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JACKSON PUBLIC SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2024

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Exhibit A Statement of Net Position	17
Exhibit B Statement of Activities	18
Governmental Funds Financial Statements:	
Exhibit C Balance Sheet - Governmental Funds	19
Exhibit C-1 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Exhibit D Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Exhibit D-1 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	22
Fiduciary Funds Financial Statements:	
Exhibit E Statement of Fiduciary Net Position	23
Exhibit F Statement of Changes in Fiduciary Net Position	24
Notes to the Financial Statements	26
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund	56
Budgetary Comparison Schedule – ARP ESSER III Fund	57
Schedule of the School District's Proportionate Share of the Net Pension Liability	58
Schedule of School District Contributions (PERS)	59
Schedule of the District's Proportionate Share of the Net OPEB Liability	60
Schedule of School District Contributions (OPEB)	61
Notes to the Required Supplementary Information	62
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	68
Notes to the Supplementary Information	69
Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds	70
OTHER INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund, Last Four Years	72
Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds, Last Four Years	73
REPORTS ON INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	76
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	78
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	83
SUMMARY OF PRIOR YEAR AUDIT FINDINGS	85

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board
Jackson Public School District

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Public School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Jackson Public School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Public School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Jackson Public School District 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 audit opinions.

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 Jackson Public School District'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 generally accepted auditing

standards 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 generally accepted auditing standards 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 Jackson Public School District'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 Jackson Public School District'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 management's discussion and analysis, budgetary comparison information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions (PERS), the Schedule of the District's Proportionate Share of the Net OPEB Liability, and the Schedule of District Contributions (OPEB) on pages 6-13, 56-57, 58, 59, 60 and 61, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson Public School District'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, and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such

information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are 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 Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Funds, Last Four Years 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 March 21, 2025, on our consideration of the Jackson Public School District'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 the Jackson Public School District'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 Public School District's internal control over financial reporting and compliance.

JD CPA, PLLC

Jackson, Mississippi
March 21, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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Jackson Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024

The following discussion and analysis of Jackson Public School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- Total net position for 2024 decreased (\$11,315,466), including an error correction of \$50,855, which represents a 4% decrease from fiscal year 2023. Total net position for 2023 increased \$15,622,428, including an error correction of \$1,205,009, which represents a 5% increase from fiscal year 2022.
- General revenues amounted to \$196,521,249 and \$196,366,252, or 59% and 63% of all revenues for fiscal years 2024 and 2023, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$135,001,832, or 41% of total revenues for 2024, and \$114,759,763, or 37% of total revenues for 2023.
- The District had \$342,889,402 and \$296,708,596 in expenses for fiscal years 2024 and 2023; only \$135,001,832 for 2024 and \$114,759,763 for 2023 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$196,521,249 for 2024 were not adequate to provide for these programs. General revenues of \$196,366,252 for 2023 were adequate to provide for these programs.
- Among major funds, the General Fund had \$183,765,255 in revenues and \$188,517,319 in expenditures for 2024, and \$181,677,769 in revenues and \$181,922,832 in expenditures in 2023. The General Fund's fund balance increased by \$71,661 from 2023 to 2024, including an error correction of \$65,191 and an increase in inventory of \$26,928, and increased by \$2,905,302 from 2022 to 2023, including an error correction of \$1,205,009 and an increase in inventory of \$76,865.
- Capital assets, including lease and SBITA assets, net of accumulated depreciation and amortization, decreased by \$2,889,634 for 2024 and decreased by \$2,266,081 for 2023. The decrease for 2024 was due to the disposal of various assets coupled with the increase in accumulated depreciation and amortization.
- Long-term debt, including lease and SBITA liabilities but excluding bond premium, increased by \$22,568,216 for 2024 and decreased by \$19,739,750 for 2023. The increase for 2024 was due primarily to the issuance of three mill notes and other loans payable during the fiscal year. The liability for compensated absences decreased by \$330,511 for 2024 and decreased by \$740,752 for 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements, which include government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information, supplementary information, and other information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the District's finances. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Jackson Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024

The Statement of Net Position presents information on all the District's nonfiduciary assets, deferred outflows, liabilities, and deferred inflows, with the differences between them reported as "net position." Over time, increases or decreases in the District's net position may serve as a useful indicator of whether its financial position is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional, sixteenth section, pension expense, OPEB expense, and interest on long-term liabilities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds – Most of the District's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may gain a better understanding of the long-term impact of the District's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities.

The District maintains individual governmental funds in accordance with the *Financial Accounting Manual for Mississippi Public School Districts*. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All non-major funds are combined and presented in these reports as other governmental funds.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the District's own programs. These funds are reported using the accrual basis of accounting. The school district is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Jackson Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Capital outlay spending results in capital assets on government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.

Bond and note proceeds result in liabilities on government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.

A net pension liability and net OPEB liability result in liabilities on the government-wide financial statements but are not reported on governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Contributions (PERS), Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of District Contributions (OPEB) as required supplementary information. The District adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund and each additional major special revenue fund as required by the Governmental Accounting Standards Board.

Supplementary Information

Additionally, a 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 and a Schedule of Instructional, Administrative and Other Expenditures for governmental funds can be found in this report.

Other Information

Although not a required part of the basic financial statements, the Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Funds, Last Four Years, is presented for purposes of additional analysis as required by the Mississippi Department of Education.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of the District's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$291,990,000 as of June 30, 2024.

The District's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

Jackson Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Table 1 presents a summary of the District's net position at June 30, 2024 and June 30, 2023.

Table 1
Condensed Statement of Net Position

	June 30, 2024	June 30, 2023	Percentage Change
Current assets	\$ 92,209,983	\$ 84,912,139	8.59 %
Restricted assets	40,953,677	18,844,802	117.32 %
Lease receivable	8,983,251	9,245,407	(2.84) %
Capital assets, net	169,253,600	172,143,234	(1.68) %
Total assets	311,400,511	285,145,582	9.21 %
Deferred outflows of resources	118,899,835	70,297,936	69.14 %
Current liabilities	17,626,054	22,968,808	(23.26) %
Long-term debt outstanding	179,075,875	158,707,885	12.83 %
Lease liability	-	723,136	(100.00) %
SBITA liability	1,163,320	444,037	161.99 %
Net OPEB liability	15,352,728	14,553,764	5.49 %
Net pension liability	470,367,914	404,843,746	16.19 %
Total liabilities	683,585,891	602,241,376	13.51 %
Deferred inflows of resources	38,704,455	33,876,676	14.25 %
Net position:			
Net investment in capital assets	105,105,084	93,557,401	12.34 %
Restricted	41,392,995	43,641,062	(5.15) %
Unrestricted	(438,488,079)	(417,872,997)	(4.93) %
Total net position	\$ (291,990,000)	\$ (280,674,534)	(4.03) %

Additional information on unrestricted net position:

In connection with the application of standards on accounting and financial reporting for pensions and OPEB, management presents the following additional information:

Total unrestricted net position (deficit)	\$ (438,488,079)
Less unrestricted deficit in net position resulting from recognition of the net pension liability and net OPEB liability including the related deferred outflows and deferred inflows	401,952,944
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ (36,535,135)</u>

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- Decrease in net capital assets in the amount of \$2,889,634, including lease and SBITA assets.
- The principal retirement of \$21,191,675 of long-term debt, including lease and SBITA liabilities.
- The issuing of notes and loans payable, lease liabilities, and SBITA liabilities totaling \$43,242,631.

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2024 and June 30, 2023 were \$331,523,081 and \$311,126,015, respectively. The total cost of all programs and services was \$342,889,402 for 2024 and \$296,708,596 for 2023.

Jackson Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2024 and June 30, 2023.

Table 2
Changes in Net Position

	<u>Year Ended</u> <u>June 30, 2024</u>	<u>Year Ended</u> <u>June 30, 2023</u>	<u>Percentage</u> <u>Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 1,390,424	\$ 2,705,412	(48.61) %
Operating grants and contributions	133,611,408	112,054,351	19.24 %
General revenues:			
Property taxes	91,825,592	92,211,073	(0.42) %
Grants and contributions not restricted	98,980,986	100,789,155	(1.79) %
Investment earnings	2,503,444	884,125	183.15 %
Sixteenth section sources	1,034,831	656,389	57.66 %
Other	2,176,396	1,825,510	19.22 %
Total revenues	<u>331,523,081</u>	<u>311,126,015</u>	6.56 %
Expenses:			
Instruction	123,392,949	131,893,352	(6.44) %
Support services	151,265,974	120,496,831	25.54 %
Non-instructional	14,866,779	14,059,632	5.74 %
Sixteenth section	27,896	55,242	(49.50) %
Pension expense	47,631,546	26,367,214	80.65 %
OPEB expense	(1,879,657)	(2,616,343)	28.16 %
Interest on long-term liabilities	7,583,915	6,452,668	17.53 %
Total expenses	<u>342,889,402</u>	<u>296,708,596</u>	15.56 %
Increase (Decrease) in net position	<u>(11,366,321)</u>	<u>14,417,419</u>	(178.84) %
Net Position, July 1, as previously reported	<u>(280,674,534)</u>	<u>(296,296,962)</u>	5.27 %
Error correction	50,855	1,205,009	(95.78) %
Net Position, July 1, as restated	<u>(280,623,679)</u>	<u>(295,091,953)</u>	4.90 %
Net Position, June 30	<u>\$ (291,990,000)</u>	<u>\$ (280,674,534)</u>	(4.03) %

Error corrections that impacted prior fiscal years were made during the fiscal year ending June 30, 2024. Additional information and further explanation can be found in Note 11 of this report. Due to the immateriality of the result upon the affected funds, restatement to the individual impacted line items of the prior periods were not made to this schedule.

Jackson Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Governmental activities

The following table presents the cost of seven major District functional activities: instruction, support services, non-instructional, sixteenth section, pension expense, OPEB expense and interest on long-term liabilities. The table also shows each functional activity's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost presents the financial burden that was placed on the State and District's taxpayers by each of these functions.

**Table 3
Net Cost of Governmental Activities**

	Total Expenses		Percentage Change
	2024	2023	
Instruction	\$ 123,392,949	\$ 131,893,352	(6.44) %
Support services	151,265,974	120,496,831	25.54 %
Non-instructional	14,866,779	14,059,632	5.74 %
Sixteenth section	27,896	55,242	(49.50) %
Pension Expense	47,631,546	26,367,214	80.65 %
OPEB Expense	(1,879,657)	(2,616,343)	28.16 %
Interest on long-term liabilities	7,583,915	6,452,668	17.53 %
Total expenses	\$ 342,889,402	\$ 296,708,596	15.56 %

	Net (Expense) Revenue		Percentage Change
	2024	2023	
Instruction	\$ (68,633,717)	\$ (81,934,488)	16.23 %
Support services	(88,167,199)	(74,931,181)	(17.66) %
Non-instructional	2,277,046	5,175,617	(56.00) %
Sixteenth section	(27,896)	(55,242)	49.50 %
Pension Expense	(47,631,546)	(26,367,214)	(80.65) %
OPEB Expense	1,879,657	2,616,343	(28.16) %
Interest on long-term liabilities	(7,583,915)	(6,452,668)	(17.53) %
Total net (expense) revenue	\$ (207,887,570)	\$ (181,948,833)	(14.26) %

- Net cost of governmental activities (\$207,887,570 for 2024 and \$181,948,833 for 2023) was financed by general revenue, which is primarily made up of property taxes (\$91,825,592 for 2024 and \$92,211,073 for 2023) and state and federal revenues (\$98,980,986 for 2024 and \$100,789,155 for 2023). In addition, there was \$1,034,831 and \$656,389 in Sixteenth Section sources for 2024 and 2023, respectively.
- Investment earnings amounted to \$2,503,444 for 2024 and \$884,125 for 2023.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Jackson Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$117,138,830, an increase of \$35,479,427, which includes an error correction of (\$229,751) and a decrease in inventory of \$166,300. \$26,180,666, or 22% of the fund balance is unassigned, which represents the residual classification for the General Fund's 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 remaining fund balance of \$90,958,164, or 78% is either nonspendable, restricted, committed or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$71,661, which includes an error correction of \$65,191 and an increase in inventory of \$26,928. The fund balance of Other Governmental Funds showed a decrease in the amount of \$5,937,788, which includes an error correction of (\$294,942) and a decrease in inventory of \$193,228. The increase (decrease) in the fund balances for the other major funds were as follows:

Major Fund	Increase (Decrease)
ARP ESSER III Grant Fund	no increase or decrease
LTN 2023 Construction Fund	\$ 41,345,554

BUDGETARY HIGHLIGHTS

During the year, the District revised the annual operating budget. Budget revisions were made to address and correct the original budgets to reflect more accurately the sources and uses of funding for the School District. Budget revisions during the year were routine in nature and were insignificant when compared to total revenues and expenditures of the District.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund and each major special revenue fund is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2024, the District's total capital assets were \$335,030,402, including land, school buildings, improvements other than buildings, buses, other school vehicles, furniture and equipment, lease assets, and SBITA assets. This amount represents an increase of \$1,734,496 from 2023. Total accumulated depreciation and amortization as of June 30, 2024, was \$165,776,802, and total depreciation and amortization expense for the year was \$8,747,012, resulting in total net capital assets of \$169,253,600.

**Table 4
Capital Assets, Net of Accumulated Depreciation**

	June 30, 2024	June 30, 2023	Percentage Change
Land	\$ 6,780,059	\$ 6,780,059	0.00 %
Buildings	139,640,548	144,160,302	(3.14) %
Improvements other than buildings	11,617,711	12,408,299	(6.37) %
Mobile equipment	7,523,004	5,764,577	30.50 %
Furniture and equipment	2,276,380	1,498,982	51.86 %
Lease assets	-	703,755	(100.00) %
Subscription IT assets	1,415,898	827,260	71.16 %
Total	\$ 169,253,600	\$ 172,143,234	(1.68) %

Jackson Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Error corrections that impacted prior fiscal years were made during the fiscal year ending June 30, 2024. Additional information and further explanation can be found in Note 11 of this report. Due to the immateriality of the result upon the affected funds, restatement to the individual impacted line items of the prior periods were not made to this schedule.

Additional information on the District's capital assets can be found in Note 5 and Note 6 included in this report.

Debt Administration. At June 30, 2024, the District had \$180,239,195 in outstanding long-term debt, of which \$18,716,668 is due within one year. During the fiscal year, the District received proceeds from debt issuances totaling \$43,242,631. The District made principal payments totaling \$21,191,675 on outstanding long-term debt. The liability for compensated absences decreased \$330,511 from the prior year.

**Table 5
Outstanding Long-Term Debt**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	Percentage Change
General obligation bonds payable	\$ 8,575,000	\$ 10,575,000	(18.91) %
Special obligation bonds payable	97,435,000	109,955,000	(11.39) %
Three mill notes payable	42,859,000	5,635,000	660.59 %
Installment purchase loans payable	1,290,989	1,892,409	(31.78) %
Qualified school construction bonds payable	15,400,000	15,400,000	0.00 %
Other loans payable	800,000	-	N/A %
Compensated absences payable	1,332,100	1,662,611	(19.88) %
Lease liabilities	-	723,136	(100.00) %
SBITA liabilities	1,163,320	444,037	161.99 %
Bond premium	11,383,786	13,587,865	(16.22) %
Total	<u>\$ 180,239,195</u>	<u>\$ 159,875,058</u>	12.74 %

Error corrections that impacted prior fiscal years were made during the fiscal year ending June 30, 2024. Additional information and further explanation can be found in Note 11 of this report. Due to the immateriality of the result upon the affected funds, restatement to the individual impacted line items of the prior periods were not made to this schedule.

Additional information on the District's long-term debt can be found in Note 6 and Note 7 included in this report.

CURRENT ISSUES

The Jackson Public School District is financially stable. The District is proud of its community support of the public schools.

The District has committed itself to financial excellence for many years. The District's system of financial planning, budgeting, and internal financial controls is well regarded. The District plans to continue its sound fiscal management to meet the challenges of the future.

The District actively pursues grant funding to supplement the local, state, and federal revenues.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have any questions about this report or need additional financial information, contact the Superintendent's Office of the Jackson Public School District, P.O. Box 2338, Jackson, MS 39225-2338.

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FINANCIAL STATEMENTS

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JACKSON PUBLIC SCHOOL DISTRICT

Statement of Net Position
June 30, 2024

Exhibit A

		Governmental Activities
Assets		
Cash and cash equivalents	\$	58,881,778
Due from other governments		29,531,962
Other receivables, net		2,439,894
Lease receivable		8,983,251
Inventories		1,356,349
Restricted assets		40,953,677
Capital assets, non-depreciable:		
Land		6,780,059
Capital assets, net of accumulated depreciation:		
Buildings		139,640,548
Improvements other than buildings		11,617,711
Mobile equipment		7,523,004
Furniture and equipment		2,276,380
Subscription IT assets		1,415,898
Total Assets		311,400,511
 Deferred Outflows of Resources		
Deferred outflows - advance refunding of debt		5,240,569
Deferred outflows - pensions		109,116,783
Deferred outflows - OPEB		4,542,483
Total Deferred Outflows of Resources		118,899,835
 Liabilities		
Accounts payable and accrued liabilities		16,195,091
Unearned revenue		103
Interest payable on long-term liabilities		1,430,860
Long-term liabilities, due within one year:		
Capital related liabilities		10,220,596
Non-capital related liabilities		7,666,355
SBITA liabilities		829,717
Net OPEB liability		639,893
Long-term liabilities, due beyond one year:		
Capital related liabilities		46,630,393
Capital related bond premiums		11,383,786
Non-capital related liabilities		103,174,745
SBITA liabilities		333,603
Net pension liability		470,367,914
Net OPEB liability		14,712,835
Total Liabilities		683,585,891
 Deferred Inflows of Resources		
Deferred inflows - pensions		22,016,360
Deferred inflows - OPEB		7,875,208
Deferred inflows - leases		8,812,887
Total Deferred Inflows of Resources		38,704,455
 Net Position		
Net investment in capital assets		105,105,084
Restricted for:		
Expendable:		
School-based activities		20,351,286
Debt service		19,493,873
Forestry improvements		39,831
Unemployment benefits		1,197,788
Non-expendable:		
Sixteenth section		310,217
Unrestricted		(438,488,079)
Total Net Position		\$ (291,990,000)

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

JACKSON PUBLIC SCHOOL DISTRICT

Statement of Activities

Exhibit B

For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 123,392,949	\$ 1,092,931	\$ 53,666,301	-	\$ (68,633,717)
Support services	151,265,974	-	63,098,775	-	(88,167,199)
Non-instructional	14,866,779	297,493	16,846,332	-	2,277,046
Sixteenth section	27,896	-	-	-	(27,896)
Pension expense	47,631,546	-	-	-	(47,631,546)
OPEB expense	(1,879,657)	-	-	-	1,879,657
Interest on long-term liabilities	7,583,915	-	-	-	(7,583,915)
Total Governmental Activities	\$ 342,889,402	\$ 1,390,424	\$ 133,611,408	-	\$ (207,887,570)

General Revenues:

Taxes:

General purpose levies 66,915,846

Debt purpose levies 24,909,746

Unrestricted grants and contributions:

State 98,886,220

Federal 94,766

Unrestricted investment earnings 2,503,444

Sixteenth section sources 1,034,831

Other 2,176,396

Total General Revenues **196,521,249**

Change in Net Position (11,366,321)

Net Position - Beginning, as previously reported (280,674,534)

Error Corrections 50,855

Net Position - Beginning, as restated (280,623,679)

Net Position - Ending \$ (291,990,000)

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

JACKSON PUBLIC SCHOOL DISTRICT

Governmental Funds

Balance Sheet
June 30, 2024

Exhibit C

	Major Funds					Total Governmental Funds
	General Fund	ARP ESSER III Grant Fund	LTN 2023 Construction Fund	Other Governmental Funds		
Assets						
Cash and cash equivalents	\$ 19,447,193	\$ 1,614,239	\$ 25,445,554	\$ 41,623,280	\$	88,130,266
Cash with fiscal agents	-	-	-	11,705,189		11,705,189
Due from other governments	6,066,873	14,250,800	-	9,213,352		29,531,025
Other receivables, net	2,439,894	-	-	-		2,439,894
Lease receivable	8,983,251	-	-	-		8,983,251
Due from other funds	27,805,896	-	15,900,000	930,046		44,635,942
Inventories	1,257,496	-	-	98,853		1,356,349
Total Assets	\$ 66,000,603	\$ 15,865,039	\$ 41,345,554	\$ 63,570,720	\$	186,781,916
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 11,735,569	\$ 1,541,112	\$ -	\$ 2,918,410	\$	16,195,091
Due to other funds	16,509,111	14,323,927	-	13,801,967		44,635,005
Unavailable revenue - federal programs	-	-	-	103		103
Total Liabilities	28,244,680	15,865,039	-	16,720,480	\$	60,830,199
Deferred Inflows of Resources						
Leases	8,812,887	-	-	-		8,812,887
Total Deferred Inflows of Resources	8,812,887	-	-	-	\$	8,812,887
Fund Balances:						
Nonspendable:						
Inventory	1,257,496	-	-	98,853		1,356,349
Permanent fund principal	-	-	-	310,217		310,217
Restricted:						
Debt service	-	-	-	20,924,733		20,924,733
Capital projects	-	-	41,345,554	3,363,385		44,708,939
Forestry improvement purposes	-	-	-	39,831		39,831
Grant activities	-	-	-	18,994,937		18,994,937
Unemployment benefits	-	-	-	1,197,788		1,197,788
Assigned:						
Facility repairs and improvements	-	-	-	1,920,496		1,920,496
Capital reserve	474,347	-	-	-		474,347
Activity funds/athletics	1,030,527	-	-	-		1,030,527
Unassigned	26,180,666	-	-	-	\$	26,180,666
Total Fund Balances	28,943,036	-	41,345,554	46,850,240	\$	117,138,830
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 66,000,603	\$ 15,865,039	\$ 41,345,554	\$ 63,570,720	\$	186,781,916

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

JACKSON PUBLIC SCHOOL DISTRICT

Governmental Funds

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024**

Exhibit C-1

Total fund balances for governmental funds \$ 117,138,830

Amounts reported for governmental activities in the statement of Net Position are different because:

1. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	\$ 6,780,059	
Buildings	246,167,995	
Improvements other than buildings	39,408,444	
Mobile equipment	20,600,618	
Furniture and equipment	17,933,235	
Subscription based IT assets, net	1,415,898	
Accumulated depreciation	<u>(163,052,649)</u>	169,253,600

2. Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

Net pension liability (470,367,914)

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

Deferred outflows of resources related to pensions	109,116,783	
Deferred inflows of resources related to pensions	<u>(22,016,360)</u>	(383,267,491)

3. Some liabilities, including net OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

Net OPEB liability (15,352,728)

Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds:

Deferred outflows of resources related to OPEB	4,542,483	
Deferred inflows of resources related to OPEB	<u>(7,875,208)</u>	(18,685,453)

4. Long-term liabilities and related accrued interest are not due and payable in the current period and, therefore, are not reported in the funds:

General obligation bonds	(8,575,000)	
Special obligation bonds	(97,435,000)	
Other bonds payable	(15,400,000)	
Notes payable	(42,859,000)	
Installment purchases loans payable	(1,290,989)	
Other loans payable	(800,000)	
Subscription IT liabilities	(1,163,320)	
Compensated absences	(1,332,100)	
Unamortized charges	5,240,569	
Unamortized premiums	(11,383,786)	
Accrued interest payable	<u>(1,430,860)</u>	(176,429,486)

Net Position of governmental activities \$ (291,990,000)

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

JACKSON PUBLIC SCHOOL DISTRICT

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

Exhibit D

	Major Funds			Previous	Other	Total
	General Fund	ARP ESSER III Grant Fund	LTN 2023 Construction Fund	Major Fund Child Nutrition Fund		
Revenues:						
Local sources	\$ 69,774,061	\$ -	\$ 729,780	\$ -	\$ 27,441,240	\$ 97,945,081
State sources	112,902,714	-	-	-	8,091,859	120,994,573
Federal sources	53,649	41,596,291	-	-	69,898,656	111,548,596
Sixteenth section sources	1,034,831	-	-	-	-	1,034,831
Total Revenues	183,765,255	41,596,291	729,780	-	105,431,755	331,523,081
Expenditures:						
Instruction	102,564,351	5,808,594	-	-	28,172,994	136,545,939
Support services	84,024,784	34,477,345	-	-	38,863,638	157,365,767
Noninstructional services	68,408	-	-	-	16,235,077	16,303,485
Sixteenth section	27,896	-	-	-	-	27,896
Debt service:						
Principal	1,404,234	-	-	-	19,787,441	21,191,675
Interest	415,896	-	-	-	5,996,538	6,412,434
Debt issuance costs	-	-	948,226	-	-	948,226
Other	11,750	-	-	-	14,750	26,500
Total Expenditures	188,517,319	40,285,939	948,226	-	109,070,438	338,821,922
Excess (Deficiency) of Revenues over (under) Expenditures	(4,752,064)	1,310,352	(218,446)	-	(3,638,683)	(7,298,841)
Other Financing Sources (Uses):						
Bonds and notes issued	800,000	-	41,564,000	-	-	42,364,000
SBITA issued	878,631	-	-	-	-	878,631
Payments held by escrow agent	-	-	-	-	803,995	803,995
Payment to QSCB debt escrow agent	(803,995)	-	-	-	-	(803,995)
Operating transfers in	6,785,660	-	-	-	4,534,998	11,320,658
Operating transfers out	(2,910,706)	(1,310,352)	-	-	(7,099,600)	(11,320,658)
Other financing uses	(17,984)	-	-	-	(50,328)	(68,312)
Total Other Financing Sources (Uses)	4,731,606	(1,310,352)	41,564,000	-	(1,810,935)	43,174,319
Net Change in Fund Balances	(20,458)	-	41,345,554	-	(5,449,618)	35,875,478
Fund Balances:						
July 1, 2023, as previously reported	28,871,375	-	-	13,170,581	39,617,447	81,659,403
Change within financial reporting entity (from major to nonmajor)	-	-	-	(13,170,581)	13,170,581	-
Error Corrections	65,191	-	-	-	(294,942)	(229,751)
July 1, 2023, as restated	28,936,566	-	-	-	52,493,086	81,429,652
Increase (Decrease) in inventory	26,928	-	-	-	(193,228)	(166,300)
June 30, 2024	\$ 28,943,036	\$ -	\$ 41,345,554	\$ -	\$ 46,850,240	\$ 117,138,830

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

JACKSON PUBLIC SCHOOL DISTRICT

Governmental Funds

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the Year Ended June 30, 2024 **Exhibit D-1**

Net change in fund balances - total governmental funds **\$ 35,875,478**

Amounts reported for governmental activities in the statement of activities are different because:

1. Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay and subscription-based IT assets	\$ 5,116,137	
Depreciation and amortization expense	<u>(8,747,012)</u>	(3,630,875)
2. In the statement of activities, only the gain/loss on the sale of assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.		(387,136)
3. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the statement of activities:		
Bonds and notes issued	(42,364,000)	
Subscription IT liability issued	(878,631)	
Payments of debt principal	21,191,675	
Accrued interest payable	<u>(626,942)</u>	(22,677,898)
4. Some items relating to pensions and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. The activities include:		
Pension expense	(47,631,546)	
Contributions subsequent to the measurement date	<u>23,958,217</u>	(23,673,329)
5. Some items relating to OPEB and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. The activities include:		
OPEB expense	1,879,657	
Contributions subsequent to the measurement date	<u>653,384</u>	2,533,041
6. Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in governmental funds. These activities include:		
Change in compensated absences	330,511	
Change in inventory	(166,300)	
Amortization of deferred charges, premiums and discounts	<u>430,187</u>	594,398
Change in Net Position of governmental activities		<u><u>\$ (11,366,321)</u></u>

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

JACKSON PUBLIC SCHOOL DISTRICT

Fiduciary Funds

Statement of Fiduciary Net Position
June 30, 2024

Exhibit E

	<u>Private-Purpose Trust Funds</u>
Assets	
Cash and cash equivalents	\$ 42,292
Total Assets	<u>42,292</u>
Liabilities	
Accounts payable and accrued liabilities	2,203
Due to other funds	937
Total Liabilities	<u>3,140</u>
Net Position	
Restricted for individuals, organizations, and other governments	<u>39,152</u>
Total Net Position	<u>\$ 39,152</u>

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

JACKSON PUBLIC SCHOOL DISTRICT

Fiduciary Funds

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

Exhibit F

	<u>Private-Purpose Trust Funds</u>
Additions	
Interest on investments	\$ 785
Contributions and donations from private sources	<u>42,178</u>
Total Additions	<u>42,963</u>
Deductions	
Educational media services	<u>51,320</u>
Total Deductions	<u>51,320</u>
Net increase (decrease) in fiduciary net position	<u>(8,357)</u>
Net Position	
Net position - Beginning	<u>47,509</u>
Net position - Ending	<u>\$ 39,152</u>

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

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JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The accompanying financial statements of the school district have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the school district's accounting policies are described below.

A. Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America, the school district is considered an "other stand-alone government." The school district is a related organization of, but not a component unit of, the city of Jackson since the governing authority of the city selects a majority of the school district's board but does not have financial accountability for the school district.

For financial reporting purposes, Jackson Public School District has included all funds and organizations. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the District's non-fiduciary assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Net position is reported in three categories:

1. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances of bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.
2. Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not included among program revenues are reported instead as general revenues.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Fund Financial Statements - Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other governmental funds.

The school district reports the following major governmental funds:

General Fund - This is the school district's primary operating fund. The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

ARP ESSER III Grant Fund - This is a special revenue fund that accounts for federal sources received and expenditures incurred related to the American Rescue Plan (ARP) Elementary and Secondary School Emergency Relief (ESSER) III Fund.

LTN 2023 Construction Fund – This is a capital projects fund that accounts for the proceeds from the issuance of the Limited Tax Notes, Series 2023, and the expenditure of the proceeds for the construction and renovation of school facilities.

All other governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements.

The school district also reports fiduciary funds which focus on net position and changes in net position. The District's fiduciary funds include the following:

Lake Memorial Library Fund – This fund serves as a private-purpose trust fund used to report a trust arrangement, other than those properly reported elsewhere, in which the principal and income benefit individuals, private organizations or other governments.

Additionally, the school district reports the following fund types:

GOVERNMENTAL FUNDS

Special Revenue Funds - Special Revenue 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.

Capital Projects Funds - Capital Projects 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.

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

Permanent Funds - Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not the principal, may be used for purposes that support the district's programs.

FIDUCIARY FUNDS

Private-purpose Trust Funds - Private-purpose trust funds are used to report all trust arrangements, other than those properly reported elsewhere, in which the principal and income benefit individuals, private organizations or other governments.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting, as are the Fiduciary Fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred or economic asset used, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and judgments, are recorded only when payment is due.

Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables and revenues when entitlement occurs. Federal reimbursement type grants are recorded as revenues when the related expenditures are recognized. Use of grant resources is conditioned upon compliance with terms of the grant agreements and applicable federal regulations, which include subjecting grants to financial and compliance audits.

Property taxes, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual.

Ad valorem property taxes are levied by the governing authority of the city on behalf of the school district based upon an order adopted by the school board of the school district requesting an ad valorem tax effort in dollars. Since the taxes are not levied and collected by the school district, the revenues to be generated by the annual levies are not recognized until the taxes are actually collected by the tax levying authority.

Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

The effect of inter-fund activity has been eliminated from the government-wide statements.

Revenues from the Mississippi Adequate Education Program are appropriated on a fiscal year basis and are recorded at the time the revenues are received from the State of Mississippi.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing, and Financial Reporting*, issued in 2012 by the Government Finance Officers Association and are consistent with the broad classifications recommended in *Financial Accounting for Local and State School Systems, 2014*, issued by the U.S. Department of Education.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

D. Encumbrances

An encumbrance system is not maintained to account for commitments resulting from approved purchase orders, work orders and contracts.

E. Assets, liabilities, deferred outflows/inflows, and net position/fund balances

1. Cash, Cash equivalents and Investments

Cash and cash equivalents

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The school district deposits excess funds in the financial institutions selected by the school board. State statutes specify how these depositories are to be selected.

Investments

The school district can invest its excess funds, as permitted by Section 29-3-113, Miss. Code Ann. (1972), in interest-bearing deposits or other obligations of the types described in Section 27-105-33, Miss. Code Ann. (1972), or in any other type investment in which any other agency, instrumentality or subdivision of the State of Mississippi may invest, except that 100% of said funds are authorized to be so invested.

For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired.

Investments for the district are reported at fair market value.

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e. the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Due from Other Governments

Due from other governments represents amounts due from the State of Mississippi and various grants and reimbursements from other governments.

4. Inventories and Prepaid Items

Donated commodities are received from the USDA and are valued at USDA cost. Other inventories are valued at cost (calculated on the first-in, first-out basis). The costs of governmental fund type inventories are reported as expenditures when purchased.

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.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

5. Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net Position because their use is limited by applicable debt statutes, e.g. Qualified School Construction Bond sinking funds. Also, the nonexpendable portion of the Permanent Fund, if applicable, is classified as restricted assets because the 16th Section Principal fund is not available for use by the district except as provided for under state statute for loans from this fund. In addition, unspent proceeds from the issuance of long-term debt reported as cash and cash equivalents, cash with fiscal agent, and/or investments in a Capital Projects Fund is classified as restricted assets because the funds are to be spent for specific purposes outlined in resolutions approved by the board, bond documentation, etc.

6. Capital Assets

Capital assets include land, improvements to land, easements, water rights, timber rights, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Capital assets are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost or estimated historical cost based on appraisals or deflated current replacement cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the thresholds in the table below.

Capital acquisition and construction are reflected as expenditures in the Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements.

Depreciation is calculated on the straight-line basis for all assets, except land.

The following schedule details the capitalization thresholds:

	Capitalization Policy	Estimated Useful Life
Land	\$ 0	0
Buildings	50,000	40 years
Building improvements	25,000	20 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased assets	**	**
Subscription IT asset	**	**

(**) The estimated useful life is the term of the lease and subscription IT agreements. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized. The term "depreciation" includes the amortization of lease assets and subscription IT assets.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

7. 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. The school district has incurred deferred outflows which are presented as a deferred outflow from advance refunding of debt, a deferred outflow related to pensions, and a deferred outflow related to OPEB.

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. The school district has incurred deferred inflows which are presented as a deferred inflow related to pensions, a deferred inflow related to OPEB, and a deferred inflow related to leases.

See Notes 6, 9, 10, and 15 for further details.

8. Compensated Absences

Employees of the school district accumulate sick leave at a minimum amount as required by state law. A greater amount may be provided by school district policy provided that it does not exceed the provisions for leave as provided in Sections 25-3-93 and 25-3-95. Some employees are allowed personal leave and/or vacation leave in accordance with school district policy. The district pays for unused leave for employees as required by Section 37-7-307(5), Miss. Code Ann. (1972).

The liability for these compensated absences is recorded as a long-term liability in the government-wide statements. The current portion of this liability is estimated based on historical trends. In the fund financial statements, governmental funds report the liability for compensated absences from expendable available financial resources only if the payable has matured, for example, an employee retires.

9. 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 school district uses its estimated incremental borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known.

10. Subscription-Based Information Technology Arrangements

The Governmental Accounting 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, reliability, relevance and consistency of information about SBITAs. GASB 96 was implemented during fiscal year 2023.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

11. Long-term Liabilities and Bond Discounts/Premiums

In the government-wide financial statements, outstanding debt is reported as liabilities. Bond discounts or premiums and the difference between reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures. See Note 7 for details.

12. 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 (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, the 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.

13. Postemployment Benefits Other than Pensions (OPEB)

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

14. Fund Balances

Fund balance for governmental funds is 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. Following are descriptions of fund classifications used by the district:

Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed, or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.

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

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the School Board, the District's highest level of decision-making authority. This formal action is a resolution approved by the School Board. Currently there is no committed fund balance for this school district.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Assigned fund balance includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the Superintendent and the Chief Financial Officer pursuant to authorization established by the School District's approved fund balance policy.

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, it may be necessary to report a negative unassigned fund balance.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the District's general policy to use restricted resources first. When expenditures/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 District's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

It is the goal of the District to achieve and maintain an unassigned fund balance in the general fund at fiscal year end of not less than 7% of revenues.

15. Accounting Standards Update

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

Note 2 – Cash and Cash Equivalents and Cash with Fiscal Agents

The district follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Restrictions on deposits are imposed by statutes as follows:

Deposits. The school board must advertise and accept bids for depositories no less than once every three years as required by Section 37-7-333, Miss. Code Ann. (1972). The collateral pledged for the school district's deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

Cash and Cash Equivalents

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds and fiduciary funds was \$88,130,266 and \$42,292, respectively.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit 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. 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 district. As of June 30, 2024, none of the district's bank balance of \$102,425,361 was exposed to custodial credit risk.

Cash with Fiscal Agents

The carrying amount of the school district's cash with fiscal agents held by financial institutions was \$11,705,189.

Note 3 – Inter-fund Receivables, Payables and Transfers

The following is a summary of inter-fund transactions and balances:

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	ARP ESSER III Grant Fund	\$ 14,323,927
	Other governmental funds	13,481,032
	Fiduciary funds	937
LTN 2023 Construction Fund	General Fund	15,900,000
	Other governmental funds	609,111
	Other governmental funds	320,935
Total		\$ 44,635,942

The inter-fund loans were made mainly to cover the initial payments of reimbursable expenditures of federal programs and to eliminate deficit cash balances.

B. Inter-fund Transfers

Transfers Out	Transfers In	Amount
General Fund	Other governmental funds	\$ 2,910,706
ARP ESSER III Grant Fund	General Fund	1,310,352
Other governmental funds	General Fund	5,475,308
	Other governmental funds	1,624,292
Total		\$ 11,320,658

Operating transfers were primarily for the following: the funding of daily operations and routine activities of funds other than School District Maintenance, indirect cost transfers, transfers to cover vocational and special education expenditures, food service transfers, administrative cost pool transfers, and other routine operating transfers.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Note 4 – Restricted Assets

The restricted assets represent the cash balance totaling \$310,217 of the Sixteenth Section Principal Fund (Permanent Fund) which is legally restricted and may not be used for purposes that support the district's programs. In addition, the restricted assets represent the cash with fiscal agent balance totaling \$11,687,841 of the QSCB Bond Retirement Fund. Also, the restricted assets include the cash and cash equivalents and cash with fiscal agent balances totaling \$3,483,707 and \$17,348, respectively, of the GO Bond Construction 2018 Fund. In addition, the restricted assets represent the cash balance of the 2020 Refinance Capital Improvements Fund totaling \$629, the Limited Tax Note 2017A Capital Projects Fund totaling \$8,381, and the LTN 2023 Construction Fund totaling \$25,445,554 resulting from unspent proceeds of long-term debt at fiscal year-end. The total restricted assets reported on the Statement of Net Position are \$40,953,677.

Note 5 – Capital Assets

The following is a summary of changes in capital assets for governmental activities:

	Balance 7/1/2023	Increases	Decreases	Adjustments	Balance 6/30/2024
Governmental Activities:					
<u>Non-depreciable capital assets:</u>					
Land	\$ 6,780,059				\$ 6,780,059
Total non-depreciable capital assets	6,780,059	-	-	-	6,780,059
<u>Depreciable capital assets:</u>					
Buildings	248,050,971		1,882,976		246,167,995
Improvements other than buildings	39,419,095		10,651		39,408,444
Mobile equipment	17,820,524	2,780,094			20,600,618
Furniture and equipment	16,601,873	1,457,412	147,575	21,525	17,933,235
Total depreciable capital assets	321,892,463	4,237,506	2,041,202	21,525	324,110,292
<u>Less accumulated depreciation for:</u>					
Buildings	103,890,669	4,143,159	1,506,381		106,527,447
Improvements other than buildings	27,010,796	782,950	3,013		27,790,733
Mobile equipment	12,055,947	1,021,667			13,077,614
Furniture and equipment	15,102,891	691,533	144,672	7,103	15,656,855
Total accumulated depreciation	158,060,303	6,639,309	1,654,066	7,103	163,052,649
Total depreciable capital assets, net	163,832,160	(2,401,803)	387,136	14,422	161,057,643
Governmental activities capital assets, net	\$ 170,612,219	\$ (2,401,803)	\$ 387,136	\$ 14,422	\$ 167,837,702
Subscription IT assets, net (Note 6)					1,415,898
Total capital assets, net, as reported in the statement of net position					<u>169,253,600</u>

The capital assets above include significant amounts 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.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Depreciation expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	\$ 4,704,607
Support services	1,747,383
Non-instructional	187,319
Total depreciation expense - Governmental activities	\$ 6,639,309

Note 6 – Intangible Right-to-Use Leases and Subscription Based IT Assets

A summary of lease and subscription IT asset activity during the year ended June 30, 2024 is as follows:

	Balance 7/1/2023	Additions	Adjustments	Deductions	Balance 6/30/2024
<u>Lease assets:</u>					
Furniture and equipment	2,111,267			2,111,267	-
Total lease assets	2,111,267	-	-	2,111,267	-
<u>Less accumulated amortization:</u>					
<u>Lease assets:</u>					
Furniture and equipment	1,407,512	703,755		2,111,267	-
Total accumulated amortization	1,407,512	703,755		2,111,267	-
Total lease assets, net	703,755	(703,755)		-	-
Subscription IT assets	2,512,117	878,631	1,538,978	789,675	4,140,051
Less accumulated amortization	1,684,857	1,403,948	425,023	789,675	2,724,153
Subscription IT assets, net	827,260	(525,317)	1,113,955	-	1,415,898
Total lease and subscription IT assets, net	\$ 1,531,015	\$ (1,229,072)	\$ 1,113,955	\$ -	\$ 1,415,898

Amortization expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	\$ 442,362
Support services	1,665,341
Non-instructional	-
Total amortization expense - Governmental activities	\$ 2,107,703

A summary of lease and subscription IT liabilities during the year ended June 30, 2024 is as follows:

	Balance 7/1/2023	Additions	Adjustments	Deductions	Balance 6/30/2024	Amounts due within one year
Lease liabilities	723,136			723,136	-	-
Subscription IT liabilities	444,037	878,631	847,771	1,007,119	1,163,320	829,717
Total	1,167,173	878,631	847,771	1,730,255	1,163,320	829,717

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Leases

As Lessee:

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

At lease commencement, the school district 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 amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The school district generally uses its estimated incremental borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known.

The lease term includes the noncancellable period of the lease plus any additional periods covered by either a school district 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 school district and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

Copier leases

The school district, acting as lessee, entered into a lease for various copiers within the district. This lease was paid in full during the fiscal year.

As Lessor:

Sixteenth Section Lands

Sixteenth section school lands, or lands granted in lieu thereof, constitute property held in trust for the benefit of the public schools. The school board, under the general supervision of the Office of the Secretary of State, has control and jurisdiction of said school trust lands and of all funds arising from any disposition thereof. It is the duty of the school board to manage the school trust lands and all funds arising therefrom as trust property. Accordingly, the board shall assure that adequate compensation is received for all uses of the trust lands, except for uses by the public schools.

The school district uses the rate of 4% minimum interest required by Mississippi statute for sixteenth section loans to calculate the present value of sixteenth section lease rental payments since a rate implicit in the sixteenth section leases is not a part of the lease contract. The school district's financial statements have not been restated nor has a cumulative effect been reflected for the restatement of the beginning net position of the school district. The District has, however, included in its financial statements at year end the net present value of future lease payments of \$8,983,251 as a lease receivable and \$8,812,887 as deferred inflows of resources. The deferred inflows of resources for leases are being amortized using the straight-line method of amortization. The total amount of inflows of resources recognized during the current fiscal year is \$1,111,432.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Year Ending June 30	Principal	Interest	Total
2025	\$ 523,663	\$ 352,812	\$ 876,475
2026	537,366	331,389	868,755
2027	551,831	309,939	861,770
2028	512,378	287,912	800,290
2029	490,289	267,451	757,740
2030-2034	2,169,137	1,069,088	3,238,225
2035-2039	1,892,331	634,044	2,526,375
2040-2044	857,058	360,287	1,217,345
2045-2049	542,602	205,248	747,850
2050-2054	298,632	129,018	427,650
2055-2059	294,446	72,604	367,050
2060-2064	313,518	16,923	330,441
Total	<u>\$ 8,983,251</u>	<u>\$ 4,036,715</u>	<u>\$ 13,019,966</u>

Subscription Based IT Arrangements

The school district has contracts for multiple subscription-based IT arrangements for items such as software, site licenses, etc. For contracts that have a maximum possible term of 12 months or less at commencement, the school district recognizes expense based on the provisions of the contract. For all other contracts, other than short term, the school district recognized a subscription liability and a right to use subscription asset.

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

The school district generally uses its estimated incremental borrowing rate as the discount rate unless the rate that the vendor charges is known. The estimated incremental borrowing rate is the rate the district would be charged for borrowing the subscription payment amounts during the subscription term.

The subscription term includes the noncancellable period of the contract plus any additional periods covered by either a school district 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 school district and the vendor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the subscription term.

For purposes of this note disclosure, subscription-based IT assets and liabilities are grouped into one category.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

The following is a schedule by years of the total payments due on this debt:

Year Ending June 30	Principal	Interest	Total
2025	\$ 829,717	\$ 26,341	\$ 856,058
2026	312,966	8,194	321,160
2027	20,637	523	21,160
Total	\$ 1,163,320	\$ 35,058	\$ 1,198,378

Note 7 – Long-term Liabilities

The following is a summary of changes in long-term liabilities and other obligations for governmental activities:

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024	Amounts due within one year
A. General obligation bonds payable	\$ 10,575,000	\$	\$ 2,000,000	\$ 8,575,000	\$ 2,095,000
B. Special obligation bonds payable	109,955,000		12,520,000	97,435,000	13,160,000
C. Three mill notes payable	5,635,000	41,564,000	4,340,000	42,859,000	2,066,000
D. Installment purchases loans payable	1,892,409		601,420	1,290,989	419,346
E. Qualified school construction bonds payable	15,400,000			15,400,000	-
F. Other loans payable	-	800,000		800,000	80,000
G. Compensated absences payable	1,662,611		330,511	1,332,100	66,605
Total	\$ 145,120,020	\$ 42,364,000	\$ 19,791,931	\$ 167,692,089	\$ 17,886,951
Add: Bond premium	13,587,865		2,204,079	11,383,786	
Total	\$ 158,707,885	\$ 42,364,000	\$ 21,996,010	\$ 179,075,875	

A. General obligation bonds payable

General obligation bonds are direct obligations and pledge the full faith and credit of the school district. General obligation bonds currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General obligation refunding bonds, Series 2020	1.60%	11/19/2020	4/1/2028	\$ 9,470,000	\$ 8,575,000
Total				\$ 9,470,000	\$ 8,575,000

The following is a schedule by years of the total payments due on this debt:

Year Ending June 30	Principal	Interest	Total
2025	\$ 2,095,000	\$ 137,200	\$ 2,232,200
2026	2,125,000	103,680	2,228,680
2027	2,160,000	69,680	2,229,680
2028	2,195,000	35,120	2,230,120
Total	\$ 8,575,000	\$ 345,680	\$ 8,920,680

This debt will be retired from the General Obligation Series 2020 Refunding Debt Service Fund.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

The amount of bonded indebtedness that can be incurred by the school district is limited by Sections 37-59-5 and 37-59-7, Miss. Code Ann. (1972). Total outstanding bonded indebtedness during a year can be no greater than 15% of the assessed value of the taxable property within such district, according to the then last completed assessment for taxation, unless certain conditions, as set forth in Section 37-59-7, Miss. Code Ann. (1972) have been met. As of June 30, 2024, the amount of outstanding bonded indebtedness was equal to 1% of property assessments as of October 1, 2023.

B. Special obligation bonds payable

Special obligation bonds currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Special obligation bonds, Series 2015A	5.00%	11/10/2015	4/1/2028	\$ 104,990,000	\$ 43,245,000
2. Special obligation bonds, Series 2018	4.0%-5.25%	11/29/2018	6/30/2039	65,000,000	54,190,000
Total				<u>\$ 169,990,000</u>	<u>\$ 97,435,000</u>

The following is a schedule by years of the total payments due on this debt:

- Special obligation bonds, Series 2015A issued on November 10, 2015:

Year Ending June 30	Principal	Interest	Total
2025	\$ 10,660,000	\$ 2,162,250	\$ 12,822,250
2026	11,215,000	1,629,250	12,844,250
2027	11,725,000	1,068,500	12,793,500
2028	9,645,000	482,250	10,127,250
Total	<u>\$ 43,245,000</u>	<u>\$ 5,342,250</u>	<u>\$ 48,587,250</u>

This debt will be retired from the General Obligation Bonds Series 2015A Refunding Debt Service Fund.

- Special obligation bonds, Series 2018, issued on November 29, 2018:

Year Ending June 30	Principal	Interest	Total
2025	\$ 2,500,000	\$ 2,598,650	\$ 5,098,650
2026	2,630,000	2,470,400	5,100,400
2027	2,765,000	2,335,525	5,100,525
2028	2,905,000	2,193,775	5,098,775
2029	3,055,000	2,044,775	5,099,775
2030 – 2034	17,800,000	7,706,000	25,506,000
2035 – 2039	22,535,000	2,966,188	25,501,188
Total	<u>\$ 54,190,000</u>	<u>\$ 22,315,313</u>	<u>\$ 76,505,313</u>

This debt will be retired from the General Obligation Bonds Series 2018 Debt Service Fund.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Total special obligation bonds payments for all issues:

Year Ending June 30	Principal	Interest	Total
2025	\$ 13,160,000	\$ 4,760,900	\$ 17,920,900
2026	13,845,000	4,099,650	17,944,650
2027	14,490,000	3,404,025	17,894,025
2028	12,550,000	2,676,025	15,226,025
2029	3,055,000	2,044,775	5,099,775
2030 – 2034	17,800,000	7,706,000	25,506,000
2035 – 2039	22,535,000	2,966,188	25,501,188
Total	\$ 97,435,000	\$ 27,657,563	\$ 125,092,563

C. Three mill notes payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Limited tax notes, Series 2017	2.31%	8/18/2017	8/18/2028	\$ 2,500,000	\$ 1,295,000
2. Limited tax notes, Series 2023	2.37%	12/21/2023	8/1/2043	41,564,000	41,564,000
Total				\$ 44,064,000	\$ 42,859,000

The following is a schedule by years of the total payments due on this debt:

- Limited tax notes, Series 2017, issued on August 18, 2017:

Year Ending June 30	Principal	Interest	Total
2025	\$ 235,000	\$ 27,200	\$ 262,200
2026	245,000	21,656	266,656
2027	260,000	15,823	275,823
2028	270,000	9,702	279,702
2029	285,000	3,292	288,292
Total	\$ 1,295,000	\$ 77,673	\$ 1,372,673

This debt will be retired from the Limited Tax Note 2017A Debt Service Fund.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

2. Limited tax notes, Series 2023, issued on December 21, 2023:

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,831,000	\$ 1,926,739	\$ 3,757,739
2026	1,147,000	1,856,160	3,003,160
2027	1,192,000	1,800,726	2,992,726
2028	1,244,000	1,742,993	2,986,993
2029	1,294,000	1,682,842	2,976,842
2030 – 2034	9,054,000	7,227,694	16,281,694
2035 – 2039	11,414,000	4,812,617	16,226,617
2040 – 2044	14,388,000	1,768,116	16,156,116
Total	\$ 41,564,000	\$ 22,817,887	\$ 64,381,887

This debt will be retired from the Limited Tax Note Series 2023 Fund.

Total three mill notes payable payments for all issues:

Year Ending June 30	Principal	Interest	Total
2025	\$ 2,066,000	\$ 1,953,939	\$ 4,019,939
2026	1,392,000	1,877,816	3,269,816
2027	1,452,000	1,816,549	3,268,549
2028	1,514,000	1,752,695	3,266,695
2029	1,579,000	1,686,134	3,265,134
2030 – 2034	9,054,000	7,227,694	16,281,694
2035 – 2039	11,414,000	4,812,617	16,226,617
2040 – 2044	14,388,000	1,768,116	16,156,116
Total	\$ 42,859,000	\$ 22,895,560	\$ 65,754,560

D. Installment purchases loans payable

The school district has entered into an installment purchase agreement as listed below. Property under this installment purchase agreement is composed of buses at a cost of \$3,973,617.

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Buses	2.58%	7/26/2017	4/10/2027	\$ 3,973,617	\$ 1,290,989
Total				\$ 3,973,617	\$ 1,290,989

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

The following is a schedule by years of the total payments due on this debt:

Year Ending June 30	Principal	Interest	Total
2025	\$ 419,346	\$ 30,620	\$ 449,966
2026	430,235	19,731	449,966
2027	441,408	8,560	449,968
Total	<u>\$ 1,290,989</u>	<u>\$ 58,911</u>	<u>\$ 1,349,900</u>

This debt will be retired from the EEF Buildings and Buses Fund (Special Revenue Fund).

E. Qualified school construction bonds payable

As more fully explained in Note 14, debt has been issued by the school district that qualifies as Qualified School Construction bonds. Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
QSCB, Series 2015	0.15%	8/14/2015	6/15/2027	\$ 15,400,000	\$ 15,400,000
Total				<u>\$ 15,400,000</u>	<u>\$ 15,400,000</u>

The following is a schedule by years of the total payments due on this debt:

Year Ending June 30	Principal	Interest	Total
2025	\$ -	\$ 23,100	\$ 23,100
2026	-	23,100	23,100
2027	15,400,000	23,100	15,423,100
Total	<u>\$ 15,400,000</u>	<u>\$ 69,300</u>	<u>\$ 15,469,300</u>

This debt will be retired from the QSCB Series 2015 Debt Service Fund.

F. Other loans payable

The school district received proceeds from a loan granted under the authority of Senate Bill 2430: Educational Facilities Revolving Loan Fund Program detailed below:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Educational Facilities Loan	0.00%	6/30/2024	6/30/2034	\$ 800,000	\$ 800,000
Total				<u>\$ 800,000</u>	<u>\$ 800,000</u>

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

The following is a schedule by years of the total payments due on this debt:

Year Ending June 30	Principal	Interest	Total
2025	\$ 80,000	\$ -	80,000
2026	80,000	-	80,000
2027	80,000	-	80,000
2028	80,000	-	80,000
2029	80,000	-	80,000
2030 – 2034	400,000	-	400,000
Total	\$ 800,000	\$ -	800,000

This debt will be retired from the Educational Facilities Revolving Loan Fund (General Fund).

G. Compensated absences payable

As more fully explained in Note 1(E)(8), compensated absences payable is adjusted on an annual basis as required by Section 37-7-307(5), Miss. Code Ann. (1972). Compensated absences will be paid from the fund from which the employees' salaries were paid.

Note 8 – Short-Term Financing

During the fiscal year ended June 30, 2024, the school district participated in the following short-term financing for the purpose of supplementing the school district's resources until tax proceeds become available:

A. Bank-financed short term debt.

The school district issued a revenue anticipation note payable to Trustmark National Bank, and the proceeds from such issuance are accounted for as a current liability in the General Fund of the school district. Once the cash flow was available, the district made a payment consisting of principal and interest to the trustee.

All transactions related to participation in this program are accounted for as part of the school district's General Fund.

B. Changes in short-term debt activity recorded in the governmental activities during fiscal year 2024 are as follows:

Description	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024
Tax Anticipation Note, 6.76%	\$ -	\$ 20,000,000	\$ 20,000,000	\$ -
Total	\$ -	\$ 20,000,000	\$ 20,000,000	\$ -

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Note 9 – Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description. The school district contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available at www.pers.ms.gov.

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.

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2024 was 17.40% of annual covered payroll. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Section 25-11-1 of the Mississippi Code of 1972, as amended, and may be amended only by the Mississippi Legislature. The school district's contributions to PERS for the fiscal years ending June 30, 2024, 2023 and 2022 were \$23,958,217, \$24,121,594 and \$23,560,001, respectively, which equaled the required contributions for each year.

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

At June 30, 2024, the school district reported a liability of \$470,367,914 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the school district's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The school district's proportionate share used to calculate the June 30, 2024 net pension liability was 1.870152 percent, which was based on a measurement date of June 30, 2023. This was a decrease of .096671 percent from its proportionate share used to calculate the June 30, 2023 net pension liability, which was based on a measurement date of June 30, 2022.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

For the year ended June 30, 2024, the District recognized pension expense of \$47,631,546. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,951,972	\$
Net difference between projected and actual earnings on pension plan investments	17,370,848	
Changes of assumptions	55,835,746	
Changes in proportion and differences between District contributions and proportionate share of contributions		22,016,360
District contributions subsequent to the measurement date	23,958,217	
Total	\$ 109,116,783	\$ 22,016,360

\$23,958,217 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2025	\$ 20,934,735
2026	10,043,304
2027	32,024,305
2028	139,862

Actuarial assumptions. The total pension liability as of June 30, 2023 was determined by actuarial valuation prepared as of June 30, 2022, by the new actuarial assumptions adopted by the Board subsequent to June 30, 2022 valuation based on the experience investigation for the four-year period ending June 30, 2022, and by the investment experience for the fiscal year ending June 30, 2023. The following actuarial assumptions are applied to all periods included in the measurement:

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

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

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

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:

<u>Asset Class</u>	<u>Target Allocation</u>	%	<u>Long-Term Expected Real Rate of Return</u>	%
Domestic Equity	27.00	%	4.75	%
International Equity	22.00		4.75	
Global Equity	12.00		4.95	
Fixed Income	20.00		1.75	
Real Estate	10.00		3.25	
Private Equity	8.00		6.00	
Cash Equivalents	1.00		0.25	
Total	100	%		

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%) and that employer contributions will be phased in to 22.40 percent over three fiscal years (17.40 percent for FYE 2024, 19.40 percent for FYE 2025, 21.40 percent for FYE 2026, and 22.40 percent for FYE 2027). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District'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%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net pension liability	\$ 606,551,354	\$ 470,367,914	\$ 358,614,270

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

Note 10 – Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan.

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

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Benefits provided.

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

Contributions.

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. Contributions to the OPEB plan from the District were \$653,384 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$15,352,728 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the District's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2023, the District's proportion was 2.77438053 percent. This was a decrease of 0.17959477 percent from the proportionate share as of the measurement date of June 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$1,879,657). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,516,613	\$ 4,334,470
Changes of assumptions	1,371,543	1,154,975
Net difference between projected and actual earnings on OPEB plan investments	943	
Changes in proportion and differences between District contributions and proportionate share of contributions		2,385,763
District contributions subsequent to the measurement date	653,384	
Total	\$ <u>4,542,483</u>	\$ <u>7,875,208</u>

\$653,384 reported as deferred outflows of resources related to OPEB resulting from school district contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended June 30, 2025. Other 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 June 30:

2025	\$ (1,365,297)
2026	(1,406,668)
2027	(953,906)
2028	(340,919)
2029	(6,163)
2030	86,844

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following key actuarial assumptions and other inputs:

Inflation	2.40 percent
Salary increases	2.65-17.90 percent, including wage inflation
Municipal Bond Index Rate	
Measurement Date	3.66%
Prior Measurement Date	3.37%
Year FNP is projected to be depleted	
Measurement Date	2023
Prior Measurement Date	2022
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Measurement Date	3.66%
Prior Measurement Date	3.37%
Health Care Cost Trends	
Medicare Supplement Claims	6.50% for 2024 decreasing to an ultimate rate of 4.50% by 2029 FYE
Pre-Medicare	

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

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

The demographic actuarial assumptions used in the June 30, 2023 valuation were based on the results of the last actuarial experience study, dated April 21, 2023.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

The long-term expected rate of return on OPEB plan investments is 4.50%.

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2023 was 3.66 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.37% to 3.66%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2023, the trust has \$1,067,750. The fiduciary net position is projected to be depleted immediately, therefore, the Municipal Bond Index Rate is used in the determination of the discount rate for both the June 30, 2022 and the June 30, 2023 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2023 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.66 percent) or 1-percentage-point higher (4.66 percent) than the current discount rate:

	1% Decrease (2.66%)	Current Discount Rate (3.66%)	1% Increase (4.66%)
Net OPEB liability	\$ 16,816,547	\$ 15,352,728	\$ 14,083,588

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

	1% Decrease	Healthcare Cost Trend Rates Current	1% Increase
Net OPEB liability	\$ 14,305,400	\$ 15,352,728	\$ 16,525,736

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in a separately issued report that can be found at <http://knowyourbenefits.dfa.ms.gov/>.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Note 11 – Adjustments and Restatements of Beginning Balances

Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, the School District determined that three subscription-based IT assets should have been included in the financial statements as part of GASB 96 showing the subscription asset and subscription liability. Adjustments were made to correctly state the prior year balances and prior year amortization. The School District also determined that two capital assets purchased in prior year should have been included in the financial statements. Adjustments were made to correctly state the prior year balances and prior year accumulated depreciation. The School District also had adjustments to correctly present prior year revenues or expenditures. The effect of correcting these errors is shown in the table below.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2024, changes within the financial reporting entity and 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	Child Nutrition Fund	Other Governmental Funds	Governmental Activities	Business-Type Activities	
7/1/23, as previously reported	\$ 28,871,375	\$ 13,170,581	\$ 39,617,447	\$(280,674,534)	\$ -	
Change from major to nonmajor fund	\$ -	\$ (13,170,581)	\$ 13,170,581	\$ -	\$ -	
Error correction	\$ 65,191	\$ -	\$ (294,942)	\$ 50,855	\$ -	
7/1/23, as adjusted or restated	\$ 28,936,566	\$ -	\$ 52,493,086	\$(280,623,679)	\$ -	

Note 12 – Contingencies

Federal Grants – The school district 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 the grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowances resulting from the grantor audit may become a liability of the school district.

Litigation – The school district 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 the outcome or liability, if any, of the school district with respect to the various proceedings. However, the school district’s legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the school district.

Note 13 – Risk Management

The school district is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The district carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Note 14 – Qualified School Construction Bonds

Section 1521 of the American Recovery and Reinvestment Act (ARRA) of 2009 provides for a source of capital at no or at nominal interest rates for costs incurred by certain public schools in connection with the construction, rehabilitation or repair of a public school facility or for the acquisition of land where a school will be built. Investors receive Federal income tax credits at prescribed tax credit rates in lieu of interest, which essentially allows state and local governments to borrow without incurring interest costs. While Qualified School Construction Bonds (QSCBs) are intended to be interest free to a borrower, the ARRA legislation allows a lender to charge supplemental interest, and such supplemental interest is the responsibility of the school district.

When the stated interest rate on the QSCB results in interest payments that exceed the supplemental interest payments discussed in the preceding paragraph, the school district may apply for a direct cash subsidy payment from the U.S. Treasury which is intended to reduce the stated interest rate to a nominal percentage. These subsidy payments do not include the amount of any supplemental interest paid on a QSCB. For the year ended June 30, 2024, the subsidy payments amounted to \$0 because the interest paid was minimal.

The school district makes equal annual payments into a sinking fund which is used to pay off the bonds at termination. The current maturity limit of tax credit bonds is 17 years, per the U. S. Treasury Department. Under this program, ten percent of the proceeds must be subject to a binding commitment to be spent within six months of issuance and 100% must be spent within three years. Up to two percent of bond proceeds can be used to pay costs of issuance. The amount on deposit at June 30, 2024 was \$11,687,841. The amount accumulated in the sinking fund at the end of the seventeen-year period is expected to be sufficient to retire the debt. The following schedule reports the annual deposits to be made to the sinking fund by the school district.

Year Ending June 30	Amount
2025	\$ 1,284,000
2026	1,284,000
2027	1,284,000
Total	<u>\$ 3,852,000</u>

Note 15 – Effect of Deferred Amounts on Net Position

The net investment in capital assets net position amount of \$105,105,084 includes the effect of deferring the recognition of expenditures resulting from a deferred outflow from advance refunding of school district debt and deferred bond premiums. The \$5,240,569 balance of deferred outflows from advance refunding of debt at June 30, 2024, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 4 years. The \$11,383,786 balance of deferred bond premiums at June 30, 2024, will be recognized as a decrease in an expense and will increase the net investment in capital assets net position over the next 15 years.

The unrestricted net position amount of (\$438,488,079) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$23,958,217 resulting from the school district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The \$85,158,566 balance of deferred outflow of resources related to pensions at June 30, 2024, will be recognized as an expense and will decrease the unrestricted net position over the next 4 years.

The unrestricted net position amount of (\$438,488,079) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$22,016,360 balance of deferred inflow of resources related to pensions at June 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next 3 years.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

The unrestricted net position amount of (\$438,488,079) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from OPEB. A portion of the deferred outflow of resources related to OPEB in the amount of \$653,384 resulting from the school district contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. The \$3,889,099 balance of deferred outflow of resources related to OPEB at June 30, 2024, will be recognized as an expense and will decrease the unrestricted net position over the next 6 years.

The unrestricted net position amount of (\$438,488,079) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$7,875,208 balance of deferred inflow of resources related to OPEB at June 30, 2024, will be recognized as revenue and will increase the unrestricted net position over the next 6 years.

The unrestricted net position amount of (\$438,488,079) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$8,812,887 balance of deferred inflow of resources related to leases, at June 30, 2024 will be recognized as revenue and will increase the unrestricted net position over the next 40 years.

Note 16 – State Compliance Testing

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

Note 17 - Subsequent Events

Events that occur after the Statement of Net Position/Balance Sheet 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/Balance Sheet date require disclosure in the accompanying notes. Management of the School District evaluated the activity of the School District through March 21, 2025 and determined that no events requiring disclosure have occurred.

REQUIRED SUPPLEMENTARY INFORMATION

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JACKSON PUBLIC SCHOOL DISTRICT
Required Supplementary Information

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local sources	\$ 75,162,376	\$ 69,774,061	\$ 69,774,061	\$ (5,388,315)	\$ -
State sources	107,070,788	112,902,714	112,902,714	5,831,926	-
Federal sources	410,000	53,649	53,649	(356,351)	-
Sixteenth section sources	900,000	925,522	1,034,831	25,522	109,309
Total Revenues	183,543,164	183,655,946	183,765,255	112,782	109,309
Expenditures:					
Instruction	106,603,833	102,857,941	102,564,351	3,745,892	293,590
Support services	75,948,917	84,140,473	84,024,784	(8,191,556)	115,689
Noninstructional services	71,400	69,342	68,408	2,058	934
Sixteenth section	58,700	27,896	27,896	30,804	-
Facilities acquisition and construction	124	5,000	-	(4,876)	5,000
Debt service:					
Principal	21,283,000	20,803,995	1,404,234	479,005	19,399,761
Interest	325,000	391,144	415,896	(66,144)	(24,752)
Other	22,500	11,750	11,750	10,750	-
Total Expenditures	204,313,474	208,307,541	188,517,319	(3,994,067)	19,790,222
Excess (Deficiency) of Revenues over (under) Expenditures	(20,770,310)	(24,651,595)	(4,752,064)	(3,881,285)	19,899,531
Other Financing Sources (Uses):					
Bonds and notes issued	20,000,000	20,800,000	800,000	800,000	(20,000,000)
SBITAs issued	-	-	878,631	-	878,631
Insurance recovery	500,000	-	-	(500,000)	-
Payment to QSCB debt escrow agent	-	-	(803,995)	-	(803,995)
Sale of transportation equipment	25,000	-	-	(25,000)	-
Sale of other property	100,000	-	-	(100,000)	-
Operating transfers in	19,659,920	15,465,996	6,785,660	(4,193,924)	(8,680,336)
Operating transfers out	(6,896,950)	(11,591,042)	(2,910,706)	(4,694,092)	8,680,336
Other financing uses	-	(11,688)	(17,984)	(11,688)	(6,296)
Total Other Financing Sources (Uses)	33,387,970	24,663,266	4,731,606	(8,724,704)	(19,931,660)
Net Change in Fund Balances	12,617,660	11,671	(20,458)	(12,605,989)	(32,129)
Fund Balances:					
July 1, 2023, as previously reported	27,172,711	30,497,108	28,871,375	3,324,397	(1,625,733)
Error Corrections	-	691,737	65,191	691,737	(626,546)
July 1, 2023, as restated	27,172,711	31,188,845	28,936,566	4,016,134	(2,252,279)
Increase (Decrease) in inventory	-	-	26,928	-	26,928
June 30, 2024	\$ 39,790,371	\$ 31,200,516	\$ 28,943,036	\$ (8,589,855)	\$ (2,257,480)

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

JACKSON PUBLIC SCHOOL DISTRICT
Required Supplementary Information

Budgetary Comparison Schedule
ARP ESSER III Grant Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal sources	\$ -	\$ 88,428,587	\$ 41,596,291	\$ 88,428,587	\$ (46,832,296)
Total Revenues	-	88,428,587	41,596,291	88,428,587	(46,832,296)
Expenditures:					
Instruction	-	10,129,034	5,808,594	(10,129,034)	4,320,440
Support services	-	17,691,651	34,477,345	(17,691,651)	(16,785,694)
Noninstructional services	-	250,000	-	(250,000)	250,000
Facilities acquisition and construction	-	54,768,200	-	(54,768,200)	54,768,200
Total Expenditures	-	82,838,885	40,285,939	(82,838,885)	42,552,946
Excess (Deficiency) of Revenues over (under) Expenditures	-	5,589,702	1,310,352	5,589,702	(4,279,350)
Other Financing Sources (Uses):					
Operating transfers out	-	(5,589,702)	(1,310,352)	(5,589,702)	4,279,350
Total Other Financing Sources (Uses)	-	(5,589,702)	(1,310,352)	(5,589,702)	4,279,350
Net Change in Fund Balances	-	-	-	-	-
Fund Balances:					
July 1, 2023	-	-	-	-	-
June 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -

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

JACKSON PUBLIC SCHOOL DISTRICT

Required Supplementary Information

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

PERS

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	1.870152%	1.966823%	2.051931%	2.085222%	2.160332%	2.213511%	2.279406%	2.357943%	2.357567%	2.310335%
District's proportionate share of the net pension liability	\$ 470,367,914	\$ 404,843,746	\$ 303,284,369	\$ 403,674,749	\$ 380,045,022	368,172,643	378,914,640	421,187,498	364,433,367	280,432,367
District's covered payroll	138,629,851	135,402,305	136,432,563	138,849,925	127,354,960	141,353,867	146,225,162	150,843,295	147,287,327	141,109,054
District's proportionate share of the net pension liability as a percentage of its covered payroll	339.30	298.99%	222.30%	290.73%	298.41%	260.46%	259.13%	279.22%	247.43%	198.73%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented in FYE 6/30/15, and, the District has compiled a full 10-year trend.

JACKSON PUBLIC SCHOOL DISTRICT

Required Supplementary Information

SCHEDULE OF DISTRICT CONTRIBUTIONS

PERS

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	23,958,217	24,121,594	23,560,001	23,739,266	24,159,887	22,159,763	22,263,234	23,030,463	23,757,819	23,197,754
Contributions in relation to the contractually required contribution	\$ 23,958,217	\$ 24,121,594	\$ 23,560,001	\$ 23,739,266	\$ 24,159,887	\$ 22,159,763	\$ 22,263,234	\$ 23,030,463	\$ 23,757,819	\$ 23,197,754
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	137,690,902	138,629,851	135,402,305	136,432,563	138,849,925	140,696,908	141,353,867	146,225,162	150,843,295	147,287,327
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

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

This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented in FYE 6/30/15, and, the District has compiled a full 10-year trend.

JACKSON PUBLIC SCHOOL DISTRICT

Required Supplementary Information

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

OPEB

Last 10 Fiscal Years*

		2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	%	2.77438053	2.95397530	3.01919936	3.16547216	3.25962800	3.34822000	3.35842700
District's proportionate share of the net OPEB liability	\$	15,352,728	14,553,764	19,434,043	24,633,958	27,659,284	25,900,156	26,350,519
District's covered-employee payroll		147,653,919	145,157,046	143,538,716	152,555,372	149,272,252	151,437,714	150,884,889
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		10.40%	10.03%	13.54%	16.15%	18.53%	17.10%	17.46%
Plan fiduciary net position as a percentage of the total OPEB liability		0.19%	0.21%	0.16%	0.13%	0.12%	0.13%	0.00%

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

* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented in FYE 6/30/2018, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

JACKSON PUBLIC SCHOOL DISTRICT
Required Supplementary Information

SCHEDULE OF DISTRICT CONTRIBUTIONS

OPEB

Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 653,384	673,197	593,098	781,123	982,398	1,108,669	1,123,362
Contributions in relation to the actuarially determined contribution	\$ 653,384	673,197	593,098	781,123	982,398	1,108,669	1,123,362
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
District's covered-employee payroll	137,690,902	138,629,851	135,402,305	122,555,164	138,849,925	140,696,908	141,353,867
Contributions as a percentage of covered-employee payroll	0.47%	0.49%	0.44%	0.64%	0.71%	0.79%	0.79%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No.75 was implemented in FYE 6/30/2018, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

Prior year information is based on historical amounts reported in prior year audit report(s).

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Required Supplementary Information
For Year Ended June 30, 2024

Budgetary Comparison Schedule

(1) Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, variances between the original budget and the final budget, and variances between the final budget and the actual data.

(2) Budget Amendments and Revisions

The budget is adopted by the school board and filed with the taxing authority. Amendments can be made on the approval of the school board. By statute, final budget revisions must be approved on or before October 15. A budgetary comparison is presented for the General Fund and each major Special Revenue Fund consistent with accounting principles generally accepted in the United States of America.

Pension Schedules

(1) *Changes of assumptions*

2015:

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

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

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

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

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

2016:

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

2017:

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

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

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Required Supplementary Information
For Year Ended June 30, 2024

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; and 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; and 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; and 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; and 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; and 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%.

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

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

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

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Required Supplementary Information
For Year Ended June 30, 2024

2023:

The investment rate of return assumption was changed from 7.55% to 7.00%.

The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.

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

The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.

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.

(2) *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.

(3) *Method and assumptions used in calculations of actuarially determined contributions.*

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2021 valuation for the June 30, 2023 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	26.7 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	7.55 percent, net of pension plan investment expense, including inflation

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Required Supplementary Information
For Year Ended June 30, 2024

OPEB Schedules

(1) *Changes of assumptions*

2017: The discount rate was changed from 3.01% for the prior Measurement Date to 3.56% for the current Measurement Date.

2018: The discount rate was changed from 3.56% for the prior Measurement Date to 3.89% for the current Measurement Date.

2019: The discount rate was changed from 3.89% for the prior Measurement Date to 3.50% for the current Measurement Date.

2020: The discount rate was changed from 3.50% for the prior Measurement Date to 2.19% for the current Measurement Date.

2021: The discount rate was changed from 2.19% for the prior Measurement Date to 2.13% for the current Measurement Date.

2022: The discount rate was changed from 2.13% for the prior Measurement Date to 3.37% for the current Measurement Date.

2023: The discount rate was changed from 3.37% for the prior Measurement Date to 3.66% for the current Measurement Date. Withdrawal rates, disability rates, service retirement rates and salary merit rates were adjusted to reflect actual experience more closely.

(2) *Changes in benefit provisions*

2017: None

2018: None

2019: None

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

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

2022: The schedule of monthly retiree contributions was increased as of January 1, 2023. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2023.

2023: The schedule of monthly retiree contributions was increased as of January 1, 2024. In addition, the in-network medical deductible was increased for the Base Family coverage beginning January 1, 2024.

(3) *Methods and assumptions used in calculations of Actuarially Determined Contributions.* The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2022 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2023:

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Required Supplementary Information
For Year Ended June 30, 2024

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75%
Salary increases, including wage inflation	3.00% to 18.25%
Initial health care cost trend rates	
Medicare Supplement Claims	7.00%
Pre-Medicare	
Ultimate health care cost trend rates	
Medicare Supplement Claims	4.50%
Pre-Medicare	
Year of ultimate trend rates	
Medicare Supplement Claims	2029
Pre-Medicare	
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.37%

SUPPLEMENTARY INFORMATION

JACKSON PUBLIC SCHOOL DISTRICT
Supplementary Information

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed-through Mississippi Department of Education:			
Child nutrition cluster:			
School breakfast program	10.553	185MS326N1099	3,895,238
National school lunch program	10.555	185MS326N1099	12,416,537
Summer Food Service Program for Children	10.559	185MS326N1099	385,127
School Fruits and Vegetables	10.582	185MS326L1603	424,442
Total child nutrition cluster			<u>17,121,344</u>
Total passed-through Mississippi Department of Education			<u>17,121,344</u>
Total U.S. Department of Agriculture			<u>17,121,344</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
Reserve Officers' Training Corps	12.xxx	N/A	750,408
Total U.S. Department of Defense			<u>750,408</u>
<u>U.S. Department of Education</u>			
Passed-through Mississippi Department of Education:			
Title I - grants to local educational agencies	84.010	ES010A200024	20,987,044
Title II - Supporting Effective Instruction State Grants	84.367	ES367A190023	2,733,495
Title III - Language Instruction for LEP and Immigrant	84.365	ES365A190024	53,126
Title IV - Student Support and Academic Enrichment	84.424	ES424A190025	1,537,452
Title V - Rural and Low-Income School Program (Project Ignite)	84.358B	ES424A200025	177,003
Career and Technical Education - Basic Grants to States	84.048	V048A190024	213,933
Education for Homeless Children and Youth	84.196	ES196A190025	166,076
Rise Project	84.215G	S215G210049	772,280
Subtotal			<u>26,640,409</u>
Education Stabilization Funds:			
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	S425D210031	18,423,475
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ARP ESSER III)	84.425U	S425U210031	41,935,011
COVID-19 - Education Stabilization Fund (ESSER) Subtotal			<u>60,358,486</u>
Special education cluster:			
Special education - grants to states	84.027	H027A190108	5,817,275
COVID-19 ARP Special Education - grants to states	84.027X	H027X190108	670,277
Subtotal			<u>6,487,552</u>
Special education - preschool grants	84.173	H173A190113	111,784
COVID-19 ARP Special Education - preschool grants	84.173X	H173X190113	78,613
Subtotal			<u>190,397</u>
Total special education cluster			<u>6,677,949</u>
Total passed-through Mississippi Department of Education			<u>93,676,844</u>
Total U.S. Department of Education			<u>93,676,844</u>
Total for All Federal Awards			<u>\$ 111,548,596</u>

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

JACKSON PUBLIC SCHOOL DISTRICT
Notes to the Supplementary Information
For the Year Ended June 30, 2024

Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Jackson Public School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Jackson Public School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Jackson Public School District.

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(4) Noncash Awards

Donated commodities of \$1,384,993 are included in the National School Lunch Program.

JACKSON PUBLIC SCHOOL DISTRICT

Supplementary Information

**Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds
For the Year Ended June 30, 2024**

Expenditures	Total	Instruction and Other Student Instructional Expenditures	General Administration	School Administration	Other
Salaries and fringe benefits	\$ 198,518,146	142,530,539	9,524,901	14,867,722	31,594,984
Other	140,303,776	33,679,355	2,993,384	30,789	103,600,248
Total	\$ 338,821,922	176,209,894	12,518,285	14,898,511	135,195,232
Total number of students *	15,504				
Cost per student	\$ 21,853	11,365	807	961	8,720

For purposes of this schedule, the following columnar descriptions are applicable:

Instruction and Other Student Instructional Expenditures - includes the activities dealing directly with the interaction between teachers and students. Included here are the activities of teachers, teachers aides or classroom assistants of any type.

General Administration - includes expenditures for the following functions: Support Services - General Administration and Support Services - Business.

School Administration - includes expenditures for the following function: Support Services - School Administration.

Other - includes all expenditure functions not included in Instruction or Administration Categories.

* includes the number of students reported on the ADA report submission for month 9, which is the final submission for the fiscal year.

OTHER INFORMATION

JACKSON PUBLIC SCHOOL DISTRICT

Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

Last Four Years

UNAUDITED

	2024	2023*	2022*	2021*
Revenues:				
Local sources	\$ 69,774,061	\$ 69,861,037	\$ 71,199,865	\$ 73,600,129
State sources	112,902,714	110,724,114	104,959,393	105,172,349
Federal sources	53,649	91,472	280,910	378,597
Sixteenth section sources	1,034,831	1,001,146	1,088,629	780,582
Total Revenues	<u>183,765,255</u>	<u>181,677,769</u>	<u>177,528,797</u>	<u>179,931,657</u>
Expenditures:				
Instruction	102,564,351	106,295,068	107,365,851	107,093,606
Support services	84,024,784	72,881,058	69,471,037	72,432,511
Noninstructional services	68,408	83,360	73,536	87,504
Sixteenth section	27,896	55,242	60,815	56,046
Debt service:				
Principal	1,404,234	2,232,932	686,340	-
Interest	415,896	363,422	126,978	75,122
Other	11,750	11,750	11,750	9,250
Total Expenditures	<u>188,517,319</u>	<u>181,922,832</u>	<u>177,796,307</u>	<u>179,754,039</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(4,752,064)</u>	<u>(245,063)</u>	<u>(267,510)</u>	<u>177,618</u>
Other Financing Sources (Uses):				
Insurance loss recovery	-	566,378	835,256	196,261
SBITA issued	878,631	1,883,602	-	-
Payment to QSCB debt escrow agent	(803,995)	(1,044,596)	(1,280,290)	(1,114,070)
Sales of transportation equipment	-	25,000	-	-
Sales of other property	-	600	-	-
Bonds and notes issued	800,000	-	-	-
Operating transfers in	6,785,660	4,032,985	4,390,616	2,968,176
Operating transfer out	(2,910,706)	(3,595,478)	(3,465,765)	(3,649,420)
Other financing uses	<u>(17,984)</u>	<u>-</u>	<u>-</u>	<u>(263,038)</u>
Total Other Financing Sources (Uses)	<u>4,731,606</u>	<u>1,868,491</u>	<u>479,817</u>	<u>(1,862,091)</u>
Net Change in Fund Balances	<u>(20,458)</u>	<u>1,623,428</u>	<u>212,307</u>	<u>(1,684,473)</u>
Fund Balances:				
Beginning of period as previously reported	28,871,375	25,966,073	22,608,530	23,170,242
Error Corrections	65,191	1,205,009	3,085,602	971,873
Beginning of period, as restated	<u>28,936,566</u>	<u>27,171,082</u>	<u>25,694,132</u>	<u>24,142,115</u>
Increase (Decrease) in reserve for inventory	26,928	76,865	59,634	150,888
End of Period	\$ <u>28,943,036</u>	\$ <u>28,871,375</u>	\$ <u>25,966,073</u>	\$ <u>22,608,530</u>

*SOURCE - PRIOR YEAR AUDIT REPORTS

JACKSON PUBLIC SCHOOL DISTRICT

Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Funds

Last Four Years

UNAUDITED

	2024	2023*	2022*	2021*
Revenues:				
Local sources	\$ 97,945,081	\$ 96,019,182	\$ 96,878,548	\$ 98,801,089
Intermediate sources	-	20,000	80,000	73,636
State sources	120,994,573	121,029,264	109,886,449	110,487,960
Federal sources	111,548,596	91,852,714	67,919,104	53,954,722
Sixteenth section sources	1,034,831	1,001,146	1,088,629	780,582
Total Revenues	<u>331,523,081</u>	<u>309,922,306</u>	<u>275,852,730</u>	<u>264,097,989</u>
Expenditures:				
Instruction	136,545,939	146,084,763	133,325,495	137,146,236
Support services	157,365,767	128,346,141	121,753,629	116,972,446
Noninstructional services	16,303,485	15,127,803	13,885,009	11,030,159
Sixteenth section	27,896	55,242	60,815	56,046
Debt service:				
Principal	21,191,675	21,279,155	18,600,800	17,175,847
Interest	6,412,434	7,043,990	7,659,386	8,535,699
Issuance costs	948,226	-	-	210,000
Other	26,500	26,500	28,000	22,060
Total Expenditures	<u>338,821,922</u>	<u>317,963,594</u>	<u>295,313,134</u>	<u>291,148,493</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(7,298,841)</u>	<u>(8,041,288)</u>	<u>(19,460,404)</u>	<u>(27,050,504)</u>
Other Financing Sources (Uses):				
SBITA issued	878,631	2,280,157	-	-
Bonds and notes issued	42,364,000	-	-	-
Insurance loss recovery		1,203,709	835,256	196,261
Refunding bonds issued		-	-	9,470,000
Payments held by escrow agent	803,995	1,044,596	1,280,290	1,114,070
Payment to refunded bond escrow agent		-	-	(8,859,252)
Payment to QSCB debt escrow agent	(803,995)	(1,044,596)	(1,280,290)	(1,114,070)
Sales of transportation equipment		25,000	-	-
Sales of other property		600	-	-
Operating transfer in	11,320,658	10,375,659	9,057,826	21,265,301
Other financing sources	-	-	-	500
Operating transfer out	(11,320,658)	(10,375,659)	(9,057,826)	(21,265,301)
Other financing uses	(68,312)	(7,094)	(85,401)	(263,038)
Total Other Financing Sources (Uses)	<u>43,174,319</u>	<u>3,502,372</u>	<u>749,855</u>	<u>544,471</u>
Net Change in Fund Balances	<u>35,875,478</u>	<u>(4,538,916)</u>	<u>(18,710,549)</u>	<u>(26,506,033)</u>
Fund Balances:				
Beginning of period as previously reported	81,659,403	85,172,386	100,680,876	123,485,777
Error Corrections	(229,751)	1,205,009	3,247,288	3,620,388
Beginning of period, as restated	<u>81,429,652</u>	<u>86,377,395</u>	<u>103,928,164</u>	<u>127,106,165</u>
Increase (decrease) in inventory	(166,300)	(179,076)	(45,229)	80,744
End of Period	\$ <u>117,138,830</u>	\$ <u>81,659,403</u>	\$ <u>85,172,386</u>	\$ <u>100,680,876</u>

*SOURCE - PRIOR YEAR AUDIT REPORTS

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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246 Briarwood Drive, Suite 102
Jackson, MS 39206
p. 601-316-1444

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

Superintendent and School Board
Jackson Public School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jackson Public School District, as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise Jackson Public School District's basic financial statements, and have issued our report thereon dated March 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jackson Public School District'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 Public School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Jackson Public School District'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jackson Public School District'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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

JD CPA, PLLC

Jackson, Mississippi
March 21, 2025



246 Briarwood Drive, Suite 102
Jackson, MS 39206
p. 601-316-1444

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

Superintendent and School Board
Jackson Public School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jackson Public School District's compliance with the type 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 Public School District's major federal programs for the year ended June 30, 2024. Jackson Public School District's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jackson Public School District 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 June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of 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 Public School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related 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 Public School District'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 Public School District's federal programs.

Auditor's Responsibilities for 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 to express an opinion on Jackson Public School District'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 generally accepted auditing standards, *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 Public School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Public School District'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 Public School District'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 Public School District'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 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 weakness, 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 purposes.

JD CPA, PLLC

Jackson, Mississippi
March 21, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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Jackson Public School District
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2024

Section I: Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

- | | | |
|----|---|---------------|
| 4. | Internal control over major programs: | |
| | a. Material weakness(es) identified? (Yes/No) | No |
| | b. Significant deficiency(ies) identified? (Yes/None reported) | None reported |
| 5. | Type of auditor's report issued on compliance for major programs: | Unmodified |
| 6. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? (Yes/No) | No |

7. Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027; 84.027X; 84.173; 84.173X	SPED Cluster
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER II)
84.425U	COVID-19 - Elementary and Secondary School Emergency Relief Fund (ARP ESSER III)

- | | | |
|-----|--|-------------|
| 8. | Dollar threshold used to distinguish between type A and type B programs: | \$3,000,000 |
| 9. | Auditee qualified as low-risk auditee? (Yes/No) | No |
| 10. | Prior fiscal year audit findings(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 2CFR 200.511(b). (Yes/No) | Yes |

Section II: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported under *Government Auditing Standards*.

Section III: Federal Award Findings and Questioned Costs

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



PRIOR YEAR AUDIT FINDINGS FOLLOW-UP

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Jackson Public School District has prepared and hereby submits the following summary schedule of prior audit findings as of June 30, 2024:

<u>Finding:</u>	<u>Status:</u>
2023-001	Resolved