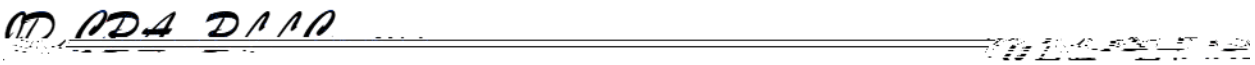
JACKSON PUBLIC SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2020

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 12, 2021, on our consideration of the Jackson Public School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jackson Public School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Jackson Public School District's internal control over financial reporting and compliance.



Jackson, Mississippi
January 12, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Fund Financial Statements

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

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

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

The District maintains individual governmental funds in accordance with the Financial Accounting Manual for Mississippi Public School Districts. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. outflows

Table 1 presents a summary of the District's net position at June 30, 2020 and June 30, 2019.

Table 1
Condensed Statement of Net Position

	June 30, 2020	June 30, 2019	Percentage Change
Current assets	$ 62,845,916	$ 66,906,957	(6.07) %
Restricted assets	76,060,327	79,174,821	(3.93) %
Capital assets, net	184,659,134	191,029,231	(3.33) %
Total assets	**323,565,377**	**337,111,009**	**(4.02) %**
Deferred outflows of resources	**42,613,666**	**38,324,512**	**11.19 %**
Current liabilities	16,836,740	14,948,425	12.63 %
Long-term debt outstanding	218,046,787	236,606,983	(7.84) %
Net OPEB liability	27,659,284	25,900,156	6.79 %
Net pension liability	380,045,022	368,172,643	3.22 %
Total liabilities	**642,587,833**	**645,628,207**	**(0.47) %**
Deferred inflows of resources	**21,335,109**	**24,930,755**	**(14.42) %**
Net position:			
Net investment in capital assets	67,885,426	61,712,613	10.00 %
Restricted	28,430,176	30,540,728	(6.91) %
Unrestricted	(394,059,501)	(387,376,782)	(1.73) %
Total net position	**$ (297,743,899)**	**$ (295,123,441)**	**(0.89) %**

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 addi>nsdsC q 0.00000912 0 612 792 re W* n r on:

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2020 and June 30, 2019 were $266,501,752 and $268,331,169, respectively. The total cost of all programs and services was $269,311,689 for 2020 and $270,891,007 for 2019.

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

Table 2
Changes in Net Position

	Year Ended June 30, 2020	Year Ended June 30, 2019	Percentage Change
Revenues:			
Program revenues:			
Charges for services	$ 2,053,416	$ 2,056,863	(0.17) %
Operating grants and contributions	52,981,706	52,217,538	1.46 %
General revenues:			
Property taxes	95,922,120	92,546,348	3.65 %
Grants and contributions not restricted	111,013,501	116,714,544	(4.88) %
Investment earnings	1,948,706	2,195,511	(11.24) %
Sixteenth section sources	1,154,861	1,640,335	(29.60) %
Other	1,427,442	960,030	48.69 %
Total revenues	**266,501,752**	**268,331,169**	**(0.68) %**
Expenses:			
Instruction	116,708,189	116,469,224	0.21 %
Support services	99,619,142	98,403,431	1.24 %
Non-instructional	14,926,605	16,647,730	(10.34) %
Sixteenth section	106,652	382,352	(72.11) %
Pension expense	27,896,980	30,207,865	(7.65) %
OPEB expense	1,316,218	1,105,222	19.09 %
Interest on long-term liabilities	8,737,903	7,675,183	13.85 %
Total expenses	**269,311,689**	**270,891,007**	**(0.58) %**
Increase (Decrease) in net position	**(2,809,937)**	**(2,559,838)**	**(9.77) %**
Net Position, July 1, as previously reported	**(295,123,441)**	**(292,599,941)**	(0.86) %
Prior Period Adjustment	**189,479**	**36,338**	421.43 %
Net Position, July 1, as restated	**(294,933,962)**	**(292,563,603)**	**(0.81) %**
Net Position, June 30	**$ (297,743,899)**	**$ (295,123,441)**	**(0.89) %**

FINANCIAL STATEMENTS

Balance Sheet **Exhibit C**
June 30, 2020

	General Fund	Title I-A Basic Fund	GO Bond Construction 2018 Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 17,002,276	$ 74,418	$ 192,042	$ 27,789,053	$ 45,057,789
Cash with fiscal agents	-	-	25,052,292	6,580,848	31,633,140
Investments	-	-	42,934,942	-	42,934,942
Due from other governments	5,204,706	5,236,789	-	6,752,947	17,194,442
Other receivables, net	409,644	10,076	-	-	419,720
Due from other funds	13,053,621	215,825	-	1,455,115	14,724,561
Inventories	943,181	-	-	723,029	1,666,210
Total assets	$ 36,613,428	$ 5,537,108	$ 68,179,276	$ 43,300,992	$ 153,630,804
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	$ 13,122,246	$ 696,011	$ 32,178	$ 1,565,459	$ 15,415,894
Due to other funds	320,940	4,841,097	-	9,562,524	14,724,561
Unavailable revenue - federal programs	-	-	-	4,572	4,572
Total Liabilities	13,443,186	5,537,108	32,178	11,132,555	30,145,027
Fund Balances:					
Nonspendable:					
Inventory	943,181	-	-	723,029	1,666,210
Permanent fund principal	-	-	-	299,257	299,257
Restricted:					
Debt service	-	-	-	16,663,510	16,663,510
Capital projects	-	-	68,147,098	1,100,939	69,248,037
Forestry improvement purposes	-	-	-	39,830	39,830
Grant activities	-	-	-	7,556,806	7,556,806
Unemployment benefits	-	-	-	3,520,837	3,520,837
Assigned:					
Facility repairs and improvements	-	-	-	2,264,229	2,264,229
Capital reserve	581,204	-	-	-	581,204
Activity funds/athletics	993,529	-	-	-	993,529
Unassigned	20,652,328	-	-	-	20,652,328
Total Fund Balances	23,170,242	-	68,147,098	32,168,437	123,485,777
Total Liabilities and Fund Balances					

JACKSON PUBLIC SCHOOL DISTRICT

Governmental Funds

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position **Exhibit C-1**

June 30, 2020

Total fund balances for governmental funds		$ 123,485,777
Amounts reported for governmental activities in the statement of Net Position are different because:		
1. Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Land	$ 6,780,059	
Construction in progress	-	
Buildings	248,395,514	
Improvements other than buildings	39,414,769	
Mobile equipment	10,482,312	
Furniture and equipment	15,922,761	
Leased property under capital leases	8,694,731	
Accumulated depreciation	(145,031,012)	184,659,134
2. Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability	(380,045,022)	
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	28,119,410	
Deferred inflows of resources related to pensions	(18,496,801)	(370,422,413)
3. Some liabilities, including net OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net OPEB liability	(27,659,284)	
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	3,086,815	
Deferred inflows of resources related to OPEB	(2,838,308)	(27,410,777)
4. Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	(14,415,000)	
Special obligation bonds	(146,940,000)	
Other bonds payable	(15,400,000)	
Notes payable	(14,615,000)	
Capital lease obligations	(4,358,960)	
Compensated absences	(1,995,949)	
Unamortized charges	11,407,441	
Unamortized premiums	(20,321,878)	
Accrued interest payable	(1,416,274)	(208,055,620)
Net Position of governmental activities		$ (297,743,899)

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

JACKSON PUBLIC SCHOOL DISTRICT

Fiduciary Funds

Statement of Fiduciary Net Position **Exhibit E**

June 30, 2020

	Private-Purpose Trust Funds
Assets	
Cash and cash equivalents	$ 49,713
Total Assets	49,713
Liabilities	
Accounts payable and accrued liabilities	644
Total Liabilities	644
Net Position	
Held in trust	49,069
Total Net Position	$ 49,069

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

JACKSON PUBLIC SCHOOL DISTRICT

Fiduciary Funds

Statement of Changes in Fiduciary Net Position **Exhibit F**

For the Year Ended June 30, 2020

	Private-Purpose Trust Funds
Additions	
Interest on investments	$ 124
Contributions and donations from private sources	45,239
Total Additions	45,363
Deductions	
Educational media services	2,200
Total Deductions	2,200
Change in Net Position	43,163
Net Position	
July 1, 2019	5,906
June 30, 2020	$ 49,069

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

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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 districtôs accounting policies are described below.

A.

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

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

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

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

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The school district has incurred deferred outflows which are presented as a deferred outflow from advance refunding of debt, a deferred outflow related to pensions, and a deferred outflow related to OPEB.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the

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

The inter-fund loans were made mainly to cover the initial payments of reimbursable expenditures of federal programs and to eliminate deficit cash balances. In addition, inter-fund loans were made to record indirect costs from various federal program funds due to the General Fund and to record the amounts due from the General Fund to various special revenue funds for the funding of daily operations.

B. Inter-fund Transfers

Transfers Out	Transfers In		Amount
General Fund	Other governmental funds	$	5,293,358
Title I-A Basic Fund	General Fund		214,078
Other governmental funds	General Fund		5,062,016
	Other governmental funds		113,527
Total		$	10,682,979

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

Note 4 – Restricted Assets

The restricted assets represent the cash balance totaling $299,257 of the Sixteenth Section Principal Fund (Permanent Fund) which is legally restricted and may not be used for purposes that support the district's programs. In addition, the restricted assets represent the cash with fiscal agent balance totaling $6,580,848 of the QSCB Bond Retirement Fund. Also, the restricted assets include the cash and cash equivalents, cash with fiscal agent and investment balances totaling $192,042, $25,052,292 and $42,934,942, respectively, of the GO Bond Construction 2018 Fund. In addition, the restricted assets represent the cash balance of the QSCB Northwest Middle School Capital Projects Fund totaling $918,278, the School Bond Series 2008 Capital Projects Fund totaling $7, and the Limited Tax Note 2017A Capital Projects Fund totaling $82,661 resulting from unspent proceeds of long-term debt at fiscal year-end. Total restricted assets reported on the Statement of Net Position are $76,060,327.

Note 5 – Capital Assets

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

	Balance 7/1/2019	Increases	Decreases	Balance 6/30/2020
Governmental Activities:				
Non-depreciable capital assets:				
Land	$ 6,780,059	$	$	$ 6,780,059
Total non-depreciable capital assets	6,780,059	-	-	6,780,059
Depreciable capital assets:				
Buildings	248,420,387		24,873	248,395,514
Improvements other than buildings	39,414,769			39,414,769
Mobile equipment	10,166,920	335,950	20,558	10,482,312
Furniture and equipment	16,227,494	82,422	387,155	15,922,761
Leased property under capital leases	8,694,731			8,694,731
Total depreciable capital assets	322,924,301	418,372	432,586	322,910,087
Less accumulated depreciation for:				
Buildings	87,524,000	4,195,670	19,899	91,699,771
Improvements other than buildings	23,851,732	792,742		24,644,474
Mobile equipment	8,807,596	121,053	18,502	8,910,147
Furniture and equipment	14,300,226	847,939	374,995	14,773,170
Leased property under capital leases	4,191,575	811,875		5,003,450
Total accumulated depreciation	138,675,129	6,769,279	413,396	145,031,012
Total depreciable capital assets, net	184,249,172	(6,350,907)	19,190	177,879,075
Governmental activities capital assets, net	$ 191,029,231	$ (6,350,907)	$ 19,190	$ 184,659,134

The capital assets above include significant amounts which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition.

Depreciation expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	$ 4,435,998
Support services	2,043,231
Non-instructional	290,050
Total depreciation expense - Governmental activities	$ 6,769,279

Note 6 – Long-term Liabilities

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

	Balance 7/1/2019	Additions	Reductions	Balance 6/30/2020	Amounts due within one year
A. General obligation bonds payable	$ 15,855,000	$	$ 1,440,000	$ 14,415,000	$ 1,510,000
B. Special obligation bonds payable	160,085,000		13,145,000	146,940,000	13,760,000
C. Three mill notes payable	15,435,000		820,000	14,615,000	855,000
D.					

A. General obligation bonds payable

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

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General obligation bonds,					
Series 2012-A	5.00%	1/15/2013	4/1/2028	$ 21,065,000	$ 14,415,000
Total				$ 21,065,000	$ 14,415,000

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

Year Ending June 30	Principal	Interest	Total
2021	$ 1,510,000	$ 720,750	$ 2,230,750
2022	1,585,000	645,250	2,230,250
2023	1,665,000	566,000	2,231,000
2024	1,745,000	482,750	2,227,750
2025	1,835,000	395,500	2,230,500
2026 ï 2028	6,075,000	7,500	6,082,500
Total	$ 14,415,000	$ 2,817,750	$ 17,232,750

This debt will be retired from the General Obligation Series 2012A Refunding Debt Service Fund.

The amount of bonded indebtedness that can be incurred by the school district is limited by Sections 37-59-5 and 37-59-7, Miss. Code Ann. (1972). Total outstanding bonded indebtedness during a year can be no greater than 15% of the assessed value of the taxable property within such district, according to the then last completed assessment for taxation, unless certain conditions, as set forth in Section 37-59-7, Miss. Code Ann. (1972) have been met. As of June 30, 2020, the amount of outstanding bonded indebtedness was equal to 1% of property assessments as of October 1, 2019.

B. Special obligation bonds payable

Special obligation bonds currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Special obligation bonds, Series 2015A	5.00%	11/10/2015	4/1/2028	$ 104,990,000	$ 80,900,000
2. Special obligation bonds, Series 2015B	0.58%-5.0%	11/10/2015	10/1/2020	13,080,000	3,000,000
3. Special obligation bonds, Series 2018	4.0%-5.25%	11/29/2018	6/30/2039	65,000,000	63,040,000
Total				$ 183,070,000	$ 146,940,000

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

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

Year Ending June 30	Principal	Interest	Total
2021	$ 8,710,000	$ 4,045,000	$ 12,755,000
2022	9,165,000	3,609,500	12,774,500
2023	9,640,000	3,151,250	12,791,250
2024	10,140,000	2,669,250	12,809,250
2025	10,660,000	2,162,250	12,822,250

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

2. Special obligation bonds, Series 2015B issued on November 10, 2015:

Year Ending June 30	Principal	Interest	Total
2021	$ 3,000,000	$ 75,000	$ 3,075,000
Total	$ 3,000,000	$ 75,000	$ 3,075,000

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

3. Special obligation bonds, Series 2018 issued on November 29, 2018:

Year Ending June 30	Principal	Interest	Total
2021	$ 2,050,000	$ 3,052,400	$ 5,102,400
2022	2,155,000	2,947,275	5,102,275
2023	2,265,000	2,836,775	5,101,775
2024	2,380,000	2,720,650	5,100,650
2025	2,500,000	2,598,650	5,098,650
2026 ï 2030	14,570,000	10,932,500	25,502,500
2031 ï 2035	18,690,000	6,814,275	25,504,275
2036 ï 2039	18,430,000	1,969,888	20,399,888
Total	$ 63,040,000	$ 33,872,413	$ 96,912,413

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

Total special obligation bonds payments for all issues:

Year Ending June 30	Principal	Interest	Total
2021	$ 13,760,000	$ 7,172,400	$ 20,932,400
2022	11,320,000	6,556,775	17,876,775
2023	11,905,000	5,988,025	17,893,025
2024	12,520,000	5,389,900	17,909,900
2025	13,160,000	4,760,900	17,920,900
2026 ï 2030	47,155,000	14,112,500	61,267,500
2031 ï 2035	18,690,000	6,814,275	25,504,275
2036 ï 2039	18,430,000	1,969,888	20,399,888
Total	$ 146,940,000	$ 52,764,663	$ 199,704,663

C. Three mill notes payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Limited tax notes refunding, Series 2012B	4.37%	1/15/2013	10/1/2023	$ 15,100,000	$ 12,480,000
2. Limited tax notes, Series 2017	2.31%	8/18/2017	8/18/2028	2,500,000	2,135,000
Total				$ 17,600,000	$ 14,615,000

D. Obligations under capital leases

The school district has entered into lease agreements, which qualify as capital leases for accounting purposes, for the acquisition of the following:

1. Buses at a cost of $1,238,460
2. Transportation equipment and food service equipment at a cost of $3,999,791
3. Buses at a cost of $3,973,617

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Buses	4.99%	6/13/2011	8/31/2020	$ 1,238,460	$ 80,173
2. Transportation/food service equipment	4.37%	9/19/2013	10/10/2023	3,999,791	1,413,894
3. Buses	2.58%	7/26/2017	4/10/2027	3,973,617	2,864,893
Total				$ 9,211,868	$ 4,358,960

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

Year Ending June 30	Principal	Interest and Maintenance Charges	Total
2021	$ 905,847	$ 130,850	$ 1,036,697
2022	789,460	99,756	889,216
2023	771,244	72,690	843,934
2024	601,420	45,530	646,950
2025	419,346	30,620	449,966
2026 – 2027	871,643	28,291	899,934
Total	$ 4,358,960	$ 407,737	$ 4,766,697

The capital leases for the buses will be retired from the EEF Buildings and Buses Fund (Special Revenue Fund) and the capital lease for the transportation/food service equipment will be retired from the Lunchroom Fund and EEF Buildings and Buses Fund (Special Revenue Funds).

The school district uses the straight-line method of amortization for the lease payments which is not in accordance with accounting principles generally accepted in the United States of America. However, the difference between the effective interest method and the straight-line method is not considered material.

E. Qualified school construction bonds payable

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

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

Year Ending June 30	Principal	Interest	Total
2021	$ -	$ 23,100	$ 23,100
2022	-	23,100	23,100
2023	-	23,100	23,100
2024	-	23,100	23,100
2025	-	23,100	23,100
2026 ï 2027	15,400,000	46,200	15,446,200
Total	$ 15,400,000	$ 161,700	$ 15,561,700

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

F. Compensated absences payable

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

Note 7 – Short-Term Financing

During the fiscal year ended June 30, 2020, the school district participated in the following short-term financing for the purpose of supplementing the school district's resources until tax proceeds become available:

A. Bank-financed sh 9.96r [(fi)7g(p5m( )-10dD)-9(eb)4(A.)] TJ ET Q q 0.00000912 0 612 792 re W* n BT /F4 9.96

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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 Trusteesô 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 entityôs participation in PERS by the PERSô Board of Trustees. If approved, membership for the entityôs 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 employeeôs 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 employerôs rate as of June 30, 2020 was 17.40% of annual covered payroll. Plan provisions and the Board of Trusteesôauthority to determine contribution rates are established by Section 25-11-1 of the Mississippi Code of 1972, as amended, and may be amended only by the Mississippi Legislature. The school district's contributions to PERS for the fiscal years ending June 30, 2020, 2019 and 2018 were $24,159,887, $22,159,763 and $22,263,234, respectively, which equaled the required contributions for each year.

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

At June 30, 2020, the school district reported a liability of $380,045,022 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an acta(4( )-)5(i)5(a)-9(bi)-4(l)5(i)5((eti)8(r)-vu)-9(l)5((

For the year ended June 30, 2020, the District recognized pension expense of $27,896,980. At June 30, 2020 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 230,352	$ 431,640
Net difference between projected and actual earnings on pension plan investments		4,344,551
Changes of assumptions	3,729,171	
Changes in proportion and differences between District contributions and proportionate share of contributions		13,720,610
District contributions subsequent to the measurement date	24,159,887	
Total	$ 28,119,410	$ 18,496,801

$24,159,887 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, 2021. 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:	
2021	$ (4,704,311)
2022	(10,815,920)
2023	(752,147)
2024	1,735,100

Actuarial assumptions. The total pension liability as of June 30, 2019 was determined by actuarial valuation prepared as of June 30, 2018. Subsequent to the June 30, 2018 valuation, the Board adopted new actuarial assumptions based on the experience investigation for the four-year period ending June 30, 2018. The following actuarial assumptions are applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.00-18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

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. Employeesô 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

Health Care Cost Trends	
Medicare Supplement Claims	7.00 percent for 2019 decreasing to an
Pre-Medicare	ultimate rate of 4.75% by 2028

Mortality rates were based on 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. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

Fund	Explanation		Amount
General Fund	To reclass prior year expenditures from Title I and other federal funds to the General Fund, and to reclassify club funds to the General Fund	$	(193,252)
Title I-A Basic Fund	To reclass prior year expenditures from Title I to the General Fund		312,319
Other governmental funds	To reclass prior year expenditures from other federal funds to the General Fund		70,412
Total		$	189,479

Note 1

Note 17 - Subsequent Events

Events that occur after the Statement of Net Position/Balance Sheet date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position/Balance Sheet date require disclosure in the accompanying notes. Management of the School District evaluated the activity of the School District through January 12, 2021 and determined that no events requiring disclosure have occurred.

REQUIRED SUPPLEMENTARY INFORMATION

[redacted]

Budgetary Comparison Schedule
Title I-A Basic Fund
For the Year Ended June 30, 2020

	Original	Final	Actual (GAAP Basis)	Original to Final	Final to Actual
Revenues:					
Local sources	$ -	$ 211	$ 35,846	$ 211	$ 35,635
Federal sources	26,480,843	24,528,162	15,694,844	(1,952,681)	(8,833,318)
Total Revenues	26,480,843	24,528,373	15,730,690	(1,952,470)	(8,797,683)
Expenditures:					
Instruction	10,798,883	8,995,708	7,645,195	1,803,175	1,350,513
Support services	12,312,741	12,511,884	7,947,537	(199,143)	4,564,347
Noninstructional services	481,919	471,155	236,199	10,764	234,956
Total Expenditures	23,593,543	21,978,747	15,828,931	1,614,796	6,149,816
Excess (Deficiency) of Revenues over (under) Expenditures	2,887,300	2,549,626	(98,241)	(337,674)	(2,647,867)
Other Financing Sources (Uses):					
Operating transfers out	(403,094)	(350,475)	(214,078)	52,619	136,397
Total Other Financing Sources (Uses)	(403,094)	(350,475)	(214,078)	52,619	136,397
Net Change in Fund Balances	2,484,206	2,199,151	(312,319)	(285,055)	(2,511,f 1 0

JACKSON PUBLIC SCHOOL DISTRICT

Required Supplementary Information

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

PERS

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	2.160332%	2.213511%	2.279406%	2.357943%	2.357567%	2.310335%
District's proportionate share of the net pension liability	$ 380,045,022	368,172,643	378,914,640	421,187,498	364,433,367	280,432,367
District's covered payroll	140,696,908	141,353,867	146,225,162	150,843,295	147,287,327	141,109,054
District's proportionate share of the net pension liability as a percentage of its covered payroll	270.12%	260.46%	259.13%	279.22%	247.43%	198.73%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

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

JACKSON PUBLIC SCHOOL DISTRICT

Required Supplementary Information

SCHEDULE OF DISTRICT CONTRIBUTIONS

PERS

Last 10 Fiscal Years

		2020	2019	2018	2017	2016	2015
Contractually required contribution		24,159,887	22,159,763	22,263,234	23,030,463	23,757,819	23,197,754
Contributions in relation to the contractually required contribution	$	24,159,887	22,159,763	22,263,234	23,030,463	23,757,819	23,197,754
Contribution deficiency (excess)	$	-	-	-	-	-	-
District's covered payroll		138,849,925	140,696,908	141,353,867	146,225,162	150,843,295	147,287,327
Contributions as a percentage of covered payroll		17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented in FYE 6/30/2015, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

JACKSON PUBLIC SCHOOL DISTRICT

Required Supplementary Information

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

OPEB

Last 10 Fiscal Years*

		2020	2019	2018
District's proportion of the net OPEB liability	%	3.259628	3.348220	3.358427
District's proportionate share of the net OPEB liability	$	27,659,284	25,900,156	26,350,519
District's covered-employee payroll		140,696,908	141,353,867	150,884,880
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		19.66%	18.32%	17.46%
Plan fiduciary net position as a percentage of the total OPEB liability		0.12%	0.13%	0.00%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

Budgetary Comparison Schedule

(1) Basis of Presentation

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

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.

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

(2) Changes in benefit provisions

2017: None

2018: None

2019: None

(3) Methods and assumptions used in calculations of Actuarially Determined Contributions. The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2018 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, ope 0 0 1 132.98 592.B* n Q
Asset valuation method	

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards

Federal Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic Assistance No.	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			

Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

[redacted]

Total	Instruction and Other Student Instructional Expenditures	General

[redacted]

	2020	2019*	2018*	2017*
Revenues:				
Local sources	$ 73,737,001	$ 72,264,269	$ 74,936,573	$ 75,840,472
State sources	113,055,526	114,656,963	120,173,514	126,597,679
Federal sources	256,569	270,870	1,565,316	1,321,008
Sixteenth section sources	1,154,861	1,640,336	1,199,009	1,319,315
Total Revenues	188,203,957	188,832,438	197,874,412	205,078,474

	2020	2019*	2018*	2017*
Revenues:				
Local sources	$ 100,888,461	$ 97,601,554	$ 97,655,122	$ 99,003,892
Intermediate sources	55,000			
State sources	119,277,515	120,942,296	126,583,937	132,834,823
Federal sources	44,788,536	47,989,786	47,378,851	51,333,197
Sixteenth section sources	1,154,861	1,640,336	1,199,009	1,319,315
Total Revenues	266,164,373	268,173,972	272,816,919	284,491,227
Expenditures:				
Instruction	129,772,539	127,797,571	126,127,396	131,530,845
Support services	104,165,993	102,206,149	105,039,621	107,503,287
Noninstructional services	15,946,650	17,992,410	18,115,126	19,611,904
Sixteenth section	106,652	382,352	86,280	61,371
Facilities acquistion and construction	-	821,552	1,309,006	5,083,380
Debt service:				
Principal	16,376,130	15,085,651	14,682,501	13,587,179
Interest	9,519,207	8,134,423	7,645,382	8,169,123
Other	18,750	362,500	60,118	20,510
Total Expenditures	275,905,921	272,782,608	273,065,430	285,567,599
Excess (Deficiency) of Revenues over (under) Expenditures	(9,741,548)	(4,608,636)	(248,511)	(1,076,372)
Other Financing Sources (Uses):				
Bonds and notes issued	-	65,000,000	2,500,000	-
Capital leases issued	-	-	3,973,617	-
Insurance loss recovery	337,379	157,197	35,998	8,639,576

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

INDEPENDENT AUDITORÕS

Jackson Public School District's Response to Findings

The Jackson Public School District's response to the findings identified in our audit is described in the accompanying Auditee's Corrective Action Plan. The Jackson Public School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Jackson, Mississippi
January 12, 2021

246 B

Finding 1

Criteria:
Section 25-11-127 Miss Code Ann. (1972), provides that a reemployed retiree is not paid more than allowed as noted on the Form 4B. Also, notice must be given within five (5) days from the date of employment and also from the date of termination of the employment.

Condition:
During the testing of retired personnel, it was noted that the district paid multiple retirees more than the statutory allowed amount noted on the form 4-B and that some re-hired employeesôforms were not filed with the PERS office within five (5) days of re-employment of a PERS service retiree.

Cause:
The school district failed to implement a system to ensure that rehired retirees were not paid more than statutorily allowed and that PERS Form 4Bs were filed in a timely manner.

Effect:
The district was not in compliance with the Section 25-11-127, Miss. Code Ann. (1972).

Recommendation:
The District should implement procedures and controls to monitor and ensure that reemployed retirees are not paid in excess of what is statutorily allowed and that all forms are submitted within the required timeframe.

Response:
The District will strengthen internal controls to ensure retirees are not paid in excess of the allowable wages on Form 4Bs and Form 4Bs are submitted within five (5) days.

Finding 2

Criteria:

Condition:
During our examination of surety bonds and through inquiry of management personnel, it was noted that all Board Members, Superintendent and Purchasing Agent(s) were covered under a blanket bond and the bond was not on file with the clerk of the chancery court of the county.

Cause:
Procedures need to be implemented and followed to ensure compliance with State laws.

Effect:
The district was not in compliance with Sections 37-6-15, 37-9-27, 37-39-21 and 25-1-19 of the Miss Code Ann. (1972).

Recommendation:
We recommend that the district comply with Sections 37-6-15, 37-9-27, 37-39-21 and 25-1-19 of the Miss Code Ann. (1972), and have all Board Members, Superintendent and Purchasing Agent(s) covered under individual bonds that are filed with the clerk of the chancery court of the county.

Response:
The district will strengthen internal controls to ensure all appropriate personnel are covered under individual bonds and that all bonds will be filed with the chancery clerk.

Finding 4

Criteria:
Miss. Code Section 29-3-57, states, the superintendent of educations should terminate lease agreements that are over 60 days in default.

Condition:
During our test work we noted instances where leases were not terminated after being 60 days, or more, delinquent.

Cause:
The school district failed to implement a system to ensure that leases will be terminated after 60 days of delinquency.

Effect:
The district was not in compliance with the Section 29-3-57, Miss. Code Ann. (1972).

Recommendation:
The District should terminate all leases after 60 days of delinquency.

Response:
The district will implement proper controls to ensure leases are properly terminated that are over 60 days in default.

Finding 5

Criteria:
Miss. Code Section 37-7-333, states, that the District can only have funds deposited into banking institutions that were selected and approved as a result of the bid selection process.

Condition:
During our test work we noted an instance where the District had funds deposited at a banking institution that was not approved.

Cause:
The school district failed to implement a system to ensure that funds were only held at financial institutions that were approved as the result of the bid selection process.

Effect:
The district was not in compliance with the Section 37-7-333, Miss. Code Ann. (1972).

Recommendation:
The District should close all accounts that contain funds at financial institutions that were not board approved.

Response:
The District is in the process of moving those funds into one of the approved banking institutions.

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

The Jackson Public

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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Jackson Public School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section I: Summary of Auditorôs Results

Financial Statements:

1. Type of auditorôs report issued: Unmodified

2. Internal control over financial reporting:
   a. Material weakness(es) identified? (Yes/No) No
   b. Significant deficiency(ies) identified? (Yes/None reported) Yes

3. Noncompliance material to financial statements noted? (Yes/No) No

Federal Awards:

4. Internal control over major programs:
   a. Material weakness(es) identified? (Yes/No) No
   b. Significant deficiency(ies) identified? (Yes/None reported) None reported

5. Type of auditorôs report issued on compliance for major programs: Unmodified

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

7. Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
12.xxx	Reserve OfficersôTraining Corps
84.010	Title I Grants to Local Educational Agencies
84.367	Supporting Effective Instruction State Grants

8. Dollar threshold used to distinguish between type A and type B programs: $1,343,656

9. Auditee qualified as low-risk auditee? (Yes/No) No

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

Jackson Public School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

AUDITEE'S CORRECTIVE ACTION PLAN AND
SUMMARY OF PRIOR FEDERAL AUDIT FINDINGS

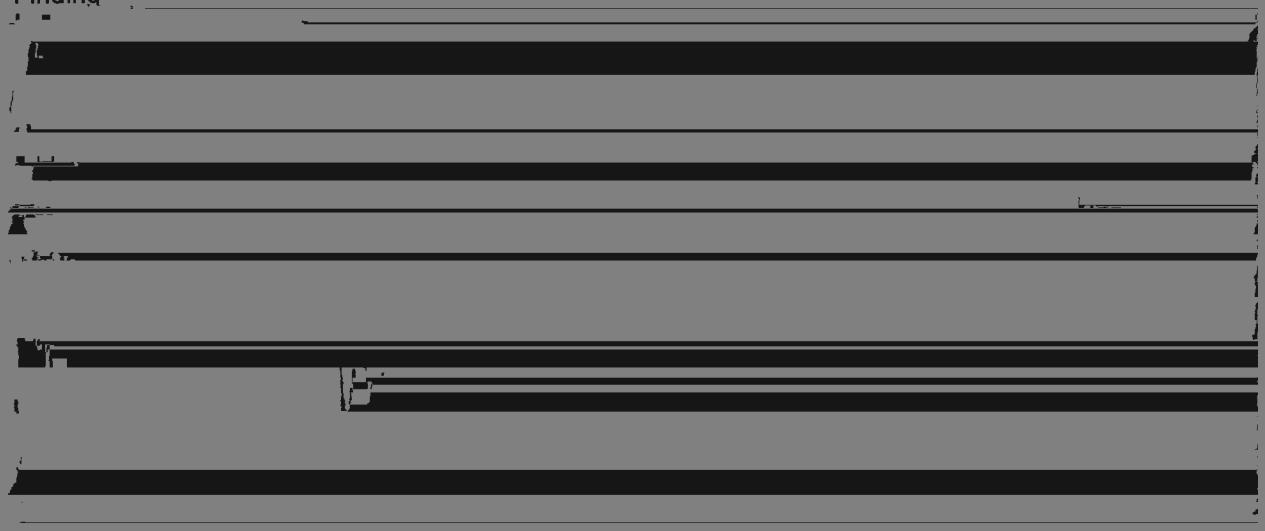
PUBLIC SCHOOLS

Transforming lives through
excellent education

AUDITEE'S CORRECTIVE ACTION PLAN

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards (UG), the Jackson Public School District has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Cost for the year ended June 30, 2020:

Finding



A. Contact person responsible for corrective action:
   Name: Sharolyn Miller
   Title: Chief Financial Officer

B. Description of corrective action planned:
   The district will strengthen controls and properly monitor its purchasing practices to ensure proper purchasing rules are followed.

C. Anticipated completion date of corrective action:
   June 30, 2021

Truly,

PUBLIC SCHOOLS

Transforming lives through excellent education

PRIOR YEAR AUDIT FINDINGS FOLLOW-UP

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Jackson Public School District has prepared and hereby submits the following summary schedule of prior audit findings as of June 30, 2020:

Finding:	Status:
2018-001 & 2019-003	Resolved
2019-002	Resolved
2019-001	Partially Resolved (See finding 2020-001)