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WEST JASPER SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2025

WEST JASPER SCHOOL DISTRICT

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	14
Government-wide Financial Statements	
Exhibit A – Statement of Net Position	15
Exhibit B – Statement of Activities	16
Governmental Funds Financial Statements	
Exhibit C – Balance Sheet	17
Exhibit C-1 – Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Exhibit D – Statement of Revenues, Expenditures and Changes in Fund Balances	19
Exhibit D-1 – Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	20
Notes to the Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION	43
Budgetary Comparison Schedule – General Fund	44
Schedule of the District's Proportionate Share of the Net Pension Liability	45
Schedule of the District Contributions (PERS)	46
Schedule of the District's Proportionate Share of the Net OPEB Liability	47
Schedule of the District Contributions (OPEB)	48
Notes to the Required Supplementary Information	49
SUPPLEMENTARY INFORMATION	54
Schedule of Expenditures of Federal Awards	55
Notes to the Supplementary Information	56
Schedule of Instructional, Administrative and Other Expenditures – Governmental Funds	57
OTHER INFORMATION	58
Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund, Last Four Years	59
Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Funds, Last Four Years	60
REPORTS ON INTERNAL CONTROL AND COMPLIANCE	61
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 <i>Government Auditing Standards</i>	62
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	64
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS	66
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	68

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board
West Jasper 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 West Jasper School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the West Jasper 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 West Jasper School District, as of June 30, 2025, 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 West Jasper 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 West Jasper School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 West Jasper 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 West Jasper 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 West Jasper 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

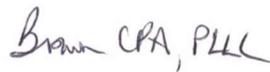
Management is responsible for the other information included in the annual report. The other information comprises the Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental 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 January 23, 2026, on our consideration of the West Jasper 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 West Jasper 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 West Jasper School District's internal control over financial reporting and compliance.

Brown CPA, PLLC
Madison, Mississippi
January 23, 2026



MANAGEMENT'S DISCUSSION AND ANALYSIS

WEST JASPER SCHOOL DISTRICT
Management's Discussion and Analysis
For Year Ended June 30, 2025

The following discussion and analysis of West School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2025. 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 2025 decreased \$1,425,831, including an error correction of \$944 and a change in accounting principle of (\$27,751), which represents a 37% decrease from fiscal year 2024. Total net position for 2024 decreased \$1,121,198, including an error correction of \$3,437, which represents a 42% decrease from fiscal year 2023.
- General revenues amounted to \$15,693,131 and \$13,556,264, or 76% and 67% of all revenues for fiscal years 2025 and 2024, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,880,288, or 24% of total revenues for 2025, and \$6,796,151, or 33% of total revenues for 2024.
- The District had \$21,972,443 and \$21,477,050 in expenses for fiscal years 2025 and 2024; only \$4,880,288 for 2025 and \$6,796,151 for 2024 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$15,693,131 for 2025 and \$13,556,264 for 2024 were not adequate to provide for these programs.
- Among major funds, the General Fund had \$15,989,564 in revenues and \$14,435,595 in expenditures for 2025, and \$14,798,703 in revenues and \$14,315,054 in expenditures in 2024. The General Fund's fund balance increased by \$1,556,139, including an error correction of \$647, from 2024 to 2025, and increased by \$884,869, including an error correction of \$6,615, from 2023 to 2024.
- Capital assets, including SBITAs and net of accumulated depreciation/amortization, decreased by \$277,886, including an error correction of (\$32,146), for 2025 and increased by \$892,726, including an error correction of (\$3,179), for 2024. The decrease for 2025 was due to the disposal of mobile equipment coupled with the increase in accumulated depreciation/amortization.
- Long-term debt decreased by \$257,778, including an error correction of (\$32,445) and the effects of a change in accounting principle of \$27,751 for 2025 and decreased by \$1,882,875 for 2024. This decrease for 2025 was due primarily to principal payments on outstanding long-term debt. The liability for compensated absences increased by \$39,124, including the effects of a change in accounting principle in the amount of \$27,751, for 2025 and increased by \$13,527 for 2024.

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

WEST JASPER SCHOOL DISTRICT
Management's Discussion and Analysis
For Year Ended June 30, 2025

time, increases or decreases in the District's net position may serve as a useful indicator of whether its financial position is improving or deteriorating.

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

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

Fund Financial Statements

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

Governmental funds – All 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.

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.

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

WEST JASPER SCHOOL DISTRICT
Management's Discussion and Analysis
For Year Ended June 30, 2025

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 as required by the Governmental Accounting Standards Board.

Supplementary Information

Additionally, a Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and a Schedule of Instructional, Administrative and Other Expenditures for governmental funds can be found in this report.

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of the District's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$5,242,392 as of June 30, 2025.

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.

Table 1 presents a summary of the District's net position at June 30, 2025 and June 30, 2024.

WEST JASPER SCHOOL DISTRICT
Management's Discussion and Analysis
For Year Ended June 30, 2025

Table 1
Condensed Statement of Net Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Percentage</u> <u>Change</u>
Current assets	\$ 12,674,586	\$ 11,257,299	12.59 %
Restricted assets	977,569	908,311	7.62 %
Leases receivable	483,886	385,266	25.60 %
Capital assets, net	11,722,480	12,000,366	(2.32) %
Total assets	<u>25,858,521</u>	<u>24,551,242</u>	5.32 %
Deferred outflows of resources	<u>6,794,104</u>	<u>9,183,761</u>	(26.02) %
Current liabilities	805,475	811,772	(0.78) %
Long-term debt outstanding	796,977	1,037,743	(23.20) %
SBITA liability	-	17,012	(100.00) %
Net OPEB liability	1,050,507	1,038,822	1.12 %
Net pension liability	33,011,461	33,750,053	(2.19) %
Total liabilities	<u>35,664,420</u>	<u>36,655,402</u>	(2.70) %
Deferred inflows of resources	<u>2,230,597</u>	<u>896,162</u>	148.91 %
Net position:			
Net investment in capital assets	11,127,370	11,108,354	0.17 %
Restricted	3,104,128	3,133,926	(0.95) %
Unrestricted	(19,473,890)	(18,058,841)	(7.84) %
Total net position (deficit)	<u>\$ (5,242,392)</u>	<u>\$ (3,816,561)</u>	(37.36) %

Error corrections that impacted prior fiscal years were made during the fiscal year ending June 30, 2025. Additional information and further explanation can be found in Note 10 of this report. Due to the immateriality of the result upon the affected funds, restatement to the individual impacted line items of the prior periods were not made to this schedule.

The District implemented GASB 101, *Compensated Absences*, which resulted in an adjustment to beginning net position in the Government-wide financial statements. Additional information and further explanation can be found in Note 10 of this report.

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)	\$ (19,473,890)
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	28,929,327
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ 9,455,437</u>

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

- Decrease in net capital assets in the amount of \$277,886.
- The principal retirement of \$286,297 of long-term debt.

WEST JASPER SCHOOL DISTRICT
Management's Discussion and Analysis
For Year Ended June 30, 2025

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2025 and June 30, 2024 were \$20,573,419 and \$20,352,415, respectively. The total cost of all programs and services was \$21,972,443 for 2025 and \$21,477,050 for 2024.

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024.

**Table 2
Changes in Net Position**

	Year Ended June 30, 2025	Year Ended June 30, 2024	Percentage Change
Revenues:			
Program revenues:			
Charges for services	\$ 615,974	\$ 764,574	(19.44) %
Operating grants and contributions	4,216,228	5,724,804	(26.35) %
Capital Grants and Contributions	48,086	306,773	(84.33) %
General revenues:			
Property taxes	5,599,123	5,206,024	7.55 %
Grants and contributions not restricted	9,485,828	8,126,768	16.72 %
Investment earnings	83,395	88,076	(5.31) %
Sixteenth section sources	413,464	99,125	317.11 %
Other	111,321	36,271	206.91 %
Total revenues	20,573,419	20,352,415	1.09 %
Expenses:			
Instruction	9,235,577	9,005,331	2.56 %
Support services	6,754,897	6,546,083	3.19 %
Non-instructional	1,108,790	908,622	22.03 %
Sixteenth section	53,515	5,087	952.00 %
Pension expense	4,803,321	4,971,709	(3.39) %
OPEB expense	(35,030)	(57,734)	39.33 %
Interest on long-term liabilities	51,373	97,952	(47.55) %
Total expenses	21,972,443	21,477,050	2.31 %
Increase (Decrease) in net position	(1,399,024)	(1,124,635)	(24.40) %
Net Position, July 1 (Deficit), as previously reported	(3,816,561)	(2,695,363)	(41.60) %
Adjustment or restatement	(26,807)	3,437	(879.95) %
Net Position (Deficit), July 1, as restated	(3,843,368)	(2,691,926)	(42.77) %
Net Position (Deficit), June 30	\$ (5,242,392)	\$ (3,816,561)	(37.36) %

Error corrections that impacted prior fiscal years were made during the fiscal year ending June 30, 2025. Additional information and further explanation can be found in Note 10 of this report. Due to the immateriality of the result upon the affected funds, restatement to the individual impacted line items of the prior periods were not made to this schedule.

The District implemented GASB 101, *Compensated Absences*, which resulted in an adjustment to beginning net position in the Government-wide financial statements. Additional information and further explanation can be found in Note 10 of this report.

WEST JASPER SCHOOL DISTRICT
Management's Discussion and Analysis
For Year Ended June 30, 2025

Governmental activities

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

**Table 3
Net Cost of Governmental Activities**

	Total Expenses		Percentage Change
	2025	2024	
Instruction	\$ 9,235,577	\$ 9,005,331	2.56 %
Support services	6,754,897	6,546,083	3.19 %
Non-instructional	1,108,790	908,622	22.03 %
Sixteenth section	53,515	5,087	952.00 %
Pension Expense	4,803,321	4,971,709	(3.39) %
OPEB Expense	(35,030)	(57,734)	39.33 %
Interest on long-term liabilities	51,373	97,952	(47.55) %
Total expenses	\$ 21,972,443	\$ 21,477,050	2.31 %

	Net (Expense) Revenue		Percentage Change
	2025	2024	
Instruction	\$ (7,241,852)	\$ (5,205,517)	(39.12) %
Support services	(5,059,536)	(4,709,185)	(7.44) %
Non-instructional	33,394	250,817	(86.69) %
Sixteenth section	(4,497)	(5,087)	11.60 %
Pension Expense	(4,803,321)	(4,971,709)	3.39 %
OPEB Expense	35,030	57,734	(39.33) %
Interest on long-term liabilities	(51,373)	(97,952)	47.55 %
Total net (expense) revenue	\$ (17,092,155)	\$ (14,680,899)	(16.42) %

- Net cost of governmental activities (\$17,092,155) for 2025 and (\$14,680,899) for 2024) was financed by general revenue, which is primarily made up of property taxes (\$5,599,123 for 2025 and \$5,206,024 for 2024) and state and federal revenues (\$9,485,828 for 2025 and \$8,126,768 for 2024). In addition, there was \$413,464 and \$99,125 in Sixteenth Section sources for 2025 and 2024, respectively.
- Investment earnings amounted to \$83,395 for 2025 and \$88,076 for 2024.

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 \$12,765,002, an increase of \$1,524,746, which includes an error correction of \$647 and a decrease in inventory of \$20,020. \$8,737,128 or 68% of the fund balance is unassigned, which represents the residual classification for the

WEST JASPER SCHOOL DISTRICT
Management's Discussion and Analysis
For Year Ended June 30, 2025

General Fund's fund balance that has not been assigned to other funds and that has not been restricted or assigned to specific purposes within the general fund. The remaining fund balance of \$4,027,874 or 32% is either nonspendable, restricted or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted or assigned.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$1,556,139, which includes an error correction of \$647. The fund balance of Other Governmental Funds showed a decrease in the amount of \$31,393, which includes a decrease in inventory of \$20,020, due primarily to a decrease in the fund balance of the Child Nutrition fund. The increase (decrease) in the fund balances for the other major funds were as follows:

Major Fund	Increase (Decrease)
16th Section Principal Fund	No increase or decrease

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.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2025, the District's total capital assets were \$20,826,864, including land, school buildings, building improvements, improvements other than buildings, buses, other school vehicles, furniture and equipment, and any intangible assets. This amount represents a decrease of \$348,879, including an error correction of (\$32,146), from 2024. Total accumulated depreciation and amortization as of June 30, 2025, was \$9,104,384, and total depreciation and amortization expense for the year was \$716,972, resulting in total net capital assets of \$11,722,480.

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

	June 30, 2025	June 30, 2024	Percentage Change
Land	\$ 157,271	\$ 170,871	(7.96) %
Construction in Progress	-	75,564	(100.00) %
Buildings	6,631,010	6,830,302	(2.92) %
Building improvements	1,513,616	1,509,974	0.24 %
Improvements other than buildings	1,835,488	1,869,062	(1.80) %
Mobile equipment	1,178,474	1,200,125	(1.80) %
Furniture and equipment	389,149	327,536	18.81 %
Subscription IT assets	17,472	16,932	3.19 %
Total	\$ 11,722,480	\$ 12,000,366	(2.32) %

Error corrections that impacted prior fiscal years were made during the fiscal year ending June 30, 2025. Additional information and further explanation can be found in Note 10 of this report. Due to the immateriality of the result upon the affected funds, restatement to the individual impacted line items of the prior periods were not made to this schedule.

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

WEST JASPER SCHOOL DISTRICT
Management's Discussion and Analysis
For Year Ended June 30, 2025

Debt Administration. At June 30, 2025, the District had \$796,977 in outstanding long-term debt, of which \$257,538 is due within one year. The liability for compensated absences increased \$39,124, including the effects of a change in accounting principle of \$27,751, from the prior year.

**Table 5
Outstanding Long-Term Debt**

	June 30, 2025	June 30, 2024	Percentage Change
Three mill notes payable	\$ 335,555	\$ 550,555	(39.05) %
Other loans payable	259,555	324,445	(20.00) %
Subscription IT liabilities	-	17,012	(100.00) %
Compensated absences	201,867	162,743	24.04 %
Total	\$ 796,977	\$ 1,054,755	(24.44) %

Error corrections that impacted prior fiscal years were made during the fiscal year ending June 30, 2025. Additional information and further explanation can be found in Note 10 of this report. Due to the immateriality of the result upon the affected funds, restatement to the individual impacted line items of the prior periods were not made to this schedule.

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

CURRENT ISSUES

The District has four schools:
Bay Springs Elementary School
Bay Springs High School
Bay Springs Middle School
Stringer Attendance Center

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 West Jasper School District, 510 Highway 18 (P.O. Box 610), Bay Springs, MS 39422.

FINANCIAL STATEMENTS

WEST JASPER SCHOOL DISTRICT

Statement of Net Position
June 30, 2025

Exhibit A

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 12,102,797
Due from other governments	553,679
Lease receivable	483,886
Other receivables	2,380
Inventories	15,730
Restricted assets	977,569
Capital assets, non-depreciable:	
Land	157,271
Capital assets, net of accumulated depreciation:	
Buildings	6,631,010
Building improvements	1,513,616
Improvements other than buildings	1,835,488
Mobile equipment	1,178,474
Furniture and equipment	389,149
Subscription IT assets, net of accumulated amortization	17,472
Total Assets	25,858,521
Deferred Outflows of Resources	
Deferred outflows - pensions	6,425,114
Deferred outflows - OPEB	368,990
Total deferred outflows of resources	6,794,104
Liabilities	
Accounts payable and accrued liabilities	801,905
Interest payable on long-term liabilities	3,570
Long-term liabilities, due within one year:	
Capital related liabilities	247,445
Non-capital related liabilities	10,093
Net OPEB liability	47,581
Long-term liabilities, due beyond one year:	
Capital related liabilities	347,665
Non-capital related liabilities	191,774
Net pension liability	33,011,461
Net OPEB liability	1,002,926
Total Liabilities	35,664,420
Deferred Inflows of Resources	
Deferred inflows - Pensions	1,386,011
Deferred inflows - OPEB	275,452
Deferred inflows - leases	569,134
Total deferred inflows of resources	2,230,597
Net Position	
Net investment in capital assets	11,127,370
Restricted for:	
Expendable:	
School-based activities	888,313
Debt service	328,731
Forestry improvements	101,615
Unemployment benefits	32,731
Non-expendable:	
Sixteenth section	1,752,738
Unrestricted	(19,473,890)
Total Net Position (Deficit)	\$ (5,242,392)

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

WEST JASPER SCHOOL DISTRICT

**Statement of Activities
For the Year Ended June 30, 2025**

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities:						
Instruction	\$ 9,235,577	393,910	1,599,729	86	\$ (7,241,852)	
Support services	6,754,897	15,459	1,631,902	48,000	(5,059,536)	
Non-instructional	1,108,790	157,587	984,597		33,394	
Sixteenth section	53,515	49,018			(4,497)	
Pension expense	4,803,321				(4,803,321)	
OPEB expense	(35,030)				35,030	
Interest on long-term liabilities	51,373				(51,373)	
Total Governmental Activities	\$ 21,972,443	615,974	4,216,228	48,086	\$ (17,092,155)	
General Revenues:						
Taxes:						
General purpose levies						5,403,485
Debt purpose levies						195,638
Unrestricted grants and contributions:						
State						9,432,333
Federal						53,495
Unrestricted investment earnings						83,395
Sixteenth section sources						413,464
Other						111,321
Total General Revenues						15,693,131
Change in Net Position					<u>(1,399,024)</u>	
Net Position (Deficit) - Beginning, as previously reported					(3,816,561)	
Adjustment or restatement					<u>(26,807)</u>	
Net Position (Deficit) - Beginning, as restated					<u>(3,843,368)</u>	
Net Position (Deficit) - Ending					<u>\$ (5,242,392)</u>	

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

WEST JASPER SCHOOL DISTRICT
Governmental Funds

Balance Sheet
June 30, 2025

Exhibit C

	Major Funds			Total Governmental Funds
	General Fund	16th Section Principal Fund	Other Governmental Funds	
Assets				
Cash and cash equivalents	\$ 10,799,517	977,569	1,303,280	13,080,366
Due from other governments	178,466		375,213	553,679
Leases receivable	483,886			483,886
Due from other funds	334,806			334,806
Other receivables	2,380			2,380
Advances to other funds		775,169		775,169
Inventories			15,730	15,730
Total assets	11,799,055	1,752,738	1,694,223	15,246,016
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 797,448		4,457	801,905
Due to other funds			334,806	334,806
Advances from other funds	775,169			775,169
Total Liabilities	1,572,617	0	339,263	1,911,880
Deferred Inflows of Resources:				
Leases	569,134			569,134
Total deferred inflows of resources	569,134	0	0	569,134
Fund Balances:				
Nonspendable:				
Inventory			15,730	15,730
Advances		775,169		775,169
Permanent fund principal		977,569		977,569
Restricted:				
Debt service			332,301	332,301
Forestry improvement purposes			101,615	101,615
Grant activities			872,583	872,583
Unemployment benefits			32,731	32,731
Assigned:				
Student activities	194,436			194,436
Instructional activities	4,608			4,608
Capital improvements	721,132			721,132
Total Fund Balances	9,657,304	1,752,738	1,354,960	12,765,002
Total liabilities, deferred inflows of resources and fund balances	\$ 11,799,055	1,752,738	1,694,223	15,246,016

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

WEST JASPER SCHOOL DISTRICT

Governmental Funds

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

Exhibit C-1

Total fund balances for governmental funds \$ 12,765,002

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	\$ 157,271	
Buildings	11,328,439	
Building improvements	2,749,325	
Improvements other than buildings	2,296,303	
Mobile equipment	3,268,471	
Furniture and equipment	1,005,215	
Accumulated depreciation	(9,100,016)	
Subscription IT assets	21,840	
Accumulated amortization	<u>(4,368)</u>	11,722,480
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	(33,011,461)	
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	6,425,114	
Deferred inflows of resources related to pensions	<u>(1,386,011)</u>	(27,972,358)
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	(1,050,507)	
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	368,990	
Deferred inflows of resources related to OPEB	<u>(275,452)</u>	(956,969)
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:		
Three mill notes payable	(335,555)	
Educational Facilities Revolving Loan	(259,555)	
Compensated absences	(201,867)	
Accrued interest payable	<u>(3,570)</u>	(800,547)
Net Position of governmental activities		<u><u>\$ (5,242,392)</u></u>

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

WEST JASPER SCHOOL DISTRICT

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

Exhibit D

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	16th Section Principal Fund		
Revenues:				
Local sources	\$ 5,898,093		386,978	6,285,071
State sources	9,566,793		447,311	10,014,104
Federal sources	90,494		3,645,544	3,736,038
Sixteenth section sources	434,184	36,620	49,294	520,098
Total Revenues	15,989,564	36,620	4,529,127	20,555,311
Expenditures:				
Instruction	8,261,075		1,925,009	10,186,084
Support services	5,957,023		1,303,715	7,260,738
Noninstructional services			1,104,875	1,104,875
Sixteenth section	8,844		44,671	53,515
Facilities acquisition and construction	106,663			106,663
Debt service:				
Principal	67,831		218,466	286,297
Interest	34,159		18,809	52,968
Total Expenditures	14,435,595	0	4,615,545	19,051,140
Excess (Deficiency) of Revenues over (under) Expenditures	1,553,969	36,620	(86,418)	1,504,171
Other Financing Sources (Uses):				
Insurance recovery	15,459			15,459
Inception of SBITA	21,840			21,840
Gain on termination of leases	2,649			2,649
Operating transfers in	219,570		257,995	477,565
Operating transfers out	(257,995)	(36,620)	(182,950)	(477,565)
Total Other Financing Sources (Uses)	1,523	(36,620)	75,045	39,948
Net Change in Fund Balances	1,555,492	0	(11,373)	1,544,119
Fund Balances:				
July 1, 2024, as previously reported	8,101,165	1,752,738	1,386,353	11,240,256
Adjustment or restatement	647			647
July 1, 2024, as restated	8,101,812	1,752,738	1,386,353	11,240,903
Decrease in inventory			(20,020)	(20,020)
June 30, 2025	\$ 9,657,304	1,752,738	1,354,960	12,765,002

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

WEST JASPER SCHOOL DISTRICT

Governmental Funds

**Reconciliation of the Governmental Funds Statement of Revenues,
For the Year Ended June 30, 2025**

Exhibit D- 1

Net change in fund balances - total governmental funds	\$	1,544,119
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	\$ 529,919	
SBITAs outlay	21,840	
Depreciation/amortization expense	(716,972)	(165,213)
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.		
	(80,527)	(80,527)
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	286,297	
Subscription IT liability issued	(21,840)	
Accrued interest payable	1,595	266,052
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	(4,803,321)	
Contributions subsequent to the measurement date	1,788,648	(3,014,673)
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	35,030	
Contributions subsequent to the measurement date	47,581	82,611
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	(11,373)	
Change in inventory	(20,020)	(31,393)
Change in Net Position of governmental activities	\$	(1,399,024)

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

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 (5) member board to which each member is elected by the citizens of each defined county district.

For financial reporting purposes, West Jasper 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 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.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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

16th Section Principal Fund – This permanent fund accounts for the non-expendable revenues associated with non-expendable earnings on 16th section school lands and the investment earnings of those nonexpendable resources.

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

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.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered 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.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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 Student Funding Formula 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 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.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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 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. 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

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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	**	**
Intangible assets	***	***

(**) Right-to-use assets are amortized in a rational and systematic manner over the shorter of the lease or subscription term or the useful life of the underlying assets. A capitalization threshold has not been set for right-to-use assets.

(***) The estimated useful life is amortized using the straight-line method with the amortization term based on contractual or legal provisions. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives are not amortized.

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.

Deferred outflows of resources related to pensions
Deferred outflows of resources related to OPEB

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

Deferred inflows of resources related to pensions
Deferred inflows of resources related to OPEB
Deferred inflows of resources related to leases

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

See Notes 6, 8, 9, and 14 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. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next, the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means, and the leave that has been used but not yet been paid in cash or settled through noncash means. The current portion of this liability is estimated based on historical trends and may be affected by other factors including the government/school district's policies. 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.

Acting as lessor when leasing certain 16th section school lands, the school district uses a rate of 4% at lease inception to calculate the present value of lease payments associated with the leases.

Acting as lessee, the school district uses the U. S. Treasury Yield Curve rate at lease inception 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.

The school district uses the U. S. Treasury Yield Curve rate at arrangement inception to calculate the present value of SBITA payments when the rate implicit in the technology arrangement is not known.

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.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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

12. Pensions

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

13. Postemployment Benefits Other than Pensions (OPEB)

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

14. Fund Balances

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

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

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

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

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the School Board, the District's highest level of decision-making authority. This formal action is the official action of the school board approving committed fund balances. 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 school district management pursuant to authorization established through school board 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.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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

It is the goal of the district to achieve and maintain an unassigned fund balance in the General Fund at the end of the fiscal year of not less than 15% of district general fund revenues.

15. Accounting Standards Update

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

Note 2 – Cash and Cash Equivalents

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

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

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds was \$13,080,366.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the district. As of June 30, 2025, none of the district's bank balance was exposed to custodial credit risk.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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	Other Governmental Funds	\$ 334,806
Total		<u>\$ 334,806</u>

The inter-fund balances represent loans created by the existence of negative cash balances in a pooled bank account at balance sheet date. Negative cash balances in governmental funds (special revenue funds) are a result of the timing of cash flows inherent in the reimbursable grant funds due from other governments. All balances are expected to be repaid within one year.

B. Advances To/From Other Funds

Receivable Fund	Payable Fund	Amount
16th Section Principal Fund	General Fund	\$ 775,169
Total		<u>\$ 775,169</u>

Sixteenth section principal loans payable

Note: 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. The interest rate on the sixteenth section principal loans payable as of June 30, 2025, is four (4) percent.

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

Year Ending June 30	Principal	Interest	Total
2026	\$ 72,029	31,007	103,036
2027	74,910	28,126	103,036
2028	77,906	25,129	103,035
2029	81,022	22,013	103,035
2030	84,263	18,772	103,035
2031 - 2035	385,039	40,524	425,563
Total	<u>\$ 775,169</u>	<u>165,571</u>	<u>940,740</u>

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

C. Inter-fund Transfers

Transfers Out	Transfers In	Amount
General Fund	Other Governmental Funds	\$ 257,995
16th Section Principal Fund	General Fund	36,620
Other Governmental Funds	General Fund	182,950
Total		\$ 477,565

Inter-fund transfers represent operating transfers from the General Fund to other governmental funds and transfers of indirect costs from other governmental funds to the General Fund..

Note 4 – Restricted Assets

The restricted assets represent the cash balance, totaling \$977,569, 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.

Note 5 – Capital Assets

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

	Balance 7/1/2024	Increases	Decreases	Completed Construction	Adjustments	Balance 6/30/2025
Governmental Activities:						
<u>Non-depreciable capital assets:</u>						
Land	\$ 170,871	15,000			(28,600)	157,271
Construction-in-progress	75,564	40,590		(112,608)	(3,546)	-
Total non-depreciable capital assets	246,435	55,590	-	(112,608)	(32,146)	157,271
<u>Depreciable capital assets:</u>						
Buildings	11,328,439	-	-			11,328,439
Building improvements	2,636,717	-	-	112,608		2,749,325
Improvements other than buildings	2,245,230	51,073	-			2,296,303
Mobile equipment	3,836,767	235,600	803,896		-	3,268,471
Furniture and equipment	831,359	187,656	13,800		-	1,005,215
Total depreciable capital assets	20,878,512	474,329	817,696	112,608	-	20,647,753
<u>Less accumulated depreciation for:</u>						
Buildings	4,498,137	199,292	-		-	4,697,429
Building improvements	1,126,743	108,966	-		-	1,235,709
Improvements other than buildings	376,168	84,647	-		-	460,815
Mobile equipment	2,636,642	176,862	723,507		-	2,089,997
Furniture and equipment	503,823	125,905	13,662		-	616,066
Total accumulated depreciation	9,141,513	695,672	737,169	-	-	9,100,016
Total depreciable capital assets, net	11,736,999	(221,343)	80,527	112,608	-	11,547,737
Governmental activities capital assets, net	\$ 11,983,434	(165,753)	80,527	-	(32,146)	11,705,008
Subscription IT assets, net						17,472
Total capital assets, net as reported in the statement of net position						<u>11,722,480</u>

An error correction in the amount of (\$32,146) was made to the beginning balance of capital assets.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

Depreciation expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	\$ 336,204
Support services	320,828
Non-instructional	38,640
Total depreciation expense	\$ 695,672

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

A summary of subscription IT activity during the year ended June 30, 2025 is as follows:

	Balance 7/1/2024	Additions	Deductions	Adjustments	Balance 6/30/2025
Subscription IT assets	\$ 50,796	21,840		(50,796)	21,840
Less accumulated amortization	33,864	21,300		(50,796)	4,368
Total subscription IT assets, net	\$ 16,932	\$ 540	\$ -	\$ -	\$ 17,472

The adjustments were made to reflect the two subscriptions expiring in the 2025 year.

Amortization expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	\$ 13,549
Support services	3,383
Non-instructional	4,368
Total amortization expense	\$ 21,300

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

	Balance 7/1/2024	Additions	Deductions	Balance 6/30/2025	Amounts due within one year
Subscription IT liabilities	\$ 17,012	21,840	38,852	-	-
Total	\$ 17,012	21,840	38,852	-	-

The district generally uses the U. S. Treasury yield curve rate at subscription inception as the discount rate for the subscriptions unless the rate that the vendor charges is known.

The district has entered into one (1) subscription IT arrangement:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
RUCKUS network security	0%	1-Jul-24	1-Jul-29	\$ 21,840	-
Total				\$ 21,840	-

This subscription asset is being amortized over the life of the subscription, which is five years.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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 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 following are the future rental payments to be made to the school district for the use of school trust lands. These future rental payments are from existing leases and do not anticipate renewals or new leases.

Year Ending June 30	Principal	Interest	Total
2026	\$ 122,986	19,355	142,341
2027	125,200	14,436	139,636
2028	123,367	9,428	132,795
2029	56,688	4,493	61,181
2030	5,472	2,226	7,698
2031– 2035	20,825	8,147	28,972
2036 - 2040	11,609	4,696	16,305
2041 – 2045	6,921	2,916	9,837
2046 – 2050	5,537	1,738	7,275
2051-2054	5,281	539	5,820
Total	\$ 483,886	67,974	551,860

The total amount of inflows recognized in the reporting period from these leases is \$165,801. As of June 30, 2025, the district recognized a lease receivable of \$483,886 and deferred inflows of resources of \$569,134 related to the sixteenth section land leases.

Note 7 – Long-term Liabilities

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

	Balance 7/1/2024	Additions	Reductions	Adjustments	Balance 6/30/2025	Amounts due within one year
A. Three mill notes payable	\$ 550,555		215,000		335,555	215,000
B. Other loans payable	324,445		32,445	(32,445)	259,555	32,445
C. Compensated absences payable	162,743	11,373		27,751	201,867	10,093
Total	\$ 1,037,743	11,373	247,445	(4,694)	796,977	257,538

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

The adjustment above to compensated absences was a result of retroactively implementing GASB 101.

An error correction of \$32,445 was made to the beginning balance of long-term debt in response to errors made in previously issued financial statements.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

A. Three mill notes payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Limited Tax Note, Series 2018	3.29%	1-Jun-18	1-May-27	\$ 1,500,000	\$ 335,555
Total				<u>\$ 1,500,000</u>	<u>\$ 335,555</u>

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

Three mill notes payable issue of June 1, 2018:

Year Ending June 30	Principal	Interest	Total
2026	\$ 215,000	11,040	226,040
2027	120,555	3,966	124,521
Total	<u>\$ 335,555</u>	<u>15,006</u>	<u>350,561</u>

This debt will be retired from the Three Mill Note Retirement Fund (debt service fund).

B. Other loans payable

The school district has issued debt instruments granted under the authority of the Educational Facilities Revolving Loan Fund Program, administered by the Mississippi Department of Education.

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Educational Facilities Revolving Loan Fund Program	0.00%	24-Aug-23	1-May-34	\$ 324,445	\$ 259,555
Total				<u>\$ 324,445</u>	<u>\$ 259,555</u>

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

Other loan issue of August 24, 2023

Year Ending June 30	Principal
2026	\$ 32,445
2027	32,445
2028	32,445
2029	32,445
2030	32,445
2031-2034	<u>97,330</u>
Total	<u>\$ 259,555</u>

This debt will be retired from the General Fund.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

C. 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).

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, 2025 was 17.90% 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, 2025, 2024 and 2023 were \$1,788,648, \$1,695,105 and \$1,730,787, 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, 2025, the school district reported a liability of \$33,011,461 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2025 net pension liability was 0.127126 percent, which was based on a measurement date of June 30, 2024. This

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

was an decrease of 0.007062 percent from its proportionate share used to calculate the June 30, 2024 net pension liability, which was based on a measurement date of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$4,803,321. At June 30, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,797,686	\$
Net difference between projected and actual earnings on pension plan investments	132,068	
Changes of assumptions	2,158,305	
Changes in proportion and differences between District contributions and proportionate share of contributions	548,407	1,386,011
District contributions subsequent to the measurement date	1,788,648	
Total	\$ <u>6,425,114</u>	\$ <u>1,386,011</u>

\$1,788,648 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2026	\$ 1,483,148
2027	2,302,973
2028	(267,496)
2029	(268,170)
Total	\$ <u>3,250,455</u>

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

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

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

<u>Asset Class</u>	<u>Target Allocation</u>	%	<u>Long-Term Expected Real Rate of Return</u>	%
Domestic Equity	25.00		5.15	
International Equity	20.00		5.00	
Global Equity	12.00		5.15	
Fixed Income	18.00		2.75	
Real Estate	10.00		3.50	
Private Equity	10.00		6.25	
Infrastructure	2.00		3.85	
Private Credit	2.00		4.90	
Cash Equivalents	1.00		0.50	
Total	100	%		

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 19.90 percent over five fiscal years (17.90 percent for FYE 2025, 18.40 percent for FYE 2026, 18.90 percent for FYE 2027, 19.40 percent for FYE 2028, 19.90 percent for FYE 2029 and beyond). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity 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	\$ 42,787,514	\$ 33,011,461	\$ 25,010,300

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

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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/>.

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 \$47,581 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$1,050,507 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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, 2024, the District's proportion was 0.187998691 percent. This was an increase of 0.00027384 percent from the proportionate share as of the measurement date of June 30, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of (\$35,030). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 217,014	\$ 186,143
Changes of assumptions	41,416	80,193
Net difference between projected and actual earnings on OPEB plan investments	41	
Changes in proportion and differences between District contributions and proportionate share of contributions	62,938	9,116
District contributions subsequent to the measurement date	47,581	
Total	\$ <u>368,990</u>	\$ <u>275,452</u>

\$47,581 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, 2026. 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:	
2026	\$ (28,637)
2027	(3,276)
2028	16,690
2029	33,423
2030	24,450
Thereafter	3,307
Total	\$ <u>45,957</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, 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	3.94%
Prior Measurement Date	3.66%
Year FNP is projected to be depleted	
Measurement Date	2024
Prior Measurement Date	2023
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Measurement Date	3.94%
Prior Measurement Date	3.66%
Health Care Cost Trends	
Medicare Supplement Claims	6.00% for 2025 decreasing to an ultimate rate of 4.50% by 2029 FYE
Pre-Medicare	

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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

The demographic actuarial assumptions used in the June 30, 2024 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, 2024 valuation were based on a review of recent plan experience done concurrently with the June 30, 2024 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, 2024 was 3.94 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.66% to 3.94%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2024, the trust has \$1,104,394. 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, 2023 and the June 30, 2024 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2024 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 (2.94 percent) or 1-percentage-point higher (4.94 percent) than the current discount rate:

	1% Decrease (2.94%)	Current Discount Rate (3.94%)	1% Increase (4.94%)
Net OPEB liability	\$ 1,145,198	\$ 1,050,507	\$ 967,872

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	\$ 981,231	\$ 1,050,507	\$ 1,127,738

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/>.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note 10 – Adjustments and Restatements of Beginning Balances

Change in Accounting Principle or Estimate

General Accounting Standards Board (GASB) Statement No. 101, effective for the years beginning after December 15, 2023, updates the recognition and measurement guidance for compensated absences. This new standard aims to create a more consistent model applicable to all types of compensated absence arrangements, such as vacation, personal, and sick leave.

A liability for compensated absences must be recognized if: 1) the leave is attributable to services already rendered; 2) the leave accumulates and carries forward to future periods; and 3) it is more likely than not (greater than 50% likelihood) that the leave will be used or paid.

The district restated beginning net position to account for the new liability amounts as of the beginning of the 2025 year. The restatement reduced beginning net position by \$27,751.

Correction of an Error in Previously Issued Financial Statements

An error correction in the amount of (\$32,146) was made to the beginning balance of capital assets, while an error correction of \$32,445 was made to the beginning balance of general long-term debt in response to errors made in previously issued financial statements. An error correction of \$647 was made to the beginning balance of the General Fund, reflecting an error previously made that affected the balance of an asset or liability.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, changes to or within the financial reporting entity, change in accounting principle, and an error correction 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	
	Governmental Funds	Government-Wide
	General Fund	Governmental Activities
July 1, 2024, as previously reported	\$ 8,101,165	\$ (3,816,561)
Effects of a change in accounting principle		(27,751)
Error Correction - error in recording prior year asset or liability	647	647
Error Correction - restatement of prior year capital asset		(32,146)
Error Correction - restatement of prior year long-term debt		32,445
Error Correction - restatement of prior year net OPEB liability		(2)
July 1, 2024, adjusted or as restated	\$ 8,101,812	\$ (3,843,368)

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. Except as described below, the

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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.

Participation in Public Entity Risk Pool

The school district is a member of the Mississippi School Boards Association Property Trust (MSBAPT). The Trust is a risk sharing pool; such a pool is frequently referred to as a self-insurance pool. The Trust consists of approximately 77 school districts and covers losses associated with property damage to the physical assets owned by the member districts. An indemnity agreement is executed by each member in the Trust for the purposes of jointly and severally binding the pool and each of the members/districts to meet the financial obligations of each member. Each member of the Trust contributes annually to a fund held in trust by Bank of America in Danville, Illinois. The funds in the trust account are used to pay any claim up to \$150,000 per occurrence. For a claim/occurrence exceeding \$150,000 the Trust has secured excess insurance. If total claims during a year were to deplete the trust account, then the member school districts would be required to pay for the deficiencies. The district has not had an additional assessment for excess losses incurred by the Trust.

The school district is a member of the Mississippi School Boards Association Casualty Trust (MSBACT). The Trust is a risk sharing pool; such a pool is frequently referred to as a self-insurance pool. The Trust consists of approximately 77 school districts and covers liability related losses the member may be responsible for through General Liability, Automobile Liability and School Board Legal Liability. An indemnity agreement is executed by each member in the Trust for the purposes of jointly and severally binding the pool and each of the members/districts to meet the financial obligations of each member. Each member of the Trust contributes annually to a fund held in trust by Bank of America in Danville, Illinois. The funds in the trust account are used to pay any claim up to \$150,000 per occurrence. For a claim/occurrence exceeding \$150,000 the Trust has secured excess insurance. If total claims during a year were to deplete the trust account, then the member school districts would be required to pay for the deficiencies. The district has not had an additional assessment for excess losses incurred by the Trust.

Note 13 - Insurance loss recoveries

The West Jasper School District received \$15,459 in insurance loss recoveries related to equipment damage during the 2025 year. In the government-wide Statement of Activities, the insurance loss recoveries were reported as charges for services and allocated among the expense functions based on the following percentages:

Insurance Loss			
Recoveries	Percentage	Expense Function	
\$ 15,459	100%	Support services	
\$ 15,459	100%		

Note 14 – Effect of Deferred Amounts on Net Position

The unrestricted net position amount of (\$19,473,890) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources related to pension in the amount of \$1,788,648 resulting from the school district contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The \$4,636,466 balance of deferred outflow of resources related to pensions, at June 30, 2025 will be recognized as an expense and will decrease the unrestricted net position over the next 3 years.

The unrestricted net position amount of (\$19,473,890) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$1,386,011 balance of deferred inflow of resources related to pensions, at June 30, 2025 will be recognized as revenue and will increase the unrestricted net position over the next 4 years.

West Jasper School District
Notes to the Financial Statements
For the Year Ended June 30, 2025

The unrestricted net position amount of (\$19,473,890) 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 \$47,581 resulting from the school district contribution subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. The \$321,409 balance of deferred outflow of resources related to OPEB, at June 30, 2025 will be recognized as an expense and will decrease the unrestricted net position over the next 6 years.

The unrestricted net position amount of (\$19,473,890) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$275,452 balance of deferred inflow of resources related to OPEB, at June 30, 2025 will be recognized as revenue and will increase the unrestricted net position over the next 6 years.

The unrestricted net position amount of (\$19,473,890) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$569,134 balance of deferred inflow of resources related to OPEB, at June 30, 2025 will be recognized as revenue and will increase the unrestricted net position over the next 29 years.

Note 15 - 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 West Jasper School District evaluated the activity of the district through the date the financial statements were available to be issued, and determined that there were no subsequent events have occurred requiring disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

WEST JASPER SCHOOL DISTRICT
Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual (GAAP Basis)	Variances	
				Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local sources	\$ 5,662,894	5,868,093	5,898,093	205,199	30,000
State sources	9,537,151	9,566,793	9,566,793	29,642	0
Federal sources	42,300	90,494	90,494	48,194	0
Sixteenth section sources	161,100	403,334	434,184	242,234	30,850
Total Revenues	15,403,445	15,928,714	15,989,564	525,269	60,850
Expenditures:					
Instruction	8,989,083	8,301,665	8,261,075	687,418	40,590
Support services	7,166,727	6,007,024	6,008,096	1,159,703	(1,072)
Sixteenth section	23,000	8,844	8,844	14,156	0
Facilities acquisition and construction	0	0	55,590	0	(55,590)
Debt service:					
Principal	32,445	32,445	67,831	0	(35,386)
Interest	33,777	33,777	34,159	0	(382)
Total Expenditures	16,245,032	14,383,755	14,435,595	1,861,277	(51,840)
Excess (Deficiency) of Revenues over (under) Expenditures	(841,587)	1,544,959	1,553,969	2,386,546	9,010
Other Financing Sources (Uses):					
Insurance recovery	0	15,459	15,459	15,459	0
Inception of SBITA	0	0	21,840	0	21,840
Gain on termination of leases	0	0	2,649	0	2,649
Operating transfers in	2,650,900	2,726,261	219,570	75,361	(2,506,691)
Operating transfers out	(2,749,214)	(2,763,675)	(257,995)	(14,461)	2,505,680
Total Other Financing Sources (Uses)	(98,314)	(21,955)	1,523	76,359	23,478
Net Change in Fund Balances	(939,901)	1,523,004	1,555,492	2,462,905	32,488
Fund Balances:					
July 1, 2024, as previously reported	8,144,270	8,219,912	8,101,165	75,642	(118,747)
Error correction	0	647	647	647	0
July 1, 2024, as restated	8,144,270	8,220,559	8,101,812	76,289	(118,747)
June 30, 2025	\$ 7,204,369	9,743,563	9,657,304	2,539,194	(86,259)

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

WEST JASPER SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
PERS
Last 10 Fiscal Years*

		<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportionate share of the net pension liability	\$	33,011,461	33,750,053	26,408,191	18,846,241	24,060,519	22,103,786	20,940,910	20,759,627	21,434,996	18,549,634
District's proportion of the net pension liability		0.127126%	0.134188%	0.128297%	0.127508%	0.124287%	0.125647%	0.125900%	0.124882%	0.120000%	0.120000%
District's covered payroll	\$	9,741,983	9,947,052	8,832,351	8,478,017	8,275,983	8,183,098	8,036,711	8,005,035	7,815,270	7,670,914
District's proportionate share of the net pension liability as a percentage of its covered payroll		338.9%	339.3%	299.0%	222.3%	290.7%	270.1%	260.6%	259.3%	274.3%	241.8%
Plan fiduciary net position as a percentage of the total pension liability		56.3%	55.7%	59.9%	70.4%	59.0%	61.6%	62.5%	61.5%	57.5%	61.7%

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

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

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

WEST JASPER SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions
PERS
Last 10 Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,788,648	1,695,105	1,730,787	1,536,829	1,475,175	1,440,021	1,288,838	1,265,782	1,260,793	1,230,905
Contributions in relation to the contractually required contribution	\$ 1,788,648	1,695,105	1,730,787	1,536,829	1,475,175	1,440,021	1,288,838	1,265,782	1,260,793	1,230,905
Contribution deficiency (excess)	\$ 0	0	0	0	0	0	0	0	0	0
District's covered payroll	\$ 9,992,447	9,741,983	9,947,052	8,832,351	8,478,017	8,275,983	8,183,098	8,036,711	8,005,035	7,815,270
Contributions as a percentage of covered payroll	17.90%	17.40%	17.40%	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%

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

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

WEST JASPER SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability
OPEB
Last 10 Fiscal Years"

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportionate share of the net OPEB liability	\$ 1,050,507	1,038,822	896,753	1,146,412	1,329,687	1,497,044	1,384,645	1,411,800
District's proportion of the net OPEB liability	0.18799869%	0.18772485%	0.18201387%	0.17810227%	0.17086526%	0.17642571%	0.17899877%	0.17993676%
District's covered payroll	\$ 9,741,983	9,947,052	8,832,351	8,467,335	8,275,983	8,183,098	8,036,711	8,005,035
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.78%	10.44%	10.15%	14%	16%	18%	17%	18%
Plan fiduciary net position as a percentage of the total OPEB liability	0.20%	0.19%	0.21%	0.16%	0.13%	0.12%	0.13%	0.00%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No.75 was implemented in FYE 6/30/18, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

WEST JASPER SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions
OPEB
Last 10 Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution **	\$ 47,581	45,921	45,551	36,545	46,078	53,028	60,006	60,187
Contributions in relation to the actuarially determined contribution **	\$ 47,581	45,921	45,551	36,545	46,078	53,028	60,006	60,187
Contribution deficiency (excess)	\$ 0	0	0	0	0	0	0	0
District's covered-employee payroll	\$ 10,279,586	9,741,983	9,947,052	8,832,351	8,478,017	8,275,983	8,183,098	8,036,711
Contributions as a percentage of covered-employee payroll	0.46%	0.47%	0.46%	0.41%	0.54%	0.64%	0.73%	0.75%

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

** The amounts reflected above only deal with the Implicit Rate Subsidy as it relates to contributions

West Jasper School District
Notes to the Required Supplementary Information
For the Year Ended June 30, 2025

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 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%.

West Jasper School District
Notes to the Required Supplementary Information
For the Year Ended June 30, 2025

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%.

West Jasper School District
Notes to the Required Supplementary Information
For the Year Ended June 30, 2025

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, 2022 valuation for the June 30, 2024 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	25.6 years
Asset valuation method	5-year smoothed market
Price Inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

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.

West Jasper School District
Notes to the Required Supplementary Information
For the Year Ended June 30, 2025

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.

2024: The discount rate was changed from 3.66% for the prior Measurement Date to 3.94% 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.

2024: The schedule of monthly retiree contributions was increased as of January 1, 2025. In addition, the medical deductible was increased for the Base Family coverage beginning January 1, 2025.

(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, 2023 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2024:

Actuarial cost method	Entry age
Amortization method	Level dollar

West Jasper School District
Notes to the Required Supplementary Information
For the Year Ended June 30, 2025

Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.40%
Salary increases, including wage inflation	2.65% to 17.90%
Initial health care cost trend rates	
Medicare Supplement Claims	6.50%
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	3.66%

SUPPLEMENTARY INFORMATION

WEST JASPER SCHOOL DISTRICT

Supplementary Information

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

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	255MS326N1099	\$ 249,221
Total School breakfast program			<u>249,221</u>
National school lunch program	10.555	255MS326N1099	750,087
National school lunch program - commodities	10.555	255MS326N1099	48,141
Total National school lunch program			<u>798,228</u>
Summer food service program for children	10.559	255MS326N1099	9,170
Total child nutrition cluster			<u>1,056,619</u>
Administrative expense reimbursement	10.560	255MS907N2533	531
Total passed-through Mississippi Department of Education			<u>1,057,150</u>
Total U.S. Department of Agriculture			<u>1,057,150</u>
<u>U.S. Department of Education</u>			
Passed-through Mississippi Department of Education:			
Title I grants to local educational agencies	84.010	S010A210024	1,037,739
Career and technical education - basic grants to states	84.048	V048A230024	29,326
Rural education	84.358	S358B220024	38,804
Supporting Effective Instruction State Grants	84.367	S367A220023	85,997
Student Support and Academic Enrichment Program	84.424	S424A210025	27,905
Subtotal			<u>1,219,771</u>
Special education cluster:			
Special education - grants to states	84.027	H027A220108	510,096
Special education - preschool grants	84.173	H173A220113	36,528
Total special education cluster			<u>546,624</u>
Elementary & Secondary School Emergency Relief Fund ARP III COVID-19 - Education Stabilization Fund (ESSER) Subtotal	84.425U	S425U210031	825,154
Total passed-through Mississippi Department of Education			<u>825,154</u>
Total U.S. Department of Education			<u>2,591,549</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-through Mississippi Department of Education:			
Medicaid Cluster:			
Medical Assistance Program	93.778	2105MS5ADM	5,723
Total Medicaid Cluster			<u>5,723</u>
Total passed-through Mississippi Department of Education			<u>5,723</u>
Total U.S. Department of Health and Human Services			<u>5,723</u>
<u>Social Security Administration</u>			
Passed-through MS Department of Rehabilitation Services:			
Disability Insurance/SSI Cluster:			
Social security disability insurance	96.001	N/A	28
Total Disability Insurance/SSI Cluster			<u>28</u>
Total passed-through MS Department of Rehabilitation Services			<u>28</u>
Total U.S. Department of Social Security Administration			<u>28</u>
<u>Department of Homeland Security</u>			
Passed-through MS Department of Public Safety			
Homeland Security Grant Program	97.067	N/A	37,000
Total passed-through MS Department of Public Safety			<u>37,000</u>
Total U.S. Department of Homeland Security			<u>37,000</u>
Total for All Federal Awards			<u>\$ 3,691,450</u>

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

West Jasper School District
Notes to the Supplementary Information
For the Year Ended June 30, 2025

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 West Jasper School District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the West Jasper School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the West Jasper 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 West Jasper 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.

WEST JASPER SCHOOL DISTRICT

Supplementary Information

Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds

For the Year Ended June 30, 2025

Expenditures	Total	Instruction and Other Student Instructional Expenditures	General Administration	School Administration	Other
Salaries and fringe benefits	\$ 13,819,028	10,064,396	812,475	775,132	2,167,025
Other	5,232,112	1,910,959	133,286	21,581	3,166,286
Total	\$ 19,051,140	11,975,355	945,761	796,713	5,333,311
Total number of students *	1,233				
Cost per student	\$ 15,450	9,712	767	646	4,325

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

WEST JASPER SCHOOL DISTRICT

Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

Last Four Years

UNAUDITED

	2025	2024*	2023*	2022*
Revenues:				
Local sources	\$ 5,898,093	5,446,755	5,275,189	5,041,371
State sources	9,566,793	9,134,825	8,489,999	7,777,646
Federal sources	90,494	102,659	98,691	51,970
Sixteenth section sources	434,184	114,464	449,258	126,377
Total Revenues	15,989,564	14,798,703	14,313,137	12,997,364
Expenditures:				
Instruction	8,261,075	7,507,648	8,343,472	7,408,153
Support services	5,957,023	5,661,667	5,891,749	5,381,690
Noninstructional services				8,252
Sixteenth section	8,844	3,087	16,141	11,600
Facilities acquisition and construction	106,663	1,059,840	587,122	
Debt service:				
Principal	67,831	13,176	13,927	
Interest	34,159	69,636	39,002	41,465
Total Expenditures	14,435,595	14,315,054	14,891,413	12,851,160
Excess (Deficiency) of Revenues over (under) Expenditures	1,553,969	483,649	(578,276)	146,204
Other Financing Sources (Uses):				
Insurance recovery	15,459	221,721	216,279	
Inception of SBITA	21,840		40,648	
Sale of other property			100	
Gain on termination of leases	2,649	754	2,572	
Operating transfers in	219,570	405,578	200,151	145,883
Operating transfers out	(257,995)	(233,448)	(225,994)	(169,186)
Total Other Financing Sources (Uses)	1,523	394,605	233,756	(23,303)
Net Change in Fund Balances	1,555,492	878,254	(344,520)	122,901
Fund Balances:				
Beginning of period, as previously reported	8,101,165	7,216,296	7,689,865	7,566,964
Error correction	647	6,615	(129,049)	
Beginning of period, as restated	8,101,812	7,222,911	7,560,816	7,566,964
End of Period	\$ 9,657,304	8,101,165	7,216,296	7,689,865

*SOURCE - PRIOR YEAR AUDIT REPORTS

WEST JASPER SCHOOL DISTRICT

Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Last Four Years

UNAUDITED

	2025	2024*	2023*	2022*
Revenues:				
Local sources	\$ 6,285,071	5,810,359	5,694,879	5,335,261
State sources	10,014,104	9,366,742	8,689,612	7,970,042
Federal sources	3,736,038	4,791,604	4,395,631	3,560,080
Sixteenth section sources	520,098	161,235	546,130	169,827
Total Revenues	20,555,311	20,129,940	19,326,252	17,035,210
Expenditures:				
Instruction	10,186,084	9,784,826	9,630,329	8,539,324
Support services	7,260,738	7,019,279	7,221,117	6,735,080
Noninstructional services	1,104,875	1,021,426	1,026,090	903,121
Sixteenth section	53,515	5,087	30,291	14,500
Facilities acquisition and construction	106,663	1,264,874	1,468,369	51,523
Debt service:				
Principal	286,297	2,220,847	107,382	90,000
Interest	52,968	99,477	74,773	86,080
Other	0	2,500	5,000	2,500
Total Expenditures	19,051,140	21,418,316	19,563,351	16,422,128
Excess (Deficiency) of Revenues over (under) Expenditures	1,504,171	(1,288,376)	(237,099)	613,082
Other Financing Sources (Uses):				
Proceeds of loans		324,445		
Insurance recovery	15,459	221,721	216,279	
Inception of SBITA	21,840		50,796	
Gain on termination of leases	2,649	754	2,572	
Payment held by QSCB debt escrow agent		78,570	92,073	79,292
Operating transfers in	477,565	639,026	426,145	439,257
Payment to QSCB debt escrow agent		(78,570)	(92,073)	(79,292)
Operating transfers out	(477,565)	(639,026)	(426,145)	(439,257)
Total Other Financing Sources (Uses)	39,948	546,920	269,647	0
Net Change in Fund Balances	1,544,119	(741,456)	32,548	613,082
Fund Balances:				
Beginning of period, as previously reported	11,240,256	11,965,632	12,062,425	11,427,642
Error corrections	647	6,615	(129,049)	40,210
Beginning of period, as restated	11,240,903	11,972,247	11,933,376	11,467,852
Increase (Decrease) in inventory	(20,020)	9,465	(392)	(18,509)
End of Period	\$ 12,765,002	11,240,256	11,965,532	12,062,425

*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
West Jasper 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 West Jasper School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise West Jasper School District's basic financial statements, and have issued our report thereon dated January 23, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Jasper 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 West Jasper School District's internal control. Accordingly, we do not express an opinion on the effectiveness of West Jasper 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 West Jasper School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of 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
January 23, 2026

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

Superintendent and School Board
West Jasper School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited West Jasper 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 West Jasper School District's major federal programs for the year ended June 30, 2025. The West Jasper 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 West Jasper 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 West Jasper 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 West Jasper 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 West Jasper 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 West Jasper School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material

noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the West Jasper 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 West Jasper 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 West Jasper 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 West Jasper 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

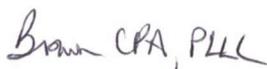
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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
January 23, 2026



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
West Jasper School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Jasper School District as of and for the year ended June 30, 2025, which collectively comprise West Jasper School District's basic financial statements and have issued our report thereon dated January 23, 2026. 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."

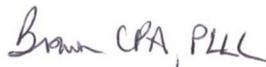
The results of our procedures performed to test compliance with the requirements of Section 37-9-18(3)(b), Miss. Code Ann. (1972), disclosed no instances of noncompliance related to incorrect or inappropriate functional level expenditure coding.

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 did not disclose any instances of noncompliance with other state laws and regulations.

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
January 23, 2026



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

West Jasper School District
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2025

Section I: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|--|---------------|
| 1. | Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None Reported |
| 3. | Noncompliance material to financial statements noted? | No |

Federal Awards:

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

7. Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027 & 84.173	Special Education Cluster
84.010	Title I Grants to Local Educational Agencies

- | | | |
|-----|---|-----------|
| 8. | Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. | Auditee qualified as low-risk auditee? | Yes |
| 10. | Prior fiscal year audit finding(s) and questioned costs which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2CFR 200.511(b). | No |

West Jasper School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section II: Financial Statement Findings

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

Section III: Federal Award Findings and Questioned Costs

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