



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

Greenville Public School District

Audited Financial Statements
For the Year Ended June 30, 2020

Fortenberry & Ballard, PC
Certified Public Accountants

**Greenville Public School District
TABLE OF CONTENTS**

	PAGE #	
INDEPENDENT AUDITOR’S REPORT ON THE BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	4	
MANAGEMENT’S DISCUSSION AND ANALYSIS	9	
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements		
Exhibit A - Statement of Net Position.....	22	
Exhibit B - Statement of Activities	23	
Governmental Funds Financial Statements		
Exhibit C - Balance Sheet	24	
Exhibit C-1 - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	26	
Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balances	28	
Exhibit D-1 - Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	30	
Fiduciary Funds Financial Statements		
Exhibit E - Statement of Fiduciary Assets and Liabilities.....	31	
Notes to the Financial Statements	33	
REQUIRED SUPPLEMENTARY INFORMATION		
Budgetary Comparison Schedule - General Fund	65	
Budgetary Comparison Schedule - School Food Service Fund.....	66	
Budgetary Comparison Schedule - Title I - A Basic Fund	67	
Budgetary Comparison Schedule - IDEA Part B Fund.....	68	
Schedule of the District’s Proportionate Share of the Net Pension Liability	69	
Schedule of District Contributions (PERS).....	70	
Schedule of the District’s Proportionate Share of the Net OPEB Liability	71	
Schedule of District Contributions (OPEB)	72	
Notes to the Required Supplementary Information	73	
SUPPLEMENTARY INFORMATION		
Schedule of Expenditures of Federal Awards	78	
Notes to the Schedule of Expenditures of Federal Awards	79	
Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds	80	
OTHER INFORMATION		
Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund, Last Four Years	82	
Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds, Last Four Years	83	
REPORTS ON INTERNAL CONTROL AND COMPLIANCE		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	85	
Independent Auditor’s Report on Compliance for Each Major Federal Program and Report On Internal Control Over Compliance Required by the Uniform Guidance	87	
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	91	
AUDITEE’S CORRECTIVE ACTION PLAN AND SUMMARY OF PRIOR YEAR AUDIT FINDINGS.....		96

FINANCIAL AUDIT REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Greenville 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 Greenville Public School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Greenville 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.

1048 GLUCKSTADT ROAD, SUITE B
MADISON, MISSISSIPPI 39110
TELEPHONE 601-992-5292 FAX 601-992-2033

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 Greenville Public School District, as of June 30, 2020, 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.

Emphasis of Matter

The school district's audit report dated September 23, 2021, except for Note 21 as to which the date is February 7, 2022, which contained an Unmodified opinion was revised to reflect the correct figures for revenues and expenditures in the major fund IDEA Part B. As a consequence, the Statement of Revenues, Expenditures and Changes in Fund Balances had to be revised. The Fund Balance did not change. This also affected the Statement of Activities for the year ended June 30, 2020. The ending Net Position did not change. For this reason, our audit opinion is not modified in this revised report.

Additionally, the change to the financial statements also caused a change to the Schedule of Expenditures of Federal Awards, which constitutes Supplementary Information as described below.

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 19 and 65 to 76, 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 Greenville 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 September 23, 2021, except for Note 21 as to which the date is February 7, 2022, on our consideration of the Greenville Public School District's internal

control over financial reporting and on our tests of its compliance with certain provisions of law 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 Greenville 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 Greenville Public School District's internal control over financial reporting and compliance.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC

Certified Public Accountants

September 23, 2021, except for Note 21 as to which the date is February 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

The following discussion and analysis of Greenville Public School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2020. 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 2020 increased \$1,964,759, including a prior period adjustment of (\$480,946), which represents a 4% increase from fiscal year 2019. Total net position for 2019 increased \$3,289,239, including a prior period adjustment of \$13,494, which represents a 6% increase from fiscal year 2018.
- General revenues amounted to \$33,584,622 and \$33,834,377, or 74% and 73% of all revenues for fiscal years 2020 and 2019, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$11,887,896, or 26% of total revenues for 2020, and \$12,321,724, or 27% of total revenues for 2019.
- The District had \$43,026,813 and \$42,880,356 in expenses for fiscal years 2020 and 2019; only \$11,887,896 for 2020 and \$12,321,724 for 2019 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$33,584,622 for 2020 and \$33,834,377 for 2019 were adequate to provide for these programs.
- Among the major funds, the General Fund had \$31,712,519 in revenues and \$31,944,024 in expenditures for 2020, and \$33,786,545 in revenues and \$31,638,024 in expenditures for 2019. The General Fund's fund balance decreased by \$269,292, from 2019 to 2020, and increased by \$1,061,691, including a prior period adjustment of \$56,632 and a decrease in inventory of \$1,320, from 2018 to 2019.
- Capital assets, net of accumulated depreciation, decreased by \$942,974, including a prior period adjustment of (\$480,946), for 2020 and increased by \$108,459 for 2019. The decrease for 2020 was due primarily to the recording of depreciation expense during the year.
- Long-term debt decreased by \$109,903 and decreased by \$107,013 for 2019. This decrease for 2020 was due primarily to principal payments on outstanding long-term debt. The liability for compensated absences increased by \$7,382 for 2020 and increased by \$17,502 for 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements, which include government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information,

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

supplementary information, and other information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the District's finances. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all the District's nonfiduciary assets, deferred outflows, liabilities, and deferred inflows, with the differences between them reported as "net position." Over time, increases or decreases in the District's net position may serve as a useful indicator of whether its financial position is improving or deteriorating.

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

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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

The District maintains individual governmental funds in accordance with the *Financial Accounting Manual for Mississippi Public School Districts*. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All non-major funds are combined and presented in these reports as other governmental funds.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the District's own programs. These funds are reported using the accrual basis of accounting. The school district is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

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

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

Bond and note proceeds result in liabilities on government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.

A net pension liability and net OPEB liability result in liabilities on the government-wide financial statements but are not reported on governmental funds financial statements.

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

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

Notes to the financial statements

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of the District's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$53,580,191 as of June 30, 2020.

The District's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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	\$ 10,717,949	8,794,150	22%
Restricted assets	4,535,812	3,568,231	27%
Capital assets, net	10,511,063	11,454,037	(8)%
Total assets	25,764,824	23,816,418	8%
Deferred outflows of resources	9,239,403	5,725,766	61%
Current liabilities	2,147,695	1,075,829	100%
Long-term debt outstanding	6,090,747	6,193,268	(2)%
Net OPEB Liability	4,786,460	4,446,841	8%
Net pension liability	68,762,096	67,330,267	2%
Total liabilities	81,786,998	79,046,205	3%
Deferred inflows of resources	6,797,420	6,040,929	13%
Net position:			
Net investment in capital assets	4,757,276	5,590,347	(15)%
Restricted	10,164,052	6,690,048	52%
Unrestricted	(68,501,519)	(67,825,345)	(1)%
Total net position (deficit)	\$ (53,580,191)	(55,544,950)	4%

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)	\$ (68,501,519)
Less unrestricted deficit in net position resulting from recognition of the net pension liability and net OPEB liability including the related deferred outflows and deferred inflows	71,106,573
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ 2,605,054</u>

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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

- Decrease in net capital assets in the amount of \$942,974.
- The principal retirement of \$109,903 of long-term debt.

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2020 and June 30, 2019 were \$45,472,518 and \$46,156,101, respectively. The total cost of all programs and services was \$43,026,813 for 2020 and \$42,880,356 for 2019.

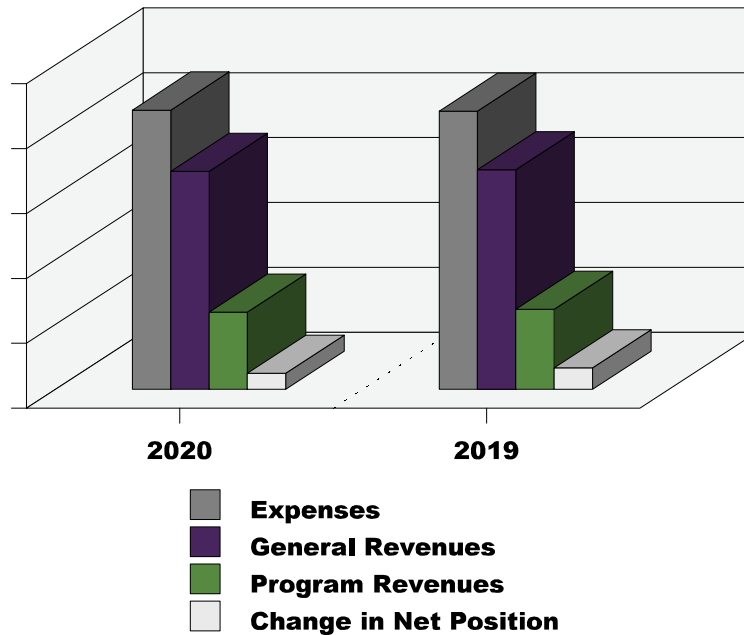
Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

Table 2
Changes in Net Position

	Year Ended June 30, 2020	Year Ended June 30, 2019	Percentage Change
Revenues:			
Program revenues:			
Charges for services	\$ 424,150	399,200	6%
Operating grants and contributions	11,463,746	11,922,524	(4)%
General Revenues:			
Property and gaming taxes	9,826,913	10,229,062	(4)%
Grants and contributions not restricted	21,337,636	23,206,127	(8)%
Unrestricted investment earnings	115,453	97,860	18%
Sixteenth section sources	131,974	128,222	3%
Other	2,172,646	173,106	1155%
Total revenues	<u>45,472,518</u>	<u>46,156,101</u>	(1)%
Expenses:			
Instruction	20,289,544	19,904,791	2%
Support services	17,413,123	16,468,502	6%
Non-instructional	1,464,303	2,908,946	(50)%
Sixteenth section	7,577	5,567	36%
Pension expense	3,417,361	3,117,802	10%
OPEB expense	182,627	153,953	19%
Interest on long-term liabilities	252,278	320,795	(21)%
Total expenses	<u>43,026,813</u>	<u>42,880,356</u>	0%
Increase (Decrease) in net position	<u>2,445,705</u>	<u>3,275,745</u>	(25)%
Net Position (Deficit), July 1, as previously reported	(55,544,950)	(58,834,189)	6%
Prior Period Adjustment	(480,946)	13,494	(3,664)%
Net Position (Deficit), July 1, as restated	<u>(56,025,896)</u>	<u>(58,820,695)</u>	5%
Net Position (Deficit), June 30	<u>\$ (53,580,191)</u>	<u>(55,544,950)</u>	4%

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020



Governmental activities

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

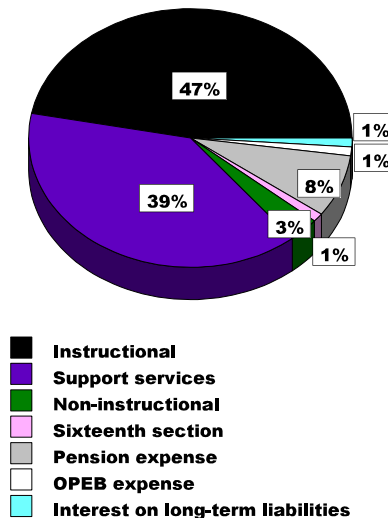
Table 3
Net Cost of Governmental Activities

	Total Expenses		Percentage Change
	2020	2019	
Instruction	\$ 20,289,544	19,904,791	2%
Support services	17,413,123	16,468,502	6%
Non-instructional	1,464,303	2,908,946	(50)%
Sixteenth section	7,577	5,567	36%
Pension expense	3,417,361	3,117,802	10%
OPEB expense	182,627	153,953	19%
Interest on long-term liabilities	252,278	320,795	(21)%
Total expenses	\$ 43,026,813	42,880,356	0%

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

	Net (Expense) Revenue		
	2020	2019	Percentage Change
Instruction	\$ (15,304,896)	(15,454,014)	1%
Support services	(13,347,903)	(12,264,778)	(9)%
Non-instructional	1,373,725	500,296	175%
Sixteenth section	(7,577)	(5,567)	(36)%
Pension expense	(3,417,361)	(3,117,802)	(10)%
OPEB expense	(182,627)	(153,953)	(19)%
Interest on long-term liabilities,	(252,278)	(62,814)	(302)%
Total net (expense) revenue	\$ (31,138,917)	(30,558,632)	(2)%

Chart of Expenses per Statement of Activities



- Net cost of governmental activities (\$31,138,917 for 2020 and \$30,558,632 for 2019) was financed by general revenue, which is primarily made up of property and gaming taxes (\$9,826,913 for 2020 and \$10,229,062 for 2019) and state and federal revenues (\$21,337,636 for 2020 and \$23,206,127 for 2019). In addition, there was \$131,974 and \$128,222 in Sixteenth Section sources for 2020 and 2019, respectively.
- Investment earnings amounted to \$115,453 for 2020 and \$97,860 for 2019.

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$13,348,518, an increase of \$1,817,966, which includes an increase in inventory of \$74,215. \$2,677,270 or 20% 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 or assigned to specific purposes within the general fund. The remaining fund balance of \$10,671,248 or 80% is either nonspendable, restricted or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted or assigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was \$269,292. The fund balance of Other Governmental Funds showed an increase in the amount of \$641,931. The increase (decrease) in the fund balance of the other major funds were as follow:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
School Food Service Fund	\$ (38,298)
Title I - A Basic Fund	\$ 56,854
IDEA Part B Fund	\$ (801,189)
GPSD Roof Project 2019 Fund	\$ 1,714,762
Tax Levy Debt Service Fund	\$ 513,198

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget. Budget revisions were made to address and correct the original budgets to reflect more accurately the sources and uses of funding for the School District.

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

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2020, the District's total capital assets were \$26,283,786, including school buildings, building improvements, improvements other than buildings, mobile equipment, buses, other school vehicles, furniture and equipment and leased property under capital leases. This amount represents a decrease of \$263,138, including a prior period adjustment of (\$477,541), from 2019. Total accumulated depreciation as of June 30, 2020, was \$15,772,723, and total depreciation expense for the year was \$501,509, resulting in total net capital assets of \$10,511,063.

Table 4
Capital Assets, Net of Accumulated Depreciation

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Percentage Change</u>
Construction in progress	\$ 0	477,541	(100)%
Buildings	9,163,092	9,332,758	(2)%
Building improvements	49,909	54,900	(9)%
Improvements other than buildings	39,057	39,057	0%
Mobile equipment	606,887	690,976	(12)%
Furniture and equipment	240,763	396,735	(39)%
Leased property under capital leases	411,355	462,070	(11)%
Total	\$ <u>10,511,063</u>	<u>11,454,037</u>	<u>(8)%</u>

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

Debt Administration. At June 30, 2020, the District had \$6,090,747 in outstanding long-term debt, of which \$112,870 is due within one year. The liability for compensated absences increased \$7,382 from the prior year.

Table 5
Outstanding Long-Term Debt

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Percentage Change</u>
Qualified school construction bonds payable	\$ 5,525,000	5,525,000	0%
Obligations under capital lease	228,787	338,690	(32)%
Compensated absences payable	336,960	329,578	2%
Total	\$ <u>6,090,747</u>	<u>6,193,268</u>	<u>(2)%</u>

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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

CURRENT ISSUES

The Greenville Public School District is financially stable. The District is proud of its community support of the public schools.

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

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

Enrollment for the 2019 - 2020 year decreased by 5% to 4,208 students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have questions about this report or need additional financial information, contact the Superintendent's Office of the Greenville Public School District, PO Box 1619, Greenville, MS 38702.

FINANCIAL STATEMENTS

GREENVILLE PUBLIC SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2020

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 8,125,212
Due from other governments	1,575,632
Inventories	147,413
Prepaid items	869,692
Restricted assets	4,535,812
Capital assets, net of accumulated depreciation:	
Buildings	9,163,092
Building improvements	49,909
Improvements other than buildings	39,057
Mobile equipment	606,887
Furniture and equipment	240,763
Leased property under capital leases	411,355
Total Assets	<u>25,764,824</u>
Deferred outflows of Resources	
Deferred outflows - pensions	8,706,089
Deferred outflows - OPEB	533,314
Total Deferred Outflows of Resources	<u>9,239,403</u>
Liabilities	
Accounts payable and accrued liabilities	1,684,985
Unearned revenue	220,258
Interest payable on long-term liabilities	242,452
Long-term liabilities (due within one year):	
Capital related liabilities	112,870
Net OPEB liability	187,826
Long-term liabilities (due beyond one year):	
Capital related liabilities	5,640,917
Non-capital related liabilities	336,960
Net pension liability	68,762,096
Net OPEB liability	4,598,634
Total Liabilities	<u>81,786,998</u>
Deferred Inflows of Resources	
Deferred inflows - pensions	6,123,323
Deferred inflows - OPEB	674,097
Total Deferred Inflows of Resources	<u>6,797,420</u>
Net Position:	
Net Investment in Capital Assets	4,757,276
Restricted For:	
Expendable:	
School-based activities	3,918,213
Debt service	4,259,802
Capital projects	1,854,657
Unemployment benefits	90,631
Nonexpendable:	
Sixteenth section	40,749
Unrestricted	(68,501,519)
Total Net Position (Deficit)	<u>\$ (53,580,191)</u>

The accompanying notes are an integral part of this statement.

GREENVILLE PUBLIC SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:				Governmental Activities
Instruction	20,289,544	380,602	4,604,046	(15,304,896)
Support services	17,413,123	--	4,065,220	(13,347,903)
Noninstructional services	1,464,303	43,548	2,794,480	1,373,725
Sixteenth section	7,577	--	--	(7,577)
Pension expense	3,417,361	--	--	(3,417,361)
OPEB expense	182,627	--	--	(182,627)
Interest on long-term liabilities	252,278	--	--	(252,278)
Total Governmental Activities	\$ 43,026,813	\$ 424,150	\$ 11,463,746	(31,138,917)
General Revenues:				
Taxes:				
General purpose levies				9,216,220
Debt purpose levies				493,243
Gaming				117,450
Unrestricted grants and contributions:				
State				21,332,687
Federal				4,949
Unrestricted investment earnings				115,453
Sixteenth section sources				131,974
Other				2,172,646
Total General Revenues				33,584,622
Change in Net Position				2,445,705
Net Position (Deficit) - Beginning, as originally reported				(55,544,950)
Prior Period Adjustment				(480,946)
Net Position (Deficit) - Beginning, as restated				(56,025,896)
Net Position (Deficit) - Ending				\$ (53,580,191)

The accompanying notes are an integral part of this statement.

GREENVILLE PUBLIC SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2020

	General Fund	School Food Service Fund	Title I - A Basic Fund
Assets:			
Cash and cash equivalents	\$ 2,931,668	\$ 1,912,472	\$ 38,093
Cash with fiscal agents	--	--	--
Investments	--	--	--
Due from other governments	372,171	1,188	392,050
Due from other funds	1,665,221	--	--
Inventories	49,075	98,338	--
Prepaid items	869,692	--	--
Total Assets	<u>\$ 5,887,827</u>	<u>\$ 2,011,998</u>	<u>\$ 430,143</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,225,857	\$ 94,490	\$ 212,870
Due to other funds	--	251,393	--
Unearned revenue	--	--	160,419
Total Liabilities	<u>1,225,857</u>	<u>345,883</u>	<u>373,289</u>
Fund Balances:			
Nonspendable:			
Inventory	49,075	98,338	--
Permanent fund purposes	--	--	--
Prepaid items	869,692	--	--
Restricted:			
Unemployment benefits	--	--	--
Capital improvements	--	--	--
Debt service	--	--	--
Grant activities	--	--	56,854
Food service	--	1,567,777	--
Assigned:			
School activity funds	136,034	--	--
Technology	128,435	--	--
Alternative	275	--	--
Unassigned	<u>3,478,459</u>	<u>--</u>	<u>--</u>
Total Fund Balances	<u>4,661,970</u>	<u>1,666,115</u>	<u>56,854</u>
Total Liabilities and Fund Balances	<u>\$ 5,887,827</u>	<u>\$ 2,011,998</u>	<u>\$ 430,143</u>

The accompanying notes are an integral part of this statement.

IDEA Part B Fund	GPSD Roof Project 2019 Fund	Tax Levy Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 1,714,762	\$ 542,937	\$ 1,568,966	\$ 8,708,898
--	--	41,863	--	41,863
--	--	3,910,263	--	3,910,263
249,713	--	7,191	540,843	1,563,156
--	--	--	437	1,665,658
--	--	--	--	147,413
--	--	--	--	869,692
<u>\$ 249,713</u>	<u>\$ 1,714,762</u>	<u>\$ 4,502,254</u>	<u>\$ 2,110,246</u>	<u>\$ 16,906,943</u>
\$ 84,976	\$ --	\$ --	\$ 66,792	\$ 1,684,985
965,926	--	--	435,863	1,653,182
--	--	--	59,839	220,258
<u>1,050,902</u>	<u>--</u>	<u>--</u>	<u>562,494</u>	<u>3,558,425</u>
--	--	--	--	147,413
--	--	--	40,749	40,749
--	--	--	--	869,692
--	--	--	90,631	90,631
--	1,714,762	--	139,895	1,854,657
--	--	4,502,254	--	4,502,254
--	--	--	1,109,500	1,166,354
--	--	--	166,977	1,734,754
--	--	--	--	136,034
--	--	--	--	128,435
--	--	--	--	275
(801,189)	--	--	--	2,677,270
<u>(801,189)</u>	<u>1,714,762</u>	<u>4,502,254</u>	<u>1,547,752</u>	<u>13,348,518</u>
<u>\$ 249,713</u>	<u>\$ 1,714,762</u>	<u>\$ 4,502,254</u>	<u>\$ 2,110,246</u>	<u>\$ 16,906,943</u>

GREENVILLE PUBLIC SCHOOL DISTRICT**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET****TO THE STATEMENT OF NET POSITION**

JUNE 30, 2020

Total fund balances for governmental funds balance sheet	\$ 13,348,518
--	---------------

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not reported in the funds.	10,511,063
Liabilities due in one year are not reported in the funds.	(300,696)
Payables for bond principal which are not due in the current period are not reported in the funds.	(5,525,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(115,917)
Payables for bond interest which are not due in the current period are not reported in the funds.	(242,452)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(336,960)
Recognition of the School District's proportionate share of the net pension liability is not reported in the funds.	(68,762,096)
Deferred Inflows of Resources related to the pension plan are not reported in the funds.	(6,123,323)
Deferred Outflows of Resources related to the pension plan are not reported in the funds.	8,706,089
Recognition of the School District's proportionate share of the net OPEB liability is not reported in the funds.	(4,598,634)
Deferred Inflows of Resources related to the OPEB plan are not reported in the funds.	(674,097)
Deferred Outflows of Resources related to the OPEB plan are not reported in the funds.	533,314

Net position of governmental activities	\$ <u>(53,580,191)</u>
---	------------------------

The accompanying notes are an integral part of this statement.

This page is left blank intentionally.

GREENVILLE PUBLIC SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	School Food Service Fund	Title I - A Basic Fund
Revenues:			
Local sources	\$ 9,444,664	\$ 76,086	\$ --
State sources	22,087,595	30,236	--
Federal sources	48,286	2,800,781	4,097,907
Sixteenth section sources	131,974	--	--
Total Revenues	<u>31,712,519</u>	<u>2,907,103</u>	<u>4,097,907</u>
Expenditures:			
Instruction	17,821,680	--	2,149,351
Support services	13,995,719	258,170	1,770,982
Noninstructional services	--	2,510,053	78,214
Sixteenth section	7,577	--	--
Debt service:			
Principal	109,903	--	--
Interest	9,145	--	--
Total Expenditures	<u>31,944,024</u>	<u>2,768,223</u>	<u>3,998,547</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(231,505)</u>	<u>138,880</u>	<u>99,360</u>
Other Financing Sources (Uses):			
Insurance recovery	21,000	--	--
Payments to QSCB escrow agent	--	--	--
Payments to QSCB debt escrow agent	--	--	--
Transfers in	336,931	--	--
Transfers out	(395,718)	(251,393)	(42,506)
Total Other Financing Sources (Uses)	<u>(37,787)</u>	<u>(251,393)</u>	<u>(42,506)</u>
Net Change in Fund Balances	<u>(269,292)</u>	<u>(112,513)</u>	<u>56,854</u>
Fund Balances:			
July 1, 2019	4,931,262	1,704,413	--
Increase (decrease) in inventory	--	74,215	--
June 30, 2020	<u>\$ 4,661,970</u>	<u>\$ 1,666,115</u>	<u>\$ 56,854</u>

The accompanying notes are an integral part of this statement.

IDEA Part B Fund	GPSD Roof Project 2019 Fund	Tax Levy Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 498,873	\$ 364,191	\$ 10,383,814
--	--	--	1,076,052	23,193,883
836,122	--	259,006	1,845,088	9,887,190
--	--	--	--	131,974
<u>836,122</u>	<u>--</u>	<u>757,879</u>	<u>3,285,331</u>	<u>43,596,861</u>
1,112,684	--	--	1,687,877	22,771,592
480,797	149,110	--	3,074,124	19,728,902
361	--	--	49,529	2,638,157
--	--	--	--	7,577
--	--	--	--	109,903
--	--	244,681	--	253,826
<u>1,593,842</u>	<u>149,110</u>	<u>244,681</u>	<u>4,811,530</u>	<u>45,509,957</u>
<u>(757,720)</u>	<u>(149,110)</u>	<u>513,198</u>	<u>(1,526,199)</u>	<u>(1,913,096)</u>
--	1,863,872	--	1,771,975	3,656,847
--	--	472,364	--	472,364
--	--	(472,364)	--	(472,364)
--	--	--	457,341	794,272
(43,469)	--	--	(61,186)	(794,272)
<u>(43,469)</u>	<u>1,863,872</u>	<u>--</u>	<u>2,168,130</u>	<u>3,656,847</u>
<u>(801,189)</u>	<u>1,714,762</u>	<u>513,198</u>	<u>641,931</u>	<u>1,743,751</u>
--	--	3,989,056	905,821	11,530,552
--	--	--	--	74,215
<u>\$ (801,189)</u>	<u>\$ 1,714,762</u>	<u>\$ 4,502,254</u>	<u>\$ 1,547,752</u>	<u>\$ 13,348,518</u>

GREENVILLE PUBLIC SCHOOL DISTRICT

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020*

Net change in fund balances - total governmental funds	\$ 1,743,751
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	55,099
The depreciation of capital assets used in governmental activities is not reported in the funds.	(501,509)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(15,618)
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	109,903
(Increase) decrease in accrued interest from beginning of period to end of period.	1,548
Change in inventory affects fund balance in the funds but affects expense in SOA.	74,215
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(7,382)
Pension contributions made after the measurement date but in current FY were de-expended & reduced NPL.	4,416,542
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(3,417,361)
Amounts paid by employer as benefits come due subsequent to measurement date of NOL and before end of reporting period.	169,144
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	(182,627)
Change in net position of governmental activities	\$ <u>2,445,705</u>

The accompanying notes are an integral part of this statement.

GREENVILLE PUBLIC SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2020

	Agency Funds
Assets:	
Cash and cash equivalents	\$ 49,165
Other receivable	1,904
Total Assets	<u>\$ 51,069</u>
Liabilities:	
Accounts payable & accrued liabilities	\$ 3,792
Due to student clubs	34,801
Due to other funds	12,476
Total Liabilities	<u>\$ 51,069</u>

The accompanying notes are an integral part of this statement.

Greenville Public School District

Notes to the Financial Statements
For the Year Ended June 30, 2020

Greenville Public School District

Notes to the Financial Statements
For the Year Ended June 30, 2020

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 an "other stand-alone government." The school district is a related organization of, but not a component unit of, the city of Greenville since the governing authority of the city selects a majority of the school district's board but does not have financial accountability for the school district.

For financial reporting purposes, Greenville Public School District has included all funds and organizations. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the District's non-fiduciary assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Net position is reported in three categories:

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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.

Fund Financial Statements - Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other governmental funds.

The school district reports the following major governmental funds:

General Fund - This is the school district's primary operating fund. The general fund is used to account for and report all financial resources not accounted for and reported in another fund.

School Food Service Fund - This is a special revenue fund that accounts for the revenues and expenditures associated with the Child Nutrition Cluster of federal awards.

Title I A Basic Fund - This is a special revenue fund that accounts for the federal revenue received and expenditures incurred related to the Title I grants to local educational agencies program.

IDEA Part B Fund - This is a special revenue fund that accounts for the revenues and expenditures associated with the Special education – grants to states federal award program.

GPSD Roof Project 2019 Fund - This is a capital project fund that accounts for the acquisition, construction or renovation of major capital facilities.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

Tax Levy Debt Service Fund - This debt service fund accounts for the debt service revenues and expenditures associated with servicing the district's Qualified School Construction Bonds.

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

The District's fiduciary funds include the following:

Student Club Funds - These various funds account for the monies raised through student club activities.

Payroll Clearing Fund - This fund is used to report the payroll resources held by the district in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

Additionally, the school district reports the following fund types:

GOVERNMENTAL FUNDS

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Permanent Funds - Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not the principal, may be used for purposes that support the district's programs.

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to report resources held by the district in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

Greenville Public School District

Notes to the Financial Statements
For the Year Ended June 30, 2020

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 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 city 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 capital leases are reported as other financing sources.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

The effect of inter-fund activity has been eliminated from the government-wide statements.

Revenues from the Mississippi Adequate Education Program are appropriated on a fiscal year basis and are recorded at the time the revenues are received from the State of Mississippi.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing, and Financial Reporting*, issued in 2012 by the Government Finance Officers Association and are consistent with the broad classifications recommended in *Financial Accounting for Local and State School Systems*, 2014, issued by the U.S. Department of Education.

D. Encumbrances

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

E. Assets, liabilities, deferred outflows/inflows, and net position/fund balances

1. Cash, Cash equivalents and Investments

Cash and cash equivalents

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

Investments

The school district can invest its excess funds, as permitted by Section 29-3-113, Miss. Code Ann. (1972), in interest-bearing deposits or other

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

obligations of the types described in Section 27-105-33, Miss. Code Ann. (1972), or in any other type investment in which any other agency, instrumentality or subdivision of the State of Mississippi may invest, except that 100% of said funds are authorized to be so invested.

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

Investments for the district are reported at fair market value.

2. Receivables and payables

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

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

3. Due from Other Governments

Due from other governments represents amounts due from the State of Mississippi and various grants and reimbursements from other governments.

4. Inventories and Prepaid Items

Donated commodities are received from the USDA and are valued at USDA cost. Other inventories are valued at cost (calculated on the first-in, first-out basis). The costs of governmental fund type inventories are reported as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and governmental fund financial statements.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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 Sixteenth Section Principal Fund is not available for use by the district except as provided for under state statute for loans from this fund.

6. Capital Assets

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

Capital acquisition and construction are reflected as expenditures in the Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements.

Depreciation is calculated on the straight-line basis for all assets, except land.

The following schedule details the capitalization thresholds:

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

		Capitalization Policy	Estimated Useful Life
Land	\$	0	0
Buildings		50,000	40 years
Building Improvements		25,000	20 years
Improvements other than buildings		25,000	20 years
Mobile equipment		5,000	5-10 years
Furniture and equipment		5,000	3-7 years
Leased property under capital leases		*	*

(*) The threshold amount will correspond with the amounts for the asset classifications, as listed. See Note 5 for details.

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 deferred outflows which are presented as deferred outflows for pension and OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The school district has deferred inflows which are presented as deferred inflows for pension and OPEB.

See Note 13 for further details.

8. Compensated Absences

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

required by Section 37-7-307(5), Miss. Code Ann. (1972).

The liability for these compensated absences is recorded as a long-term liability in the government-wide statements. The current portion of this liability is estimated based on historical trends. In the fund financial statements, governmental funds report the liability for compensated absences from expendable available financial resources only if the payable has matured, for example, an employee retires.

9. 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 6 for details.

10. 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.

11. 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.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

12. Fund Balances

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

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

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

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

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the School Board, the District's highest level of decision-making authority. This formal action is the approval of such a commitment by the school board. Currently there is no committed fund balance for this school district.

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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

The goal of the District is to maintain an unassigned fund balance in the General Fund at fiscal year end of not less than 7% at fiscal year end of current fiscal year's general fund revenues.

13. Accounting Standards Update

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

Note 2 - Cash and Cash Equivalents, Cash with Fiscal Agents and Investments

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

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

Investments. Sections 29-3-113 and 37-59-43, Miss. Code Ann. (1972), authorize the school board to invest excess funds in the types of investments authorized by Section 27-

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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

Cash and Cash Equivalents

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds and fiduciary funds was \$8,708,898 and \$49,165, respectively.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the district. As of June 30, 2020, none of the district's bank balance of \$11,352,468 was exposed to custodial credit risk.

Cash with Fiscal Agents

The carrying amount of the school district's cash with fiscal agents held by financial institutions was \$41,863.

Investments

As of June 30, 2020, the district had the following investments.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

<u>Investment Type</u>	<u>Rating</u>	<u>Maturities (in years)</u>	<u>Fair Value</u>
U.S. Treasury SLGS Deposit	N/A	Less than 5	\$ <u>3,910,263</u>

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

The district has the following recurring fair value measurements as of June 30, 2020: U. S. Treasury SLGS investments of \$3,910,263 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 district does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The district does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2020, the district did not have any investments to which this would apply.

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

Note 3 - Inter-fund Receivables, Payables and Transfers

The following is a summary of inter-fund transactions and balances:

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	School Food Service Fund	\$ 251,393
	IDEA Part B Fund	965,926
	Other Governmental Funds	435,426
	Fiduciary Funds	12,476
Other Governmental Funds	Other Governmental Funds	437
Total		\$ 1,665,658

The purpose of the inter-fund loans was to cover federal and state funds not received prior to year-end.

B. Inter-fund Transfers

Transfers In	Transfers Out	Amount
General Fund	School Food Service Fund	\$ 250,956
	Title I - A Basic Fund	42,506
	IDEA Part B Fund	43,469
Other Governmental Funds	General Fund	395,718
	School Food Service Fund	437
	Other Governmental Funds	61,186
Total		\$ 794,272

The primary purpose of the interfund transfers out of the general fund and into the other governmental funds was to finance basic operations of the district that are not directly funded. The primary reason for the transfer out of the other governmental funds is the indirect cost allocation from the general fund.

Note 4 - Restricted Assets

The restricted assets represents the cash balance, totaling \$40,749, 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, cash with fiscal agents, and investment balances, totaling \$542,937, \$41,863, and \$3,910,263, respectively, of the Tax Levy Debt Service Fund.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

Note 5 - Capital Assets

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

	Balance 7-1-2019	Additions	Deletions	Adjustments	Balance 6-30-2020
<u>Non-depreciable capital assets:</u>					
Construction in progress	\$ 477,541			(477,541)	0
Total non-depreciable capital assets	477,541	0	0	(477,541)	0
<u>Depreciable capital assets:</u>					
Buildings	20,822,014				20,822,014
Building improvements	124,772				124,772
Improvements other than buildings	195,284				195,284
Mobile equipment	2,211,503	55,099	138,181		2,128,421
Furniture and equipment	2,629,851		180,056		2,449,795
Leased property under capital leases	563,500				563,500
Total depreciable capital assets	26,546,924	55,099	318,237	0	26,283,786
<u>Less accumulated depreciation for:</u>					
Buildings	11,489,256	169,666			11,658,922
Building improvements	69,872	4,991			74,863
Improvements other than buildings	156,227				156,227
Mobile equipment	1,520,527	121,965	124,363	3,405	1,521,534
Furniture and equipment	2,233,116	154,172	178,256		2,209,032
Leased property under capital leases	101,430	50,715			152,145
Total accumulated depreciation	15,570,428	501,509	302,619	3,405	15,772,723
Total depreciable capital assets, net	10,976,496	(446,410)	15,618	(3,405)	10,511,063
Governmental activities capital assets, net	\$ 11,454,037	(446,410)	15,618	(480,946)	10,511,063

Adjustments were made to properly present capital assets during the fiscal year.

Depreciation expense was charged to the following governmental functions:

	Amount
Instruction	\$ 351,056
Support services	100,302
Non-instructional	50,151
Total depreciation expense	\$ 501,509

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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. Qualified school construction bonds payable	\$ 5,525,000			5,525,000	
B. Obligations under capital lease	338,690		109,903	228,787	112,870
C. Compensated absences payable	329,578	7,382		336,960	
Total	\$ 6,193,268	7,382	109,903	6,090,747	112,870

A. Qualified school construction bonds payable

As more fully explained in Note 16, debt has been issued by the school district that qualifies as Qualified School Construction Bonds. Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Qualified school construction bonds, Series 2011	5.60%	06-08-11	12-01-21	\$ 1,500,000	1,500,000
Qualified school construction bonds, Series 2012	5.14%	01-12-12	08-01-23	4,025,000	4,025,000
Total				\$ 5,525,000	5,525,000

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

1. Qualified School Construction Bonds, Series 2011:

Year Ending June 30	Principal	Interest	Total
2021	\$	84,000	84,000
2022	1,500,000	84,000	1,584,000
Total	\$ 1,500,000	168,000	1,668,000

This debt will be retired from the Tax Levy Debt Service Fund.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

2. Qualified School Construction Bonds, Series 2012:

Year Ending June 30	Principal	Interest	Total
2021	\$	206,885	206,885
2022		206,885	206,885
2023		206,885	206,885
2024	<u>4,025,000</u>	<u>206,885</u>	<u>4,231,885</u>
Total	\$ <u>4,025,000</u>	<u>827,540</u>	<u>4,852,540</u>

This debt will be retired from the Tax Levy Debt Service Fund.

Total Qualified School Construction Bonds

Year Ending June 30	Principal	Interest	Total
2021	\$	290,885	290,885
2022	1,500,000	290,885	1,790,885
2023		206,885	206,885
2024	<u>4,025,000</u>	<u>206,885</u>	<u>4,231,885</u>
Total	\$ <u>5,525,000</u>	<u>995,540</u>	<u>6,520,540</u>

B. Obligations under capital leases

The school district has entered into a lease agreement as lessee for financing the acquisition of seven (7) 2018 Blue Bird Vision buses at a cost of \$563,500. This lease qualifies as a capital lease or accounting purposes.

The title of the buses transfers to the school district at the end of the lease term.

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Bus Lease, Series 2017	2.70%	09-15-17	10-15-21	\$ <u>563,500</u>	<u>228,787</u>

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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

Year Ending June 30	Principal	Interest	Total
2021	\$ 112,870	6,177	119,047
2022	115,917	3,130	119,047
Total	\$ 228,787	9,307	238,094

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.

This debt will be retired from the District Maintenance Fund.

C. Compensated absences payable

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

Note 7 - Other Matters

The onset of the recent COVID-19 pandemic has resulted in a volatile investment market currently. The resulting impact of this pandemic upon the operations of the District is uncertain at this time.

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.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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, 2020 was 17.40% of annual covered payroll. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Section 25-11-1 of the Mississippi Code of 1972, as amended, and may be amended only by the Mississippi Legislature. The school district's contributions to PERS for the fiscal years ending June 30, 2020, 2019, and 2018, were \$4,416,542, \$4,009,398, and \$4,071,912, 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 \$68,762,096 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 actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the school district's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The school district's proportionate share used to calculate the June 30, 2020 net pension liability was 0.390872 percent, which was based on a measurement date of June 30,

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

2019. This was a decrease of 0.013976% percent from its proportionate share used to calculate the June 30, 2019 net pension liability, which was based on a measurement date of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$3,417,361. 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	\$ 42,131	\$ 74,809
Net difference between projected and actual earnings on pension plan investments		641,455
Changes of assumptions	674,264	
Changes in proportion and differences between District contributions and proportionate share of contributions	3,573,152	5,407,059
District contributions subsequent to the measurement date	4,416,542	
Total	<u>\$ 8,706,089</u>	<u>\$ 6,123,323</u>

\$4,416,542 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	\$ (598,248)
2022	(1,263,728)
2023	(285,733)
2024	313,933
Total	<u>\$ (1,833,776)</u>

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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.

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 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	27.00%	4.90%
International Equity	22.00%	4.75%
Global Equity	12.00%	5.00%
Fixed Income	20.00%	1.50%
Real Estate	10.00%	4.00%
Private Equity	8.00%	6.25%
Cash	1.00%	0.25%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.75 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 made at the current contribution rate (17.40%). 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 presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ <u>90,390,158</u>	\$ <u>68,762,096</u>	\$ <u>50,910,073</u>

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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. A trust was created June 28, 2018 for the OPEB Plan and, while no trust was in place for the June 30, 2018 plan year-end, for purposes of comparability for future periods, terminology used herein is based on the plan being a cost-sharing 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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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 \$169,144 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$4,786,460 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, 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, 2019, the District's proportion was 0.56408117 percent. This was a decrease of 0.01078028 percent from the proportionate share as of the measurement date of June 30, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$182,627. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	7,237	\$ 68,513
Changes of assumptions		356,843	248,201
Net difference between projected and actual earnings on OPEB plan investments		90	
Changes in proportion and differences between District contributions and proportionate share of contributions			357,383
District contributions subsequent to the measurement date		169,144	
Total	\$	<u>533,314</u>	<u>\$ 674,097</u>

\$169,144 reported as deferred outflows of resources related to OPEB resulting from school district contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended June 30, 2021. 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:

2021	\$	(90,400)
2022		(90,400)
2023		(90,400)
2024		(69,665)
2025		15,151
Thereafter		<u>15,787</u>
Total	\$	<u>(309,927)</u>

Actuarial assumptions. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	3.00 - 18.20 percent, including wage inflation

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

Municipal Bond Index Rate

Measurement Date	3.50%
Prior Measurement Date	3.89%

Year FNP is projected to be depleted

Measurement Date	2019
Prior Measurement Date	2018

Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation

Measurement Date	3.50%
Prior Measurement Date	3.89%

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 projected 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.

The demographic actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study dated April 2, 2019.

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, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

The long-term expected rate of return on OPEB plan investments is 4.50%.

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.50 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.89% to 3.50%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2019, the trust has \$1,017,904. 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, 2018 and the June 30, 2019 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2019 was based on a monthly average of the Bond Buyer General Obligation 20-year

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

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 (2.50 percent) or 1-percentage point higher (4.50 percent) than the current discount rate:

		1% Decrease (2.50%)		Discount Rate (3.50%)		1% Increase (4.50%)
Net OPEB liability	\$	5,316,922	\$	4,786,460	\$	4,332,600

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	\$	4,435,393	\$	4,786,460	\$	5,184,160

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 - Risk Management

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

Note 11 - Contingencies

Federal Grants - The school district has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for allowable

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

purposes. Any disallowances resulting from the grantor audit may become a liability of the school district.

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

Note 12 - Prior Period Adjustments

A summary of significant Net Position adjustments is as follows:

Exhibit B - Statement of Activities

<u>Explanation(s)</u>	<u>Amount</u>
Adjustments were made to properly present capital assets during the fiscal year.	\$ <u>(480,946)</u>

Note 13 - Effect of Deferred Amounts on Net Position

The unrestricted net position amount of (\$68,501,519) 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 \$4,416,542 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, 2021. The \$4,289,547 balance of deferred outflow of resources, at June 30, 2020 will be recognized as an expense and will decrease the unrestricted net position over the next 4 years.

The unrestricted net position amount of (\$68,501,519) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$6,123,323 balance of deferred inflow of resources, at June 30, 2020 will be recognized as a revenue and will increase the unrestricted net position over the next 3 years.

The unrestricted net position amount of (\$68,501,519) 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 \$169,144 resulting from the amount paid by the school district as benefits come due subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. The \$364,170 balance of deferred outflow of resources, at June 30, 2020 will be recognized as an expense and will decrease the unrestricted net position over the next 6 years.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

The unrestricted net position amount of (\$68,501,519) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$674,097 balance of deferred inflow of resources at June 30, 2020 will be recognized as a revenue and will increase the unrestricted net position over the next 6 years.

Note 14 - 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		Amount
2021	\$	142,069
2022		142,819
2023		142,819
2024		137,819
2025		134,415
2026 - 2030		122,515
2031 - 2035		18,469
2036 - 2039		14,250
Total	\$	<u>855,175</u>

Note 15 - Insurance Loss Recoveries

The Greenville Public School District received \$3,656,847 in insurance loss recoveries during the 2019-2020 fiscal year related to roof damages. In the government-wide Statement of Activities, the insurance loss recoveries were reported as charges for services and were allocated to the support service expense function.

Note 16 - Qualified School Construction Bonds

Section 1521 of the American Recovery and Reinvestment Act (ARRA) of 2009 provides for a source of capital at no or at nominal interest rates for costs incurred by certain public schools in connection with the construction, rehabilitation or repair of a public school facility or the acquisition of land where a school will be built. Investors receive Federal income tax credits at prescribed tax credit rate in lieu of interest, which

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2020

essentially allows state and local governments to borrow without incurring interest costs. While Qualified School Construction Bonds (QSCBs) are intended to be interest free to a borrower, the ARRA legislation allows a lender to charge supplemental interest, and such supplemental interest is the responsibility of the school district.

When the stated interest rate on the QSCB results in interest payments that exceed the supplemental interest payments discussed in the preceding paragraph, the school district may apply for a direct cash subsidy payment from the U.S. Treasury which is intended to reduce the stated interest rate to a nominal percentage. These subsidy payments do not include the amount of any supplemental interest paid on a QSCB. For the year ended June 30, 2020, the subsidy payments amounted to \$259,006.

The school district makes equal annual payments into a sinking fund which is used to pay off the bonds at termination. The current maturity limit of tax credit bonds is 17 years, per the U.S. Treasury Department. Under this program, ten percent of the proceeds must be subject to a binding commitment to be spent within six months of issuance and 100% must be spent within three years. Up to two percent of bond proceeds can be used to pay costs of issuance. The amount on deposit at June 30, 2020 was \$4,495,063. The amount accumulated in the sinking fund at the maturity date of the bonds is expected to be sufficient to retire the debt. The following schedule reports the annual deposits to be made to the sinking fund by the school district.

Year Ending June 30		Series 2011	Series 2012	Amount
2021	\$	136,364	336,000	472,364
2022		136,364	336,000	472,364
2023			336,000	336,000
2024			334,000	334,000
Total	\$	272,728	1,342,000	1,614,728

Note 17 - State Compliance Testing

The Mississippi Office of the State Auditor (OSA) has elected to perform procedures in relation to purchasing and compliance with state laws. This report should be viewed in conjunction with the report from OSA in order to gain a comprehensive understanding of the School District's operations. This report and OSA's report will be available on OSA's website at <http://www.osa.ms.gov/reports>.

Greenville Public School District

Notes to the Financial Statements
For the Year Ended June 30, 2020

Note 18 - Deficit Fund Balance of Individual Funds

The IDEA Part B Fund has a deficit fund balance in the amount of \$801,189.

The deficit fund balance is in violation of Section 37-61-19, Miss. Code Ann. (1972).

However, this deficit could have been eliminated with a transfer from the District Maintenance Fund (General Fund). Section 37-61-21, Miss. Code Ann. (1972), allows the school board of the school district, with the assistance from the superintendent, to transfer resources to and from functions and funds within the budget when and where needed under certain circumstances.

Note 19 - Transitional Collaborative Agreement

The Greenville Public School District entered into a Transitional Collaborative Agreement dated July 31, 2019. The purpose of this agreement is to provide a smooth referral, evaluation, placement and transition process for all children with disabilities ages three through five inclusive from Washington County Opportunities, Inc. Head Start/Early Head Start ("WCOI Head Start/Early Head Start") to Greenville Public School District. Identification of children with disabilities will follow procedures established by State Policies and Procedures, Federal Law and Regulations and Head Start Disabilities Performance Standards on services for Children with Disabilities.

Note 20 - 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 Greenville Public School District evaluated the activity of the district through the date the financial statements were available to be issued, and determined the following subsequent event has occurred requiring disclosure in the notes to the financial statement:

There is ongoing litigation between the Greenville PSD and its insurer Argonaut Great Central Insurance Co. The parties' dispute concerning the amount of loss is significant. Greenville's claim is for approximately \$31.5 million on a replacement cost valuation basis and approximately \$29.5 million on a depreciated actual cash value basis. On the other hand, Argonaut has valued the loss at less than \$1 million. This dispute will be resolved by the appraisal panel, and the outcome is currently unknown.

Greenville Public School District

Notes to the Financial Statements
For the Year Ended June 30, 2020

Note 21 - Revision of Financial Statements and Supplementary Information

The school district's Statement of Revenues, Expenditures and Changes in Fund Balances had to be revised to reflect the correct figures for revenues and expenditures during the year in the major fund IDEA Part B Fund. The Fund Balance did not change. This also affected the Statement of Activities for the year ended June 30, 2020. The ending Net Position did not change. This change also affected the Schedule of Expenditures of Federal Awards, which is presented in the supplementary information section of this report.

REQUIRED SUPPLEMENTARY INFORMATION

GREENVILLE PUBLIC SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2020

Exhibit 1

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local sources	\$ 10,164,958	10,840,236	9,444,664	675,278	(1,395,572)
State sources	23,186,307	23,970,127	22,087,595	783,820	(1,882,532)
Federal sources	16,400	8,400	48,286	(8,000)	39,886
Sixteenth section sources	176,400	176,400	131,974	-	(44,426)
Total Revenues	33,544,065	34,995,163	31,712,519	1,451,098	(3,282,644)
Expenditures:					
Instruction	18,002,793	18,549,042	17,821,680	(546,249)	727,362
Support services	15,884,740	15,127,722	13,995,719	757,018	1,132,003
Sixteenth section	11,000	11,000	7,577	-	3,423
Debt service:					
Principal			109,903	-	(109,903)
Interest			9,145	-	(9,145)
Total Expenditures	33,898,533	33,687,764	31,944,024	210,769	1,743,740
Excess (Deficiency) of Revenues Over (Under) Expenditures	(354,468)	1,307,399	(231,505)	1,661,867	(1,538,904)
Other Financing Sources (Uses):					
Insurance recovery			21,000	-	21,000
Operating transfers in	3,685,209	3,690,923	336,931	5,714	(3,353,992)
Operating transfers out	(4,428,520)	(4,955,468)	(395,718)	(526,948)	4,559,750
Total Other Financing Sources (Uses)	(743,311)	(1,264,545)	(37,787)	(521,234)	1,226,758
Net Change in Fund Balances	(1,097,779)	42,854	(269,292)	1,140,633	(312,146)
Fund Balances:					
July 1, 2019	3,281,687	4,931,262	4,931,262	1,649,575	-
June 30, 2020	\$ 2,183,908	4,974,116	4,661,970	2,790,208	(312,146)

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

GREENVILLE PUBLIC SCHOOL DISTRICT

Budgetary Comparison Schedule

School Food Service Fund

For the Year Ended June 30, 2020

Exhibit 2

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local sources	\$ 77,240	77,240	76,086	-	(1,154)
State sources			30,236		30,236
Federal sources	2,960,000	2,960,000	2,800,781	-	(159,219)
Total Revenues	<u>3,037,240</u>	<u>3,037,240</u>	<u>2,907,103</u>	<u>-</u>	<u>(130,137)</u>
Expenditures:					
Support services	252,301	617,294	258,170	(364,993)	359,124
Noninstructional services	3,271,191	2,904,757	2,510,053	366,434	394,704
Total Expenditures	<u>3,523,492</u>	<u>3,522,051</u>	<u>2,768,223</u>	<u>1,441</u>	<u>753,828</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(486,252)</u>	<u>(484,811)</u>	<u>138,880</u>	<u>1,441</u>	<u>623,691</u>
Other Financing Sources (Uses):					
Operating transfers out			(251,393)	-	(251,393)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(251,393)</u>	<u>-</u>	<u>(251,393)</u>
Net Change in Fund Balances	<u>(486,252)</u>	<u>(484,811)</u>	<u>(112,513)</u>	<u>1,441</u>	<u>372,298</u>
Fund Balances:					
July 1, 2019	1,378,851	1,704,413	1,704,413	325,562	-
Increase (decrease) in inventory			74,215	-	74,215
June 30, 2020	<u>\$ 892,599</u>	<u>1,219,602</u>	<u>1,666,115</u>	<u>327,003</u>	<u>446,513</u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT

Budgetary Comparison Schedule

Title I - A Basic Fund

For the Year Ended June 30, 2020

Exhibit 3

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal sources	\$ 3,173,654	4,768,171	4,097,907	1,594,517	(670,264)
Total Revenues	<u>3,173,654</u>	<u>4,768,171</u>	<u>4,097,907</u>	<u>1,594,517</u>	<u>(670,264)</u>
Expenditures:					
Instruction	782,025	2,811,542	2,149,351	(2,029,517)	662,191
Support services	2,553,538	1,816,689	1,770,982	736,849	45,707
Noninstructional services	74,139	139,940	78,214	(65,801)	61,726
Total Expenditures	<u>3,409,702</u>	<u>4,768,171</u>	<u>3,998,547</u>	<u>(1,358,469)</u>	<u>769,624</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(236,048)</u>	<u>-</u>	<u>99,360</u>	<u>236,048</u>	<u>99,360</u>
Other Financing Sources (Uses):					
Operating transfers out	-	(42,506)	(42,506)	(42,506)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(42,506)</u>	<u>(42,506)</u>	<u>(42,506)</u>	<u>-</u>
Net Change in Fund Balances	<u>(236,048)</u>	<u>(42,506)</u>	<u>56,854</u>	<u>193,542</u>	<u>99,360</u>
Fund Balances:					
July 1, 2019, as previously reported			-	-	-
Prior period adjustments		(1,205)	-	(1,205)	1,205
July 1, 2019, as restated	-	(1,205)	-	(1,205)	1,205
June 30, 2020	<u>\$ (236,048)</u>	<u>(43,711)</u>	<u>56,854</u>	<u>192,337</u>	<u>100,565</u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT
 Budgetary Comparison Schedule
 IDEA Part B Fund
 For the Year Ended June 30, 2020

Exhibit 4

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal sources	\$ 1,211,325	2,304,845	836,122	1,093,520	(1,468,723)
Total Revenues	<u>1,211,325</u>	<u>2,304,845</u>	<u>836,122</u>	<u>1,093,520</u>	<u>(1,468,723)</u>
Expenditures:					
Instruction	809,513	1,610,575	1,112,684	(801,062)	497,891
Support services	339,432	693,909	480,797	(354,477)	213,112
Noninstructional services	245,530	361	361	245,169	0
Total Expenditures	<u>1,394,475</u>	<u>2,304,845</u>	<u>1,593,842</u>	<u>(910,370)</u>	<u>711,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(183,150)</u>	<u>-</u>	<u>(757,720)</u>	<u>183,150</u>	<u>(757,720)</u>
Other Financing Sources (Uses):					
Operating transfers out		(15,514)	(43,469)	(15,514)	(27,955)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(15,514)</u>	<u>(43,469)</u>	<u>(15,514)</u>	<u>(27,955)</u>
Net Change in Fund Balances	<u>(183,150)</u>	<u>(15,514)</u>	<u>(801,189)</u>	<u>167,636</u>	<u>(785,675)</u>
Fund Balances:					
July 1, 2019	-	-	-	-	-
June 30, 2020	<u><u>\$ (183,150)</u></u>	<u><u>(15,514)</u></u>	<u><u>(801,189)</u></u>	<u><u>167,636</u></u>	<u><u>(785,675)</u></u>

Greenville Public School District

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 proportionate share of the net pension liability	\$ 68,762,096	67,330,267	65,679,030	78,380,636	72,668,189	58,878,009
District's proportion of the net pension liability	0.390872%	0.404800%	0.395100%	0.438800%	0.470100%	0.485100%
District's covered payroll	25,456,495	25,853,410	25,342,660	28,069,194	29,368,476	29,639,956
District's proportionate share of the net pension liability as a percentage of its covered payroll	270.12%	260.43%	259.16%	279.24%	247.44%	198.64%
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 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.

Greenville Public School District
Schedule of District Contributions
PERS
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,416,542	4,009,398	4,071,912	3,991,469	4,420,898	4,625,535
Contributions in relation to the contractually required contribution	4,416,542	4,009,398	4,071,912	3,991,469	4,420,898	4,625,535
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered payroll	25,382,425	25,456,495	25,853,410	25,342,660	28,069,194	29,368,476
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 6/30/15, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

Greenville Public School District

Schedule of the District's Proportionate Share of the Net OPEB Liability

OPEB

Last 10 Fiscal Years*

	2020	2019	2018
District's proportionate share of the net OPEB liability	\$ 4,786,460	4,446,841	4,749,514
District's proportion of the net OPEB liability	0.56408117%	0.57486145%	0.60533520%
District's covered-employee payroll	25,831,680	26,000,592	27,196,046 **
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	18.53%	17.10%	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.

** The amount used to calculate this figure was based on the Implicit Rate Subsidy at measurement date as it relates to contributions.

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.

Greenville Public School District
Schedule of District Contributions
OPEB
Last 10 Fiscal Years*

	2020	2019	2018
Actuarially determined contribution	\$ 169,144	191,856	202,479 **
Contributions in relation to the actuarially determined contribution	169,144	191,856	202,479 **
Contribution deficiency (excess)	\$ -	-	-
District's covered-employee payroll	\$ 23,732,351	25,456,495	25,853,410
Contributions as a percentage of covered-employee payroll	0.71%	0.75%	0.78%

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

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 75 was implemented in FYE 6/30/18, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available. Prior year information is based on historical amounts reported in prior year audit report(s).

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

Greenville Public School District

Notes to the Required Supplementary Information(Continued)
For the Year Ended June 30, 2020

Budgetary Comparison Schedules

(1) Basis of Presentation

The Budgetary Comparison Schedules present the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, variances between the original budget and the final budget, and variances between the final budget and the actual data.

(2) Budget Amendments and Revisions

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

Pension Schedules

(1) *Changes of assumptions*

2015:

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

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

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

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

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

2016:

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

2017:

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

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

Greenville Public School District

Notes to the Required Supplementary Information(Continued) For the Year Ended June 30, 2020

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%.

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%.

(2) *Changes in benefit provisions*

2016:

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

- (3) *Method and assumptions used in calculations of actuarially determined contributions.* The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2017 valuation for the June 30, 2019 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	38.4 years
Asset valuation method	5-year smoothed market

Greenville Public School District

Notes to the Required Supplementary Information (Continued) For the Year Ended June 30, 2020

Price inflation	3.00 percent
Salary increase	3.25 percent to 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

OPEB Schedules

(1) Changes of assumptions

2017:

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

2018:

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

2019:

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

(2) Changes in benefit provisions

2017:

None

2018:

None

2019:

None

- (3) *Methods and assumptions used in calculation 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, open
Asset valuation method	Market Value of Assets
Price Inflation	3%

Greenville Public School District

Notes to the Required Supplementary Information (Continued)
For the Year Ended June 30, 2020

Salary increases, including wage inflation	3.25% to 18.50%
Initial health care cost trend rates Medicare Supplement Claims Pre-Medicare	7.25%
Ultimate health care cost trend rates Medicare Supplement Claims Pre-Medicare	4.75%
Year of ultimate trend rates Medicare Supplement Claims Pre-Medicare	2028
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.89%

SUPPLEMENTARY INFORMATION

GREENVILLE PUBLIC SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2020

Federal Grantor/ Pass-through Grantor/ Program Title/	Pass-through Entity Identifying Numbers	Catalog of Federal Domestic Assistance No.	Federal Expenditures
<u>U. S. Department of Agriculture</u>			
Passed-through the Mississippi Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	205MS326N1099	10.553	\$ 704,070
National School Lunch Program	205MS326N1099	10.555	2,063,813
Summer Food Service Program for Children	205MS326N1099	10.559	165,660
Total child nutrition cluster			<u>2,933,543</u>
Child and Adult Care Food Program	205MS340N1050	10.558	23,760
State Administrative Expenses for Child Nutrition	205MS907N2533	10.560	24,326
Total passed-through the Mississippi Department of Education			<u>2,981,629</u>
Total U.S. Department of Agriculture			<u>2,981,629</u>
<u>U. S. Department of Education</u>			
Passed-through the Mississippi Department of Education:			
Title I Grants to Local Educational Agencies	ES010A190024	84.010	4,268,391
Program from Neglected and Delinquent Children	ES013A190024	84.013	235,967
Career and Technical Education - Basic Grants to States	V048A180024	84.048	105,202
Rural Education	ES358B190024	84.358	87,058
Supporting Effective Instruction State Grants	ES367A190023	84.367	552,020
Student Support and Academic Enrichment Program	ES424A190025	84.424	390,756
Subtotal			<u>5,639,394</u>
Special Education Cluster:			
Special Education - Grants to States	H027A190108	84.027	1,637,311
Educator Interpreter	H027A190108	84.027A	34,615
Positive Behavior Specialists	H027A190108	84.027A	8,722
Special Education - Preschool Grants	H173A190113	84.173	49,924
Total Special Education Cluster			<u>1,730,572</u>
Total passed-through the Mississippi Department of Education			<u>7,369,966</u>
Total U.S. Department of Education			<u>7,369,966</u>
<u>U. S. Department of Health and Human Services</u>			
Passed-through Mississippi Department of Education:			
Medical Assistance Program	04-20-04MSDI00	96.001	4,949
Total passed-through the Mississippi Department of Education			<u>4,949</u>
Total U.S. Department of Health and Human Services			<u>4,949</u>
Total for All Federal Awards			\$ <u>10,356,544</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Greenville Public School District

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2020

Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Greenville Public School District under programs of the federal government for the year ended June 30, 2020. 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 Greenville Public School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Greenville Public School District.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are presented on the same basis of accounting and the same significant accounting policies, as applicable, as those used for the financial statements; however, the expenditures include transfers out. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) Indirect Cost Rate

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

(4) Other Items

Donated commodities of \$328,194 are included in the National School Lunch Program.

GREENVILLE PUBLIC SCHOOL DISTRICT

Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds
For the Year Ended June 30, 2020

Expenditures	Total	Instruction and Other Student Instructional Expenditures	General Administration	School Administration	Other
Salaries and fringe benefits \$	34,993,904	25,430,391	1,586,937	3,044,085	4,932,491
Other	10,516,053	2,761,269	1,183,384	95,002	6,476,398
Total	\$ 45,509,957	28,191,660	2,770,321	3,139,087	11,408,889
Total number of students *	4,208				
Cost per student	\$ 10,815	6,700	658	746	2,711

For purposes of this schedule, the following columnar descriptions are applicable:

Instruction and Other Student Instructional Expenditures - includes the activities dealing directly with the interaction between teachers and students. Included here are the activities of teachers, teachers aides or classroom assistants of any type.

General Administration - includes expenditures for the following functions: Support Services - General Administration and Support Services - Business.

School Administration - includes expenditures for the following function: Support Services - School Administration.

Other - includes all expenditure functions not included in Instruction or Administration categories.

* Includes the number of students reported on the ADA report submission for month 9, which is the final submission for the fiscal year.

OTHER INFORMATION

GREENVILLE PUBLIC SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

"UNAUDITED"

General Fund

Last Four Years

	2020	2019*	2018*	2017*
Revenues:				
Local sources	\$ 9,444,664	10,222,154	10,143,528	10,427,379
State sources	22,087,595	23,268,975	23,474,898	25,527,020
Federal sources	48,286	167,194	69,011	45,803
Sixteenth section sources	131,974	128,222	166,220	142,926
Total Revenues	<u>31,712,519</u>	<u>33,786,545</u>	<u>33,853,657</u>	<u>36,143,128</u>
Expenditures:				
Instruction	17,821,680	17,411,808	17,157,050	18,070,290
Support services	13,995,719	14,075,782	15,761,070	15,835,107
Noninstructional services		5,902		
Sixteenth section	7,577	5,567		
Debt service:				
Principal	109,903	107,013	117,797	
Interest	9,145	31,952	16,380	
Total Expenditures	<u>31,944,024</u>	<u>31,638,024</u>	<u>33,052,297</u>	<u>33,905,397</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(231,505)</u>	<u>2,148,521</u>	<u>801,360</u>	<u>2,237,731</u>
Other Financing Sources (Uses):				
Insurance recovery	21,000	18,295	280,790	28,111
Inception of capital leases			563,500	
Operating transfers in	336,931	302,217	499,905	581,545
Operating transfers out	(395,718)	(1,462,654)	(1,034,429)	(1,052,576)
Total Other Financing Sources (Uses)	<u>(37,787)</u>	<u>(1,142,142)</u>	<u>309,766</u>	<u>(442,920)</u>
Net Change in Fund Balances	(269,292)	1,006,379	1,111,126	1,794,811
Fund Balances:				
July 1, Beginning, as previously reported	4,931,262	3,869,571	2,766,576	977,859
Prior period adjustment		56,632		7,307
July 1, Beginning, as restated	<u>4,931,262</u>	<u>3,926,203</u>	<u>2,766,576</u>	<u>985,166</u>
Increase (decrease) in inventory		(1,320)	(8,131)	(13,401)
June 30,	<u>\$ 4,661,970</u>	<u>4,931,262</u>	<u>3,869,571</u>	<u>2,766,576</u>

*SOURCE - PRIOR YEAR AUDIT REPORTS

GREENVILLE PUBLIC SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Funds

Last Four Years

"UNAUDITED"

	2020	2019*	2018*	2017*
Revenues:				
Local sources	\$ 10,383,814	10,899,231	10,795,575	11,054,339
State sources	23,193,883	24,422,056	24,452,299	26,424,526
Federal sources	9,887,190	10,700,839	10,873,615	9,401,519
Sixteenth section sources	131,974	128,222	166,220	142,926
Total Revenues	<u>43,596,861</u>	<u>46,150,348</u>	<u>46,287,709</u>	<u>47,023,310</u>
Expenditures:				
Instruction	22,771,592	22,354,151	21,402,840	21,542,051
Support services	19,728,902	18,100,172	20,018,436	20,483,207
Noninstructional services	2,638,157	2,916,045	3,431,364	3,191,341
Sixteenth section	7,577	5,567		
Facilities acquisition and construction		477,541		
Debt service:				
Principal	109,903	107,013	177,797	915,000
Interest	253,826	322,837	308,435	273,296
Other		4,961	4,910	6,423
Total Expenditures	<u>45,509,957</u>	<u>44,288,287</u>	<u>45,343,782</u>	<u>46,411,318</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(1,913,096)</u>	<u>1,862,061</u>	<u>943,927</u>	<u>611,992</u>
Other Financing Sources (Uses):				
Insurance recovery	3,656,847	301,096	280,790	28,111
Inception of capital lease			563,500	
Payments to QSCB escrow agent	472,364			
Payments to QSCB debt escrow agent	(472,364)			
Operating transfers in	794,272	1,764,871	1,534,334	1,634,121
Other financing sources		471,364	440,800	472,364
Operating transfers out	(794,272)	(1,764,871)	(1,534,334)	(1,634,121)
Other financing uses		(471,364)	(440,800)	(472,364)
Total Other Financing Sources (Uses)	<u>3,656,847</u>	<u>301,096</u>	<u>844,290</u>	<u>28,111</u>
Net Change in Fund Balances	1,743,751	2,163,157	1,788,217	640,103
Fund Balances:				
July 1, as previously reported	11,530,552	9,376,577	7,587,847	6,986,400
Prior period adjustments		13,894	(3,935)	(30,762)
July 1, as restated	<u>11,530,552</u>	<u>9,390,471</u>	<u>7,583,912</u>	<u>6,955,638</u>
Increase (Decrease) in inventory	74,215	(23,076)	4,448	(7,894)
June 30,	<u>\$ 13,348,518</u>	<u>11,530,552</u>	<u>9,376,577</u>	<u>7,587,847</u>

*SOURCE - PRIOR YEAR AUDIT REPORTS

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Greenville Public 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 Greenville Public School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Greenville Public School District's basic financial statements, and have issued our report thereon dated September 23, 2021, except for Note 21 as to which the date is February 7, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 school district's internal control. Accordingly, we do not express an opinion on the effectiveness of the school district's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Finding 2020-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as finding 2020-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greenville Public 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*.

Greenville Public School District's Responses to Findings

Greenville Public School District's responses to the findings identified in our audit are described in the accompanying auditee's corrective action plan. Greenville Public School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC

Certified Public Accountants

September 23, 2021, except for Note 21 as to which the date is February 7, 2022

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Greenville Public School District

Report on Compliance for Each Major Federal Program

We have audited Greenville Public School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Greenville Public School District's major federal programs for the year ended June 30, 2020. The Greenville Public School District's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Greenville Public School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the school district's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the school district's compliance.

Opinion on Each Major Federal Program

In our opinion, the Greenville Public 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as finding 2020-003. Our opinion on each major federal programs is not modified with respect to this matter.

Greenville Public School District's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. Greenville Public School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Greenville Public School District is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Greenville Public School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the school district's 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be

material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as 2020-003, that we consider to be a significant deficiency.

Greenville Public School District's response to the internal control over compliance finding identified in our audit is described in the accompanying auditee's correction action plan. Greenville Public School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC

Certified Public Accountants

September 23, 2021, except for Note 21 as to which the date is February 7, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Greenville Public School District

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2020

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? Yes.
 - 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? Yes.
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
10.553, 10.555 & 10.559	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies
84.027, 84.027A & 84.173	Special Education Cluster

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

Material Weakness

Finding 2020-001

Criteria:

An effective system of internal control is the responsibility of management. Management should establish an internal control system that ensures strong financial accountability and safeguarding of assets. A critical aspect of financial management is the maintenance of accurate accounting records.

Condition:

1. During our test of receivables, we noted that receivables in Fund 2610 were overstated in the amount of \$804,393.76. Audit adjustments were made to accurately reflect these receivables.
2. During our test of unearned revenue, we noted that unearned revenue in Title I (Fund 2211) was overstated in the amount of \$160,418.98 with the Title I tolerable misstatement amount being \$76,836. Audit adjustments were made to accurately reflect this balance.

Cause:

This is the result of the school district not properly implementing an effective internal control system and maintaining the system.

Effect:

Without a proper internal control system being in place to ensure accurate accounting records, the district increases the risk that the financial statements will contain materially misstated accounts.

Recommendation:

District should implement policies and procedures to establish an internal control system that will ensure strong financial accountability, proper safeguarding of assets, and accurate accounting records.

Response:

The Business Manager and Assistant Business Manager will work to review all funds monthly and have monthly meetings with the department of Special Services to ensure all budgets are aligned in the accounting software system.

Significant Deficiency

Finding 2020-002

Criteria:

An effective system of internal controls is the responsibility of management. Management

should establish an internal control system that ensures strong financial accountability and safeguarding of assets. A critical aspect of financial management is the maintenance of accurate accounting records.

Condition:

During our test of invoices, we noted all sixty (60) invoices were not marked canceled after payment.

Cause:

This is the result of the school district not properly implementing an effective internal control system and maintaining the system.

Effect:

Without a proper internal control system being in place to ensure accurate accounting records, the district increases the risk that the financial statements will contain materially misstated accounts.

Recommendation:

District should implement policies and procedures to establish an internal control system that will ensure strong financial accountability, proper safeguarding of assets, and accurate accounting records.

Response:

The Accounts Payable Clerk will review all invoices and stamp canceled or paid on each invoice and purchase order approved by the Board of Trustees each month.

Section III: Federal Awards Findings and Questioned Costs

The results of our tests disclosed the following finding and questioned cost related to the federal awards.

Significant Deficiency and Noncompliance

Finding 2020-003

Program: U.S. Department of Education
Passed-through the Mississippi Department of Education
Special Education Cluster
Assistance Listing Numbers: 84.027, 84.027A & 84.173

Compliance requirement: Activities Allowed/Unallowed

Criteria:

An effective internal controls is the responsibility of management. Management should establish an internal control system that ensures strong financial accountability and safeguarding of assets. A critical aspect of financial management is the maintenance of accurate accounting records.

Condition:

During our test of IDEA Part B, we noted that the expenditure details in MCAPS and the general ledger did not agree.

Context:

During the course of the audit, we found a discrepancy between the accounting records and the expenditure details in MCAPS for the Special Education Cluster grant.

Cause:

This is the result of the school district not properly implementing an effective internal control system and maintaining the system.

Effect:

Without a proper internal controls system being in place to ensure accurate accounting records, the district increases the risk that the financial statements will contain materially misstated accounts.

Identification of a Repeat Finding:

No.

Whether Sampling was Statistically Valid:

No.

Recommendation:

District should implement policies and procedures to establish an internal control system that will ensure strong financial accountability, proper safeguarding of assets, and accurate accounting records.

Views of Responsible Official:

The Business Manager and Special Services Director, along with supporting staff, will meet each month to view expenditures and submit revisions and/or amendments to align with the funds allowed in MCAPS for monthly drawdowns.

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



Greenville Public School District
Cynthia B. Cannon, Business Manager

412 South Main Street / P. O. Box 1619

Greenville, Mississippi 38702 **Phone:** 662-334-7010 **Email:** ccannon@gville.k12.ms.us

SAFETY + SUPERVISION + SCORES= STUDENT SUCCESS

5s Movement

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, the Greenville Public School District has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2020:

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2020-001	<p>a. Name of Contact Person Responsible for Corrective Action</p> <p>Name: Cynthia B. Cannon/Tijuana Harris Title: Business Manager/Assistant Business Manager Phone Number:662.334.7010</p> <p>b. Correction Action Planned:</p> <p>The Business Manager and Assistant Business Manager will work to review all funds monthly and have monthly meetings with the department of Special Services to ensure all budgets are aligned in the accounting software system.</p> <p>c. Anticipated Completion Date: Review on monthly basis</p>
2020-002	<p>a. Name of Contact Person Responsible for Corrective Action</p> <p>Name: Cassandra Pete Title: Account Payable Clerk Phone Number:662-334-7000 ext. 1006</p>

- b. Correction Action Planned:
The Accounts Payable Clerk will review all invoices and stamp canceled or paid on each invoice and purchase order approved by the Board of Trustees each month.
- c. Anticipated Completion Date:
This process will take place monthly

Finding

2020-003

Corrective Action Plan Details

- a. Name of Contact Person Responsible for Corrective Action

Name: Cynthia Cannon/Dr. Janice Monroe
Title: Business Manager/Special Service Director
Phone Number: 662-334-7000 ext. 1001/ext. 4220
- b. Correction Action Planned:
The Business Manager and Special Services Director, along with supporting staff, will meet each month to view expenditures and submit revisions and/or amendments to align with the funds allowed in MCAPS for monthly drawdowns.
- c. Anticipated Completion Date: This process will take place monthly



Greenville Public School District
Cynthia B. Cannon, Business Manager

412 South Main Street / P. O. Box 1619

Greenville, Mississippi 38702 **Phone:** 662-334-7010 **Email:** ccannon@gville.k12.ms.us

SAFETY + SUPERVISION + SCORES= STUDENT SUCCESS

5s Movement

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 (UG), the Greenville Public School District has prepared and hereby submits the following prior year audit findings follow-up as of June 30, 2020:

<u>Finding</u>	<u>Status</u>
2019-001	Corrected
2019-002	Corrected
2019-003	Corrected