) | (322,538) | (499,703) |
| Nonoperating revenues | | 23,107 | 29,605 | 35,429 | 88,141 |
| Nonoperating expenses | | | | (6,569) | (6,569) |
| Change in Net Position | | 169,725 | (294,178) | (293,678) | (418,131) |
| Net Position - Beginning, as previously reported | | 321,916 | 4,655,042 | 928,919 | 5,905,877 |
| Error correction | | | | | 0 |
| Net Position - Beginning, as restated | | 321,916 | 4,655,042 | 928,919 | 5,905,877 |
| Net Position - Ending | $ | 491,641 | 4,360,864 | 635,241 | 5,487,746 |

Condensed Statement of Cash Flows:

| | | ADC Canteen Fund | Ocean Springs Harbor Fund | Golf Course Fund | Total |
|---|---|---|---|---|---|
| Net cash provided (used) by: | | | | | |
| Operating activities | $ | 144,127 | 17,545 | (19,957) | 141,715 |
| Capital and related financing activities | | | | (347,775) | (347,775) |
| Investing activities | | 23,107 | 29,605 | 35,429 | 88,141 |
| Net increase (decrease) in cash | | 167,234 | 47,150 | (332,303) | (117,919) |
| Cash - Beginning of year | | 322,266 | 384,435 | 566,091 | 1,272,792 |
| Cash - End of year | $ | 489,500 | 431,585 | 233,788 | 1,154,873 |

(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 governing body is a 27 member board of directors, one appointed by the Board of Supervisors of each member county, one from each of the six participating cities and six appointed at large by minority members. The County appropriated $35,813 for support of Southern Mississippi Planning and Development District in fiscal year 2025.

Community Action of South Mississippi is jointly governed by various public entities, as well as by certain corporations and civic groups. The Jackson County Board of Supervisors appoints two of the 15 members of the board of directors. The County appropriated $203,550 for support of the Community Action of South Mississippi in fiscal year 2025.

Jackson County Economic Development Foundation is jointly governed by various public entities, as well as by certain corporations. The Jackson County Board of Supervisors appoints two of the 16 members of the board of directors. The County appropriated $890,000 for support of the Jackson County Economic Development Foundation in fiscal year 2025.

Gulf Regional Planning and Development District operates in a district composed of the counties of Hancock, Harrison and Jackson. The governing body is a nine-member board of directors; three appointed by the Board of Supervisors of each member county. The County appropriated $30,835 for support of Gulf Regional Planning and Development District in fiscal year 2025.

Harrison-Jackson County Emergency Medical Service District operates in a district composed of the counties of Harrison and Jackson and the Cities of Biloxi, Gulfport and Ocean Springs. The district's board is composed of five members, one appointed by each government. The County provided no financial support to Harrison-Jackson County Emergency Medical Service District in fiscal year 2025.

LA Pointe-Krebs Foundation is jointly governed by Jackson County, the City of Pascagoula and Jackson County Historical and Genealogical Society. The Jackson County Board of Supervisors appoints two of the five members of the board of directors. The County appropriated $75,000 for financial support to the LaPointe-Krebs Foundation in fiscal year 2025.

Mississippi Gulf Coast Community College operates in a district composed of the counties of George, Harrison, Jackson and Stone. The College's board of trustees is composed of 23 members; three each appointed by George and Stone counties, eight each appointed by Harrison and Jackson counties, and one appointed at large. The County appropriated $9,496,200 for maintenance and support of the college in fiscal year 2025.

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

(19) Tax Abatements.

As of September 30, 2025, Jackson County provides tax exempt status to eleven property holding companies, two industrial engineering companies, one power plant, one pharmaceutical company, one oil refinery, one maritime transportation provider, one shipbuilder, one natural gas company, one optical lab, one flooring contractor, one metal working company, one bait manufacturing company, one paving company, one respirator producer, one pellet manufacturing company, and one assisted living facility subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for the levies involving the school, community college, mandatory mill and other non-exempt tax levy millage for general county and road maintenance. The exemptions are authorized under *Sections 27-31-101, 27-31-104, 27-31-105* and *17-21-7* of the *Mississippi Code of 1972 Annotated*. The exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2025 totaled $10,942,443.

(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 Jackson County evaluated the activity of the County through July 29, 2026, 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 entered into the following leases and subscription-based information technology arrangements:

| Issue Date | Interest Rate | Issue Amount | Type of Financing | Source of Financing |
|---|---|---|---|---|
| 10/01/2025 | 7.25% | $ 110,000 | Software subscription | Ad valorem taxes |
| 10/06/2025 | 4.00% | 61,250 | 16th section land lease | Ad valorem taxes |
| 05/18/2026 | 4.00% | 375,000 | 16th section land lease | Ad valorem taxes |
| 07/20/2026 | 6.75% | 161/month | Copier lease | Ad valorem taxes |

(This page left blank intentionally.)

# REQUIRED SUPPLEMENTARY INFORMATION

(This page left blank intentionally.)

JACKSON COUNTY
Budgetary Comparison Schedule -
Budget and Actual (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 | $ 62,329,822 | 61,478,521 | 63,388,811 | 1,910,290 |
| Licenses, commissions and other revenue | 2,656,100 | 3,289,793 | 3,420,508 | 130,715 |
| Fines and forfeitures | 1,205,000 | 1,202,201 | 1,229,360 | 27,159 |
| In lieu taxes - Mississippi Power | 7,158,113 | 7,158,113 | 6,178,410 | (979,703) |
| In lieu taxes - Enviva | | | 202,983 | 202,983 |
| Intergovernmental revenues | 5,997,674 | 1,944,356 | 6,040,715 | 4,096,359 |
| Charges for services | 1,490,000 | 1,418,183 | 1,374,994 | (43,189) |
| Interest income | 5,420,000 | 5,652,690 | 5,410,877 | (241,813) |
| Miscellaneous revenues | 2,998,473 | 3,434,691 | 5,006,433 | 1,571,742 |
| Total Revenues | 89,255,182 | 85,578,548 | 92,253,091 | 6,674,543 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 41,781,748 | 46,989,094 | 44,209,501 | 2,779,593 |
| Public safety | 24,428,952 | 24,528,353 | 24,569,227 | (40,874) |
| Public works | 2,851,878 | 2,976,258 | 3,000,413 | (24,155) |
| Health and welfare | 3,678,360 | 8,933,828 | 9,088,839 | (155,011) |
| Culture and recreation | 7,372,915 | 7,192,756 | 7,959,429 | (766,673) |
| Education | 350,000 | 350,195 | 350,195 | |
| Conservation of natural resources | 249,317 | 272,096 | 292,657 | (20,561) |
| Economic development and assistance | 2,858,423 | 2,723,548 | 2,716,784 | 6,764 |
| Debt service: | | | | |
| Principal | 1,845,607 | | 2,490,676 | (2,490,676) |
| Interest | | | 269,689 | (269,689) |
| Total Expenditures | 85,417,200 | 93,966,128 | 94,947,410 | (981,282) |
| Excess of Revenues over (under) Expenditures | 3,837,982 | (8,387,580) | (2,694,319) | 5,693,261 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Leases issued | | | 1,168,330 | 1,168,330 |
| SBITA Issued | | | 2,251,182 | 2,251,182 |
| Proceeds from sale of capital assets | | 2,163,439 | 70,555 | (2,092,884) |
| Transfers in | | | 36,790 | 36,790 |
| Transfers out | (1,215,000) | (3,892,959) | (3,892,959) | |
| Total Other Financing Sources and Uses | (1,215,000) | (1,729,520) | (366,102) | 1,363,418 |
| Net Changes in Fund Balance | 2,622,982 | (10,117,100) | (3,060,421) | 7,056,679 |
| Fund Balances - Beginning, as previously reported | 72,330,017 | 72,330,017 | 72,330,017 | 0 |
| Error corrections | | | 82,663 | 82,663 |
| Fund Balances - Beginning, as restated | 72,330,017 | 72,330,017 | 72,412,680 | 82,663 |
| Fund Balances - Ending | $ 74,952,999 | 62,212,917 | 69,352,259 | 7,139,342 |

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

JACKSON COUNTY
Budgetary Comparison Schedule -
Budget and Actual (GAAP Basis)
Road 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 | $ 17,109,000 | 16,661,985 | 17,138,713 | 476,728 |
| Road and bridge privilege taxes | 1,900,000 | 1,790,138 | 1,953,163 | 163,025 |
| Intergovernmental revenues | 2,070,000 | 3,761,828 | 3,790,050 | 28,222 |
| Interest income | | 1,138,247 | 1,246,514 | 108,267 |
| Miscellaneous revenues | 60,000 | 50,571 | 86,303 | 35,732 |
| Total Revenues | 21,139,000 | 23,402,769 | 24,214,743 | 811,974 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works | 29,582,264 | 39,504,587 | 35,352,847 | 4,151,740 |
| Conservation of natural resources | | | 2,495 | (2,495) |
| Debt service: | | | | |
| Principal | | | 5,614 | (5,614) |
| Interest | | | 115 | (115) |
| Total Expenditures | 29,582,264 | 39,504,587 | 35,361,071 | 4,143,516 |
| Excess of Revenues over (under) Expenditures | (8,443,264) | (16,101,818) | (11,146,328) | 4,955,490 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of capital assets | | | 41,214 | 41,214 |
| Transfers in | 2,000,000 | 7,340,557 | 7,360,077 | 19,520 |
| Total Other Financing Sources and Uses | 2,000,000 | 7,340,557 | 7,401,291 | 60,734 |
| Net Changes in Fund Balance | (6,443,264) | (8,761,261) | (3,745,037) | 5,016,224 |
| Fund Balances - Beginning | 19,696,405 | 19,696,405 | 19,696,405 | 0 |
| Fund Balances - Ending | $ 13,253,141 | 10,935,144 | 15,951,368 | 5,016,224 |

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

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

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| County's proportion of the net pension liability (asset) | 0.537236% | 0.526909% | 0.529016% | 0.518858% | 0.539602% | 0.516617% | 0.509584% | 0.501612% | 0.489852% | 0.473641% |
| County's proportionate share of the net pension liability (asset) | $ 136,366,061 | 136,824,705 | 133,054,507 | 106,799,858 | 79,755,535 | 100,011,048 | 89,645,880 | 83,432,978 | 81,430,028 | 84,604,109 |
| Covered payroll | $ 42,326,669 | 40,378,174 | 39,214,698 | 35,719,817 | 35,878,008 | 34,397,933 | 33,228,661 | 32,032,743 | 31,424,337 | 30,299,987 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 322.18% | 338.86% | 339.30% | 298.99% | 222.30% | 290.75% | 269.78% | 260.46% | 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.

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

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 7,693,504 | 7,160,913 | 6,706,648 | 6,274,592 | 6,234,416 | 6,067,237 | 5,444,252 | 5,083,533 | 4,969,910 | 4,987,616 |
| Contributions in relation to the contractually required contribution | 7,693,504 | 7,160,913 | 6,706,648 | 6,274,592 | 6,234,416 | 6,067,237 | 5,444,252 | 5,083,533 | 4,969,910 | 4,987,616 |
| Contribution deficiency (excess) | $ 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Covered payroll | $ 42,694,251 | 40,872,791 | 38,543,954 | 36,060,867 | 35,829,975 | 34,869,178 | 33,627,252 | 32,276,394 | 31,554,984 | 31,667,403 |
| Contributions as a percentage of covered payroll | 18.02% ** | 17.52% | 17.40% | 17.40% | 17.40% | 17.40% | 16.19% | 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.

JACKSON COUNTY
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years*
For the Year Ended September 30, 2025
UNAUDITED

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|---|
| Service cost | $ 462,993 | 265,172 | 253,099 | 318,698 | 312,021 | 393,097 | 378,342 | 272,457 |
| Interest | 194,124 | 159,306 | 144,739 | 67,795 | 61,535 | 86,884 | 121,473 | 102,250 |
| Changes of benefit terms | | | | | | | | |
| Difference between expected and actual experience | | 90,361 | | 491,557 | | 14,000 | | (950,451) |
| Changes in assumptions or other inputs | | 841,318 | | (853,128) | | (1,550,507) | | 1,060,569 |
| Benefit payments / refunds | (112,358) | (104,519) | (92,970) | (87,708) | (46,914) | (27,295) | (25,332) | (34,885) |
| Net change in total OPEB liability | $ 544,759 | 1,251,638 | 304,868 | (62,786) | 326,642 | (1,083,821) | 474,483 | 449,940 |
| Total OPEB liability - beginning | 4,430,741 | 3,179,103 | 2,874,235 | 2,937,021 | 2,610,379 | 3,694,200 | 3,219,717 | 2,769,777 |
| Total OPEB liability - ending | $ 4,975,500 | 4,430,741 | 3,179,103 | 2,874,235 | 2,937,021 | 2,610,379 | 3,694,200 | 3,219,717 |
| Covered employee payroll | $ 34,199,227 | 33,528,654 | 34,310,045 | 33,637,299 | 30,416,360 | 29,819,961 | 28,278,060 | 27,723,588 |
| Total OPEB liability as a percentage of covered-employee payroll | 14.5% | 13.2% | 9.3% | 8.5% | 9.7% | 8.8% | 13.1% | 11.6% |

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

| | |
|---|---|
| 2025 | 4.06% |
| 2024 | 4.06% |
| 2023 | 4.77% |
| 2022 | 4.77% |
| 2021 | 2.14% |
| 2020 | 2.14% |
| 2019 | 3.40% |
| 2018 | 3.40% |

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

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

(This page left blank intentionally.)

A. Budgetary Information.

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

The County's budget is prepared principally on the GAAP 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 presents the original legally adopted budget, the final legally adopted budget, and actual amounts on a budgetary GAAP basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and the major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual is a part of required supplementary information.

C. Excess of Actual Expenditures Over Budget in Individual Fund.

The following fund had an excess of actual expenditures over budget for the year ended September 30, 2025:

| Fund | Deficit Amount |
|---|---|
| General Fund | $ 981,282 |

The fund listed above is in violation of *Section 19-11-17, Mississippi Code of 1972 Annotated.* However, the County has no liability associated with this violation.

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

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

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

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

2019

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

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

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

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

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

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

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

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

2021

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

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
For females, 84% of female rates up to age 72, 100% for ages above 76.

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

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

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

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

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

<u>2023</u>

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%.

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.

<u>2025</u>

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

(This page left blank intentionally.)

JACKSON 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 | $ 21,709 |
| Total Forest service schools and roads cluster | | | 21,709 |
| Total U.S. Department of Agriculture | | | 21,709 |
| 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 | R-109-030-03-KCR | 1,255,918 |
| Community development block grants / state's program and non-entitlement grants in Hawaii* | 14.228 | R-007-030-01-ZJC | 277,852 |
| Community development block grants / state's program and non-entitlement grants in Hawaii* | 14.228 | R-007-030-01-F21JC | 197,121 |
| Subtotal | | | 1,730,891 |
| Total U.S. Department of Housing and Urban Development | | | 1,730,891 |
| U.S. Department of the Interior | | | |
| National wildlife refuge fund (Direct Award) | 15.659 | N/A | 59,281 |
| U.S. Department of the Interior - National Park Service | | | |
| Passed-through the Mississippi Department of Marine Resources | | | |
| Heritage partnership | 15.939 | S-NBT-2025-01 | 23,603 |
| Total U.S. Department of the Interior | | | 82,884 |
| U.S. Department of Justice - Criminal Division | | | |
| Equitable sharing program (Direct Award) | 16.922 | N/A | 20,468 |
| Total U.S. Department of Justice | | | 20,468 |
| U.S. Department of Transportation - Federal Aviation Administration | | | |
| Airport improvement program, infrastructure investment and jobs act programs, and COVID-19 airports programs (Direct Award) | 20.106 | N/A | 19,000 |
| U.S. Department of Transportation - Federal Highway Administration | | | |
| Passed-through the Mississippi Department of Transportation | | | |
| COVID-19 Highway planning and construction* | 20.205 | 107064LPA | 2,783,810 |
| Highway planning and construction* | 20.205 | 109585LPA | 28,826 |
| Highway planning and construction* | 20.205 | 109065LPA | 3,999,999 |
| Highway planning and construction* | 20.205 | 109065LPA | 1,555,415 |
| Subtotal | | | 8,368,050 |
| Total U.S. Department of Transportation | | | 8,387,050 |
| US Department of the Treasury | | | |
| COVID-19 Coronavirus state and local fiscal recovery funds (Direct Award) | 21.027 | N/A | 3,950,660 |
| Total U.S. Department of the Treasury | | | 3,950,660 |

JACKSON 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 | G24-GC0003A | 9,846 |
| Total Executive Office of the President | | | 9,846 |
| U.S. Department of the Homeland Security | | | |
| Passed-through the Mississippi Emergency Management Agency | | | |
| Flood mitigation assistance* | 97.029 | FMA-PJ-04-MS-2022-003 | 1,175,737 |
| Emergency management performance grants | 97.042 | 2025 EMPG MS | 98,816 |
| U.S. Department of Homeland Security - Federal Emergency Management Agency | | | |
| Passed-through the Mississippi Department of Public Safety | | | |
| Homeland security grant program | 97.067 | S22LE030 | 66,953 |
| Homeland security grant program | 97.067 | S23LE030 | 50,346 |
| Subtotal | | | 117,299 |
| Total U.S. Department of Homeland Security | | | 1,391,852 |
| Total Expenditures of Federal Awards | | | $ 15,595,360 |

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

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

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

Jackson County has elected to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D - ALN 10.665, Schools and roads - grants to states

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling $10,723 to subrecipients during the year ended September 30, 2025.

Note E - ALN 15.659, National wildlife refuge fund

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling $26,119 to subrecipients during the year ended September 30, 2025.

Note F - ALN 21.027, COVID-19 Coronavirus state and local fiscal recovery funds

Of the federal expenditures presented in the Schedule, the County provided federal awards totaling $2,458,462 to subrecipients during the year ended September 30, 2025.

* Denotes major federal award program

# OTHER INFORMATION

(This page left blank intentionally.)

JACKSON COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2025
UNAUDITED

| Name | Position | Company | Bond |
|---|---|---|---|
| Barry Cumbest | Supervisor District 1 | RLI Insurance Company | $100,000 |
| Ennit Morris | Supervisor District 2 | State Farm | $100,000 |
| Ken Taylor | Supervisor District 3 | State Farm | $100,000 |
| Joseph Troy Ross | Supervisor District 4 | State Farm | $100,000 |
| Randy Bosarge | Supervisor District 5 | State Farm | $100,000 |
| Brian Fulton | County Administrator | RLI Insurance Company | $100,000 |
| Joshua Eldridge | Chancery Clerk | State Farm | $100,000 |
| Cynthia Steen | Purchase Clerk | RLI Insurance Company | $100,000 |
| Susanne Samples | Assistant Purchase Clerk | RLI Insurance Company | $50,000 |
| Meleana Overstreet | Receiving Clerk | RLI Insurance Company | $75,000 |
| Aimee Culpepper | Assistant Receiving Clerk | Travelers | $50,000 |
| Alecia Wilson | Assistant Receiving Clerk | Travelers | $50,000 |
| Belinda Tadlock | Assistant Receiving Clerk | Travelers | $50,000 |
| Brandi Gilliland | Assistant Receiving Clerk | Travelers | $50,000 |
| Carey Crosby | Assistant Receiving Clerk | RLI Insurance Company | $50,000 |
| Charles Long | Assistant Receiving Clerk | Travelers | $50,000 |
| Christian Robinson | Assistant Receiving Clerk | Travelers | $50,000 |
| Christina Schmidt | Assistant Receiving Clerk | Travelers | $50,000 |
| Cinnamon Snyder | Assistant Receiving Clerk | Travelers | $50,000 |
| Cortney Abel | Assistant Receiving Clerk | Travelers | $50,000 |
| Cortney Hyer | Assistant Receiving Clerk | Travelers | $50,000 |
| Crystal Ables | Assistant Receiving Clerk | Travelers | $50,000 |
| Crystal Evans | Assistant Receiving Clerk | Travelers | $50,000 |
| Dagmar Ruffin | Assistant Receiving Clerk | Travelers | $50,000 |
| David Cunningham | Assistant Receiving Clerk | Travelers | $50,000 |
| Eloria Jacob | Assistant Receiving Clerk | Travelers | $50,000 |
| Heather Wallace | Assistant Receiving Clerk | Travelers | $50,000 |
| Haley Gambrell | Assistant Receiving Clerk | Travelers | $50,000 |
| Jennifer Crosby | Assistant Receiving Clerk | Travelers | $50,000 |
| Jeremy Gregory | Assistant Receiving Clerk | Travelers | $50,000 |
| Jeremy Smith | Assistant Receiving Clerk | Travelers | $50,000 |
| Jessica Kasinec | Assistant Receiving Clerk | Travelers | $50,000 |
| Katie Dees | Assistant Receiving Clerk | Travelers | $50,000 |
| Kimberly Stewart | Assistant Receiving Clerk | Travelers | $50,000 |
| Kristin Hodge | Assistant Receiving Clerk | Travelers | $50,000 |
| Lance Smith | Assistant Receiving Clerk | Travelers | $50,000 |
| Laura Fortman | Assistant Receiving Clerk | Travelers | $50,000 |
| Marcus Watson | Assistant Receiving Clerk | Travelers | $50,000 |
| Mary Ferguson | Assistant Receiving Clerk | Travelers | $50,000 |
| Meagan Albritton | Assistant Receiving Clerk | Travelers | $50,000 |
| Melissa Werner | Assistant Receiving Clerk | Travelers | $50,000 |
| Sonya Vaughn | Assistant Receiving Clerk | Travelers | $50,000 |
| Traci Barnett | Assistant Receiving Clerk | Travelers | $50,000 |
| William Sigrest | Assistant Receiving Clerk | Travelers | $50,000 |
| Valon Buckley | Assistant Receiving Clerk | Travelers | $50,000 |
| Traci Barnett | Inventory Control Clerk | Western Surety | $50,000 |
| Diana Dixon | Assistant Inventory Control Clerk | RLI Insurance Company | $50,000 |
| Carl O'Neal | Road Manager | RLI Insurance Company | $50,000 |
| Kerry Fountain | Constable | State Farm | $50,000 |
| Calvin Hutchins | Constable | State Farm | $50,000 |
| Kenneth Shane Langfitt | Constable | State Farm | $50,000 |
| Tymothe Thompson | Constable | State Farm | $50,000 |
| Randy Carney | Circuit Clerk | Travelers | $100,000 |
| Amanda Goff | Deputy Circuit Clerk | Western Surety | $100,000 |
| Alison Tillman | Deputy Circuit Clerk | Western Surety | $100,000 |

JACKSON COUNTY
Schedule of Surety Bonds for County Officials - cont'd
For the Year Ended September 30, 2025
UNAUDITED

| Name | Position | Company | Bond |
|---|---|---|---|
| Barbara Mccreary | Deputy Circuit Clerk | Western Surety | $100,000 |
| Dana O'Ryan | Deputy Circuit Clerk | Western Surety | $100,000 |
| Kayla Nicholson | Deputy Circuit Clerk | Western Surety | $100,000 |
| Leann Anthony | Deputy Circuit Clerk | Western Surety | $100,000 |
| Melissa Lanning | Deputy Circuit Clerk | Western Surety | $100,000 |
| Melissa Sheffield | Deputy Circuit Clerk | Western Surety | $100,000 |
| Sydney Bishop | Deputy Circuit Clerk | Western Surety | $100,000 |
| Christina McDonald | Deputy Circuit Clerk | Western Surety | $100,000 |
| Valerie Damazio | Deputy Circuit Clerk | Western Surety | $100,000 |
| Whitney Willis | Deputy Circuit Clerk | Western Surety | $100,000 |
| John Ledbetter | Sheriff | RLI Insurance Company | $100,000 |
| Daniel Guice | Justice Court Judge | State Farm | $50,000 |
| Matthew Lachaussee | Justice Court Judge | State Farm | $50,000 |
| Jason Thornton | Justice Court Judge | State Farm | $50,000 |
| Terrence Packer | Justice Court Judge | State Farm | $50,000 |
| Lisa Fairley | Justice Court Clerk | State Farm | $100,000 |
| Pamela Johnson | Deputy Justice Court Clerk | Travelers | $50,000 |
| Marilynn Miller-Evans | Deputy Justice Court Clerk | Travelers | $50,000 |
| Marsha Moore | Deputy Justice Court Clerk | Travelers | $50,000 |
| Julia Peterson | Deputy Justice Court Clerk | Travelers | $50,000 |
| Theresa Wooten | Deputy Justice Court Clerk | Travelers | $50,000 |
| Lizzie Worthy | Deputy Justice Court Clerk | Travelers | $50,000 |
| Amber Fields | Deputy Justice Court Clerk | Travelers | $50,000 |
| Mikaila Odom | Deputy Justice Court Clerk | Travelers | $50,000 |
| Allison Strength | Deputy Justice Court Clerk | Travelers | $50,000 |
| Chistopher Eplin | Deputy Justice Court Clerk | Travelers | $50,000 |
| Laura Foreman | Deputy Justice Court Clerk | Travelers | $50,000 |
| Laura Fortman | Deputy Justice Court Clerk | Travelers | $50,000 |
| Tonya Brewer | Deputy Justice Court Clerk | Travelers | $50,000 |
| Kevin James Miller | Tax Collector | FCCI | $100,000 |
| Nicholas Elmore | Tax Assessor | Travelers | $50,000 |
| Mary Ann Fontenot | Deputy Tax Assessor | State Farm | $10,000 |
| Jenna Pitts-Hamilton | Deputy Tax Assessor | State Farm | $10,000 |
| Crystal Ables | Deputy Tax Collector | Travelers | $50,000 |
| Jessica Roche | Deputy Tax Collector | RLI Insurance Company | $50,000 |
| Carey Crosby | Deputy Tax Collector | RLI Insurance Company | $50,000 |
| Jill Lamey | Deputy Tax Collector | Travelers | $50,000 |
| Valerie Mason | Deputy Tax Collector | Travelers | $50,000 |
| Kayla Sutherland | Deputy Tax Collector | Travelers | $50,000 |
| Stephanie Tagert | Deputy Tax Collector | RLI Insurance Company | $50,000 |
| April Thompson | Deputy Tax Collector | Travelers | $50,000 |
| Jennifer Waltman | Deputy Tax Collector | RLI Insurance Company | $50,000 |
| Cathy Wells | Deputy Tax Collector | Travelers | $50,000 |
| Cody Nash | Deputy Tax Collector | Western Surety | $50,000 |
| Brittany Meek | Deputy Tax Collector | Western Surety | $50,000 |
| Bliss Shalimar | Deputy Tax Collector | RLI Insurance Company | $50,000 |
| Tannas Alexander | Deputy Tax Collector | RLI Insurance Company | $50,000 |
| Ragina Ward | Deputy Tax Collector | Travelers | $50,000 |
| Melodye Dungan | Deputy Tax Collector | RLI Insurance Company | $50,000 |
| Jamie Sidaway | Deputy Tax Collector | RLI Insurance Company | $50,000 |
| Wyskesia Geater | Deputy Tax Collector | RLI Insurance Company | $50,000 |
| Bretley Smith | Deputy Tax Collector | Travelers | $50,000 |
| Jessica Wade | Deputy Tax Collector | RLI Insurance Company | $50,000 |
| Hannah Seal | Deputy Tax Collector | Travelers | $50,000 |
| Holly Stewart | Deputy Tax Collector | Travelers | $50,000 |
| Stacey Heffner | Deputy Tax Collector | Travelers | $50,000 |

JACKSON COUNTY

SPECIAL REPORTS

(This page left blank intentionally.)

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

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

Members of the Board of Supervisors
Jackson County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jackson County, Mississippi (the County), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 29, 2026. 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.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001 that we consider to be a material weakness.

**POST OFFICE BOX 956 • JACKSON, MISSISSIPPI 39205 • (601) 576-2800 • FAX (601) 576-2650**
**www.osa.state.ms.us**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Jackson County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

**Jackson County's Response to Finding**

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

**Purpose of this Report**

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

JEREMY MCMILLAN, CPA
Manager, County Audit Section

July 29, 2026

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

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

Members of the Board of Supervisors
Jackson County, Mississippi

## Report on Compliance for Each Major Federal Program

### *Opinion on Each Major Federal Program*

We have audited Jackson 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 Jackson County, Mississippi’s major federal programs for the year ended September 30, 2025. Jackson 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, Jackson 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, 2025.

### *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 Jackson 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 Jackson 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 Jackson County, Mississippi’s federal programs.

**POST OFFICE BOX 956 • JACKSON, MISSISSIPPI 39205 • (601) 576-2800 • FAX (601) 576-2650**
**www.osa.state.ms.us**

***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 Jackson 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 Jackson 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 Jackson 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 Jackson 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 Jackson 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.

JEREMY MCMILLAN, CPA
Manager, County Audit Section

July 29, 2026

(This page left blank intentionally.)

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

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

Members of the Board of Supervisors
Jackson County, Mississippi

We have examined Jackson County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101* through *31-7-127, Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated* during the year ended September 30, 2025. The Board of Supervisors of Jackson County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

In our opinion, Jackson County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2025.

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.

**POST OFFICE BOX 956 • JACKSON, MISSISSIPPI 39205 • (601) 576-2800 • FAX (601) 576-2650**
**www.osa.state.ms.us**

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

JEREMY MCMILLAN, CPA
Manager, County Audit Section

July 29, 2026

JACKSON COUNTY

Schedule of Purchases From Other Than the Lowest Bidder

For the Year Ended September 30, 2025

Schedule 1

| Date | Item Purchased | Bid Accepted | Vendor | Lowest Bid | Reason for Accepting Other Than the Lowest Bid |
|---|---|---|---|---|---|
| 5/8/2025 | Chassis for grapple truck | $ 132,500 | Burroughs Companies | $ 131,200 | Specifications left blank on lowest bid and faster completion time. |
| 7/22/2025 | DocuSign navigator agreement | 5,652 | CDW | 5,265 | The Board did not agree with the lowest bids terms and conditions. |
| 8/18/2025 | Repair of F-150 XL | 10,868 | Canon Collision Center | 10,663 | Canon had a more thorough quote listing additional repairs. |

JACKSON COUNTY

Schedule of Emergency Purchases

For the Year Ended September 30, 2025

Schedule 2

| Date | Item Purchased | Amount Paid | Vendor | Reason for Emergency Purchase |
|---|---|---|---|---|
| 2/12/2025 | Air traffic control tower parts | $ 23,100 | Phoenix Navtech | Air traffic control tower malfunctioning. |
| 3/5/2025 | Emergency repair of water tower | 18,099 | Bottom 2 Top Construction | Water leak under the taxi lane apron on west side of hanger at airport. |

JACKSON COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source

For the Year Ended September 30, 2025

| Date | Item Purchased | | Amount Paid | Vendor |
|---|---|---|---|---|
| 10/10/2024 | Badgepass system for CSU building | $ | 91,081 | Badgepass, Inc. |
| 11/7/2024 | A 504H surf rake beach cleaner | | 21,157 | Barber & Sons, Inc. |
| 12/5/2024 | Parts for surf rake beach cleaner | | 31,432 | Barber & Sons, Inc. |
| 12/18/2024 | Doorway access control equipment for CSU building | | 16,714 | Johnson Controls Building Solutions |
| 6/5/2025 | Badgepass system additional modifications | | 8,777 | Badgepass, Inc. |
| 9/18/2025 | Replace Trane 25 ton A/C controls | | 129,657 | Air Masters Mechanical |

(This page left blank intentionally.)

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

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Jackson County, Mississippi

In planning and performing our audit of the financial statements of Jackson County, Mississippi for the year ended September 30, 2025, we considered Jackson County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Jackson County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated July 29, 2026, on the financial statements of Jackson County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the 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.

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.

JEREMY MCMILLAN, CPA
Manager, County Audit Section

July 29, 2026

(This page left blank intentionally.)

# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(This page left blank intentionally.)

JACKSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

Section 1: Summary of Auditor’s Results

***Financial Statements:***

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

| | |
|---|---|
| Governmental activities | Unmodified |
| Business-type activities | Unmodified |
| Aggregate discretely presented component units | Adverse |
| General Fund | Unmodified |
| Road Fund | Unmodified |
| Aggregate remaining fund information | Unmodified |
| Enterprise Funds | Unmodified |

2. Internal control over financial reporting:

| | | |
|---|---|---|
| a. | Material weakness identified? | Yes |
| b. | Significant deficiency identified? | None Reported |

3. Noncompliance material to the financial statements noted? No

***Federal Awards:***

4. Internal control over major federal programs:

| | |
|---|---|
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None reported |

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

6. Any audit 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 20.205, Highway planning and construction

   c. ALN 97.029, Flood mitigation assistance

8. Dollar threshold used to distinguish between type A and type B programs: $1,000,000

9. Auditee qualified as low-risk auditee? No

10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? No

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

Section 2: Financial Statement Findings

**Board of Supervisors.**

**Material Weakness**

| | |
|---|---|
| **2025-001.** | The County should establish and implement effective controls to ensure the Schedule of Expenditures of Federal Awards (SEFA) is prepared timely, completely, and accurately. |
| **Repeat Finding** | No |
| **Criteria** | An effective system of internal control over federal award programs should include adequate subsidiary records documenting all revenues, expenditures, and identifying information for each federal award received. These controls should also ensure the Schedule of Expenditures of Federal Awards (SEFA) is prepared completely, accurately, and in a timely manner. |
| **Condition** | During our audit of federal expenditures, we noted a major program was found to have been omitted from the County's Schedule of Expenditures of Federal Awards (SEFA). Additionally, the County did not prepare the SEFA until approximately eight months after fiscal year-end. |
| **Cause** | These errors were the result of the County's lack of subsidiary records documenting the details and transactions relative to federal awards, compounded by a lack of communication between the various County departments receiving and administering federal awards and the County's management. As a result, the County did not have an effective process to ensure the Schedule of Expenditures of Federal Awards (SEFA) was prepared timely and completely. |
| **Effect** | The County did not provide an initial Schedule of Expenditures of Federal Awards (SEFA) until almost eight months after fiscal year-end. The failure to maintain adequate records increases the likelihood of (1) reporting incorrect amounts for federal expenditures; (2) reporting incorrect grantors, pass-through entities, and award identifying information; and (3) improperly including or excluding a federal program on the Schedule of Expenditures of Federal Awards. |
| **Recommendation** | The County should maintain adequate subsidiary records documenting all revenues, expenditures, and other relative details of each federal award received, whether directly or indirectly through another entity. The County should also develop a process through which appropriate members of the County's management are made aware of the federal awards received by the County's departments. The County should also implement controls to ensure that the Schedule of Expenditures of Federal Awards (SEFA) is prepared in a timely manner. |
| **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.

JACKSON COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN

(This page left blank intentionally.)

# JACKSON COUNTY BOARD OF SUPERVISORS

POST OFFICE BOX 998 | PASCAGOULA, MS 39568 | WWW.CO.JACKSON.MS.US

**BARRY CUMBEST**
District One
2915 Canty Street
Pascagoula, MS 39567
228-769-3403
877-542-0976 Toll Free
228-769-3475 Fax
Barry_Cumbest@co.jackson.ms.us

**ENNIT MORRIS**
District Two
2500 Criswell Avenue
Pascagoula, MS 39567
228-769-3170
228-762-6578 Fax
Ennit_Morris@co.jackson.ms.us

**KENNETH TAYLOR**
District Three
2915 Canty Street
Pascagoula, MS 39567
228-762-7641
228-769-3363 Fax
Ken_Taylor@co.jackson.ms.us

**J. TROY ROSS**
District Four
2915 Canty Street
Pascagoula, MS 39567
228-769-3457
877-542-0975 Toll Free
228-769-3482 Fax
Troy_Ross@co.jackson.ms.us

**RANDY BOSARGE**
District Five
2915 Canty Street
Pascagoula, MS 39567
228-769-3378
228-696-6500 Fax
Randy_Bosarge@co.jackson.ms.us

*Gateway to the Mississippi Gulf Coast*

CORRECTIVE ACTION PLAN

July 15, 2026

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

Gentlemen,

The Jackson County Board of Supervisors respectfully submits the following corrective action plan for the year ended September 30, 2025.

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

**Section 2: FINANCIAL STATEMENT FINDINGS**

2025-001 Corrective Action Planned: The County will comply with the recommendation of the auditors. The County will implement stronger internal controls related to communication between departments that manage federal awards to ensure all grant expenditures are captured on the Schedule of Expenditures of Federal Awards. These controls will be implemented immediately.

Anticipated Completion Date: 9/30/2026

Name of Contact Person Responsible: Julia Johnson, CPA

**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.

Sincerely yours,

Ennit Morris

President, Board of Supervisors

[THIS PAGE INTENTIONALLY LEFT BLANK]

# FISCAL YEAR 2025 - 2026 BUDGET

**[THIS PAGE INTENTIONALLY LEFT BLANK]**

**Jackson County, Mississippi**
**Combined Budget for Publication**
**For the Fiscal Year Ending September 30, 2026**

| | Governmental Fund Types | | | | Proprietary Funds | | | |
|---|---|---|---|---|---|---|---|---|
| | General | Special Revenue | Debt Service | Capital Projects | Enterprise | Internal Service | Private Purpose/Agency | Total |
| **Revenue** | | | | | | | | |
| Amount Necessary to be Raised by Tax Levy | 71,000,985.00 | 37,165,461.00 | 0.00 | 0 | 0 | 0 | 13,923,190.00 | 122,089,636 |
| Taxes and Ad Valorem other than Tax Levy | 240,000.00 | 0 | 0 | 0 | 0 | 0 | 0 | 240,000 |
| Road and Bridge Privilege Taxes | 0 | 1,950,000.00 | 0 | 0 | 0 | 0 | 0 | 1,950,000 |
| Licenses, Commissions and Other Revenues | 2,731,100.00 | 0 | 0 | 0 | 0 | 0 | 0 | 2,731,100 |
| Fines and Forfeitures | 1,205,000.00 | 0 | 0 | 0 | 0 | 0 | 0 | 1,205,000 |
| Intergovernmental Revenue (Federal) | 2,624,000.00 | 7,600,000.00 | 0 | 0 | 0 | 0 | 0 | 10,224,000 |
| Intergovernmental Revenue (State) | 10,207,912.00 | 5,632,000.00 | 1,200,000.00 | 0 | 0 | 0 | 0 | 17,039,912 |
| Intergovernmental Revenue (Local) | 315,000.00 | 0 | 0 | 0 | 0 | 500,000.00 | 0 | 815,000 |
| Charges for Services | 1,490,000.00 | 0 | 0 | 0 | 0 | 9,350,000.00 | 0 | 10,840,000 |
| Interest Income | 4,900,000.00 | 565,000.00 | 0 | 0 | 47,000.00 | 0 | 0 | 5,512,000 |
| Miscellaneous Revenues | 3,162,473.00 | 300,300.00 | 1,258,359.00 | 0 | 1,490,000.00 | 200,000.00 | 0 | 6,411,132 |
| Other Financing Sources | 0 | 2,750,000.00 | 0.00 | 0 | 500,000.00 | 0 | 0 | 3,250,000 |
| **Total Revenue** | **97,876,470.00** | **55,962,761.00** | **2,458,359.00** | **0.00** | **2,037,000.00** | **10,050,000.00** | **13,923,190.00** | **182,307,780.00** |
| **Beginning Cash Balance** | **56,470,334.00** | **87,043,227.00** | **17,332,908.00** | **1,468,558.00** | **1,933,925.00** | **6,144,097.00** | **2,747,098.00** | 173,140,147 |
| **Total Revenue & Beginning Cash Balance** | **154,346,804.00** | **143,005,988.00** | **19,791,267.00** | **1,468,558.00** | **3,970,925.00** | **16,194,097.00** | **16,670,288.00** | **355,447,927.00** |
| **Expenditures** | | | | | | | | |
| General Government | 44,314,578.00 | 506,815.00 | 0 | 0 | 0 | 10,000,000.00 | 7,670,400.00 | 62,491,793 |
| Public Safety | 27,573,668.00 | 9,495,579.00 | 0 | 0 | 160,000.00 | 0 | 6,222,840.00 | 43,452,087 |
| Public Works | 3,080,564.00 | 59,249,537.00 | 0 | 0 | 0 | 0 | 175,000.00 | 62,505,101 |
| Health and Welfare | 4,162,197.00 | 0 | 0 | 0 | 0 | 0 | 0 | 4,162,197 |
| Culture and Recreation | 10,130,581.00 | 0 | 0 | 0 | 3,649,493.00 | 0 | 0 | 13,780,074 |
| Education | 350,000.00 | 0 | 0 | 0 | 0 | 0 | 0 | 350,000 |
| Conservation of Natural Resources | 284,746.00 | 0 | 0 | 0 | 0 | 0 | 0 | 284,746 |
| Economic Development and Assistance | 3,103,434.00 | 0 | 0 | 0 | 0 | 0 | 0 | 3,103,434 |
| Debt Service | 1,979,460.00 | 0 | 1,770,771.00 | 0 | 0 | 0 | 0 | 3,750,231 |
| Interfund Transactions/Other | 1,215,000.00 | 2,750,000.00 | 0 | 0 | 0 | 0 | 0 | 3,965,000 |
| **Total Expenditures** | **96,194,228.00** | **72,001,931.00** | **1,770,771.00** | **0.00** | **3,809,493.00** | **10,000,000.00** | **14,068,240.00** | **197,844,663.00** |
| **Ending Cash Balance** | **58,152,576.00** | **71,004,057.00** | **18,020,496.00** | **1,468,558.00** | **161,432.00** | **6,194,097.00** | **2,602,048.00** | **157,603,264.00** |
| **Total Expenditures & Ending Cash Balance** | **154,346,804.00** | **143,005,988.00** | **19,791,267.00** | **1,468,558.00** | **3,970,925.00** | **16,194,097.00** | **16,670,288.00** | **355,447,927.00** |

[THIS PAGE INTENTIONALLY LEFT BLANK]

# APPENDIX C

# INFORMATION CONCERNING THE COUNTY BOND RESOLUTION AND THE COUNTY BOND

**[THIS PAGE INTENTIONALLY LEFT BLANK]**

## THE COUNTY BOND AND THE COUNTY BOND RESOLUTION

### General; Authorization and Purposes for Issuance

In order to provide monies for the County Project, there has been authorized in accordance with the Port Act a bond of the County to be known and designated as Jackson County, Mississippi General Obligation Port Bond (Industrial Development Project), Series 2026, in the aggregate principal amount of $30,000,000 (the "County Bond"), pursuant to a resolution of the Board of Supervisors of the County (the "Governing Body") adopted on June 15, 2026 (the "County Bond Resolution").

### Security

The County Bond will be a general obligation of the County. The County has covenanted to levy a special tax upon all of the taxable property within the geographical limits of the County, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of, premium, if any, and the interest on the County Bond. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the County are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount; 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 for the County Bond, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the County Bond due during the ensuing Fiscal Year of the County, in accordance with the provisions of the County Bond Resolution. The avails of said tax are irrevocably pledged in the County Bond Resolution for the payment of the principal of, premium, if any, and interest on the County Bond as the same shall mature and accrue. The County Bond will never constitute an obligation of the State or any political subdivision of the State other than the County, and neither the full faith and credit nor taxing power of the State or any political subdivision thereof, other than the County, is pledged to the payment of such principal of, premium, if any, and interest on the County Bond.

The County Bond pledged under the Indenture and the County Bond Resolution and all of the rights, interests, powers, privileges and benefits accruing to or vested in the Bank under the County Bond pledged under the Indenture and the County Bond Resolution shall be protected and enforced in conformity with the Indenture and shall be thereby assigned by the Bank to the Trustee as security for the Series 2026 Bonds and may be exercised, protected and enforced for or on behalf of the Bondholders in conformity with the provisions of the County Bond Resolution and the Indenture.

### Procedure

Concurrently with the issuance of the County Bond, the Bank will issue the Series 2026 Bonds, and the proceeds of the Series 2026 Bonds will be used to purchase the County Bond in accordance with the Act and in accordance with the terms and conditions of the Indenture and the County Bond Purchase Agreement. The proceeds of the County Bond are to be applied in accordance with Section 24 of the County Bond Resolution for payment of the costs of the County Project.

### Payment of Principal, Premium, if any, and Interest

The County will duly and punctually pay the principal of, premium, if any, and interest on the County Bond pledged under the Indenture at the dates and the places and in the manner set forth in the County Bond. Notwithstanding any schedule of payments upon the County Bond pledged under the Indenture, the County agrees to make payments upon such obligations and be liable therefor at such times and in such amounts (including principal, premium, if any, and interest) so as to provide for payment of the principal of, premium, if any, and interest on the Series 2026 Bonds Outstanding under the Indenture at least five Business Days prior to when such amounts are due, whether upon a scheduled Interest Payment Date for the Series 2026 Bonds, at maturity or by mandatory redemption or acceleration of the Series 2026 Bonds.

**Redemption of County Bond**

The County shall only be permitted to redeem the County Bond pursuant to the County Bond Resolution to the extent and in the manner required to redeem the Series 2026 Bonds pursuant to the provisions of the Indenture.

**Flow of Funds**

**Bond Fund.** The County shall maintain with a qualified depository thereof the "2026 Bond Fund" (the "Bond Fund") in its name for the payment of the principal of, premium, if any, and interest on the County Bond and the payment of the Paying Agent's fees in connection therewith. There shall be deposited into the Bond Fund as and when received:

(a) the avails of any of the taxes levied and collected pursuant to Section 10 of the County Bond Resolution;

(b) any income received from the investment of monies in the Bond Fund; and

(c) (iii) any other funds available to the County which may be lawfully used for payment of the principal of, premium, if any, and interest on the County Bond or for other obligations of the County which may be due under the Indenture, and which the Governing Body, in its discretion, may direct to be deposited into the Bond Fund.

As long as any principal of, premium, if any, and interest on the County Bond or the Series 2026 Bonds remain outstanding and/or any other obligations of the County remain outstanding under the County Bond Resolution and the Indenture, the County shall withdraw from the Bond Fund sufficient monies to make the payments (the "Payments") necessary to pay (i) the principal of, premium, if any, and interest coming due on the Series 2026 Bonds, and (ii) any additional payments necessary and required as obligations of the County under the County Bond Resolution or under the Indenture, including, but not limited to Program Expenses (as such term is defined in the Indenture), and to transfer same to the account of the Trustee in time to reach said Trustee at least five days prior to the date on which said interest or principal and interest or premium, if any, on the Series 2026 Bonds shall become due. The Trustee shall deposit all County Bond Payments received in the General Account of the General Fund of the Indenture or such other fund or account in the Indenture as so directed in the Indenture.

**Construction Fund.** The principal proceeds received by the County upon the sale of the County Bond shall be deposited with a qualified depository of the County in a special fund, created under the County Bond Resolution, in the name of the County designated the "2026 Construction Fund" (the "Construction Fund"). Monies deposited in the Construction Fund will be used by the County, to the extent permitted by law, (a) for the County Project; (b) to reimburse the County for any expenses incurred by the County in connection with the County Project; (c) to pay architectural, engineering, fiscal, paying agent, printing, accounting, construction manager, financial advisory, feasibility consultant, legal expenses and development expenses incurred in connection with the County Project, the County Bond and the Series 2026 Bonds; and (d) to pay costs related to any suits and proceedings in connection with the County Project, including any costs of settlement thereof. Any income received from investment of monies in the Construction Fund shall be deposited in the Construction Fund and shall be used for the costs of the County Project. Any amounts which remain in the Construction Fund after the completion of the Project shall be transferred to the Bond Fund and used as permitted under the Code and State law.

## APPENDIX D

## FORM OF OPINION OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

**UPON THE DELIVERY OF THE SERIES 2026 BONDS, BUTLER SNOW LLP PROPOSES TO DELIVER AN OPINION IN SUBSTANTIALLY THE FOLLOWING FORM:**

Mississippi Development Bank
Jackson, Mississippi

Re: $30,000,000 Mississippi Development Bank Mississippi Taxable Special Obligation Bonds (Jackson County, Mississippi General Obligation Port Bond Project), Series 2026, dated the date of delivery thereof (the "Series 2026 Bonds")

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Mississippi Development Bank (the "Issuer") of the above-described Series 2026 Bonds, pursuant to an Indenture of Trust (the "Indenture"), dated as of September 1, 2026, by and between the Issuer and Hancock Whitney Bank, Ridgeland, Mississippi, as trustee (the "Trustee"). We have examined the law and a certified transcript of proceedings of the Issuer relative to the authorization, issuance and sale of the Series 2026 Bonds and such other papers as we deem necessary to render this opinion, including certifications made by Jackson County, Mississippi (the "County") and a resolution adopted by the Board of Supervisors of the County on June 15, 2026 (the "County Bond Resolution").

The Series 2026 Bonds are being issued under the authority of Sections 31-25-1 *et seq.,* Mississippi Code of 1972, as amended and supplemented (the "Issuer's Act"), and Sections 59-9-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented (together with the Issuer's Act, the "Act"), a resolution of the Board of Directors of the Issuer adopted on July 8, 2026 (the "Bank Resolution"), and the County Bond Resolution.

The Series 2026 Bonds are being issued for the purpose of providing funds to finance the costs of purchasing the $30,000,000 Jackson County, Mississippi General Obligation Port Bond (Industrial Development Project), Series 2026 (the "County Bond"), and (b) paying the costs incident to the sale, issuance, and delivery of the Series 2026 Bonds and the County Bond. The County will use the proceeds of the County Bond to finance an industrial development project within the County, as more particularly described in the County Bond Resolution.

As to questions of fact material to our opinions, we have relied upon representations of the County and the Issuer, certified proceedings and other certifications of the County and the Issuer and other public officials furnished to us, without undertaking to verify the same by independent investigation. In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, and the conformity to original documents of all copies submitted to us as certified, conformed, or photographic copies. As to certificates, we have assumed the same to be properly given and to be accurate.

Based on such examination and subject to the qualifications, assumptions and statements of reliance herein, it is our opinion, on the date hereof, that:

1. Such proceedings and proofs show lawful authority for the sale and issuance of the Series 2026 Bonds by the Issuer pursuant to the Constitution and laws of the State of Mississippi (the "State"), including the Act and the provisions of the Bank Resolution.

2. Assuming due authentication thereof by the Trustee, the Series 2026 Bonds are legal, valid and binding limited obligations of the Issuer enforceable in accordance with the terms thereof. The Series 2026 Bonds are payable from and secured only by certain payments and funds to be received by the Issuer and the Trustee and pledged to the Series 2026 Bonds under the Indenture.

3. The Indenture is a valid and binding agreement of the Issuer enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create in the Funds and Accounts (as such terms are defined in the Indenture) and the County Bond, including the investments thereof, subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

4. Under and pursuant to the Act, the Series 2026 Bonds and interest thereon are exempt from all income taxes imposed by the State.

**INTEREST ON THE SERIES 2026 BONDS SHOULD BE TREATED AS INCLUDABLE IN GROSS INCOME OF THE HOLDERS THEREOF FOR FEDERAL INCOME TAX PURPOSES.**

It is to be understood that the rights of the owners of the Series 2026 Bonds and the enforceability of the Series 2026 Bonds, the Indenture, the County Bond and the County Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In this opinion letter issued in our capacity as Bond Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement regarding the Series 2026 Bonds or any other statements made in connection with any offer or sale of the Series 2026 Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Series 2026 Bonds, except those specifically addressed herein.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and 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, certifications, resolutions, documents and proceedings. In rendering this opinion we have relied upon the opinion of Balch & Bingham, LLP, Jackson, Mississippi, counsel for the Issuer, dated the date hereof, as to the due authorization and execution by and enforceability against the Issuer as to the Series 2026 Bonds and the Indenture.

This opinion letter is an expression of professional judgment regarding the matters expressly addressed herein. It is neither a guarantee of result nor an insurance policy with respect to the transaction or the future actions or performance of any party or entity. Our services have not included any financial or other non-legal advice. We express no opinion other than as herein expressly stated in this letter, and no expansion of our opinion may be made by implication or otherwise. The opinions herein are given as of the date hereof and are based upon statutes, regulations, rulings and court decisions in effect on the date hereof and not as of any future date.

It should be noted that material changes regarding matters of fact and applicable law may hereafter occur. We expressly disclaim any undertaking or responsibility to review, revise, update or supplement this opinion letter subsequent to its date for any reason or to advise you of any change in the law, whether by reason of legislative or regulatory action, by judicial decision or otherwise, or of any change of facts or circumstances or of any facts or circumstances that may hereafter come to our attention or for any other reason.

Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Indenture.

Respectfully submitted,

**BUTLER SNOW LLP**

# APPENDIX E

# DEFINITIONS

[THIS PAGE INTENTIONALLY LEFT BLANK]

## DEFINITIONS

In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless the context or use in this Official Statement otherwise requires. Words of the masculine gender should be deemed and constructed to include correlative words of the female and neuter gender. Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Indenture and the County Bond Resolution, as the case may be.

**Accounts**

"Accounts" shall mean the accounts created pursuant to Article VI of the Indenture.

**Act**

"Act" shall mean together the Bank Act and the Port Act.

**Authorized Officer**

"Authorized Officer" shall mean the President, Vice President, Executive Director, Secretary or Assistant Secretary of the Bank or such other person or persons who are duly authorized to act on behalf of the Bank.

**Bank**

"Bank" shall mean the Mississippi Development Bank, a body corporate and politic exercising essential public functions, or any successor to its functions, organized under the Bank Act.

**Bank Act**

"Bank Act" shall mean the provisions of Sections 31-25-1 *et seq*., Mississippi Code of 1972, as amended or supplemented.

**Bankruptcy Code**

"Bankruptcy Code" shall mean 11 U.S.C. Section 100 *et seq*., as amended or supplemented.

**Beneficial Owner**

"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.

**Bond Counsel**

"Bond Counsel" shall mean an attorney or firm of attorneys approved by the County and the Bank nationally recognized in the area of municipal law and matters relating to state and local government bonds. Butler Snow LLP, Ridgeland, Mississippi, is serving as Bond Counsel in connection with the sale and issuance of the Series 2026 Bonds.

**Bond Issuance Expense Account**

"Bond Issuance Expense Account" shall mean the account by that name created by Section 6.02 of the Indenture.

**Bond Purchase Agreement**

"Bond Purchase Agreement" shall mean that certain Bond Purchase Agreement, dated the date of the sale of the Series 2026 Bonds, among the Underwriter, the Bank and the County in connection with the issuance and sale of the Series 2026 Bonds.

**Bondholder**

"Bondholder" or "holder of Bonds" or "owner of Bonds" or any similar term shall mean the Registered Owner of any Bond.

**Bonds**

"Bonds" shall mean the Series 2026 Bonds and any Refunding Bonds issued pursuant to the terms and provisions of the Indenture.

**Business Day**

"Business Day" shall mean any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York or the Principal Office of the Trustee, are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

**Code**

"Code" or "Internal Revenue Code" shall mean the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations promulgated thereunder.

**Costs of Issuance**

"Costs of Issuance" shall mean items of expense payable or reimbursable, directly or indirectly, by the Bank and related to the authorization, sale, validation, issuance and/or delivery of the Series 2026 Bonds and the County Bond, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, municipal advisory fees and expenses, Bond Counsel fees and expenses, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Series 2026 Bonds, credit enhancements or liquidity facility fees, fees and expenses of the Underwriter, and other costs, charges and fees in connection with the foregoing.

**County**

"County" shall mean Jackson County, Mississippi, a "local governmental unit" under the Bank Act.

**County Bond**

"County Bond" shall mean the $30,000,000 General Obligation Port Bond (Industrial Development Project), Series 2026, issued by the County pursuant to the County Bond Resolution and registered to the Trustee as assignee of the Bank pursuant to the Indenture.

**County Bond Payment**

"County Bond Payment" shall mean the amounts paid or required to be paid, from time to time, for principal, premium, if any, and interest on the County Bond.

**County Bond Purchase Agreement**

"County Bond Purchase Agreement" shall mean that certain County Bond Purchase Agreement, dated the date of the sale of the Series 2026 Bonds, by and between the County and the Bank in connection with the sale and issuance of the County Bond.

**County Bond Resolution**

"County Bond Resolution" shall mean that certain Bond Resolution adopted by the Governing Body on June 15, 2026, in connection with the issuance of the County Bond to the Bank.

**County Project**

"County Project" shall mean financing the costs of the acquisition, purchase, installation, leasing, construction and equipping of a facility to be constructed on land owned by the County for industrial operations in the County, as more particularly described in the County Bond Resolution and the Port Act.

**Default**

"Default" shall mean an event or condition the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default under the Indenture.

**DTC**

"DTC" shall mean The Depository Trust Company, New York, New York.

**DTC Participants**

"DTC Participants" shall have the meaning ascribed thereto in Section 2.07 in the Indenture.

**Event of Default**

"Event of Default" shall mean any occurrence or event specified in Section 10.01 of the Indenture.

**Fiscal Year**

"Fiscal Year" shall mean, when used with respect to the Bank, the Bank's fiscal year being the twelve (12) month period from July 1 through the following June 30 or such other fiscal year as may be established by the Bank and when used with respect to the County, the County's fiscal year being the twelve (12) month period from October 1 through the following September 30 or such other fiscal year as may be established by the County.

**Funds**

"Funds" shall mean the funds created pursuant to Article VI of the Indenture.

**General Account**

"General Account" shall mean the account by that name created by Section 6.02 of the Indenture.

**General Fund**

"General Fund" shall mean the fund by that name created by Section 6.02 of the Indenture.

**Governing Body**

"Governing Body" shall mean the Board of Supervisors of the County.

**Governmental Obligations**

"Governmental Obligations" shall mean to the extent permitted by State law (a) direct obligations of the United States of America; (b) obligations guaranteed as to principal and interest by the United States of America or any federal agency whose obligations are backed by the full faith and credit of the United States of America, including but not limited to: U. S. Treasury obligations, Farmers Home Administration (or the successor thereto), General Services Administration, Guaranteed Title XI financing, Government National Mortgage Association (GNMA); and (c) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (i) is fully and unconditionally guaranteed or insured by the United States of America, or (ii) is provided for by an irrevocable deposit of the securities described in clause (i) to the extent such investments are permitted by State law.

**Indenture**

"Indenture" shall mean the Indenture of Trust, dated as of September 1, 2026, in connection with the Series 2026 Bonds, and all supplements and amendments entered into pursuant to Article XII of the Indenture.

**Interest Payment Date**

"Interest Payment Date" shall mean any date on which interest is payable on the Bonds, and for the Series 2026 Bonds, means each March 1 and September 1, commencing September 1, 2027.

**Investment Securities**

"Investment Securities" shall mean any of the following to the extent such investments are permitted by State law: (a) obligations of the State, any municipality of the State or the United States of America rated at least "A" by S&P or Moody's; (b) obligations the principal and interest of which are fully guaranteed by the State or the United States of America; (c) obligations of any corporation wholly owned by the United States of America; (d) obligations of any corporation sponsored by the United States of America which are or may become eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System; (e) obligations of insurance firms or other corporations whose investments are rated "AA" or better by recognized rating companies; (f) certificates of deposit or time deposits of qualified depositories of the State as approved by the State Depository Commission, secured in such manner, if any, as the Bank shall determine; (g) contracts for the purchase and sale of obligations of the type specified in items (a) through (e) above; (h) repurchase agreements secured by obligations specified in items (a) through (e) above; or (i) money market funds, rated "AAm" or "AAm-G" or better by S&P, the assets of which are required to be invested in obligations specified in items (a) through (f) above.

**Local Governmental Unit**

"Local Governmental Unit" shall mean (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (b) the State or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under state law, such as the County. The County is a Local Governmental Unit under the Bank Act.

**Moody's**

"Moody's" shall mean Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the County (with the approval of the Bank), with written notice to the Trustee.

**Opinion of Bond Counsel**

"Opinion of Bond Counsel" shall mean an opinion by a nationally recognized firm experienced in matters relating to taxable and tax-exempt bonds under federal and state laws, and which is acceptable to the Bank and the Trustee, and which opinion, including the scope and substance thereof is described in the applicable article or section requiring the delivery of such opinion.

**Outstanding**

"Outstanding" or "Bonds Outstanding" shall mean all Bonds which have been authenticated and delivered by the Trustee under this Indenture, including Bonds held by the Bank, except:

(a) Bonds canceled after purchase in the open market or because of payment at maturity;

(b) Bonds deemed paid under Article IX of the Indenture; and

(c) Bonds in lieu of which other Bonds have been authenticated under Section 3.05, 3.06 or 3.10 of the Indenture.

**Paying Agent**

"Paying Agent" shall mean Hancock Whitney Bank, Ridgeland, Mississippi, a state banking corporation organized and existing under the laws of the State, or any successor thereto, acting as the Paying Agent for the County Bond under the County Bond Resolution.

**Port Act**

"Port Act" shall mean Sections 59-9-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented.

**Principal Office**

"Principal Office" shall mean, as it relates to the Trustee, the address for the Trustee set forth under the Indenture.

**Program**

"Program" shall mean the program for purchasing Securities of Local Governmental Units by the Bank pursuant to the Bank Act.

**Program Expenses**

"Program Expenses" shall mean all of the fees and expenses of the Trustee relating to the Series 2026 Bonds or the County Bond, all to the extent properly allocable to the Program and approved in writing by the Bank.

**Project**

"Project" shall mean providing funds for the purpose of (a) purchasing the County Bond, and (b) paying the Costs of Issuance for the Series 2026 Bonds and the County Bond.

**Purchase Account**

"Purchase Account" shall mean the account by that name created by Section 6.02 of the Indenture.

**Record Date**

"Record Date" shall mean, with respect to any Interest Payment Date, the fifteenth day of the calendar month next preceding such Interest Payment Date.

**Redemption Account**

"Redemption Account" shall mean the account by that name created by Section 6.02 of the Indenture.

**Redemption Price**

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption prior to maturity.

**Refunding Bonds**

"Refunding Bonds" shall mean bonds issued pursuant to Section 2.05 of the Indenture and any Supplemental Indenture.

**Registered Owner**

"Registered Owner" shall mean the person or persons in whose name any Bond shall be registered on the Bond Register.

**Related Documents**

"Related Documents" shall mean the Indenture and the County Bond Resolution.

**Revenues**

"Revenues" shall mean the Funds and Accounts (and all income, revenues and profits of the Funds and Accounts referred to in the granting clauses of the Indenture including, without limitation, all County Bond Payments and any additional amounts paid to the Trustee under the County Bond Resolution or from any other source whatsoever.

**S&P**

"S&P" shall mean S&P Global Ratings, its successors and assigns, and, if dissolved or liquidated or if it no longer performs the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the County (with the approval of the Bank), with written notice to the Trustee.

**Securities**

"Securities" shall mean bonds, notes or other evidences of indebtedness issued by a Local Governmental Unit issued pursuant to the Bank Act including the County Bond.

**Series 2026 Bonds**

"Series 2026 Bonds" shall mean the $30,000,000 Mississippi Development Bank Taxable Special Obligation Bonds (Jackson County, Mississippi General Obligation Port Bond Project), Series 2026 issued pursuant to Section 2.01 of the Indenture.

**State**

"State" shall mean the State of Mississippi.

**Supplemental Indenture**

"Supplemental Indenture" shall mean an indenture supplemental to or amendatory of the Indenture, executed by the Bank and the Trustee in accordance with Article XII of the Indenture.

**Trust Estate**

"Trust Estate" shall mean the property, rights, and amounts pledged and assigned to the Trustee as security for the Bonds, pursuant to the granting clauses of the Indenture.

**Trustee**

"Trustee" shall mean the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of the Indenture, and which shall initially be Hancock Whitney Bank, Ridgeland, Mississippi.

**Underwriter**

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

# APPENDIX F

## FORM OF CONTINUING DISCLOSURE CERTIFICATE

**[THIS PAGE INTENTIONALLY LEFT BLANK]**

## CONTINUING DISCLOSURE CERTIFICATE

**THIS CONTINUING DISCLOSURE CERTIFICATE** (this "Disclosure Certificate") is executed and delivered by Jackson County, Mississippi (the "County") in connection with the issuance of $30,000,000 Mississippi Development Bank Taxable Special Obligation Bonds (Jackson County, Mississippi General Obligation Port Bond Project), Series 2026, dated the date of delivery thereof (the "Series 2026 Bonds"). The Series 2026 Bonds are being issued pursuant to an Indenture of Trust (the "Indenture"), dated as of September 1, 2026, between the Mississippi Development Bank (the "Bank") and Hancock Whitney Bank, Ridgeland, Mississippi, as trustee (the "Trustee"). The proceeds of the Series 2026 Bonds will be used by the Bank to purchase the County's $30,000,000 General Obligation Port Bond (Industrial Development Project), Series 2026 (the "County Bond"). The proceeds of the County Bond will be used by the County to finance the costs of various capital improvements in the County. The County covenants and agrees as follows:

**SECTION 1. Purpose of this Disclosure Certificate**. This Disclosure Certificate is being executed and delivered by the County for the benefit of the Registered Owners (defined below) and the Beneficial Owners (defined below) of the Series 2026 Bonds in order to assist the Participating Underwriter (defined below) in complying with the Rule (defined below).

**SECTION 2. Definitions**. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined herein, 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.

"**Beneficial Owner**" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

"**Business Day**" shall mean any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York or the principal office of the Trustee in Ridgeland, Mississippi, are authorized or required not to be open for the transaction of regular banking business, or (d) a day on which the New York Stock Exchange is closed.

"**Dissemination Agent**" shall mean any Dissemination Agent designated in writing by the County which has filed with the county a written acceptance of such designation.

"**EMMA**" shall mean the Electronic Municipal Market Access System found at http://emma.msrb.org, which is the electronic format prescribed by the MSRB pursuant to the Rule.

"**Fiscal Year**" shall mean, when used with respect to the County, a period beginning on October 1 in any year and ending on September 30 of the following year or such other twelve-month period as may be adopted by the County in accordance with law.

"**Independent Accountant**" shall mean any firm of certified public accountants appointed by the County which is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants or the State Auditor.

"**Listed 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, which is currently available at http://emma.msrb.org.

"**Official Statement**" shall mean the final Official Statement prepared in connection with the Series 2026 Bonds.

"**Participating Underwriter**" shall mean Raymond James & Associates, Inc., the original underwriter of the Series 2026 Bonds required to comply with the Rule in connection with an offering of the Series 2026 Bonds.

"**Registered Owner**" shall mean the person or persons in whose name any Bond is registered on the registration records of the Bank held and maintained by the Trustee.

"**Rule**" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Certificate.

"**State**" shall mean the State of Mississippi.

"**Timely**" as used herein with respect to filings required under the Rule shall have the meaning required under the Rule, which with respect to Listed Events currently means within ten (10) Business Days after the occurrence of the Listed Event.

**SECTION 3. Provision of Annual Reports**.

(a) The County shall, or shall cause the Dissemination Agent to, not later than twelve months after the end of each Fiscal 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 the County has selected one). 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.

(b) If the County is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the County shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit "A."

**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, 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 Series 2026 Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public at the MSRB or filed with the Securities and Exchange Commission. The County shall clearly identify each such document incorporated by reference.

**SECTION 5**. **Listed Events**. (a) The County shall give or cause to be given notice of the occurrence of any of the following Listed Events with respect to the Series 2026 Bonds, together with any Accompanying Information and in Required Electronic Format, in a Timely manner not in excess of ten (10) Business Days after the occurrence thereof, if material. All events mandated by the Rule are listed below; however, some may not apply to the Series 2026 Bonds.

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on the credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers or their failure to perform.

(6) 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 Series 2026 Bonds.

(7) Modification to rights of bondholders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution or sale of property securing repayment of the Series 2026 Bonds, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the County[1].

(13) The consummation of a merger, consolidation, or acquisition involving the Bank or the County or the sale of all or substantially all of the assets of the County, 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.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation[2] 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 Issuer, any of which affect security holders, if material.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation[2] of the obligated person, any of which reflect financial difficulties.

**SECTION 6. Format; Identifying Information.** 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, currently including, without limitation, the 9-digit CUSIP numbers for the Series 2026 Bonds.

---

[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.

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. Financial Statements**. The annual financial statements for the County for each Fiscal Year shall be prepared by an Independent Accountant in accordance with accounting principals in effect and generally accepted at the time prepared.

**SECTION 8. Dissemination Agent**.

(a) 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. If the County elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Certificate. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate and any other agreement between the County and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the County described in this Disclosure Certificate, the Dissemination Agent shall:

(1) each year, prior to the date for providing the County Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the County at least 45 days prior to the date the County Annual Report is due stating that the County Annual Report is due as provided in Section 4 hereof; and

(3) certify in writing to the County that the County Annual Report has been provided pursuant to this Disclosure Certificate and the date it was provided.

(4) If the County Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section 4, the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Certificate as Exhibit A.

**SECTION 9. Remedies**. This Disclosure Certificate is enforceable in accordance with its terms by any Registered Owner or Beneficial Owner of the Series 2026 Bonds either directly or as a third-party beneficiary. Any Registered Owner or Beneficial Owner of the Series 2026 Bonds shall have the rights, for the equal benefit and protection of all Registered Owners and Beneficial Owners of the Series 2026 Bonds, by mandamus or other suit or proceeding at law or in equity, to enforce its rights against the County and any of the officers, agents and employees of the County, and to compel the County or any such officers, agents or employees to perform and carry out their duties under their respective undertakings; provided that such rights shall be limited to an action to compel specific enforcement of the obligations of the County hereunder and shall not include any rights to monetary damages.

The Trustee shall not be obligated or liable to any Registered Owner or Beneficial Owner of the Series 2026 Bonds or other party with respect to any aspect of the implementation, operation or enforcement of any undertaking set forth herein. If the Trustee is made a party to any litigation or legal action involving any undertaking, the County shall pay the legal fees and related costs and expenses of the Trustee in connection with such litigation or legal action.

**SECTION 10. Amendments**. 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 Series 2026 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 11. Beneficiaries.** This Disclosure Certificate shall inure solely to the benefit of the County, the Bank, the Participating Underwriter and the holders and Beneficial Owners from time to time of the Series 2026 Bonds and shall create no rights in any other person or entity.

**SECTION 12. Termination**. The County's obligations under this Disclosure Certificate shall terminate on the earliest of (i) the date of legal defeasance, prior redemption or payment in full of all of the Series 2026 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 Series 2026 Bonds.

**SECTION 13. 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 Listed 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 Listed 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 Listed Event.

**SECTION 14. Governing Law**. This Disclosure Certificate shall be governed by the laws of the State.

**IN WITNESS WHEREOF**, the County has caused this Disclosure Certificate to be executed by its duly authorized officers as of this _______ day of September, 2026.

**JACKSON COUNTY, MISSISSIPPI**

By_____________________________________
President of the Board of Supervisors

ATTEST:

By_________________________________
Clerk of the Board of Supervisors

## EXHIBIT A

## NOTICE OF FAILURE TO FILE ANNUAL REPORT

| | |
|---|---|
| Name of Obligor: | Jackson County, Mississippi |
| Name of Bond Issue: | $30,000,000 Mississippi Development Bank Taxable Special Obligation Bonds (Jackson County, Mississippi General Obligation Port Bond Project), Series 2026 |
| Date of Issuance: | September _______, 2026 |
| CUSIP Number: | ___________________________ |

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated September __, 2026. The Obligor anticipates that the Annual Report will be filed by ______________________.

Dated: ______________, _____

## EXHIBIT B

## OFFICIAL STATEMENT TABLES TO BE UPDATED

### TAX INFORMATION

**Assessed Valuation**

| Assessment Year | Real Property | Personal Property[2] | Public Utility Property | Automobiles | Total |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

**Tax Levy Per $1,000 Valuation**

| | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| **General Purposes:** | | | | | |
| Operating Millage | | | | | |
| Debt Service Millage | | | | | |
| Miscellaneous Millage | | | | | |
| **School Purposes:** | | | | | |
| **Special Levies:** | | | | | |
| **TOTAL** | | | | | |

**Ad Valorem Tax Collections**

| Fiscal Year September 30 | Amount Budgeted | Amount Collected | Difference Over/Under |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

**Ten Largest Taxpayers[1]**

| Taxpayer | Assessed Value | Taxes Collected |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**DEBT INFORMATION**

**Legal Debt Limit Statement**

**(As of ________ 1, 20___)**

| | | |
|---|---|---|
| | **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 ________ 1, 20___)**

| Issue | Date of Issue | Outstanding Principal |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

**Other Outstanding Bonded Debt**

**(As of ________ 1, 20___)**

| Issue | Date of Issue | Original Principal Amount | Outstanding Principal Amount |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |

**Five Years Annual Debt Service Requirements for General Obligation Indebtedness of the County**

| Fiscal Year Ending 9/30 | Principal | Interest | Total |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

**Debt Ratios**

| FY Ended September 30 | General Obligation Debt | General Obligation Debt to Assessed Value |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

[THIS PAGE INTENTIONALLY LEFT BLANK]

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com