



# Review of the Annual Audit for Fiscal Year Ended June 30, 2021

Presented by Fortenberry and Ballard, PC  
November 1, 2022

Office of Finance and Operations  
Errick L. Greene, Ed.D., Superintendent  
Earl Burke, Chief Operations Officer

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL  
STATEMENTS AND SUPPLEMENTARY INFORMATION

Superintendent and School Board  
Jackson Public School District

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Public School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Jackson Public School District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Public School District, as of June 30, 2021, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions (PERS), the Schedule of the District's Proportionate Share of the Net OPEB Liability, and the Schedule of District Contributions (OPEB) on pages 8 to 16 and 56 to 65, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson Public School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds, and the other information section, which includes 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 are presented for purposes of additional analysis and are not a required part of the 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 the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare

the basic financial statements. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information mentioned above is fairly stated in all material respects in relation to the basic financial statements as a whole.

The other information section, which includes 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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2022, 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.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC  
July 29, 2022

Certified Public Accountants

**JACKSON PUBLIC SCHOOL DISTRICT**

**Statement of Net Position**  
**June 30, 2021**

**Exhibit A**

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 42,851,927
Due from other governments	17,373,987
Other receivables, net	1,212,872
Inventories	1,746,954
Restricted assets	55,449,427
Capital assets, non-depreciable:	
Land	6,780,059
Capital assets, net of accumulated depreciation:	
Buildings	152,516,973
Improvements other than buildings	13,977,953
Mobile equipment	1,464,070
Furniture and equipment	912,517
Leased property under capital leases	2,986,985
Total Assets	<u>297,273,724</u>
 <b>Deferred Outflows of Resources</b>	
Deferred outflows - advance refunding of debt	10,562,243
Deferred outflows - pensions	44,570,335
Deferred outflows - OPEB	4,637,965
Total Deferred Outflows of Resources	<u>59,770,543</u>
 <b>Liabilities</b>	
Accounts payable and accrued liabilities	17,949,720
Unearned revenue	4,571
Interest payable on long-term liabilities	1,172,655
Long-term liabilities, due within one year:	
Capital related liabilities	13,010,710
Non-capital related liabilities	4,999,589
Net OPEB liability	957,397
Long-term liabilities, due beyond one year:	
Capital related liabilities	84,484,903
Capital related bond premiums	17,996,023
Non-capital related liabilities	79,534,683
Net pension liability	403,674,749
Net OPEB liability	23,676,561
Total Liabilities	<u>647,461,561</u>
 <b>Deferred Inflows of Resources</b>	
Deferred inflows - pensions	16,659,110
Deferred inflows - OPEB	6,777,907
Total Deferred Inflows of Resources	<u>23,437,017</u>
 <b>Net Position</b>	
Net investment in capital assets	75,035,758
Restricted for:	
Expendable:	
School-based activities	11,053,632
Debt service	16,879,003
Forestry improvements	39,830
Unemployment benefits	1,523,517
Non-expendable:	
Sixteenth section	299,518
Unrestricted	\418,685,569
Total Net Position (Deficit)	<u>\$ (313,854,311)</u>

The accompanying notes are an integral part of this statement.

**JACKSON PUBLIC SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2021

Federal Granter/ Pass-through Granter/ Program Title/	Pass-through Entity Identifying Number	Catalog of Federal Domestic Assistance No.	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed-through the Mississippi Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	215MS326NI099	10.553	\$ 31,327
National School Lunch Program	215MS326NI099	10.555	1,304,534
COVID-19 - Summer Food Service Program for Children	215MS326NI099	10.559	11,405,329
Summer Food Service Program for Children	215MS326NI099	10.559	400,251
Total Child Nutrition Cluster			<u>13,141,441</u>
Fresh Fruit and Vegetable Program	215MS326L1603	10.582	350,954
Subtotal			<u>13,492,395</u>
Total passed-through the Mississippi Department of Education			<u>13,492,395</u>
<b>Total U.S. Department of Agriculture</b>			<u>13,492,395</u>
<b><u>U.S. Department of Defense</u></b>			
Direct Program:			
Reserve Officers' Training Corps	N/A	12.xxx	826,410
<b>Total U.S. Department of Defense</b>			<u>826,410</u>
<b><u>U.S. Department of Treasury</u></b>			
Passed-through the Mississippi Department of Education			
COVID-19 - Coronavirus Relief Fund	N/A	21.019	7,383,471
Total passed-through the Mississippi Department of Education			<u>7,383,471</u>
<b>Total U.S. Department of Treasury</b>			<u>7,383,471</u>
<b><u>U.S. Department of Education</u></b>			
Passed-through the Mississippi Department of Rehabilitation Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to the States	HI26A180034	84.126	157,233
Total passed-through the Mississippi Department of Rehabilitation Services			<u>157,233</u>
Passed-through the Mississippi Department of Education:			
Title I Grants to Local Educational Agencies	ES010A200024	84.010	14,082,153
Career and Technical Education - Basic Grants to States	V048A200024	84.048	187,021
Education for Homeless Children and Youth	ES196A200025	84.196	531,218
English Language Acquisition State Grants	ES365A200024	84.365	21,349
Supporting Effective Instruction State Grants	ES367A200023	84.367	2,361,207
Student Support and Academic Enrichment Program	ES424A200025	84.424	1,158,281
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER I & II)	S425D20003 1	84.425D	8,818,387
Subtotal			<u>27,159,616</u>
Special Education Cluster:			
Special Education - Grants to States	H027A200108	84.027	7,043,698
Positive Behavior Specialists	H027A200108	84.027A	383,277
Special Education - Preschool Grants	HI73A200113	84.173	50,585
Total Special Education Cluster			<u>7,477,560</u>
Total passed-through the Mississippi Department of Education			<u>34,637,176</u>
<b>Total U.S. Department of Education</b>			<u>34,794,409</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
Direct Program:			
Special Programs for the Aging, Title II, Part B, Grants for Supportive Services and Senior Centers	N/A	93.044	125
Subtotal			<u>125</u>
Passed-through the Mississippi Department of Human Services:			
Temporary Assistance for Needy Families	N/A	93.558	157,233
Total passed-through the Mississippi Department of Human Services:			<u>157,233</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>157,358</u>
Total for All Federal Awards			\$ <u>56,654,043</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

**JACKSON PUBLIC SCHOOL DISTRICT**

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

Last Four Years

**"UNAUDITED"**

	2021	2020*	2019*	2018*
<b>Revenues:</b>				
Local sources	\$ 73,600,129	73,737,001	72,264,269	74,936,573
State sources	105,172,349	113,055,526	114,656,963	120,173,514
Federal sources	378,597	256,569	270,870	1,565,316
Sixteenth section sources	780,582	1,154,861	1,640,336	1,199,009
Total Revenues	179,931,657	188,203,957	188,832,438	197,874,412
<b>Expenditures:</b>				
Instruction	107,093,606	108,604,169	108,185,589	107,066,830
Support services	72,432,511	79,565,855	80,373,141	86,976,798
Noninstructional services	87,504	66,832	90,080	57,951
Sixteenth section	56,046	106,652	382,352	86,280
Debt service:				
Interest	75,122	173,896	192,166	155,285
Other	9,250	4,250	1,750	4,250
Total Expenditures	179,754,039	188,521,654	189,225,078	194,347,394
Excess (Deficiency) of Revenues over (under) Expenditures	177,618	(317,697)	(392,640)	3,527,018
<b>Other Financing Sources (Uses):</b>				
Insurance recovery	196,261	337,379	157,197	35,998
Capital assets issued				3,973,617
Payment to QZAB/QSCB debt escrow agent	(1,114,070)	(1,283,000)	(1,283,000)	(1,259,798)
Operating transfers in	2,968,176	5,276,094	5,605,230	2,381,006
Operating transfers out	(3,649,420)	(5,293,358)	(5,325,985)	(6,392,153)
Other financing uses	(263,038)		(612,835)	(1,102,703)
Total Other Financing Sources (Uses)	(1,862,091)	(962,885)	(1,459,393)	(2,364,033)
Net Change in Fund Balances	(1,684,473)	(1,280,582)	(1,852,033)	1,162,985
<b>Fund Balances:</b>				
Beginning of period, as previously reported	23,170,242	24,749,025	26,652,189	25,544,790
Prior period adjustment	971,873	(193,252)	(69,419)	(30,588)
Beginning of period, as restated	24,142,115	24,555,773	26,582,770	25,514,202
Increase (Decrease) in inventory	150,888	(104,949)	<b>18,288</b>	(24,998)
End of period	\$ 22,608,530	23,170,242	24,749,025	26,652,189

**\*SOURCE - PRIOR YEAR AUDIT REPORTS**

FOR TENBERG & BALLARD, F&C  
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board  
Jackson Public School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson Public School District as of and for the year ended June 30, 2021, which collectively comprise Jackson Public School District's basic financial statements and have issued our report thereon dated July 29, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

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

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

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

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## **Finding 1**

### **Criteria:**

Section 37-39-21 Miss. Code Ann. (1972) provides that Purchasing Agent(s) are to be each covered under an individual bond and that all bonds must be filed and recorded in the office of the clerk of the chancery court of the county.

### **Condition:**

Purchasing Agents were covered under a blanket bond and not individually.

### **Cause:**

Procedures were not followed to ensure compliance with State laws.

### **Effect:**

The district was not in compliance with Section 37-39-21 of the Miss. Code Ann. (1972).

### **Recommendation:**

We recommend that the district comply with Section 37-39-21 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:**

As of July 1, 2021, the District has individual bonds for appropriate District's officials as required by Section 37-39-21 of the MS Code Ann. (1972) that has been filed with the Chancery Court's office.

## **Finding 2**

### **Criteria:**

Section 31-7-305, Miss. Code Ann. (1972) states "payments should be delivered to the vendor no later than 45 days of receipt of an undisputed invoice and receipt, inspection and approval of the goods and services."

### **Condition:**

There were 13 instances out of 120 examined invoices which were paid over 45 days after receipt of goods or services.

### **Cause:**

Procedures were not followed to ensure compliance with State laws.

### **Effect:**

The District was not in compliance with the Section 31-7-305, Miss. Code Ann. (1972).

### **Recommendation:**

We recommend that the school district comply with Section 31-7-305, Miss. Code Ann. (1972) and ensure that payments are made no later than 45 days of after receipt of goods or services.

Response:

The District will strengthen internal procedures to ensure compliance with Section 31-7-305, MS Code Ann. (1972) to make payments to vendors timely.

**Finding 3**

Criteria:

Section 37-9-18, Miss. Code Ann. (1972) states "Superintendent of schools to furnish school board with financial statement of receipts and disbursements, investigations and audits, contracts and review of audit report.

Condition:

Monthly financial statements from July 2020 to October 2020 were not approved in Board Minutes.

Cause:

Procedures were not followed to ensure compliance with State laws.

Effect:

The District was not in compliance with the Section 37-9-18, Miss. Code Ann. (1972).

Recommendation:

We recommend that the school district comply with Section 37-9-18, Miss. Code Ann. (1972) and ensure that financial statements are presented and approved monthly by the Board of Trustees.

Response:

The District will ensure that financial statements are presented and approved monthly by the Board of Trustees per Section 37-9-18, MS Code Ann. (1972).

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

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

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

*Fortenberry & Ballard, PC*

Fortenberry & Ballard, PC  
July 29, 2022

Certified Public Accountants

## Jackson Public School District

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

#### Section I: Summary of Auditor's Results

##### Financial Statements:

1. Type of auditor's report issued: Unmodified.
2. Internal control over financial reporting:
  - a. Material weakness(es) identified? No.
  - b. Significant deficiency(ies) identified? Yes.
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 programs:

CFDA Numbers:	Name of Federal Program or Cluster
---------------	------------------------------------

21.019	COVID-19 - Coronavirus Relief Fund
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER I & II)

8. Dollar threshold used to distinguish between type A and type B programs: \$1,699,621.
9. Auditee qualified as low-risk auditee? Yes
10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b). Yes.

## Section II: Financial Statements Findings

The results of our tests disclosed the following findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

### **Significant Deficiencies**

#### **Finding 2021-001**

##### Criteria:

Purchases of goods and/or services should be properly approved prior to the payment for those goods and/or services. In addition, the individual(s) approving the initial purchase(s) should be different than the individual(s) vouching for the receipt of the goods and/or services, and different from the individual(s) processing the payment for those goods and/or services.

##### Condition:

We were not provided with documentation showing the proper approval for the purchase of goods and/or services prior to the receipt of and payment for the goods and/or services by the Child Nutrition Department.

##### Cause:

The Child Nutrition Department has a dedicated payables clerk who pays invoices after reviewing documentation that goods or services have been received. The approval for payment prior to the receipt of and payment for goods and/or services should be documented.

##### Effect:

Without proper approval for purchases prior to the receipt and payment for goods and/or services, the risk for misappropriation of assets is increased.

##### Recommendation:

Purchases of goods and/or services should be properly documented prior to the receipt of and payment for those goods and/or services. In addition, separation of duties should be mandated and properly documented among the duties of the authorization to purchase, the receipt of goods and/or services, and the payment for those goods and/or services.

##### Response:

The District will implement separation of duties procedures to comply with the proper documentation between the authorization to purchase, the receipt of goods and/or services, and the payment for those goods and/or services.

#### **Finding 2021-002**

##### Criteria:

Schools should ensure information of assets given to students and ensure surplus items are sent to the district to be sent to the Board for approval of being surplus.

Condition:

MacBooks are not being tracked into the school systems at Galloway Elementary and Calloway High School and surplus items were not removed from active asset listing at Calloway High School.

Cause:

The Galloway Elementary School and Calloway High School did not have a system in place to upload the information of students with MacBooks in a time efficient way. Also, Callaway High School did not send information of surplus items.

Effect:

Asset lists are not fully updated and can't be tracked to correct student.

Recommendation:

District should implement policies to ensure student MacBook information is uploaded into the system in a timely manner and lists of Surplus items should be sent to the district office for approval by the Board.

Response:

The District will implement policies to ensure student MacBook information is captured in a timely manner and lists of surplus items are sent to the district office for approval by the Board.

Section III: Federal Awards Findings and Questioned Costs

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