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JONES COUNTY SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2024

JONES COUNTY SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board
Jones County School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jones County School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Jones County 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 Jones County School District, as of June 30, 2024, and the respective changes in financial position 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 Jones County 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 Jones County 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 Responsibility for the Audit of the Financial Statements

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

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jones County 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 Jones County 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), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic 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 Jones County 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 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

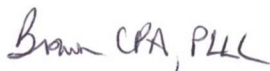
Management is responsible for the other information included in the annual report. The other information comprises the Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental 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 7, 2025, on our consideration of the Jones County 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 Jones County 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 Jones County School District's internal control over financial reporting and compliance.

Brown CPA, PLLC
Madison, Mississippi
March 7, 2025

A handwritten signature in blue ink that reads "Brown CPA, PLLC".

MANAGEMENT'S DISCUSSION AND ANALYSIS

JONES COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

The following discussion and analysis of Jones County 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 \$112,916, including an error correction of \$114,444, which represents a less than 1% decrease from fiscal year 2023. Total net position for 2023 increased \$15,196,271, including an error correction of \$419,914, which represents a 106% increase from fiscal year 2022.
- General revenues amounted to \$76,839,532 and \$76,599,048, or 68% and 70% 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 \$35,855,692, or 32% of total revenues for 2024, and \$33,137,253, or 30% of total revenues for 2023.
- The District had \$112,922,584 and \$94,959,944 in expenses for fiscal years 2024 and 2023; only \$35,855,692 for 2024 and \$33,137,253 for 2023 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$76,839,532 for 2024 were not adequate to provide for these programs. General revenues of \$76,599,048 for 2023 were adequate to provide for these programs.
- Among major funds, the General Fund had \$80,810,849 in revenues and \$75,788,839 in expenditures for 2024, and \$78,590,031 in revenues and \$67,742,263 in expenditures in 2023. The General Fund's fund balance increased by \$3,603,220 from 2023 to 2024 including an error correction of \$702,931, and increased by \$9,454,404 from 2022 to 2023.
- Capital assets, including lease and SBITA assets, net of accumulated depreciation and amortization, increased by \$7,584,475 for 2024 including an error correction of \$105,454 and increased by \$7,330,878 for 2023. The increase for 2024 was due primarily to the increase in construction in progress and mobile equipment.
- Long-term debt, including lease and SBITA liabilities, decreased by \$3,798,254 for 2024, from the previous year's restated ending balance, and decreased by \$2,198,589 for 2023. The decrease for 2024 was due primarily to the principal payments on outstanding long-term debt. The liability for compensated absences decreased by \$445,218 for 2024 and increased by \$640,884 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.

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

JONES COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

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:

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

JONES COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

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. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,390,167 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.

JONES COUNTY 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	6/30/2023 Restated	Percentage Change
Current assets	\$ 68,859,697	\$ 68,742,032	0.17 %
Restricted assets	19,748,590	18,917,122	4.40 %
Lease receivable	1,115,763	1,254,209	(11.04) %
Capital assets, net	82,095,213	74,510,738	10.18 %
Total assets	171,819,263	163,424,101	5.14 %
 Deferred outflows of resources	 47,405,504	 25,835,381	 83.49 %
Current liabilities	2,921,537	5,500,758	(46.89) %
Long-term debt outstanding	8,723,232	12,776,897	(31.73) %
SBITA liability	16,997	455,527	(96.27) %
Net OPEB liability	5,358,363	4,679,574	14.51 %
Net pension liability	169,658,984	132,503,472	28.04 %
Total liabilities	186,679,113	155,916,228	19.73 %
 Deferred inflows of resources	 3,155,487	 3,840,171	 (17.83) %
 Net position:			
Net investment in capital assets	75,223,741	63,910,998	17.70 %
Restricted	31,465,626	39,666,456	(20.67) %
Unrestricted	(77,299,200)	(74,074,371)	(4.35) %
Total net position	\$ 29,390,167	\$ 29,503,083	(0.38) %

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)	\$ (77,299,200)
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	129,763,079
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ 52,463,879</u>

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

- Increase in net capital assets in the amount of \$7,584,475
- The principal retirement of \$4,046,977 of long-term debt, including SBITA liabilities.
- Recognition of the net pension liability in the amount of \$169,658,984.

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2024 and June 30, 2023 were \$112,695,224 and \$109,736,301, respectively. The total cost of all programs and services was \$112,922,584 for 2024 and \$94,959,944 for 2023.

JONES COUNTY 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

	Year Ended June 30, 2024	Year Ended June 30, 2023	Percentage Change
Revenues:			
Program revenues:			
Charges for services	\$ 3,709,762	\$ 3,385,371	9.58 %
Operating grants and contributions	32,145,930	29,751,882	8.05 %
General revenues:			
Property taxes	23,229,976	22,574,209	2.90 %
Grants and contributions not restricted	50,258,235	50,796,433	(1.06) %
Investment earnings	603,786	380,432	58.71 %
Sixteenth section sources	2,314,474	2,782,127	(16.81) %
Other	433,061	65,847	557.68 %
Total revenues	112,695,224	109,736,301	2.70 %
Expenses:			
Instruction	53,393,949	53,248,486	0.27 %
Support services	27,524,770	22,892,136	20.24 %
Non-instructional	5,835,561	5,225,506	11.67 %
Sixteenth section	253,264	160,417	57.88 %
Pension expense	25,621,136	13,345,370	91.99 %
OPEB expense	(240,312)	(502,708)	52.20 %
Interest on long-term liabilities	534,216	590,737	(9.57) %
Total expenses	112,922,584	94,959,944	18.92 %
Increase (Decrease) in net position	(227,360)	14,776,357	(101.54) %
Net Position, July 1, as previously reported	29,503,083	14,306,812	106.22 %
Error correction	114,444	419,914	(72.75) %
Net Position, July 1, as restated	29,617,527	14,726,726	101.11 %
Net Position, June 30	\$ 29,390,167	\$ 29,503,083	(0.38) %

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.

JONES COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Table 3
Net Cost of Governmental Activities

	Total Expenses		Percentage Change
	2024	2023	
Instruction	\$ 53,393,949	\$ 53,248,486	0.27 %
Support services	27,524,770	22,892,136	20.24 %
Non-instructional	5,835,561	5,225,506	11.67 %
Sixteenth section	253,264	160,417	57.88 %
Pension Expense	25,621,136	13,345,370	91.99 %
OPEB Expense	(240,312)	(502,708)	52.20 %
Interest on long-term liabilities	534,216	590,737	(9.57) %
Total expenses	\$ 112,922,584	\$ 94,959,944	18.92 %

	Net (Expense) Revenue		Percentage Change
	2024	2023	
Instruction	\$ (29,635,966)	\$ (33,320,199)	11.06 %
Support services	(21,572,819)	(15,846,247)	(36.14) %
Non-instructional	310,197	908,894	(65.87) %
Sixteenth section	(253,264)	(131,740)	(92.25) %
Pension Expense	(25,621,136)	(13,345,370)	(91.99) %
OPEB Expense	240,312	502,708	(52.20) %
Interest on long-term liabilities	(534,216)	(590,737)	9.57 %
Total net (expense) revenue	\$ (77,066,892)	\$ (61,822,691)	(24.66) %

- Net cost of governmental activities (\$77,066,892 for 2024 and \$61,822,691 for 2023) was financed by general revenue, which is primarily made up of property taxes (\$23,229,976 for 2024 and \$22,574,209 for 2023) and state and federal revenues (\$50,258,235 for 2024 and \$50,796,433 for 2023). In addition, there was \$2,314,474 and \$2,782,127 in sixteenth section sources for 2024 and 2023, respectively.
- Investment earnings amounted to \$603,786 for 2024 and \$380,432 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.

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 \$85,626,326, an increase of \$4,202,058, which includes an error correction of \$702,931 and an increase in inventory of \$71,238. \$36,698,342, or 43% 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 \$48,927,984, or 57% is either non-spendable, 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.

JONES COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

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 \$3,603,220, which includes an error correction of \$702,931. The fund balance of Other Governmental Funds showed a decrease in the amount of \$541,709, which includes an increase in inventory of \$71,238. The increase (decrease) in the fund balances for the other major funds were as follows:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
ESSER III ARP Fund	no increase or decrease
Sixteenth Section Principal Fund	\$ 1,140,547

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 made during the fiscal 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, if applicable, 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 \$140,088,442, including land, school buildings, building improvements, improvements other than buildings, buses, other school vehicles, furniture and equipment, and SBITA assets. This amount represents an increase of \$11,010,842 from 2023. Total accumulated depreciation and amortization as of June 30, 2024, was \$57,993,229, and total depreciation and amortization expense for the year was \$3,702,867, resulting in total net capital assets of \$82,095,213.

Table 4
Capital Assets, Net of Accumulated Depreciation

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 1,166,052	\$ 1,166,052	0.00 %
Construction in progress	10,335,720	8,447,861	22.35 %
Buildings	56,679,855	52,130,217	8.73 %
Building improvements	5,520,633	4,958,352	11.34 %
Improvements other than buildings	2,830,427	2,960,910	(4.41) %
Mobile equipment	5,055,920	3,705,280	36.45 %
Furniture and equipment	460,763	594,247	(22.46) %
Subscription IT assets	45,843	547,819	(91.63) %
Total	<u>\$ 82,095,213</u>	<u>\$ 74,510,738</u>	10.18 %

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 \$8,740,229 in outstanding long-term debt, including SBITA liabilities, of which \$3,768,607 is due within one year. The District made principal payments totaling \$4,046,977 on outstanding long-term debt, including SBITA liabilities. The liability for compensated absences decreased \$445,218 from the prior year.

JONES COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Table 5
Outstanding Long-Term Debt

	June 30, 2024	6/30/2023 Restated	Percentage Change
General obligation refunding bonds payable	\$ 4,865,000	\$ 7,790,000	(37.55) %
Three mill notes payable	2,180,000	2,640,000	(17.42) %
Shortfall notes payable	470,494	693,941	(32.20) %
Subscription IT liabilities	16,997	455,527	(96.27) %
Compensated absences payable	1,207,738	1,652,956	(26.93) %
Total	\$ 8,740,229	\$ 13,232,424	(33.95) %

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

CURRENT ISSUES

The Jones County 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 Jones County School District, 5204 Hwy 11 North, Ellisville, MS 39437.

FINANCIAL STATEMENTS

JONES COUNTY SCHOOL DISTRICT

**Statement of Net Position
June 30, 2024**

Exhibit A

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 60,674,278
Investments	1,714,126
Due from other governments	6,267,855
Accrued interest receivable	21,259
Lease receivable	1,115,763
Inventories	182,179
Restricted assets	19,748,590
Capital assets, non-depreciable:	
Land	1,166,052
Construction in progress	10,335,720
Capital assets, net of accumulated depreciation:	
Buildings	56,679,855
Building improvements	5,520,633
Improvements other than buildings	2,830,427
Mobile equipment	5,055,920
Furniture and equipment	460,763
Subscription IT assets	45,843
Total Assets	<u>171,819,263</u>
Deferred Outflows of Resources	
Deferred outflows - advance refunding of debt	190,525
Deferred outflows - pensions	45,316,995
Deferred outflows - OPEB	1,897,984
Total Deferred Outflows of Resources	<u>47,405,504</u>
Liabilities	
Accounts payable and accrued liabilities	2,902,948
Interest payable on long-term liabilities	18,589
Long-term liabilities, due within one year:	
Capital related liabilities	3,460,000
Non-capital related liabilities	291,610
SBITA liabilities	16,997
Net OPEB liability	221,575
Long-term liabilities, due beyond one year:	
Capital related liabilities	3,585,000
Non-capital related liabilities	1,386,622
Net pension liability	169,658,984
Net OPEB liability	5,136,788
Total Liabilities	<u>186,679,113</u>
Deferred Inflows of Resources	
Deferred inflows - OPEB	1,960,711
Deferred inflows - leases	1,194,776
Total Deferred Inflows of Resources	<u>3,155,487</u>
Net Position	
Net investment in capital assets	75,223,741
Restricted for:	
Expendable:	
School-based activities	6,268,931
Debt service	2,795,024
Forestry improvements	188,162
Unemployment benefits	165,000
Non-expendable:	
Sixteenth section	22,048,509
Unrestricted	(77,299,200)
Total Net Position (deficit)	<u>\$ 29,390,167</u>

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

JONES COUNTY SCHOOL DISTRICT

Statement of Activities For the Year Ended June 30, 2024

Exhibit B

					Net (Expense) Revenue and Changes in Net Position
		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 53,393,949	\$ 2,636,761	\$ 21,121,222	\$ -	\$ (29,635,966)
Support services	27,524,770	-	5,951,951	-	(21,572,819)
Non-instructional	5,835,561	1,073,001	5,072,757	-	310,197
Sixteenth section	253,264	-	-	-	(253,264)
Pension expense	25,621,136	-	-	-	(25,621,136)
OPEB expense	(240,312)	-	-	-	240,312
Interest on long-term liabilities	534,216	-	-	-	(534,216)
Total Governmental Activities	\$ 112,922,584	\$ 3,709,762	\$ 32,145,930	\$ -	\$ (77,066,892)

General Revenues:

Taxes:

General purpose levies	19,361,426
Debt purpose levies	3,868,550

Unrestricted grants and contributions:

State	50,182,132
Federal	76,103
Unrestricted investment earnings	603,786
Sixteenth section sources	2,314,474
Other	433,061
Total General Revenues	76,839,532

Change in Net Position (227,360)

Net Position - Beginning, as previously reported 29,503,083
Adjustment or restatement 114,444

Net Position - Beginning, as restated 29,617,527

Net Position (deficit) - Ending \$ 29,390,167

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

JONES COUNTY SCHOOL DISTRICT
Governmental Funds

Balance Sheet
June 30, 2024

Exhibit C

	Major Funds			Other	Total
	General Fund	ESSER III ARP Fund	16 Sect Principal Fund	Governmental Funds	Governmental Funds
Assets					
Cash and cash equivalents	\$ 55,345,387	-	14,257,724	\$ 8,771,700	\$ 78,374,811
Investments	1,421,513	-	2,048,057	292,613	3,762,183
Due from other governments	1,423,985	3,271,804	-	1,572,066	6,267,855
Accrued interest receivable	8,031	-	11,569	1,659	21,259
Lease receivable	1,115,763	-	-	-	1,115,763
Due from other funds	4,073,679	-	-	38,957	4,112,636
Advance to other funds	-	-	5,734,631	-	5,734,631
Inventories	-	-	-	182,179	182,179
Total Assets	\$ 63,388,358	\$ 3,271,804	\$ 22,051,981	\$ 10,859,174	\$ 99,571,317
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances:</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,316,840	478,606	\$ 3,472	\$ 104,030	\$ 2,902,948
Due to other funds	-	2,793,198	-	1,319,438	4,112,636
Advances from other funds	5,734,631	-	-	-	5,734,631
Total Liabilities	8,051,471	3,271,804	3,472	1,423,468	12,750,215
Deferred Inflows of Resources					
Leases	1,194,776	-	-	-	1,194,776
Total Deferred Inflows of Resources	1,194,776	-	-	-	1,194,776
Fund Balances:					
Nonspendable:					
Advances	-	-	5,734,631	-	5,734,631
Inventory	-	-	-	182,179	182,179
Permanent fund principal	-	-	16,313,878	-	16,313,878
Restricted:					
Debt service	-	-	-	2,813,613	2,813,613
Forestry improvement purposes	-	-	-	188,162	188,162
Grant activities	-	-	-	165,352	165,352
Unemployment benefits	-	-	-	165,000	165,000
Food Service	-	-	-	5,921,400	5,921,400
Assigned:					
Capital improvements	16,470,338	-	-	-	16,470,338
School activities	973,431	-	-	-	973,431
Unassigned	36,698,342	-	-	-	36,698,342
Total Fund Balances	54,142,111	-	22,048,509	9,435,706	85,626,326
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 63,388,358	\$ 3,271,804	\$ 22,051,981	\$ 10,859,174	\$ 99,571,317

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

JONES COUNTY 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 **\$ 85,626,326**

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	\$ 1,166,052	
Construction in progress	10,335,720	
Buildings	94,723,143	
Building improvements	12,299,143	
Improvements other than buildings	3,307,877	
Mobile equipment	13,917,488	
Furniture and equipment	3,328,486	
Accumulated depreciation	(57,028,539)	
Subscription IT assets	1,010,533	
Accumulated amortization	<u>(964,690)</u>	82,095,213

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	(169,658,984)	
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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	<u>45,316,995</u>	(124,341,989)
--	-------------------	---------------

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	(5,358,363)	
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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	1,897,984	
Deferred inflows of resources related to OPEB	<u>(1,960,711)</u>	(5,421,090)

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	(4,865,000)	
Notes payable	(2,650,494)	
SBITA liabilities	(16,997)	
Compensated absences	(1,207,738)	
Unamortized charges	190,525	
Accrued interest payable	<u>(18,589)</u>	(8,568,293)

Net Position of governmental activities **\$ 29,390,167**

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

JONES COUNTY SCHOOL DISTRICT
Governmental Funds

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

Exhibit D

	Major Funds			Other	Total
	General Fund	ESSER III ARP Fund	16 Sect Principal Fund	Governmental Funds	Governmental Funds
Revenues:					
Local sources	\$ 22,499,287	-	-	4,931,011	\$ 27,430,298
Intermediate sources	-	-	-	-	-
State sources	56,677,471	-	-	1,569,129	58,246,600
Federal sources	76,103	10,363,996	-	13,729,066	24,169,165
Sixteenth section sources	1,557,988	-	1,165,170	26,060	2,749,218
Total Revenues	80,810,849	10,363,996	1,165,170	20,255,266	112,595,281
Expenditures:					
Instruction	49,000,262	1,485,023	-	7,936,451	58,421,736
Support services	24,699,621	1,442,196	-	4,665,722	30,807,539
Noninstructional services	-	-	-	5,736,597	5,736,597
Sixteenth section	205,982	-	3,472	43,810	253,264
Facilities acquisition and construction	1,621,346	6,971,557	-	506,215	9,099,118
Debt service:					
Principal	-	421,690	-	3,625,287	4,046,977
Interest	261,628	9,250	-	179,629	450,507
Total Expenditures	75,788,839	10,329,716	3,472	22,693,711	108,815,738
Excess (Deficiency) of Revenues over (under) Expenditures	5,022,010	34,280	1,161,698	(2,438,445)	3,779,543
Other Financing Sources (Uses):					
Sale of other property	120,000	-	-	-	120,000
Operating transfers in	490,555	-	1,728	2,304,186	2,796,469
Operating transfers out	(2,260,622)	(34,280)	(22,879)	(478,688)	(2,796,469)
Other financing uses	(471,654)	-	-	-	(471,654)
Total Other Financing Sources (Uses)	(2,121,721)	(34,280)	(21,151)	1,825,498	(351,654)
Net Change in Fund Balances	2,900,289	-	1,140,547	(612,947)	3,427,889
Fund Balances:					
July 1, 2023, as previously reported	50,538,891	-	20,907,962	9,977,415	81,424,268
Adjustment or restatement	702,931	-	-	-	702,931
July 1, 2023, as restated	51,241,822	-	20,907,962	9,977,415	82,127,199
Increase (Decrease) in inventory	-	-	-	71,238	71,238
June 30, 2024	\$ 54,142,111	\$ -	\$ 22,048,509	\$ 9,435,706	\$ 85,626,326

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

**JONES COUNTY 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 **\$ 3,427,889**

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	\$ 11,201,944	
Depreciation expense	(3,200,891)	
Amortization expense	<u>(501,976)</u>	7,499,077
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.		
		(20,056)
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:		
Payments of debt principal	3,608,447	
Payments of SBITA principal	438,530	
Accrued interest payable	<u>11,553</u>	4,058,530
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	(25,621,136)	
Contributions subsequent to the measurement date	<u>9,527,765</u>	(16,093,371)
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	240,312	
Contributions subsequent to the measurement date	<u>239,065</u>	479,377
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	445,218	
Change in inventory	71,238	
Amortization of deferred charges, premiums and discounts	<u>(95,262)</u>	421,194
Change in Net Position of governmental activities		<u><u>\$ (227,360)</u></u>

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

**JONES COUNTY SCHOOL DISTRICT
Fiduciary Funds**

**Statement of Fiduciary Net Position
June 30, 2024**

Exhibit E

	Private-Purpose Trust Funds
Assets	
Cash and cash equivalents	\$ 16,893
Investments	20,000
Total Assets	<u>36,893</u>
Liabilities	
Accounts payable and accrued liabilities	<u>-</u>
Total Liabilities	<u>-</u>
Net Position	
Restricted for individuals, organizations, and other governments	36,893
Total Net Position	<u><u>\$ 36,893</u></u>

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

JONES COUNTY SCHOOL DISTRICT
Fiduciary Funds

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

Exhibit F

	Private-Purpose Trust Funds
Additions	
Interest on investments	\$ 8
Contributions and donations from private sources	2,929
Total Additions	<u>2,937</u>
Net increase (decrease) in fiduciary net position	<u>2,937</u>
Net Position	
Net position - Beginning, as previously reported	22,009
Error correction	11,947
Net position - Beginning, as restated	<u>33,956</u>
Net position - Ending	<u><u>\$ 36,893</u></u>

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

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the 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 a "primary government." The school district is governed by a five member board to which each member is elected by the citizens of each defined county district.

For financial reporting purposes, Jones County 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.

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Fund Financial Statements - Separate financial statements are provided for governmental funds 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.

ESSER III ARP Fund – This is a special revenue fund that is used to account for the revenues and expenditures of the ESSER III ARP federal grant funds.

Sixteenth Section Principal Fund - This is a permanent fund that accounts for the non-expendable revenues associated with earnings on sixteenth section lands and the investment earnings of these non-expendable resources.

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:

Scholarship Funds – These two private purpose trust funds serve to report all trust arrangements. See the finding listed in the Independent Auditor's Report on Compliance with State Laws and Regulations on page 73.

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.

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

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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 county 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.

D. Encumbrances

An encumbrance system is maintained to account for commitments or assignments resulting from approved purchase orders, work orders and contracts. However, the school district attempts to liquidate all encumbrances at year-end. Encumbrances outstanding at year-end are not reported

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

within committed or assigned fund balances.

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.

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.

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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.

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 or subscription agreement. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized. See Note 5 and 6 for further details.

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

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.

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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 leases and a deferred inflow related to OPEB.

See Note 6, Note 8, Note 9, and Note 13 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 the 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.

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

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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 non-spendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the district:

Non-spendable 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.

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 Business Manager pursuant to authorization established by the 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

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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 general revenues. If the unassigned fund balance at fiscal year-end falls below the goal, the District shall develop a restoration plan to achieve and maintain the minimum fund balance.

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 Investments

The district follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Restrictions on deposits and investments 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.

Investments. Section 29-3-113 and 37-59-43, Miss. Code Ann. (1972), authorizes the school board to invest excess funds in the types of investments authorized by Section 27-105-33(d) and (e), Miss. Code Ann. (1972). This section permits the following types of investments: (a) certificates of deposit or interest bearing accounts with qualified state depositories; (b) direct United States Treasury obligations; (c) United States Government agency, United States Government instrumentality or United States Government sponsored enterprise obligations, not to exceed fifty percent of all monies invested with maturities of thirty days or longer; (d) direct security repurchase agreements and reverse direct security repurchase agreements of any federal book entry of only those securities enumerated in (b) and (c) above; (e) direct obligations issued by the United States of America that are deemed to include securities of, or other interests in, any open-end or closed-end management type investment company or investment trust approved by the State Treasurer and the Executive Director of the Department of Finance and Administration, not to exceed twenty percent of invested excess funds. Investment income on bond funds (Capital Projects), bond sinking funds (Debt Service Funds) and sixteenth section principal funds (Permanent Funds) must be credited to those funds. Investment income of \$100 or more of any fund must be credited to that fund. Investment income of less than \$100 can be credited to the General Fund.

Cash and Cash Equivalents

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds was \$78,374,811 and the fiduciary funds was \$16,893.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure

JONES COUNTY SCHOOL DISTRICT
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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 \$85,330,035 was exposed to custodial credit risk.

Investments

As of June 30, 2024, the district had the following investments.

Investment Type	Rating	Maturities (in years)	Fair Value
Money Market	Unrated	N/A	\$ 99,338
Certificate of Deposit	Unrated	1	\$ 20,000
U. S. Government Securities	Unrated	3-12	\$ 1,606,833
Government Agency Bonds	Unrated	5	\$ 99,732
Taxable Municipal Bonds	Unrated	3-9	\$ 691,542
Fixed CMO's	Unrated	5-21	\$ 199,650
Mortgage Backed Securities	Unrated	2-7	\$ 1,059,786
Floating Rate MBS	Unrated	6-24	\$ 5,302
Total			<u>\$ 3,782,183</u>

The district categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the investments listed above are considered level 1 inputs.

Interest Rate Risk. The district does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The district does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The district does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2024, the district did not have any investments to which this would apply.

Concentration of Credit Risk. Disclosure of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments.

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
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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	ESSER III ARP Fund	\$ 2,793,198
	Other Governmental Funds	1,280,481
Other Governmental Funds	Other Governmental Funds	38,957
Total		<u>\$ 4,112,636</u>

The primary purpose of the inter-fund balances is to eliminate deficit cash balances in certain special revenue funds caused by negative federal award program cash flows. All balances are expected to be repaid within one year.

B. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
Sixteenth Section Principal Fund	General Fund	\$ 5,734,631
Total		<u>\$ 5,734,631</u>

Sixteenth section principal loans payable

The sixteenth section principal loans payable are not reflected on the Statement of Net Position because these funds were borrowed by the General Fund from the Sixteenth Section Trust Fund (Permanent Trust) in accordance with Section 29-3-113, Miss. Code Ann. (1972). The revenues and expenditures associated with these transactions are reflected on the Statement of Revenues, Expenditures and Changes in Fund Balances. A four percent interest rate is charged to the district in accordance with Section 29-3-113, Miss. Code Ann. (1972).

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

Year Ending June 30	Principal	Interest	Total
2025	820,244	229,385	1,049,629
2026	841,427	196,575	1,038,002
2027	613,721	162,918	776,639
2028	639,743	138,370	778,113
2029	668,006	112,780	780,786
2030 - 2034	1,310,165	253,258	1,563,423
2035 - 2038	841,325	85,781	927,106
Total	<u>\$ 5,734,631</u>	<u>\$ 1,179,067</u>	<u>\$ 6,913,698</u>

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
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C. Inter-fund Transfers

Transfers out	Transfers in	Amount
General Fund	Sixteenth Section Principal Fund	\$ 1,728
General Fund	Other Governmental funds	2,258,894
ESSER III ARP Fund	General Fund	34,280
Sixteenth Section Principal Fund	General Fund	22,879
Other Governmental funds	General Fund	433,396
Other Governmental funds	Other Governmental funds	45,292
Total		<u>\$ 2,796,469</u>

Operating transfers were primarily for vocational and special education expenditure transfers, unemployment compensation transfers, indirect costs, and other routine operating transfers.

Note 4 – Restricted Assets

The restricted assets represent the cash balance totaling \$14,257,724 and investments balance of \$2,048,057 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 balance of \$2,726,189 in debt service funds and \$716,620 which are unspent debt proceeds for capital projects.

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 5 – Capital Assets

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

	Balance 7/1/2023	Increases	Decreases	Completed Construction	Adjustments	Balance 6/30/2024
Governmental Activities:						
<u>Non-depreciable capital assets:</u>						
Land	\$ 1,166,052	\$ -	\$ -	\$ -	\$ -	1,166,052
Construction-in-progress	8,447,861	9,099,118	-	(7,211,259)	-	10,335,720
Total non-depreciable capital assets	9,613,913	9,099,118	-	(7,211,259)	-	11,501,772
<u>Depreciable capital assets:</u>						
Buildings	88,534,451	-	-	6,188,692	-	94,723,143
Building improvements	11,273,576	-	-	1,022,567	3,000	12,299,143
Improvements other than buildings	3,307,877	-	-	-	-	3,307,877
Mobile equipment	11,982,491	2,056,139	121,142	-	-	13,917,488
Furniture and equipment	3,354,759	46,687	72,960	-	-	3,328,486
Total depreciable capital assets	118,453,154	2,102,826	194,102	7,211,259	3,000	127,576,137
<u>Less accumulated depreciation for:</u>						
Buildings	36,404,234	1,741,507	-	-	(102,453)	38,043,288
Building improvements	6,315,224	463,287	-	-	(1)	6,778,510
Improvements other than buildings	346,967	130,484	-	-	(1)	477,450
Mobile equipment	8,277,211	690,652	106,295	-	-	8,861,568
Furniture and equipment	2,760,512	174,961	67,751	-	1	2,867,723
Total accumulated depreciation	54,104,148	3,200,891	174,046	-	(102,454)	57,028,539
Total depreciable capital assets, net	64,349,006	(1,098,065)	20,056	7,211,259	105,454	70,547,598
Governmental activities capital assets, net	\$ 73,962,919	\$ 8,001,053	\$ 20,056	\$ -	\$ 105,454	\$ 82,049,370
Subscription IT assets, net (Note 6)						45,843
Total capital assets, net, as reported in the statement of net position						82,095,213

Depreciation expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	\$ 1,932,668
Support services	804,003
Non-instructional	464,220
Total depreciation expense - Governmental activities	\$ 3,200,891

JONES COUNTY SCHOOL DISTRICT
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The details of construction-in-progress are as follows:

	Spent to June 30, 2023	Remaining Commitment
Governmental Activities:		
NE Jones Multipurpose Building	3,257,860	638,608
South Jones Multipurpose Building	2,993,722	781,215
West Jones Multipurpose Building	3,081,478	737,961
Elementary Playground Projects	475,700	150,085
NE Jones and EJE Roofing Project	526,960	1,907,512
Total construction in progress	\$ 10,335,720	\$ 4,215,381

Construction projects included in governmental activities are funded with ESSER funds, Capital projects funds, and the District Maintenance Fund.

Note 6 – Leases and Subscription Based IT Arrangements

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

	Balance 7/1/2023	Additions	Deductions	Balance 6/30/2024
Subscription IT assets	1,010,533	-	-	1,010,533
Less accumulated amortization	462,714	501,976	-	964,690
Subscription IT assets, net	547,819	(501,976)	-	45,843
Total subscription IT assets, net	\$ 547,819	\$ (501,976)	\$ -	\$ 45,843

Amortization expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Support services	501,976
Total amortization expense - Governmental activities	\$ 501,976

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

	Balance 7/1/2023	Additions	Deductions	Balance 6/30/2024	Amounts due within one year
Subscription IT liabilities	455,527	-	438,530	16,997	16,997
Total	455,527	-	438,530	16,997	16,997

Leases

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

JONES COUNTY SCHOOL DISTRICT
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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 ensure that adequate compensation is received for all uses of the trust lands, except for uses by the public schools.

The school district uses the minimum rate of 4% 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, acting as lessor, has entered into 350 leases involving the leasing of the right to use Sixteenth Section school lands. Such leases are let for a term that corresponds with state law in accordance with the type lease executed.

The total amount of inflows recognized in the reporting period from these leases is \$148,682. As of June 30, 2024, the School District recognized a lease receivable of \$1,115,763 and deferred inflow of resources of \$1,194,776, related to the Sixteenth section land leases. At lease inception, the district's lease receivable is measured at the present value of the lease payments expected to be received during the lease term and the deferred inflow is recorded in an amount equal to lease receivable plus any lease prepayments to be applied to future periods.

The following are the future principal and interest payments to be received on the leases:

Year Ending June 30	Lease Principal	Interest	Total
2025	\$ 128,888	44,631	173,519
2026	94,084	39,475	133,559
2027	72,438	35,712	108,150
2028	57,949	32,814	90,763
2029	54,599	30,496	85,095
2030-2034	258,411	120,760	379,171
2035-2039	249,648	69,907	319,555
2040-2044	162,719	24,306	187,025
2045-2049	32,037	3,413	35,450
2050-2054	4,010	690	4,700
Thereafter	980	121	1,101
Total	\$ 1,115,763	402,325	1,518,088

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.

JONES COUNTY SCHOOL DISTRICT
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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 non-cancellable 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.

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Subscription-based IT liabilities	2.19-2.85%	7/1/2022	8/31/2024	\$ 953,787	\$ 16,997
Total				<u>\$ 953,787</u>	<u>\$ 16,997</u>

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

Year Ending June 30	Principal	Interest	Total
2025	\$ 16,997	\$ 484	\$ 17,481
Total	<u>\$ 16,997</u>	<u>\$ 484</u>	<u>\$ 17,481</u>

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	Adjustment	Balance 6/30/2024	Amounts due within one year
A. General Obligation Refunding bonds payable	\$ 7,790,000	- \$	2,925,000	\$	\$ 4,865,000	\$ 3,025,000
B. Three mill notes payable	2,640,000	-	460,000		2,180,000	435,000
C. Shortfall notes payable	-	-	223,447	693,941	470,494	231,223
D. Compensated absences payable	1,652,956	-	445,218		1,207,738	60,387
Total	<u>\$ 12,082,956</u>	<u>- \$</u>	<u>4,053,665</u>	<u>\$ 693,941</u>	<u>\$ 8,723,232</u>	<u>\$ 3,751,610</u>

A. General obligation refunding 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:

JONES COUNTY SCHOOL DISTRICT
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Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. General obligation bonds Refunding, Series 2016	1.78%	4/21/2016	10/1/2025	\$ 22,015,000	\$ 4,865,000
Total				<u>\$ 22,015,000</u>	<u>\$ 4,865,000</u>

1. General Obligation bonds Refunding, Series 2016

Year Ending June 30	Principal	Interest	Total
2025	3,025,000	59,675	3,084,675
2026	1,840,000	16,376	1,856,376
Total	<u>\$ 4,865,000</u>	<u>\$ 76,051</u>	<u>\$ 4,941,051</u>

This debt will be retired from the GO Debt Service Fund.

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 less than 2.0% of property assessments as of October 1, 2023.

B. Three mill notes payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Three Mill Note, Series 2020	1.61%	4/15/2020	4/15/2029	\$ 4,000,000	\$ 2,180,000
Total				<u>\$ 4,000,000</u>	<u>\$ 2,180,000</u>

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

1. Three mill note, series 2020

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Year Ending June 30	Principal	Interest	Total
2025	435,000	35,098	470,098
2026	435,000	28,094	463,094
2027	445,000	21,091	466,091
2028	440,000	13,926	453,926
2029	425,000	6,842	431,842
Total	\$ 2,180,000	\$ 105,051	\$ 2,285,051

This debt will be retired from the Three Mill Note Fund (Debt Service Fund).

C. Shortfall Notes Payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Shortfall Notes Payable, Series 2022	3.48%	7/15/2022	7/15/2025	\$ 693,941	\$ 470,494
Total				<u>\$ 693,941</u>	<u>\$ 470,494</u>

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

1. Shortfall Notes Payable, Series 2022

Year Ending June 30	Principal	Interest	Total
2025	231,223	16,373	247,596
2026	239,271	8,327	247,598
Total	\$ 470,494	\$ 24,700	\$ 495,194

This debt will be retired from the Shortfall Note Fund (Debt Service Fund).

D. 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.

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 8 – 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 \$9,527,765, \$8,700,523 and \$7,711,073, 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 \$169,658,984 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 0.674553 percent, which was based on a measurement date of June 30, 2023. This was an increase of 0.030821 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.

For the year ended June 30, 2024, the District recognized pension expense of \$25,621,136. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,202,207	\$
Net difference between projected and actual earnings on pension plan investments	10,883,729	
Changes of assumptions	19,808,244	
Changes in proportion and differences between District contributions and proportionate share of contributions	895,050	
District contributions subsequent to the measurement date	9,527,765	
Total	\$ <u>45,316,995</u>	\$ <u> </u>

\$9,527,765 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	\$ 13,775,516
2026	8,923,819
2027	13,039,448
2028	50,447

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.

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

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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	\$ 218,779,562	\$ 169,658,984	\$ 129,350,091

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 9 – 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/>.

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the 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 \$239,065 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 \$5,358,363 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 0.96830589 percent. This was an increase of 0.0184935 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 (\$240,312). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 878,341	\$ 1,512,804
Changes of assumptions	478,692	403,106

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Net difference between projected and actual earnings on OPEB plan investments	329	
Changes in proportion and differences between District contributions and proportionate share of contributions	301,557	44,801
District contributions subsequent to the measurement date	239,065	
Total	\$ <u>1,897,984</u>	\$ <u>1,960,711</u>

\$239,065 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	\$ (129,999)
2026	(189,536)
2027	(120,420)
2028	(16,527)
2029	90,160
2030	64,530

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
Pre-Medicare	rate of 4.50% by 2029 FYE

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,

JONES COUNTY SCHOOL DISTRICT
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For the Year Ended June 30, 2024

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	\$ 5,869,260	\$ 5,358,363	\$ 4,915,411

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	\$ 4,992,827	\$ 5,358,363	\$ 5,767,762

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/>.

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 10 – Adjustments and Restatements of Beginning Balances

Correction of an Error in Previously Issued Financial Statements

On Exhibit B an adjustment was made in the amount of \$105,454 to correctly present the balances of capital assets. An adjustment was made in the amount of (\$693,941) to properly show the beginning balance of the shortfall note payable. On Exhibit D an adjustment was made to restate a receivable in the amount of \$693,941 and adjustments were also made to correct a prior period revenue or expenditure in the amount of \$8,990. On Exhibit F an adjustment was made to correct the beginning fund balance in the amount of \$11,947. The effect of error corrections is shown in the table below.

Adjustments to and Restatements of Beginning Balances

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

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances						
	Funds			Government-Wide		Fiduciary Funds	
			Other		Business-		
	General Fund	Fund	Governmental Funds	Governmental Activities	Type Activities	Private-Purpose Trust Funds	
7/1/23, as previously reported	50,538,891	-	\$ -	\$29,503,083	\$ -	\$ 22,009	
Error correction	702,931	-	\$ -	\$ 114,444	\$ -	\$ 11,947	
7/1/23, as adjusted or restated	\$51,241,822	\$ -	\$ -	\$29,617,527	\$ -	\$ 33,956	

Note 11 – 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 12 – 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.

Note 13 – Effect of Deferred Amounts on Net Position

The net investment in capital assets net position amount of \$75,223,741 includes the effect of deferring the recognition of expenses resulting from a deferred outflow from advance refunding of school district debt. The \$190,525 balance of the deferred outflow of resources at June 30, 2024 will be recognized as an expense and decrease the net investment in capital assets net position over the next two years.

The unrestricted net position amount of (\$77,299,200) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources

JONES COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

related to pensions in the amount of \$9,527,765 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 \$35,789,230 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 (\$77,299,200) 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 \$239,065 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 \$1,658,919 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 (\$77,299,200) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$1,960,711 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 (\$77,299,200) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$1,194,776 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 36 years.

Note 14 - Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the Jones County School District evaluated the activity of the district through March 7, 2025, (the date the financial statements were available to be issued), and determined that there were no subsequent events that have occurred requiring disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

JONES COUNTY 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	\$ 22,171,865	22,515,828	\$ 22,499,287	\$ 343,963	\$ (16,541)
State sources	56,716,724	56,677,471	56,677,471	(39,253)	-
Federal sources	275,000	76,103	76,103	(198,897)	-
Sixteenth section sources	613,882	1,566,672	1,557,988	952,790	(8,684)
Total Revenues	79,777,471	80,836,074	80,810,849	1,058,603	(25,225)
Expenditures:					
Instruction	51,063,527	49,000,262	49,000,262	2,063,265	-
Support services	26,427,685	24,699,621	24,699,621	1,728,064	-
Sixteenth section	179,425	205,982	205,982	(26,557)	-
Facilities acquisition and construction	1,637,490	1,621,346	1,621,346	16,144	-
Debt service:					
Principal	806,073	-	-	806,073	-
Interest	261,628	261,628	261,628	-	-
Total Expenditures	80,375,828	75,788,839	75,788,839	4,586,989	-
Excess (Deficiency) of Revenues over (under) Expenditures	(598,357)	5,047,235	5,022,010	5,645,592	(25,225)
Other Financing Sources (Uses):					
Insurance recovery	30,000	206,906	-	176,906	(206,906)
Sale of property	-	120,000	120,000	120,000	-
Operating transfers in	13,031,409	23,428,934	490,555	10,397,525	(22,938,379)
Operating transfers out	(14,137,973)	(25,199,000)	(2,260,622)	(11,061,027)	22,938,378
Other financing uses	-	(471,654)	(471,654)	(471,654)	-
Total Other Financing Sources (Uses)	(1,076,564)	(1,914,814)	(2,121,721)	(838,250)	(206,907)
Net Change in Fund Balances	(1,674,921)	3,132,421	2,900,289	4,807,342	(232,132)
Fund Balances:					
July 1, 2023, as previously reported	1,613,609	60,829,226	50,538,891	59,215,617	(10,290,335)
Error corrections	-	-	702,931	-	702,931
July 1, 2023, as restated	1,613,609	60,829,226	51,241,822	59,215,617	(9,587,404)
June 30, 2024	\$ (61,312)	\$ 63,961,647	\$ 54,142,111	\$ 64,022,959	\$ (9,819,536)

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

JONES COUNTY SCHOOL DISTRICT
Required Supplementary Information

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

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
				Original	Final
	Original	Final		to Final	to Actual
Revenues:					
Federal sources	\$ 13,425,002	\$ 13,425,002	\$ 10,363,996	\$ -	\$ (3,061,006)
Total Revenues	13,425,002	13,425,002	10,363,996	-	(3,061,006)
Expenditures:					
Instruction	2,094,763	2,959,484	1,485,023	(864,721)	1,474,461
Support services	350,750	160,583	1,442,196	190,167	(1,281,613)
Facilities acquisition and construction	10,511,741	10,262,723	6,971,557	249,018	3,291,166
Debt service:					
Principal	-	-	421,690	-	(421,690)
Interest	-	-	9,250	-	(9,250)
Total Expenditures	12,957,254	13,382,790	10,329,716	(425,536)	3,053,074
Excess (Deficiency) of Revenues over (under) Expenditures	467,748	42,212	34,280	(425,536)	(7,932)
Other Financing Sources (Uses):					
Operating transfers out	(43,995)	(42,212)	(34,280)	1,783	7,932
Total Other Financing Sources (Uses)	(43,995)	(42,212)	(34,280)	1,783	7,932
Net Change in Fund Balances	423,753	-	-	(423,753)	-
Fund Balances:					
July 1, 2023	-	-	-	-	-
June 30, 2024	\$ 423,753	\$ -	\$ -	(423,753)	\$ -

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

JONES COUNTY 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	0.674553%	0.643732%	0.640674%	0.623748%	0.612014%	0.611234%	0.616132%	0.612079%	0.605659%	0.611916%
District's proportionate share of the net pension liability	\$ 169,658,984	\$ 132,503,472	\$ 94,694,417	\$ 120,750,365	\$ 107,665,338	\$ 101,666,374	\$ 102,422,050	\$ 109,332,593	\$ 92,622,938	\$ 74,275,398
District's covered payroll	\$ 50,003,006	\$ 44,316,511	\$ 42,598,328	\$ 41,533,891	\$ 39,858,921	\$ 39,033,130	\$ 39,525,187	\$ 39,156,159	\$ 37,838,127	\$ 37,374,171
District's proportionate share of the net pension liability as a percentage of its covered payroll	339.30%	298.99%	222.30%	290.73%	270.12%	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 68 was implemented in FYE 6/30/15 and the District has compiled a full 10-year trend.

JONES COUNTY 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	\$ 9,527,765	\$ 8,700,523	\$ 7,711,073	\$ 7,412,109	\$ 7,226,897	\$ 6,277,780	\$ 6,147,718	\$ 6,225,217	\$ 6,167,095	\$ 5,959,505
Contributions in relation to the contractually required contribution	9,527,765	8,700,523	7,711,073	7,412,109	7,226,897	6,277,780	6,147,718	6,225,217	6,167,095	5,959,505
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered payroll	54,757,270	50,003,006	44,316,511	42,598,328	41,533,891	39,858,921	39,033,130	39,525,187	39,156,159	37,838,127
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 68 was implemented in FYE 6/30/15 and the District has compiled a full 10-year trend.

JONES COUNTY 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	0.96830589%	0.94981239%	0.95836707%	0.92193701%	0.91858634%	0.89925931%	0.89092254%
District's proportionate share of the net OPEB liability	\$ 5,358,363	\$ 4,679,574	\$ 6,168,836	\$ 7,174,588	\$ 7,794,582	\$ 6,956,220	\$ 6,990,258
District's covered-employee payroll	51,533,724	46,673,363	45,562,668	44,431,427	42,065,982	40,672,887	40,026,700
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 No. 75 was implemented in FYE 6/30/18, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

JONES COUNTY SCHOOL DISTRICT
Required Supplementary Information

Schedule of District Contributions

OPEB

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 239,065	\$ 234,957	\$ 190,703	\$ 247,947	\$ 286,121	\$ 312,431	\$ 298,005
Contributions in relation to the actuarially determined contribution	239,065	234,957	190,703	247,947	286,121	312,431	298,005
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered - employee payroll	54,757,270	50,003,006	44,316,511	42,598,328	41,533,891	39,858,921	39,033,130
Contributions as a percentage of covered - employee payroll	0.44%	0.47%	0.43%	0.58%	0.69%	0.78%	0.76%

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 75 was implemented in FYE 6/30/18, 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 reports.

JONES COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the 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%.

JONES COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the 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%.

JONES COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the 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

JONES COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the 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.

JONES COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 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:

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

JONES COUNTY SCHOOL DISTRICT
Supplementary Information

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

Federal Grantor/Pass-through Grantor/Program or Cluster 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	245MS326N1099	1,048,881
National School Lunch Program	10.555	245MS326N1099	3,829,077
Summer Food Service Program for Children	10.559	245MS326N1099	36,051
Total Child Nutrition Cluster			4,914,009
Total Passed-through Mississippi Department of Education			4,914,009
Passed-through Jones County, Mississippi:			
Schools and Roads - Grants to States	10.665	N/A	8,581
Total Passed-through Jones County, Mississippi			8,581
Total U.S. Department of Agriculture			4,922,590
<u>U.S. Department of Education</u>			
Passed-through Mississippi Department of Education:			
Title I Grants to Local Educational Agencies	84.010A	S010A230024	4,061,669
Career and Technical Education - Basic Grants to States	84.048A	V048A230024	106,938
Rural Education	84.358B	S358A230024	245,882
English language acquisition grants	84.365A	S365A230024	75,899
Supporting Effective Instruction State Grants	84.367A	S367A230023	488,434
Student Support and Academic Enrichment Program	84.424A	S424A230025	373,285
Subtotal			5,352,107
Special Education Cluster:			
Special Education - Grants to States	84.027A	H027A230108	2,427,796
IDEA, Part B ARP Grant	84.027X	H027X210108	65,139
Subtotal			2,492,935
Special Education - Preschool Grants	84.173A	H173A230113	87,425
IDEA, Preschool ARP Grant	84.173X	H173X210113	6,262
Subtotal			93,687
Total Special Education Cluster			2,586,622
Elementary & Secondary School Emergency Relief CTE Grant	84.425D	S425D200031	22,550
Elementary & Secondary School Emergency Relief Fund II	84.425D	S425D210031	668,124
Elementary & Secondary School Emergency Relief Fund III ARP	84.425U	S425U210031	10,363,996
Elementary & Secondary School Emergency Relief			
Homeless Children & Youth - ARP	84.425W	S425W210025	48,048
COVID-19 - Education Stabilization Fund (ESSER) Subtotal			11,102,718
Total passed-through Mississippi Department of Education			19,041,447
Total U.S. Department of Education			19,041,447
<u>U.S. Department of Health and Human Services</u>			
Passed-through the Mississippi Department of Education:			
Medicaid Cluster:			
Medical assistance program	93.778	2105MS5ADM	50,481
Total Medicaid Cluster			50,481
Total passed-through Mississippi Department of Education			50,481
Total U.S. Department of Health and Human Services			50,481
<u>U.S. Department of Social Security Administration</u>			
Passed-through the Mississippi Department of Rehabilitation Services:			
Social Security Disability Insurance	96.001	N/A	1,582
Total passed-through Mississippi Department of Rehabilitation Services			1,582
Total U.S. Department of Social Security Administration			1,582
Total for All Federal Awards			\$ 24,016,100

JONES COUNTY 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 Jones County 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 Jones County School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Jones County School District.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting and the same significant accounting policies, as applicable, as those used for the financial statements; however, the expenditures include transfers out. 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.

(3) Indirect Cost Rate

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

(4) Other Items

Donated commodities are included in the National School Lunch Program.

E-rate funds have not been included on this schedule due to the fact the FCC considers the support to be in the form of providing a discount to the schools and libraries and does not consider the assistance to be direct financial support.

Schedule of Instructional, Administrative and Other Expenditures – Governmental Funds

(1) Basis of Accounting

This schedule is presented on the same basis of accounting and the same significant accounting policies, as applicable, as those used for the financial statements.

JONES COUNTY 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	\$ 70,449,510	56,714,584	1,737,822	4,089,738	7,907,366
Other	38,366,228	8,693,083	526,828	101,569	29,044,748
Total	<u>\$ 108,815,738</u>	<u>65,407,667</u>	<u>2,264,650</u>	<u>4,191,307</u>	<u>36,952,114</u>
Total number of students *	<u>8,425</u>				
Cost per student	<u>\$ 12,916</u>	<u>7,764</u>	<u>269</u>	<u>497</u>	<u>4,386</u>

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

JONES COUNTY 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	\$ 22,499,287	\$ 21,338,301	\$ 20,556,426	\$ 19,231,359
State sources	56,677,471	55,147,389	48,390,209	47,429,035
Federal sources	76,103	300,601	518,179	285,195
Sixteenth section sources	1,557,988	1,803,740	967,158	357,911
Total Revenues	80,810,849	78,590,031	70,431,972	67,303,500
Expenditures:				
Instruction	49,000,262	46,734,886	41,117,498	39,965,227
Support services	24,699,621	20,298,903	20,557,660	17,529,001
Sixteenth section	205,982	117,893	132,061	136,736
Facilities acquisition and construction	1,621,346	265,858	-	-
Debt service:				
Principal		30,780	-	-
Interest	261,628	293,943	462,815	245,719
Total Expenditures	75,788,839	67,742,263	62,270,034	57,876,683
Excess (Deficiency) of Revenues over (under) Expenditures	5,022,010	10,847,768	8,161,938	9,426,817
Other Financing Sources (Uses):				
Sale of other property	120,000	-	-	-
Insurance recovery	-	23,031	187,657	672,767
Operating transfers in	490,555	578,482	528,059	674,840
Operating transfers out	(2,260,622)	(1,994,877)	(4,428,761)	(1,963,974)
Other financing uses	(471,654)		(303,162)	
Total Other Financing Sources (Uses)	(2,121,721)	(1,393,364)	(4,016,207)	(616,367)
Net Change in Fund Balances	2,900,289	9,454,404	4,145,731	8,810,450
Fund Balances:				
Beginning of period, as previously reported	50,538,891	41,084,487	36,693,037	27,625,787
Error Corrections	702,931	-	245,719	256,800
Beginning of period, as restated	51,241,822	41,084,487	36,938,756	27,882,587
End of Period	\$ 54,142,111	\$ 50,538,891	\$ 41,084,487	\$ 36,693,037

*SOURCE - PRIOR YEAR AUDIT REPORTS

JONES COUNTY 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	\$ 27,430,298	\$ 26,050,818	\$ 24,411,834	\$ 23,563,167
State sources	58,246,600	56,795,941	49,692,398	49,439,909
Federal sources	24,169,165	23,772,883	18,990,452	16,749,184
Sixteenth section sources	2,749,218	3,093,628	2,966,266	1,504,171
Total Revenues	112,595,281	109,713,270	96,060,950	91,256,431
Expenditures:				
Instruction	58,421,736	57,783,809	50,957,163	50,955,742
Support services	30,807,539	24,461,033	23,552,498	22,201,128
Noninstructional services	5,736,597	5,235,445	5,166,805	4,504,192
Sixteenth Section	253,264	172,268	1,054,809	606,155
Facilities acquisition and construction	9,099,118	8,915,352	2,228,430	1,884,322
Debt service:				
Principal	4,046,977	3,850,006	3,330,485	4,382,204
Interest	450,507	507,173	737,144	597,448
Total Expenditures	108,815,738	100,925,086	87,027,334	85,131,191
Excess (Deficiency) of Revenues over (under) Expenditures	3,779,543	8,788,184	9,033,616	6,125,240
Other Financing Sources (Uses):				
Sale of other property	120,000	-	-	-
SBITA's issued	-	892,731		
Insurance Recovery	-	23,031	187,657	672,767
Operating transfers in	2,796,469	2,704,089	15,236,423	3,738,096
Operating transfers out	(2,796,469)	(2,704,089)	(15,236,423)	(3,738,096)
Other financing uses	(471,654)		(802,228)	-
Total Other Financing Sources (Uses)	(351,654)	915,762	(614,571)	672,767
Net Change in Fund Balances	3,427,889	9,703,946	8,419,045	6,798,007
Fund Balances:				
Beginning of period, as previously reported	81,424,268	71,766,718	63,259,477	56,193,767
Error corrections	702,931		40,832	259,432
Beginning of period, as restated	82,127,199	71,766,718	63,300,309	56,453,199
Increase (Decrease) in reserve for inventory	71,238	(46,396)	47,364	8,271
End of Period	\$ 85,626,326	\$ 81,424,268	\$ 71,766,718	\$ 63,259,477

*SOURCE - PRIOR YEAR AUDIT REPORTS

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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

Superintendent and School Board
Jones County 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 Jones County School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Jones County School District's basic financial statements, and have issued our report thereon dated March 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jones County 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 Jones County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Jones County 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 Jones County 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 statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Brown CPA, PLLC
Madison, Mississippi
March 7, 2025

Brown CPA, PLLC

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**Independent Auditor's Report
on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Superintendent and School Board
Jones County School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jones County School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jones County School District's major federal programs for the year ended June 30, 2024. The Jones County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Jones County 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 for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Jones County School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Jones County 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 the Jones County School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Jones County 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 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 the Jones County 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 the Jones County 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 the Jones County 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 the Jones County 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

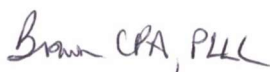
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

Brown CPA, PLLC
Madison, Mississippi
March 7, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Superintendent and School Board
Jones County School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jones County School District as of and for the year ended June 30, 2024, which collectively comprise Jones County School District's basic financial statements and have issued our report thereon dated March 7, 2025. 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.

Section 37-9-18(3)(a), Miss. Code Ann. (1972), states in part, "the auditor shall test to ensure that the school district is complying with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), relating to classroom supply funds." As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain other state laws and regulations. However, providing an opinion on compliance with all state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our procedures performed to test compliance with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), disclosed no instances of noncompliance.

Section 37-9-18(3)(b), Miss. Code Ann. (1972), states in part, "the auditor shall test to ensure correct and appropriate coding at the function level. The audit must include a report showing the correct and appropriate functional level expenditure codes in expenditures by the school district."

The results of our procedures performed to test compliance with the requirements of Section 37-9-18(3)(b), Miss. Code Ann. (1972), disclosed no instances of noncompliance related to incorrect or inappropriate functional level expenditure coding.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain other state laws and regulations. However, providing an opinion on compliance with all state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of procedures performed to test compliance with certain other state laws and regulations and our audit of the financial statements disclosed the following immaterial instances of noncompliance with other state laws and regulations. Our findings and recommendations and your responses are as follows:

State Legal Finding 01 – The School District Should Ensure Compliance with State Laws over Scholarships.

Internal Control Deficiency: *The Internal Control-Integrated Framework published by the Committee of Sponsoring Organizations of the Tread-way Commission* specifies that a satisfactory control environment is only effective when there are adequate control activities in place.

Applicable State Law: *Mississippi Attorney General Opinion 1980 WL 28797*, states, "We are unable to find any authority whereby the school board could administer a scholarship fund."

Finding Detail: During the review of the School District's funds, the auditor noted that the Moore Family Scholarship Fund is maintained by the District. Per the *MS AG Opinion 1980 WL 28797*, there is no authority where the School District is approved to do so.

Maintaining an improper account could lead to fraud, misappropriation or loss of funds.

Recommendation: We recommend the Jones County School District ensure compliance by assuring that it does not maintain scholarship funds, as required by state law.

District's Response: Jones County School District recognizes that the Moore Family Scholarship Fund is utilizing the district tax id number and that funds are being maintained by the school district. We are working with another entity to transfer ownership of this scholarship fund and remove Jones County School District from having access to the funds.

Repeat Finding: Yes

State Legal Finding 2: The School District Should Ensure Compliance with State Law over Credit Card Usage.

Applicable State Law: *Section 39-5-9, Mississippi Code Annotated (1972)*, and the *Mississippi Department of Archives and History* states, financial records should be retained five (5) years following submissions of all final financial reports on federal grant projects providing audit has been released one (1) year. All financial records of school districts and local schools includes purchase orders, material invoices, receivable reports, receipt copies, etc.

Mississippi Procurement Manual, Chapter 10, 10.112.03, Merchant – Specific Credit Cards, prescribed by the *Mississippi Department of Finance and Administration*, states, "Governing authorities desiring to obtain a merchant specific credit card shall submit to their governing board for approval, written justification for the need of a merchant specific credit card. Approval of such action shall be placed on the minutes of the board of the governing authority."

Mississippi Procurement Manual, Chapter 10, 10.112.04, Merchant – Specific Credit Card Minimum Requirements, prescribed by the *Mississippi Department of Finance and Administration*, states, "Upon receipt of the monthly statement, the cardholder shall review all charges to assure accuracy, complete applicable dispute documents, reconcile the statement with copies of receipts and order logs, and approve and sign the statement...The appropriate agency official shall maintain a file with the statements and all applicable receipts and dispute documents."

Finding Detail: During the review of the School District's credit cards, the auditor noted the following exceptions:

- The School Board did not approve the use of its merchant – specific card, Laurel Oil, Inc.

Failure to have adequate internal controls surrounding the District's procurement card purchases could result in waste, fraud, and abuse of public funds. Also, failure to ensure the Board approve the use of merchant specific cards resulted in noncompliance with state law and regulations.

Recommendation: We recommend the Jones County School District ensure compliance by implementing adequate policies and procedures in regards to obtaining and the usage of merchant – specific credit cards and ensure all receipts are properly maintained, as required by state law and regulations.

District's Response: All merchant cards will be approved going forward and properly documented in the board minutes.

Repeat Finding: Yes.

State Legal Finding 03: The School District Should Ensure Compliance with State Law over Surety Bonds.

Applicable State Law: *Section 25-1-12(1), Mississippi Code Annotated (1972)* states, “Notwithstanding any other provision of law to the contrary, any public officer or employee handling or having the custody of public funds, by virtue of his or her office or employment, shall give an individual bond or be covered by a blanket bond. The amount of such bonds shall not be less than Twenty-five Thousand Dollars (\$25,000.00) for each public officer or employee, unless a specific amount is otherwise required by law. The provisions of this section shall not apply to any public officer or employee whose activity of handling or having custody of public funds is incidental to his or her employment or job duties, as defined by the regulations of the State Auditor’s office.”

Finding Detail: During the review of the School District’s surety bonds, the auditor noted the following exceptions:

- The following District employees handle cash; however, they were not bonded:
 - Gatekeepers/Certified Teachers;
 - One accounts payable clerk;
 - Cafeteria Assistant Managers;
 - Cafeteria Managers;
 - Cafeteria Workers;
 - Cafeteria Executive Assistant

Failure to have a bond in place for a specific term of office could limit the amount available for recovery if a loss occurred over multiple terms and result in the loss of public funds. Additionally, failure to ensure all employees are correctly and sufficiently bonded resulted in noncompliance with state law and regulations.

Recommendation: We recommend the Jones County School District ensure compliance by assuring all employees are sufficiently bonded, as required by state law and regulations.

District’s Response: The District will bond employees for their school board approved employment according to district policy and state law.

Repeat Finding: Yes.

State Legal Finding 04: The School District Should Ensure Compliance with State Law over Budgeting.

Criteria:

The Board of Education establishes priorities for financial management of the District, reviews and approves all presented budgets, and assures expenditures for the District funds are within the legal requirements of the approved budget.

Applicable State Law: *Section 37-61-9, Mississippi Code Annotated (1972)*, states, “It shall be the duty of the superintendent of schools and the school boards of all school districts to limit the expenditure of school funds during the fiscal year to the resources available. It shall be unlawful for any school district to budget expenditures from a fund in excess of the resources available within that fund...”

Finding Detail: During our review of the original budget for FY24, we noted the following funds reflecting a projected negative fund balance at year end:

1. District Maintenance Fund (\$3,325,639.16)
2. ESSER II Fund (\$859,016.76)

None of the actual fund balances were negative in the amended budget or at year end. However, the approval of negative fund balances during budgeting is a violation of state law.

Recommendation: We recommend the district implement sound budgeting practices that will prevent projected negative fund balances from being presented to the School Board. A thorough review of such budgets should be made prior to presentation to the Board for approval.

District's Response: The district will implement proper budgeting procedures and will thoroughly review the budget to ensure all fund expenditures are not in excess of resources creating negative fund balances before presenting to the board for approval.

Repeat Finding: No

The Office of the State Auditor or a public accounting firm will review, on the subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

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

This report is intended solely for the information and use of the school board and management, entities with accreditation overview, and federal awarding agencies, the Office of the State Auditor and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Brown CPA, PLLC
Madison, Mississippi
March 7, 2025

Brown CPA, PLLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JONES COUNTY 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 weaknesses identified? | No |
| | b. Significant deficiencies identified? | None Reported |
| 3. | Noncompliance material to financial statements noted? | No |

Federal Awards:

- | | | |
|----|---------------------------------------|---------------|
| 4. | Internal control over major programs: | |
| | a. Material weakness identified? | No |
| | b. Significant deficiency identified? | None Reported |

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

- | | | |
|----|--|----|
| 6. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
|----|--|----|

7. Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027A; 84.027X; 84.173A; 84.173X	Special Education Cluster
84.425D	Education Stabilization Fund (CTE GRANT)
84.425D	Education Stabilization Fund (ESSER II)
84.425U	Education Stabilization Fund (ESSER III - ARP)
84.425W	Education Stabilization Fund (ARP – Homeless Children & Youth)

- | | | |
|----|--|-----------|
| 8. | Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
|----|--|-----------|

- | | | |
|----|--|----|
| 9. | Auditee qualified as low-risk auditee? | No |
|----|--|----|

- | | | |
|-----|--|---------------|
| 10. | Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2CFR 200.511(b). | None Reported |
|-----|--|---------------|

JONES COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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 cost related to the federal awards.