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JACKSON COUNTY SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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Wolfe • McDuff & Oppie
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

To the Superintendent and School Board
Jackson County School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson County School District (the School District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Jackson County School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson County 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*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Jackson County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jackson County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 Jackson County School District's internal control. Accordingly, no such opinion is expressed.
• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
• Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jackson County School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and 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 Jackson County School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Funds, Last Four Years but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 20, 2026, on our consideration of the Jackson County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jackson County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jackson County School District's internal control over financial reporting and compliance.

Wolfe, McDuff & Oppie

Wolfe, McDuff & Oppie, P.A.
Pascagoula, Mississippi
February 20, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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JACKSON COUNTY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2025

The following discussion and analysis of Jackson County 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 $(6,271,016), including a change in accounting principle of $(739,333) which represents a (134)% decrease from fiscal year 2024. Total net position for 2024 increased $2,681,293, from the restated net position for 2023, which represent a 134% increase from fiscal year 2023.

- General revenues amounted to $95,284,844 and $93,202,753, or 82% and 75% 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 $21,407,911, or 18% of total revenues for 2025, and $31,666,419, or 25% of total revenues for 2024.

- The School District had $122,224,438 and $122,187,879 in expenses for fiscal years 2025 and 2024; only $21,407,911 for 2025 and $31,666,419 for 2024 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of $95,284,844 for 2025 was not adequate to provide for these programs and $93,202,753 for 2024 was adequate to provide for these programs.

- Among major funds, the General Fund had $94,758,021 in revenues and $83,075,293 in expenditures for 2025, and $93,175,659 in revenues and $81,460,770 in expenditures in 2024. The General Fund's fund balance increased by $5,270,188 from 2024 to 2025, and increased by $4,661,844 from the general fund balance from 2023 to 2024.

- Capital assets, net of accumulated depreciation, increased by $17,054,713 for 2025 and increased by $4,990,511 for 2024, after the restatements of the beginning balances for 2024. The increase for 2025 was due primarily to the additions to fixed assets exceeding additions to accumulated depreciation.

- Long-term debt decreased by $(325,000) for 2025 and $(1,475,000) for 2024. This decrease for 2025 was due to principal payments on outstanding long-term debt. The liability for compensated absences increased by $917,261, including a change in accounting principle of $739,333 for 2025 and was unchanged in 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the School 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 School 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 School District's nonfiduciary assets, deferred outflows, liabilities, and deferred inflows, with the differences between them reported as "net position." Over time, increases or decreases in the School 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 School 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 School District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the School 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 School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District are governmental funds.

Governmental funds – All of the School 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 School 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 School 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 School 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.

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 results in a liability on the government-wide financial statements but is not reported on governmental funds financial statements.

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

Notes to the financial statements

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of the School District's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflow of resources by $(1,588,358) as of June 30, 2025.

The School 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 School District's net position at June 30, 2025 and June 30, 2024.

Table 1
Condensed Statement of Net Position

	2025	2024	Percentage Change
Current assets	$ 53,641,222	63,154,418	(15)%
Lease receivable	4,817,045	3,856,922	25 %
Restricted assets	3,342,686	1,807,065	85 %
Capital assets, net	122,264,035	105,209,322	16 %
Total Assets	**184,064,988**	**174,027,727**	**6 %**
Deferred Outflows of Resources	**34,345,887**	**53,566,890**	**(36)%**
Current liabilities	3,034,163	6,926,595	(56)%
Long-term liabilities	7,834,794	7,242,533	8 %
Net pension liabilities	190,860,581	193,665,164	(1)%
Net OPEB Liability	5,260,386	5,293,006	(1)%
Total Liabilities	**206,989,924**	**213,127,298**	**(3)%**
Deferred Inflows of Resources	**13,009,309**	**9,784,661**	**33 %**
Net Position:			
Net investment in capital assets	116,414,035	99,034,322	18 %
Restricted	7,765,053	13,310,774	(42)%
Unrestricted	(125,767,446)	(107,662,438)	(17)%
Total Net Position	**$ (1,588,358)**	**4,682,658**	**(134)%**

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)	$	(125,767,446)
Less unrestricted deficit in net position resulting from recognition of the net pension liability and net OPEB liability including the deferred outflows and deferred inflows related to pensions and OPEB		170,179,928
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	$	44,412,482

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

- Increase in net capital assets in the amount of $17,054,713.
- The principal retirement of $325,000 of long-term debt.

Changes in net position

The School District's total revenues for the fiscal years ended June 30, 2025 and June 30, 2024 were $116,692,755 and $124,869,172, respectively. The total cost of all programs and services was $122,224,438 for 2025 and $122,187,879 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

	2025	2024	Percentage Change
Revenues:			
Program revenues:			
Charges for services	$ 2,759,908	3,115,365	(11)%
Operating grants and contributions	18,648,003	28,209,603	(34)%
Capital grants and contributions	-	341,451	(100)%
General revenues:			
Property taxes	40,496,055	39,268,229	3 %
Grants and contributions not restricted	53,162,349	52,944,502	- %
Investment earnings	598,291	281,743	112 %
Sixteenth section sources	388,370	382,936	1 %
Other	639,779	325,343	97 %
Total Revenues	**116,692,755**	**124,869,172**	**(7)%**
Expenses:			
Instruction	34,081,506	49,552,101	(31)%
Support Services	34,499,044	30,453,039	13 %
Non-instructional	24,680,558	13,835,032	78 %
Sixteenth section	33,434	46,591	(28)%
Pension expense	28,895,813	28,327,596	2 %
OPEB expense	(101,399)	(209,629)	52 %
Interest on long-term liabilities	135,482	183,149	(26)%
Total Expenses	**122,224,438**	**122,187,879**	**- %**
Increase (Decrease) in Net Position	**(5,531,683)**	**2,681,293**	**(306)%**
Net Position, July 1, as previously reported	**4,682,658**	**2,001,365**	**134 %**
Change in accounting principle	**(739,333)**	**-**	**N/A**
Net Position, July 1, as restated	**3,943,325**	**2,001,365**	**97 %**
Net Position, June 30	**$ (1,588,358)**	**4,682,658**	**(134)%**

Governmental activities

The following table presents the cost of seven major School 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 School District's taxpayers by each of these functions.

Table 3
Net Cost of Governmental Activities

	Total Expenses		
	2025	**2024**	**Percentage Change**
Instruction	$ 34,081,506	49,552,101	(31)%
Support services	34,499,044	30,453,039	13 %
Non-instructional	24,680,558	13,835,032	78 %
Sixteenth section	33,434	46,591	(28)%
Pension expense	28,895,813	28,327,596	2 %
OPEB expense	(101,399)	(209,629)	52 %
Interest on long-tem liabilities	135,482	183,149	(26)%
Total Expenses	**$ 122,224,438**	**122,187,879**	**- %**

	Net (Expense) Revenue		
	2025	**2024**	**Percentage Change**
Instruction	$ (20,051,965)	(24,409,962)	18 %
Support services	(33,811,746)	(30,034,176)	(13)%
Non-instructional	(17,989,486)	(7,729,615)	(133)%
Sixteenth section	(33,434)	(46,591)	28 %
Pension expense	(28,895,813)	(28,327,596)	(2)%
OPEB expense	101,399	209,629	(52)%
Interest on long-tem liabilities	(135,482)	(183,149)	26 %
Total Net (Expense) Revenue	**$ (100,816,527)**	**(90,521,460)**	**(11)%**

- Net cost of governmental activities ($(100,816,527) for 2025 and $(90,521,460) for 2024) was financed by general revenue, which is primarily made up of property taxes ($40,496,055 for 2025 and $39,268,229 for 2024) and state and federal revenues ($53,162,349 for 2025 and $52,944,502 for 2024). In addition, there was $388,370 and $382,936 in Sixteenth Section sources for 2025 and 2024, respectively.

- Investment earnings amounted to $598,291 for 2025 and $281,743 for 2024.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

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

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

The financial performance of the School District as a whole is reflected in its governmental funds. As the School District completed the year, its governmental funds reported a combined fund balance of $54,222,031, a decrease of $(4,076,480), which includes a decrease in inventory of $(68,229). $35,176,699 or 65% of the fund balance is unassigned, which represents the residual classification for the General Fund's fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The remaining fund balance of $19,045,332 or 35% is either nonspendable, restricted, committed or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

The General Fund is the principal operating fund of the School District. The increase in fund balance in the General Fund for the fiscal year was $5,270,188. The fund balance of Other Governmental Funds showed a decrease in the amount of $(5,560,552), which includes a decrease in reserve for inventory of $(68,229), due primarily to normal operations.

The increase (decrease) in the fund balances for the other major funds were as follows:

Major Fund	Increase/ (Decrease)
Summer Feeding 2025 Fund	$ -
2023 House Bill 603 (CTE) Fund	(5,968,762)
Construction and Improvement Fund	2,182,646

BUDGETARY HIGHLIGHTS

During the year, the School 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 School District's actual financial activity for the General Fund and major special revenue fund(s) is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2025, the School District's total capital assets were $196,023,691, including land, school buildings, building improvements, buses, other school vehicles, furniture and equipment, and any intangible assets. This amount represents an increase of $20,623,585 from 2024. Total accumulated depreciation as of June 30, 2025, was $73,759,656, and total depreciation expense for the year was $5,181,078, resulting in total net capital assets of $122,264,035.

Table 4
Capital Assets, Net of Accumulated Depreciation

	2025	2024	Percentage Change
Land	$ 418,276	418,276	- %
Construction in progress	16,172,522	5,668,166	185 %
Buildings	75,225,084	77,363,842	(3)%
Building improvements	15,800,908	8,838,506	79 %
Improvements other than buildings	6,066,717	6,818,835	(11)%
Mobile equipment	7,357,125	4,960,739	48 %
Furniture and equipment	1,223,403	1,140,958	7 %
Total	**$ 122,264,035**	**105,209,322**	**16 %**

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

Debt Administration. At June 30, 2025, the School District had $7,834,794 in outstanding long-term debt, of which $2,125,438 is due within one year. The liability for compensated absences increased $917,261, including a change in accounting principle of $739,333, from the prior year.

Table 5
Outstanding Long-Term Debt

	2025	2024	Percentage Change
Three mill note payable	$ 5,850,000	6,175,000	(5)%
Compensated absences payable	1,984,794	1,067,533	86 %
Total	**$ 7,834,794**	**7,242,533**	**8 %**

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

CURRENT ISSUES

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

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

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

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

If you have any questions about this report or need additional financial information, contact the Superintendent's Office of the Jackson County School District, Post Office Box 5069, Vancleave, Mississippi 39565-5069.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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JACKSON COUNTY SCHOOL DISTRICT

STATEMENT OF NET POSITION **Exhibit A**
June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 23,843,929
Investments	26,171,903
Due from other governments	3,534,979
Lease receivable	4,817,045
Inventories	90,411
Restricted assets	3,342,686
Capital assets, non-depreciable	
Land	418,276
Construction in progress	16,172,522
Capital assets, net of accumulated depreciation	
Buildings	75,225,084
Building improvements	15,800,908
Improvements other than buildings	6,066,717
Mobile equipment	7,357,125
Furniture and equipment	1,223,403
Total Assets	184,064,988
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	32,611,302
Deferred outflows related to OPEB	1,734,585
Total Deferred Outflows of Resources	34,345,887
LIABILITIES	
Accounts payable and accrued liabilities	2,974,461
Interest payable on long-term liabilities	59,702
Long-term liabilities, due within one year	
Capital related liabilities	1,530,000
Non-capital related liabilities	595,438
Net OPEB liability	234,685
Long-term liabilities, due beyond one year	
Capital related liabilities	4,320,000
Non-capital related liabilities	1,389,356
Net pension liability	190,860,581
Net OPEB liability	5,025,701
Total Liabilities	206,989,924
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	6,939,228
Deferred inflows related to OPEB	1,465,620
Deferred inflows related to leases	4,604,461
Total Deferred Inflows of Resources	13,009,309
NET POSITION	
Net investment in capital assets	116,414,035
Restricted for:	
Expendable:	
School-based activities	4,114,342
Debt Service	2,641,910
Forestry improvements	152,805
Unemployment benefits	174,299
Non-expendable	
Sixteenth section	681,697
Unrestricted	(125,767,446)
Total Net Position	$ (1,588,358)

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

JACKSON COUNTY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES **Exhibit B**
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
Instruction	$ 34,081,506	1,366,853	12,662,688	-	(20,051,965)
Support services	34,499,044	-	687,298	-	(33,811,746)
Non-instructional	24,680,558	1,393,055	5,298,017	-	(17,989,486)
Sixteenth section	33,434	-	-	-	(33,434)
Pension expense	28,895,813	-	-	-	(28,895,813)
OPEB expense	(101,399)	-	-	-	101,399
Interest on long-term liabilities	135,482	-	-	-	(135,482)
Total Governmental Activities	$ 122,224,438	2,759,908	18,648,003	-	(100,816,527)
		General Revenues:			
		Taxes:			
		General purpose levies			38,771,891
		Debt purpose levies			1,724,164
		Unrestricted grants and contributions:			
		State			53,162,349
		Unrestricted investment earnings			598,291
		Sixteenth section sources			388,370
		Other			639,779
		Total General Revenues			95,284,844
		Change in Net Position			(5,531,683)
		Net position - Beginning, as previously reported			4,682,658
		Adjustment or restatement, Note 10			(739,333)
		Net position - Beginning, as restated			3,943,325
		Net position - Ending			$ (1,588,358)

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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JACKSON COUNTY SCHOOL DISTRICT

BALANCE SHEET-GOVERNMENTAL FUNDS

Exhibit C

June 30, 2025

	Major Funds					
	General Fund	Summer Feeding 2025 Fund	2023 House Bill 603 (CTE) Fund	Construction and Improvement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 6,632,460	-	4,101,298	9,570,864	6,881,993	27,186,615
Investments	26,171,903	-	-	-	-	26,171,903
Due from other governments	1,185,831	1,268,499	-	-	1,080,649	3,534,979
Lease receivable	4,817,045	-	-	-	-	4,817,045
Due from other funds	1,161,321	-	-	-	-	1,161,321
Inventories	-	-	-	-	90,411	90,411
Total Assets	$ 39,968,560	1,268,499	4,101,298	9,570,864	8,053,053	62,962,274
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE						
LIABILITIES						
Accounts payable and accrued liabilities	$ 187,400	243,672	1,039,728	1,411,857	91,804	2,974,461
Due to other funds	-	1,024,827	-	-	136,494	1,161,321
Total Liabilities	187,400	1,268,499	1,039,728	1,411,857	228,298	4,135,782
DEFERRED INFLOWS OF RESOURCES						
Leases	4,604,461	-	-	-	-	4,604,461
Total Deferred Inflows of Resources	4,604,461	-	-	-	-	4,604,461
FUND BALANCES						
Nonspendable:						
Inventory	-	-	-	-	90,411	90,411
Permanent fund principal	-	-	-	-	681,697	681,697
Restricted:						
Debt service	-	-	-	-	2,701,612	2,701,612
Forestry improvement purposes	-	-	-	-	152,805	152,805
Grant activities	-	-	-	-	4,023,931	4,023,931
Unemployment benefits	-	-	-	-	174,299	174,299
Assigned:						
Capital improvements	-	-	3,061,570	8,159,007	-	11,220,577
Unassigned	35,176,699	-	-	-	-	35,176,699
Total Fund Balance	35,176,699	-	3,061,570	8,159,007	7,824,755	54,222,031
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 39,968,560	1,268,499	4,101,298	9,570,864	8,053,053	62,962,274

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

JACKSON COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2025

Exhibit C-1

Total governmental fund balance		$ 54,222,031
Amounts reported for governmental activities in the Statement of Net Position are different than those reported in the fund financial statements because of the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		122,264,035
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.		(190,860,581)
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	$ 32,611,302	
Deferred inflows of resources related to pensions	(6,939,228)	25,672,074
Net OPEB obligations are not due and payable in the current period and, therefore, are not reported in the funds.		(5,260,386)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to OPEB	1,734,585	
Deferred inflows of resources related to OPEB	(1,465,620)	268,965
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	(5,850,000)	
Accrued interest payable	(59,702)	
Compensated absences	(1,984,794)	(7,894,496)
Net position of governmental activities		$ (1,588,358)

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

JACKSON COUNTY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS

Exhibit D

For the Year Ended June 30, 2025

	Major Funds					
	General Fund	Summer Feeding 2025 Fund	2023 House Bill 603 (CTE) Fund	Construction and Improvement Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Local sources	$ 40,938,022	-	41,267	-	3,124,166	44,103,455
State sources	53,155,100	-	-	-	2,827,634	55,982,734
Federal sources	117,423	1,268,499	-	-	14,724,552	16,110,474
Sixteenth section	547,476	-	-	-	17,517	564,993
Total Revenues	94,758,021	1,268,499	41,267	-	20,693,869	116,761,656
EXPENDITURES						
Instruction	51,536,632	-	-	-	6,815,121	58,351,753
Support services	31,504,970	-	135,244	254,548	5,441,953	37,336,715
Noninstructional services	4,937	1,058,012	-	-	5,260,667	6,323,616
Sixteenth section	28,754	-	-	-	4,680	33,434
Debt service						
Principal	-	-	-	-	325,000	325,000
Interest	-	-	-	-	150,313	150,313
Facilities acquisition and construction	-	-	5,874,785	3,079,467	9,318,047	18,272,299
Total Expenditures	83,075,293	1,058,012	6,010,029	3,334,015	27,315,781	120,793,130
Excess (Deficiency) of Revenues over (under) Expenditures	11,682,728	210,487	(5,968,762)	(3,334,015)	(6,621,912)	(4,031,474)
OTHER FINANCING SOURCES (USES)						
Insurance recovery	16,734	-	-	-	-	16,734
Operating transfers in	-	-	-	5,516,661	1,116,335	6,632,996
Operating transfers out	(6,422,509)	(210,487)	-	-	-	(6,632,996)
Other financing sources (uses)	(6,765)	-	-	-	13,254	6,489
Total Other Financing Sources (Uses)	(6,412,540)	(210,487)	-	5,516,661	1,129,589	23,223
Net Change in Fund Balances	5,270,188	-	(5,968,762)	2,182,646	(5,492,323)	(4,008,251)
Fund Balances - July 1, 2024	29,906,511	-	9,030,332	5,976,361	13,385,307	58,298,511
Increase (Decrease) in reserve for inventory	-	-	-	-	(68,229)	(68,229)
Fund Balances - June 30, 2025	$ 35,176,699	-	3,061,570	8,159,007	7,824,755	54,222,031

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

JACKSON COUNTY SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Exhibit D-1

For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds		$ (4,008,251)
Amounts reported for governmental activities in the Statement of Activities are different than those reported in the fund financial statements because of the following:		
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	$ 22,426,523	
Depreciation expense	(5,181,078)	17,245,445
In the Statement of Activities, only the gain/loss on the sale of assets is reported, while in the governmental fund, 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.		(190,732)
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:		
Accrued interest payable	14,831	
Payments of debt principal	325,000	339,831
Some items relating to pensions and reported in the Statement of Activities do not provided or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:		
Pension expense	(28,895,813)	
Contributions subsequent to the measurement date	9,887,903	(19,007,910)
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. These activities include:		
OPEB expense	101,399	
Contributions made subsequent to the measurement date	234,692	336,091
Some items reported in the Statement of Activities do not provided or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:		
Change in compensated absences	(177,928)	
Change in inventory reserve	(68,229)	(246,157)
Change in net position of governmental activities		$ (5,531,683)

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

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America, the School District is considered a "primary government." The School District is governed by a five member board to which each member is elected by the citizens of each defined county district.

For financial reporting purposes, Jackson County School District has included all funds and organizations. The School 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 School District are such that exclusion would cause the School 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 School 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 School 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 School 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 School District's non-fiduciary assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Net position is reported in three categories:

1. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances of bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

2. Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Summer Feeding 2025 Fund - This fund is used to track Summer Feeding 2025 fund activities. This is a grant that was funded through federal sources.

2023 House Bill 603 (CTE) Fund - This fund is used to track 2023 House Bill 603 (CTE) fund activity. This bill was funded through state sources.

Construction and Improvement Fund - This is a capital projects funds that accounts for various capital improvement projects throughout the district.

All other governmental funds not meeting the criteria established for major funds 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 School District's programs.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Revenues are recorded when earned, and expenses are recorded when a liability is incurred or economic asset used, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

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

Under the terms of grant agreements, the School 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 School 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Assets, Liabilities, Deferred Outflows/Inflows, and Net Position/Fund Balances

1. Cash, Cash equivalents and Investments

Cash and cash equivalents

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

Investments

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

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

Investments for the School District are reported at fair market value.

2. Receivables and payables

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Inventories

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

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 School District except as provided for under state statute for loans from this fund.

6. Capital Assets

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following schedule details the capitalization thresholds:

	Capitalization Policy	Estimated Useful Life
Land	$ -	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 Property, Subscription IT asset, and Intangible assets	**	**

(**) The estimated useful life is the term of the lease agreement or subscription agreement. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized.

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

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District reports $32,611,302 of deferred outflows related to its pension plan and $1,734,585 related to its OPEB obligations.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District reports $6,939,228 of deferred inflows related to its pension plans, $1,465,620 related to its OPEB plan, and $4,604,461 of deferred inflows related to lease receivables.

See Note 15 for further details.

8. Compensated Absences

Employees of the School District accumulate sick leave at a minimum amount as required by state law. A greater amount may be provided by School District policy provided that it does not exceed the provisions for leave as provided in Sections 25-3-93 and 25-3-95. Some employees are allowed personal leave and/or vacation leave in accordance with School District policy. The School 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. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Leases

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

The Jackson County School District uses its estimated incremental borrowing rate to calculate the present value of lease payable payments when the rate implicit in the lease is not known. For sixteenth section lease receivables, the district uses the 4% statutory minimum rate imposed on loans from the sixteenth section principal fund.

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, relatability, relevance and consistency of information about SBITAs. The School District did not have any SBITAs material to the financial statements that required GASB 96 implementation during fiscal year 2023.

11. Long-term Liabilities and Bond Discounts/Premiums

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

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

12. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 School 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 School District's highest level of decision-making authority. Currently there is no committed fund balance for this School District.

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

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

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

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, AND INVESTMENTS

The School 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:

A. 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.

B. Investments

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

C. Cash and Cash Equivalents

The carrying amount of the School District's deposits with financial institutions reported in the governmental funds was $27,186,615.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School 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 School District. As of June 30, 2025, none of the School District's bank balance of $35,305,405 was exposed to custodial credit risk.

NOTE 2. CASH AND CASH EQUIVALENTS, AND INVESTMENTS (continued)

D. Investments

As of June 30, 2025, the district had the following investments.

Investment type	Rating	Maturities (in years)	Fair Value
U.S. Government securities	AA+	1 year	$ 26,171,903
Total			$ 26,171,903

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

The School District has the following recurring fair value measurements as of June 30, 2025:

- U.S. Government securities type of investments of $26,171,903 are valued using quoted market prices (Level 1 inputs)

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

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

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2025, the School District did not have any investments to which this would apply.

Concentration of Credit Risk. Disclosure of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of June 30, 2025, the School District had the following investments:

Issuer	Fair Value	% of Total Investments
U.S. Government Securities	$ 26,171,903	100%

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
Governmental Activities		
General fund	Summer Feeding 2025 Fund	$ 1,024,827
General fund	Other governmental funds	136,494
Total		$ 1,161,321

The purpose of the inter-fund loans was to cover deficit cash of federal and state funds not received prior to year end. Payments are made of amounts due between funds within three months.

B. Inter-fund Transfers

Transfers In	Transfers Out	Amount
Governmental Activities		
Construction and improvements fund	General fund	$ 5,516,661
Other governmental funds	Summer Feeding 2025 Fund	210,487
Other governmental funds	General fund	905,848
Total		$ 6,632,996

The primary reason for the interfund transfers was for debt service requirements, federal grant allocations and the funding of various programs within the district.

NOTE 4. RESTRICTED ASSETS

The restricted assets represent the cash balance, totaling $681,697 of the Sixteenth Section Principal Fund (Permanent Fund) which is legally restricted and may not be used for purposes that support the School District's programs.

Also, the restricted assets represent the cash balances, totaling $2,660,989 of the debt service funds that is restricted for future debt service requirement.

NOTE 5. CAPITAL ASSETS

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

	Primary Government				
	Beginning Balance	Increases	Decreases	Adjustments /Transfers	Ending Balance
Governmental activities:					
Non-depreciable capital assets:					
Land	$ 418,276	-	-	-	418,276
Construction in progress	5,668,166	18,272,299	-	(7,767,943)	16,172,522
Total non-depreciable capital assets	6,086,442	18,272,299	-	(7,767,943)	16,590,798
Depreciable capital assets:					
Buildings	122,733,984	-	-	-	122,733,984
Buildings improvements	13,363,115	94,248	-	7,767,943	21,225,306
Improvements other than buildings	14,051,272	150,522	-	-	14,201,794
Mobile equipment	14,580,773	3,417,322	(1,485,326)	-	16,512,769
Furniture and equipment	4,584,518	492,132	(317,610)	-	4,759,040
Total depreciable capital assets	169,313,662	4,154,224	(1,802,936)	7,767,943	179,432,893
Total governmental activities capital assets	175,400,104	22,426,523	(1,802,936)	-	196,023,691
Less accumulated depreciation for:					
Buildings	45,370,142	2,138,758	-	-	47,508,900
Buildings improvements	4,524,609	899,789	-	-	5,424,398
Improvements other than buildings	7,232,437	902,640	-	-	8,135,077
Mobile equipment	9,620,034	872,403	(1,336,793)	-	9,155,644
Furniture and equipment	3,443,560	367,488	(275,411)	-	3,535,637
Total accumulated depreciation	70,190,782	5,181,078	(1,612,204)	-	73,759,656
Total depreciable capital assets, net	99,122,880	(1,026,854)	(190,732)	7,767,943	105,673,237
Governmental activities capital assets, net	$ 105,209,322	17,245,445	(190,732)	-	122,264,035

Depreciation expense was charged to the following governmental functions:

Governmental activities:	Amount
Instruction	$ 4,003,482
Support services	955,076
Non-instructional	222,520
Total depreciation expense	$ 5,181,078

The details of construction-in-progress are as follows:

Governmental activities:	Spent to June 30, 2025	Remaining Commitment
St. Martin Elementary and Upper Elementary HVAC	$ 1,674,967	-
JCTC Expansion	292,500	556,490
St. Martin Football Bleachers	1,330,412	114,569
St. Martin High School CTE Expansion	5,464,488	327,741
East Central High School CTE Expansion	6,060,685	1,215,795
St. Martin/ East Central CTE Expansion	18,322	9,678
St. Martin Football Restroom/Concession	334,058	545,240
East Central High School Re-roofing	997,090	827,910
Total construction-in-progress	$ 16,172,522	3,597,423

Construction projects included in governmental activities were funded by the Construction and improvements fund.

NOTE 6. LEASES

The school district is a lessor for multiple sixteenth section leases for residential, forestry, commercial and agriculture purposes. The lease maturities range from 1-60 years. Future lease payments have been discounted to present value using the 4% statutory minimum rate the district would pay on sixteenth section permanent fund loans. At lease inception, the district records a lease receivable and a deferred inflow of resources for future lease payments. Lease revenue is recognized systematically over the term of the lease. The lease receivable is reduced by the principal portion of the payments received over the term of the lease.

For the year ending June 30, 2025, the district recognized $374,071 in lease revenue and $173,405 in interest income on lease receivables.

Sixteenth Section Lands

Sixteenth section school lands, or lands granted in lieu thereof, constitute property held in trust for the benefit of the public schools. The school board, under the general supervision of the Office of the Secretary of State, has control and jurisdiction of said school trust lands and of all funds arising from any disposition thereof. It is the duty of the school board to manage the school trust lands and all funds arising therefrom as trust property. Accordingly, the board shall assure that adequate compensation is received for all uses of the trust lands, except for uses by the public schools. The 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 Portion	Interest Portion	Total Payments
2026	$ 239,341	147,206	386,547
2027	247,718	138,927	386,645
2028	249,511	130,352	379,863
2029	244,144	121,746	365,890
2030	234,458	113,534	347,992
2031-2035	1,285,527	442,123	1,727,650
2036-2040	1,226,883	454,224	1,681,107
2041-2045	507,019	108,546	615,565
2046-2050	306,784	59,328	366,112
2051-2055	57,253	47,999	105,252
2056-2060	50,544	38,547	89,091
Thereafter	167,863	86,359	254,222
Total	$ 4,817,045	1,888,891	6,705,936

NOTE 7. LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental activities:					
A. Three Mill Notes Payable	$ 6,175,000	-	(325,000)	5,850,000	1,530,000
B. Compensated absences *	1,067,533	917,261	-	1,984,794	595,438
Total governmental activities long-term liabilities	$ 7,242,533	917,261	(325,000)	7,834,794	2,125,438

* The addition in compensated absences includes an adjustment of $739,333 to the beginning balance as a result of implementing GASB 101 and the net change of $177,928 during FY 2025.

NOTE 7. LONG-TERM LIABILITIES (continued)

A. Three Mill Notes Payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Three Mill Ten Year Note, Series 2019	2.50 %	8/15/2019	8/1/2028	$ 8,200,000	5,850,000
Total				$ 8,200,000	5,850,000

Three Mill Note Payable Issue Date 2019:

	Governmental Activities		
Amounts due fiscal year ending June 30,	**Principal**	**Interest**	**Total**
2026	$ 1,530,000	127,125	1,657,125
2027	1,570,000	88,375	1,658,375
2028	1,550,000	49,375	1,599,375
2029	1,200,000	15,000	1,215,000
Total	$ 5,850,000	279,875	6,129,875

This debt will be retired from the Debt Service Fund.

B. Compensated Absences Payable

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

NOTE 8. 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 ended June 30, 2025, 2024, and 2023 were $9,887,903, $9,796,938 and $9,929,262, respectively, which equaled the required contributions for each year.

NOTE 8. DEFINED BENEFIT PENSION PLAN (continued)

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 $190,860,581 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 School 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 0.735 percent, which was based on a measurement date of June 30, 2024. This was a decrease of 0.035 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 School District recognized pension expense of $28,895,813. At June 30, 2025 the School 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 experiences	$ 10,269,037	-
Net difference between projected and actual earnings on pension plan investments	632,488	-
Changes of assumptions	11,821,874	-
Changes is proportion and differences between School District contributions and proportionate share of contributions	-	6,939,228
School District contributions subsequent to the measurement date	9,887,903	-
Total	$ 32,611,302	6,939,228

$9,887,903 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,	Amount
2026	$ 5,377,394
2027	12,902,197
2028	(944,964)
2029	(1,550,456)
Total	$ 15,784,171

NOTE 8. DEFINED BENEFIT PENSION PLAN (continued)

Actuarial assumptions. The total pension liability as of June 30, 2024 was determined by 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%
Salary increases	2.65-17.90%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

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

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

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

Asset class	Target Allocation	Long-term expected real rate of return
Domestic equity	25.00 %	5.15
International equity	20.00	5.00
Global equity	12.00	5.15
Fixed income	18.00	2.75
Real estate	10.00	3.50
Private equity	10.00	6.25
Infrastructure	2.00	3.85
Private credit	2.00	4.90
Cash equivalents	1.00	0.50
Total	100.00 %	

NOTE 8. DEFINED BENEFIT PENSION PLAN (continued)

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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 247,383,088	190,860,581	144,601,188

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

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plan

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

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 $234,692 for the year ended June 30, 2025.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

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 $5,260,386 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 0.94139875 percent. This was a decrease of 0.0150966 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 $(101,399). At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,086,694	932,107
Changes of assumption	207,390	401,563
Net difference between projected and actual earnings on OPEB plan investments	207	-
Changes in proportion and differences between District contributions and proportionate share of contributions	205,602	131,950
District contributions subsequent to the measurement date	234,692	-
Total	$ 1,734,585	1,465,620

$234,692 reported as deferred outflows of resources related to OPEB resulting from district contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ending 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,	Amount
2026	$ (113,691)
2027	(58,615)
2028	4,623
2029	100,709
2030	89,466
Thereafter	11,781
Total	$ 34,273

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary increases	2.65-17.90%, 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 inflation	
Measurement Date	3.94%
Prior Measurement Date	3.66%
Health Care Cost Trends	
Medicare Supplement Claims Pre-Medicare	6.00% for 2025 decreasing to an ultimate rate of 4.50% by 2029 FYE

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, 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 an 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%.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Discount rate

The discount rate used to measure the total OPEB liability at June 30, 2024 was 3.94%. 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%) or 1-percentage-point higher (4.94%) than the current discount rate:

	1% Decrease (2.94%)	Current Discount Rate (3.94%)	1% Increase (4.94%)
Net OPEB Liability	$ 5,734,549	5,260,386	4,846,594

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

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

	1% Decrease	Healthcare Cost Trend Rates Current	1% Increase
Net OPEB Liability	$ 4,913,490	5,260,386	5,647,122

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.

NOTE 10. ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES

Change in Accounting Principle
During fiscal year 2025, the district implemented GASB 101, Compensated Absences, which resulted in an adjustment to beginning net position in the Government-Wide financial statements.

Adjustments to and Restatements of Beginning Balances
During fiscal year 2025, a change in accounting principle resulted in adjustments to and restatements of beginning net position as follows:

Reporting Units Affected by Adjustment to and Restatements of Beginning Balances

	Government-Wide Governmental Activities
6/30/2024, as previously reported	$ 4,682,658
Change in accounting principle	(739,333)
6/30/2024, as adjusted or restated	$ 3,943,325

NOTE 11. CONTINGENCIES

A. 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 disallowance resulting from the grantor audit may become a liability of the School District.

B. Litigation

The School District is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate the outcome or liability, if any, of the School District with respect to the various proceedings. However, the School District's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the School District.

NOTE 12. RISK MANAGEMENT

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

NOTE 13. EXCEPTIONAL SCHOOL CONSORTIUM

The school district entered into an Alternative School Agreement dated June 1988 creating the Jackson County Exceptional School Program. This consortium was created pursuant to the provisions of Section 37-7-403 through 37-7-415, Miss. Code Ann. (1972), and approved by the Mississippi Department of Education and includes the Pascagoula-Gautier Municipal Separate School District, Jackson County School District, Ocean Springs Municipal Separate School District, and Moss Point Municipal Separate School District.

NOTE 13. EXCEPTIONAL SCHOOL CONSORTIUM (continued)

Sections 37-7-403 through 37-7-415, Miss. Code Ann. (1972), allows two or more adjacent school districts to enter into a contract to operate an exceptional school program. The school board of the school district designated by the agreement as the lead district will serve as the governing board of the exceptional school program. Transportation for students attending the exceptional school program will be the responsibility of the individual school district sending the students.

The Pascagoula-Gautier Municipal Separate School District has been designated as the lead school district for the Jackson County Exceptional School Program and the operations of the consortium are included in its financial statements.

NOTE 14. INSURANCE LOSS RECOVERIES

The Jackson County School District received $16,734 in insurance loss recoveries related to bus damage during the 2024-2025 fiscal year. In the government-wide Statement of Activities, the insurance loss recoveries were reported as non-instructional charges for services.

NOTE 15. EFFECT OF DEFERRED AMOUNTS ON NET POSITION

The unrestricted net position amount of $(125,767,446) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflows of resources related to pension in the amount of $9,887,903 resulting from the school district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The $22,723,399 balance of deferred outflow of resources, at June 30, 2025 will be recognized as an expense and will decrease the unrestricted net position over the next 4 years.

The unrestricted net position amount of $(125,767,446) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The $6,939,228 balance of deferred inflow of resources, at June 30, 2025 will be recognized as a revenue and will increase the unrestricted net position over the next 3 years.

The unrestricted net position amount of $(125,767,446) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from OPEB. A portion of the deferred outflows of resources related to OPEB in the amount of $234,692 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 $1,499,893 balance of deferred outflow of resources, 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 $(125,767,446) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The $1,465,620 balance of deferred inflow of resources at June 30, 2025 will be recognized as a revenue and will increase the unrestricted net position over the next 6 years.

The unrestricted net position amount of $(125,767,446) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The $4,604,461 balance of deferred inflow of resources related to leases, at June 30, 2025 will be recognized as revenue and will increase the unrestricted net position over the next 57 years.

NOTE 16. 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 Jackson County School District evaluated the activity of the School District through February 20, 2026, (the date the financial statements were available to be issued), and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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JACKSON COUNTY SCHOOL DISTRICT

Required Supplementary Information
(Unaudited)

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
For the Year Ended June 30, 2025

	Budgeted Amounts			Variances Positive (Negative)	
	Original	Final	Actual (GAAP Basis)	Original to Final	Final to Actual
REVENUES					
Local sources	$ 40,878,890	40,936,905	40,938,022	58,015	1,117
State sources	53,093,385	53,155,100	53,155,100	61,715	-
Federal sources	146,908	117,843	117,423	(29,065)	(420)
Sixteenth section sources	335,502	468,426	547,476	132,924	79,050
Total Revenues	94,454,685	94,678,274	94,758,021	223,589	79,747
EXPENDITURES					
Instruction	52,560,793	51,587,875	51,536,632	972,918	51,243
Support services	34,236,240	31,369,049	31,504,970	2,867,191	(135,921)
Noninstructional services	575	4,937	4,937	(4,362)	-
Sixteenth section	40,927	29,753	28,754	11,174	999
Total Expenditures	86,838,535	82,991,614	83,075,293	3,846,921	(83,679)
Excess (Deficiency) of Revenues over (under) Expenditures	7,616,150	11,686,660	11,682,728	4,070,510	(3,932)
OTHER FINANCING SOURCES (USES)					
Insurance recovery	-	16,735	16,734	16,735	(1)
Operating transfers in	12,384,462	12,770,419	-	385,957	(12,770,419)
Operating transfers out	(19,947,631)	(20,296,836)	(6,422,509)	(349,205)	13,874,327
Other financing sources (uses)	(125)	5,750	(6,765)	5,875	(12,515)
Total Other Financing Sources (Uses)	(7,563,294)	(7,503,932)	(6,412,540)	59,362	1,091,392
Net Change in Fund Balances	52,856	4,182,728	5,270,188	4,129,872	1,087,460
Fund Balance - Beginning	24,228,904	30,798,123	29,906,511	6,569,219	(891,612)
Fund Balance - Ending	$ 24,281,760	34,980,851	35,176,699	10,699,091	195,848

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

JACKSON COUNTY SCHOOL DISTRICT

Required Supplementary Information
(Unaudited)

BUDGETARY COMPARISON SCHEDULE-SUMMER FEEDING 2025 FUND
For the Year Ended June 30, 2025

	Budgeted Amounts			Variances Positive (Negative)	
	Original	Final	Actual (GAAP Basis)	Original to Final	Final to Actual
REVENUES					
Federal sources	$ -	1,268,499	1,268,499	1,268,499	-
Total Revenues	-	1,268,499	1,268,499	1,268,499	-
EXPENDITURES					
Noninstructional services	-	1,202,704	1,058,012	(1,202,704)	144,692
Total Expenditures	-	1,202,704	1,058,012	(1,202,704)	144,692
Excess (Deficiency) of Revenues over (under) Expenditures	-	65,795	210,487	65,795	144,692
OTHER FINANCING SOURCES (USES)					
Operating transfers out	-	-	(210,487)	-	(210,487)
Total Other Financing Sources (Uses)	-	-	(210,487)	-	(210,487)
Net Change in Fund Balances	-	65,795	-	65,795	(65,795)
Fund Balance - Beginning	-	-	-	-	-
Fund Balance - Ending	$ -	65,795	-	65,795	(65,795)

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

JACKSON COUNTY SCHOOL DISTRICT

Required Supplementary Information
(Unaudited)

BUDGETARY COMPARISON SCHEDULE-2023 HOUSE BILL 603 (CTE) 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	$ -	39,262	41,267	39,262	2,005
Total Revenues	-	39,262	41,267	39,262	2,005
EXPENDITURES					
Instruction	-	99,237	-	(99,237)	99,237
Support services	-	36,232	135,244	(36,232)	(99,012)
Facilities acquisition and construction	9,000,000	8,934,125	5,874,785	65,875	3,059,340
Total Expenditures	9,000,000	9,069,594	6,010,029	(69,594)	3,059,565
Excess (Deficiency) of Revenues over (under) Expenditures	(9,000,000)	(9,030,332)	(5,968,762)	(30,332)	3,061,570
Net Change in Fund Balances	(9,000,000)	(9,030,332)	(5,968,762)	(30,332)	3,061,570
Fund Balance - Beginning	9,000,000	-	9,030,332	(9,000,000)	9,030,332
Fund Balance - Ending	$ -	(9,030,332)	3,061,570	(9,030,332)	12,091,902

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

JACKSON COUNTY SCHOOL DISTRICT

Required Supplementary Information
(Unaudited)

SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employees Retirement System of Mississippi (PERS)
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School District's proportion of the net pension liability (asset)	0.735 %	0.770 %	0.771 %	0.826 %	0.674 %	0.763 %	0.715 %	0.645 %	0.688 %	0.675 %
School District's proportionate share (amount) of the net pension liability	$ 190,860,581	193,665,164	158,699,857	122,076,359	130,441,786	134,288,150	118,925,743	107,220,891	122,893,979	104,341,689
School District's covered payroll	$ 56,304,230	57,064,708	53,054,414	54,916,098	44,867,385	49,714,956	45,679,384	41,396,615	44,023,721	42,171,695
School District's proportionate share (amount) of the collective net pension liability as a percentage of its covered payroll	338.98 %	339.38 %	299.13 %	222.30 %	290.73 %	270.12 %	260.35 %	259.01 %	279.15 %	247.42 %
Plan fiduciary net position as a percentage of the total pension liability	56.30 %	55.70 %	59.93 %	70.44 %	58.97 %	61.59 %	62.54 %	61.49 %	57.47 %	61.70 %

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

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

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

JACKSON COUNTY SCHOOL DISTRICT

Required Supplementary Information
(Unaudited)

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS-(PERS)
Public Employees Retirement System of Mississippi (PERS)
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 9,887,903	9,796,938	9,929,262	9,231,468	9,555,401	7,806,925	7,830,105	7,194,503	6,519,966	6,933,736
Contributions in relation to the contractually required contribution	(9,887,903)	(9,796,938)	(9,929,262)	(9,231,468)	(9,555,401)	(7,806,925)	(7,830,105)	(7,194,503)	(6,519,966)	(6,933,736)
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
School District's covered payroll	$ 55,239,704	56,304,230	57,064,708	53,054,414	54,916,098	44,867,385	49,714,956	45,679,384	41,396,615	44,023,721
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 required supplementary information are an integral part of this schedule.

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

JACKSON COUNTY SCHOOL DISTRICT

Required Supplementary Information
(Unaudited)

SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY*
Other Postemployment Benefits (OPEB)
Last 10 Fiscal Years*

		2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability		0.94139875 %	0.95649539 %	0.96821481 %	0.96583883 %	0.90040064 %	0.89415585 %	0.86812909 %	0.84542299 %
District's proportionate share of the net OPEB liability	$	5,260,386	5,293,006	4,770,239	6,216,931	7,006,990	7,587,279	6,715,413	6,633,265
District's covered-employee payroll	$	56,304,230	57,064,708	54,916,098	54,916,098	44,867,385	49,714,956	45,679,384	41,396,615
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		9.34 %	9.28 %	8.69 %	11.32 %	15.62 %	15.26 %	14.70 %	16.02 %
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 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 June 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 June 30, 2018, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

JACKSON COUNTY SCHOOL DISTRICT

Required Supplementary Information
(Unaudited)

SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS-(OPEB)
Other Postemployment Benefits (OPEB)
Last 10 Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	$ 234,692	229,949	232,091	194,398	249,880	279,438	304,122	282,786
Contributions in relation to the actuarially required contributions	(234,692)	(229,949)	(232,091)	(194,398)	(249,880)	(279,438)	(304,122)	(282,786)
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-
District's covered-employee payroll	$ 55,239,704	56,304,230	57,064,708	53,054,414	54,916,098	44,867,385	49,714,956	41,396,615
Contributions as a percentage of covered-employee payroll	0.42 %	0.41 %	0.41 %	0.37 %	0.46 %	0.62 %	0.61 %	0.68 %

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

*This schedule is presented to illustrate the requirements to show information for 10 years. However, GASB Statement No. 75 was implemented in FYE June 30, 2018, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available. Prior year information is based on historical amounts reported in prior year audit report(s).

JACKSON COUNTY SCHOOL DISTRICT

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2025

NOTE 1. BUDGETARY COMPARISON SCHEDULE

A. 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.

B. Budget Amendments and Revisions

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

NOTE 2. PENSION SCHEDULES

A. Changes of Assumptions

2015:

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

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

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

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

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

2016:

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

2017:

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

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

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

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

NOTE 2. PENSION SCHEDULES (Continued)

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%.

NOTE 2. PENSION SCHEDULES (Continued)

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.

B. Changes in Benefit Provisions

2016:

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

C. 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

NOTE 3. OPEB SCHEDULES

A. Changes of Assumptions

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

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

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

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

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

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

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

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

B. 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.

C. Method 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 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
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.40 percent
Salary increases, including wage inflation	2.65 percent to 17.90 percent
Initial health care cost trend rate	
Medicare Supplemental Claims Pre-Medicare	6.50 percent
Ultimate health care cost trend rates	
Medicare Supplemental Claims Pre-Medicare	4.50 percent
Years of ultimate trend rates	
Medicare Supplemental Claims Pre-Medicare	2029
Long-term investment rate of return, net of pension plan investment expense, including price inflation	3.66 percent

SUPPLEMENTARY INFORMATION

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JACKSON COUNTY SCHOOL DISTRICT

Supplementary Information

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Numbers	Federal Expenditures
U.S. Department of Agriculture			
Passed through Mississippi Department of Education			
Child Nutrition Cluster:			
National School Lunch Program	10.555	235MS326N1099	$ 5,848,222
Summer Food Service Program for Children	10.559	235MS326N1099	1,058,012
Total Child Nutrition Cluster			6,906,234
Total Passed through Mississippi Department of Education			6,906,234
Total U.S. Department of Agriculture			6,906,234
U.S. Department of Defense			
Direct Program:			
ROTC Language and Culture Training Grants	12.357	N/A	169,593
Total U.S. Department of Defense			169,593
U.S. Department of Education			
Passed-through Mississippi Department of Education			
Special Education Cluster:			
Special Education-Grants to States	84.027	H027A240108 H027A530108 H027A170108	2,337,626
Subtotal			2,337,626
Special Education-Preschool Grants	84.173A	H173A240113 H173A250113	79,143
Total Special Education Cluster			2,416,769
Title I Grants to Local Educational Agencies	84.010	S010A230024	2,409,907
Student Support and Academic Enrichment Program	84.424	S424A230025 S424A240025 S424A250025	194,930
Supporting Effective Instruction State Grants	84.367	S425U210031	485,720
Career and Technical Education-Basic Grants to States	84.048	VO048A240024	151,581
Subtotal			3,242,138
COVID-19-Elementary & Secondary School Emergency Relief Fund ARP III	84.425U	S425U210031	3,980,453
COVID-19-Elementary & Secondary School Emergency Relief ARP Homeless Children & Youth II	84.425W	S425W210031	19,922
COVID-19 - Education Stabilization Fund (ESF) Subtotal			4,000,375
Total Passed through Mississippi Department of Education			9,659,282
Total U.S. Department of Education			9,659,282
U.S. Department of Health and Human Services			
Passed-through Mississippi Department of Education:			
Medicaid cluster:			
Medical Assistance Program	93.778	1805MS5ADM	120,207
Total Medicaid cluster			120,207
Total Passed through Mississippi Department of Education			120,207
Total U.S. Department of Health and Human Services			120,207
Total Expenditures of Federal Awards			$ 16,855,316

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

JACKSON COUNTY 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	$ 75,040,976	58,712,216	2,230,176	4,866,633	9,231,951
Other	45,752,154	8,330,960	526,981	88,735	36,805,478
Total	$ 120,793,130	67,043,176	2,757,157	4,955,368	46,037,429
Total number of students*	8,538				
Cost per student	$ 14,147	7,852	323	580	5,392

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

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

JACKSON COUNTY SCHOOL DISTRICT
NOTES TO THE SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025

NOTE 1. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Jackson County 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 Jackson County School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Jackson County School District.

B. Summary of Significant Accounting Policies

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

C. Indirect Cost Rate

The School District has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. The School District has elected to use the Fixed with Carry-Forward Method which is approved by the Mississippi Department of Education (the Department)for grants and passed through to the Department.

D. Donated Commodities

Donated commodities of $225,914 are included in the National School Lunch Program.

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OTHER INFORMATION

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JACKSON COUNTY 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	$ 40,938,022	41,888,640	37,835,059	37,087,521
State sources	53,155,100	50,682,221	49,952,864	44,501,564
Federal sources	117,423	221,862	400,227	819,898
Sixteenth section	547,476	382,936	448,614	429,051
Total Revenues	94,758,021	93,175,659	88,636,764	82,838,034
EXPENDITURES				
Instruction	51,536,632	50,733,243	50,581,133	45,843,648
Support services	31,504,970	30,667,714	29,399,222	30,238,803
Noninstructional services	4,937	4,904	4,598	10,653
Sixteenth section	28,754	32,231	33,221	15,755
Debt service				
Facilities acquisition and construction	-	22,678	534,546	-
Total Expenditures	83,075,293	81,460,770	80,552,720	76,108,859
Excess (Deficiency) of Revenues over (under) Expenditures	11,682,728	11,714,889	8,084,044	6,729,175
OTHER FINANCING SOURCES (USES)				
Sale of transportation equipment	-	-	-	2,250
Insurance recovery	16,734	353,634	333,053	2,035
Operating transfers in	-	-	708,328	519,146
Operating transfers out	(6,422,509)	(7,443,107)	(4,536,858)	(6,936,889)
Other financing sources (uses)	(6,765)	36,428	-	7,949
Total Other Financing Sources (Uses)	(6,412,540)	(7,053,045)	(3,495,477)	(6,405,509)
Net Change in Fund Balances	5,270,188	4,661,844	4,588,567	323,666
Fund Balance - Beginning, as originally reported	29,906,511	25,244,667	20,479,177	20,155,511
Error Correction	-	-	176,923	-
Fund Balance - Beginning, as restated	29,906,511	25,244,667	20,656,100	20,155,511
Fund Balance - Ending	$ 35,176,699	29,906,511	25,244,667	20,479,177

*Source - Prior Year Audit Reports

JACKSON COUNTY SCHOOL DISTRICT

Other Information

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES- ALL GOVERNMENTAL FUNDS

Last Four Years
UNAUDITED

	2025	2024*	2023*	2022*
REVENUES				
Local sources	$ 44,103,455	44,856,300	40,806,158	39,052,549
State sources	55,982,734	61,861,024	56,946,613	45,497,585
Federal sources	16,110,474	17,586,153	18,632,520	19,571,492
Sixteenth section	564,993	387,976	456,735	434,713
Total Revenues	116,761,656	124,691,453	116,842,026	104,556,339
EXPENDITURES				
Instruction	58,351,753	63,173,993	61,260,352	55,303,151
Support services	37,336,715	33,307,824	35,205,418	34,491,309
Noninstructional services	6,323,616	5,552,067	5,083,283	5,179,830
Sixteenth section	33,434	46,591	43,601	15,755
Debt service				
Principal	325,000	1,475,000	1,725,000	1,528,929
Interest	150,313	183,149	220,475	255,745
Facilities acquisition and construction	18,272,299	7,050,738	3,655,719	4,919,391
Total Expenditures	120,793,130	110,789,362	107,193,848	101,694,110
Excess (Deficiency) of Revenues over (under) Expenditures	(4,031,474)	13,902,091	9,648,178	2,862,229
OTHER FINANCING SOURCES (USES)				
Sale of transportation equipment	-	-	-	2,250
Insurance recovery	16,734	353,634	333,053	2,035
Operating transfers in	6,632,996	7,443,107	5,245,186	8,272,443
Operating transfers out	(6,632,996)	(7,443,107)	(5,245,186)	(8,272,443)
Other financing sources	6,489	3,978	-	7,949
Other financing uses	-	-	-	(202)
Total Other Financing Sources (Uses)	23,223	357,612	333,053	12,032
Net Change in Fund Balances	(4,008,251)	14,259,703	9,981,231	2,874,261
Fund Balance - Beginning, as originally reported	58,298,511	43,991,649	33,893,021	30,956,400
Error correction	-	-	176,923	-
Fund Balance - Beginning, as restated	58,298,511	43,991,649	34,069,944	30,956,400
Increase (Decrease) in reserve for inventory	(68,229)	47,159	(59,526)	62,360
Fund Balance - Ending	$ 54,222,031	58,298,511	43,991,649	33,893,021

*Source - Prior Year Audit Reports

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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Wolfe • McDuff & Oppie
CERTIFIED PUBLIC ACCOUNTANTS
(A Professional Association)

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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*

To the Superintendent and School Board
Jackson County School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson County School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Jackson County School District's basic financial statements and have issued our report thereon dated February 20, 2026.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Jackson County School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jackson County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Jackson County School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

Wolfe, McDuff & Oppie

Wolfe, McDuff & Oppie, P.A.
Pascagoula, Mississippi
February 20, 2026

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

To the Superintendent and School Board
Jackson County School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Jackson County School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have direct and material effect on each of the Jackson County School District's major federal programs for the year ended June 30, 2025. Jackson County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Jackson County School District complied, in all material respects, with the types of 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 Jackson County School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jackson County School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Jackson County School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jackson County School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted

auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jackson County School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jackson County School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jackson County School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jackson County School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

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

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

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

Wolfe, McDuff & Oppie

Wolfe, McDuff & Oppie, P.A.
Pascagoula, Mississippi
February 20, 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
Jackson County School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson County School District as of and for the year ended June 30, 2025, which collectively comprise Jackson County School District's basic financial statements and have issued our report thereon dated February 20, 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 insure 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 insure 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 my 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.

Wolfe, McDuff & Oppie

Pascagoula, Mississippi
February 20, 2026

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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JACKSON COUNTY 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 auditor's report issued:	Unmodified
2. Internal controls 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 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:	

Name of Federal Program or Cluster	ALN
Child Nutrition Cluster	10.555, 10.559
Special Education Cluster (IDEA)	84.027, 84.173A
Title I Grants to Local Educational Agencies	84.010

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

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.