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COAHOMA COUNTY SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2021

St. Clair CPA, PLLC
Carriere, MS

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INDEPENDENT AUDITOR'S REPORT

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ST. CLAIR CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board
Coahoma County School District

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coahoma County School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Coahoma County 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 Coahoma County School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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) on pages 9-16, 47-50, 51, 52, 53 and 54, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Coahoma County School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 my 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, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated August 5, 2022, on my consideration of the Coahoma County School District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my 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 Coahoma County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coahoma County School District's internal control over financial reporting and compliance.

St. Clair CPA, PLLC

St. Clair CPA, PLLC
Carriere, MS
August 5, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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COAHOMA COUNTY SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

The following discussion and analysis of Coahoma County School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2021. 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 2021 increased \$1,452,439, including a prior period adjustment of \$29,797, which represents a 37% increase from fiscal year 2020. Total net position for 2020 increased \$1,682,797, including a prior period adjustment of \$66,919, which represents a 30% increase from fiscal year 2019
- General revenues amounted to \$12,922,701 and \$14,586,586, or 67% and 77% of all revenues for fiscal years 2021 and 2020, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,262,234, or 33% of total revenues for 2021, and \$4,474,676, or 23% of total revenues for 2020.
- The District had \$17,762,293 and \$17,445,384 in expenses for fiscal years 2021 and 2020; only \$6,262,234 for 2021 and \$4,474,676 for 2020 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$12,922,701 for 2021 and \$14,586,586 for 2020 were adequate to provide for these programs.
- Among major funds, the General Fund had \$12,505,640 in revenues and \$12,303,658 in expenditures for 2021, and \$14,413,793 in revenues and \$11,642,290 in expenditures in 2020. The General Fund's fund balance increased by \$95,092, including a prior period adjustment of \$164,875, from 2020 to 2021, and increased by \$2,752,658, including a prior period adjustment of \$34,758, from 2019 to 2020.
- Capital assets, net of accumulated depreciation, increased by \$2,006,631 for 2021 and increased by \$4,435,685 for 2020. The increase for 2021 was due primarily to completed construction of building projects.
- Long-term debt decreased by \$295,475 for 2021 and decreased by \$416,920 for 2020. This decrease for 2021 was due primarily to the principal payments on outstanding long-term debt. The liability for compensated absences decreased by \$30,475 for 2021 and increased by \$23,080 for 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The Statement of Net Position presents information on all the District's nonfiduciary assets, deferred outflows, liabilities, and deferred inflows, with the differences between them reported as "net position." Over 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 are in the governmental funds category.

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

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

Reconciliation of Government-wide and Fund Financial Statements

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

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

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

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

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

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial

statements, but are reported as expenditures on the governmental funds financial statements.

Notes to the financial statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Contributions (PERS), Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of District Contributions (OPEB) as required supplementary information. The District adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund 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 \$2,475,188 as of June 30, 2021.

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

Table 1 presents a summary of the District's net position at June 30, 2021 and June 30, 2020.

Table 1
Condensed Statement of Net Position

	June 30, 2021	June 30, 2020	Percentage Change
Current assets	\$ 14,746,199	\$ 14,355,387	2.72 %
Restricted assets	1,798,421	2,883,484	(37.63) %
Capital assets, net	10,776,794	8,770,163	22.88 %
Total assets	27,321,414	26,009,034	5.05 %
Deferred outflows of resources	2,884,332	2,467,318	16.90 %
Current liabilities	570,597	1,395,348	(59.11) %
Long-term debt outstanding	4,303,234	4,598,709	(6.43) %
Net OPEB liability	1,535,243	1,676,282	(8.41) %
Net pension liability	25,326,781	24,269,534	4.36 %
Total liabilities	31,735,855	31,939,873	(0.64) %
Deferred inflows of resources	945,079	464,106	103.63 %
Net position:			
Net investment in capital assets	6,531,794	4,484,220	45.66 %
Restricted	1,747,633	1,488,168	17.44 %
Unrestricted	(10,754,615)	(9,900,015)	(8.63) %
Total net position	\$ (2,475,188)	\$ (3,927,627)	36.98 %

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)	\$ (10,754,615)
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	24,922,771
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ 14,168,156</u>

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

- Increase in net capital assets in the amount of \$2,006,631.
- The principal retirement of \$265,000 of long-term debt.

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2021 and June 30, 2020 were \$19,184,935 and \$19,061,262, respectively. The total cost of all programs and services was \$17,762,293 for 2021 and \$17,445,384 for 2020.

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

Table 2
Changes in Net Position

	Year Ended June 30, 2021	Year Ended June 30, 2020	Percentage Change
Revenues:			
Program revenues:			
Charges for services	\$ 130,117	\$ 113,842	14.30 %
Operating grants and contributions	6,132,117	4,360,834	40.62 %
General revenues:			
Property taxes	5,727,552	6,302,684	(9.13) %
Grants and contributions not restricted	6,080,854	6,854,886	(11.29) %
Investment earnings	12,567	202,981	(93.81) %
Sixteenth section sources	1,101,728	965,763	14.08 %
Other	0	260,272	(100.00) %
Total revenues	19,184,935	19,061,262	0.65 %
Expenses:			
Instruction	6,217,303	6,024,110	3.21 %
Support services	7,400,701	6,940,909	6.62 %
Non-instructional	1,255,497	1,488,222	(15.64) %
Sixteenth section	211,034	166,313	26.89 %
Pension expense	2,503,744	2,573,908	(2.73) %
OPEB expense	7,043	69,609	(89.88) %
Interest on long-term liabilities	166,971	182,313	(8.42) %
Total expenses	17,762,293	17,445,384	1.82 %
Increase (Decrease) in net position	1,422,642	1,615,878	(11.96) %
Net Position, July 1, as previously reported	(3,927,627)	(5,610,424)	29.99 %
Prior Period Adjustment	29,797	66,919	(55.47) %
Net Position, July 1, as restated	(3,897,830)	(5,543,505)	29.69 %
Net Position, June 30	\$ (2,475,188)	\$ (3,927,627)	36.98 %

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
	2021	2020	
Instruction	\$ 6,217,303	\$ 6,024,110	3.21 %
Support services	7,400,701	6,940,909	6.62 %
Non-instructional	1,255,497	1,488,222	(15.64) %
Sixteenth section	211,034	166,313	26.89 %
Pension Expense	2,503,744	2,573,908	(2.73) %
OPEB Expense	7,043	69,609	(89.88) %
Interest on long-term liabilities	166,971	182,313	(8.42) %
Total expenses	\$ 17,762,293	\$ 17,445,384	1.82 %

	Net (Expense) Revenue		Percentage Change
	2021	2020	
Instruction	\$ (4,627,759)	\$ (4,472,276)	(3.48) %
Support services	(4,572,938)	(5,762,914)	20.65 %
Non-instructional	589,430	256,625	129.69 %
Sixteenth section	(211,034)	(166,313)	(26.89) %
Pension Expense	(2,503,744)	(2,573,908)	2.73 %
OPEB Expense	(7,043)	(69,609)	89.88 %
Interest on long-term liabilities	(166,971)	(182,313)	8.42 %
Total net (expense) revenue	\$ (11,500,059)	\$ (12,970,708)	11.34 %

- Net cost of governmental activities (\$11,500,059 for 2021 and \$12,970,708 for 2020) was financed by general revenue, which is primarily made up of property taxes (\$5,727,552 for 2021 and \$6,302,684 for 2020) and state and federal revenues (\$6,080,854 for 2021 and \$6,854,886 for 2020). In addition, there was \$1,101,728 and \$965,763 in Sixteenth Section sources for 2021 and 2020, respectively.
- Investment earnings amounted to \$12,567 for 2021 and \$202,981 for 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 \$15,986,967, an increase of \$130,150, which includes a prior period adjustment of \$18,605 and a decrease in inventory of \$32,077. \$14,204,740 or 89% of the fund balance is unassigned, which represents the residual classification for the General Fund's fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The remaining fund balance of \$1,782,227 or 11% is either nonspendable, restricted, committed or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$95,092, which includes a prior period adjustment of \$164,875. The fund balance of Other

Governmental Funds showed an increase in the amount of \$35,058, which includes a prior period adjustment of (\$146,270) and a decrease in reserve for inventory of \$32,077. The increase (decrease) in the fund balances for the other major funds were as follows:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
Title I-A Basic Fund	no increase or decrease
ESSER Fund	no increase or decrease
ESSER II Fund	no increase or decrease

BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2021, the District's total capital assets were \$20,282,778, including land, school buildings, building improvements, improvements other than buildings, buses, other school vehicles and furniture and equipment. This amount represents an increase of \$2,223,099 from 2020. Total accumulated depreciation as of June 30, 2021, was \$9,505,984, and total depreciation expense for the year was \$249,798, resulting in total net capital assets of \$10,776,794.

Table 4
Capital Assets, Net of Accumulated Depreciation

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 27,423	\$ 27,423	0.00 %
Construction in Progress	0	4,611,371	(100.00) %
Buildings	8,394,415	2,137,610	292.70 %
Building improvements	1,424,817	1,209,493	17.80 %
Improvements other than buildings	12,783	13,422	(4.76) %
Mobile equipment	786,185	699,591	12.38 %
Furniture and equipment	131,171	71,253	84.09 %
Total	\$ 10,776,794	\$ 8,770,163	22.88 %

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

Debt Administration. At June 30, 2021, the District had \$4,303,234 in outstanding long-term debt, of which \$279,659 is due within one year. The liability for compensated absences decreased \$30,475 from the prior year.

Table 5
Outstanding Long-Term Debt

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Percentage Change</u>
Limited tax promissory note	4,245,000	4,510,000	(5.88) %
Compensated absences payable	58,234	88,709	(34.35) %
Total	<u>\$ 4,303,234</u>	<u>\$ 4,598,709</u>	<u>(6.43) %</u>

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

CURRENT ISSUES

The Coahoma County 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.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have any questions about this report or need additional financial information, contact the Superintendent's Office of the Coahoma County School District, P.O. Box 820, Clarksdale, Mississippi 38614.

BASIC FINANCIAL STATEMENTS

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COAHOMA COUNTY SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 12,247,310
Due from other governments	2,458,094
Inventories	40,797
Restricted assets (Note 4)	1,798,419
Non-depreciable capital assets (Note 5)	27,423
Depreciable capital assets, net (Note 5)	10,749,371
Total Assets	<u>27,321,414</u>
Deferred Outflows of Resources	
Deferred outflow - pensions (Note 7)	2,575,168
Deferred outflow - OPEB (Note 8)	309,164
Total Deferred Outflows of Resources	<u>2,884,332</u>
Liabilities	
Accounts payable and accrued liabilities	557,653
Interest payable on long-term liabilities	12,944
Long-term liabilities (Due within one year)	
Capital related liabilities (Note 6)	275,000
Non-capital related liabilities (Note 6)	4,659
Net OPEB liability (Note 8)	50,457
Long-term liabilities (Due beyond one year)	
Capital related liabilities (Note 6)	3,970,000
Non-capital related liabilities (Note 6)	53,575
Net OPEB liability (Note 8)	1,484,786
Net pension liability (Note 7)	25,326,781
Total Liabilities	<u>31,735,855</u>
Deferred Inflows of Resources	
Deferred inflows - pensions (Note 7)	517,182
Deferred inflows - OPEB (Note 8)	427,897
Total Deferred Inflows of Resources	<u>945,079</u>
Net Position	
Net investment in capital assets	6,531,794
Restricted net position	
Expendable	
School-based activities	1,034,424
Debt service	171,484
Forestry improvements	42,386
Unemployment benefits	56,239
Non-expendable	
Sixteenth section	443,100
Unrestricted	<u>(10,754,615)</u>
Total Net Position	<u>\$ (2,475,188)</u>

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

COAHOMA COUNTY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

Exhibit B

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	\$ 6,217,303	123,558	1,465,986	(4,627,759)
Support services	7,400,701		2,827,763	(4,572,938)
Non-instructional	1,255,497	6,559	1,838,368	589,430
Sixteenth section	211,034			(211,034)
Pension expense	2,503,744			(2,503,744)
OPEB expense	7,043			(7,043)
Interest on long-term liabilities	166,971			(166,971)
Total Governmental Activities	<u>17,762,293</u>	<u>130,117</u>	<u>6,132,117</u>	<u>(11,500,059)</u>
General Revenues				
Taxes				
General purpose levies				5,212,254
Debt purpose levies				515,298
Unrestricted grants and contributions				
State				5,987,551
Federal				93,303
Unrestricted investment earnings				12,567
Sixteenth section sources				<u>1,101,728</u>
Total General Revenues				<u>12,922,701</u>
Changes in Net Position				<u>1,422,642</u>
Net Position - Beginning, as previously reported				(3,927,627)
Prior Period Adjustments (Note 10)				29,797
Net Position - Beginning - as restated				<u>(3,897,830)</u>
Net Position - Ending				<u>\$ (2,475,188)</u>

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

COAHOMA COUNTY SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2021

Exhibit C

	Major Funds				Other	Total
	General Fund	Title I-A Basic Fund	ESSER Fund	ESSER II Fund	Governmental Funds	Governmental Funds
Assets						
Cash and cash equivalents (Note 2)	\$ 12,247,310				1,798,419	14,045,729
Due from other governments	113,783	548,827	486,139	916,561	392,784	2,458,094
Due from other funds (Note 3)	2,458,879	2,731			60,130	2,521,740
Inventories					40,797	40,797
Total Assets	<u>14,819,972</u>	<u>551,558</u>	<u>486,139</u>	<u>916,561</u>	<u>2,292,130</u>	<u>19,066,360</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable & accrued liabilities	530,721				26,932	557,653
Due to other funds (Note 3)	62,861	551,558	486,139	916,561	504,621	2,521,740
Total Liabilities	<u>593,582</u>	<u>551,558</u>	<u>486,139</u>	<u>916,561</u>	<u>531,553</u>	<u>3,079,393</u>
Fund Balances						
Nonspendable						
Inventory					40,797	40,797
Permanent fund principal					443,100	443,100
Restricted						
Debt service					184,428	184,428
Forestry improvements					42,386	42,386
Unemployment benefits					56,239	56,239
Grant activities					993,627	993,627
Assigned						
School activities	21,650					21,650
Unassigned	14,204,740					14,204,740
Total Fund Balances	<u>14,226,390</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,760,577</u>	<u>15,986,967</u>
Total Liabilities and Fund Balances	<u>\$ 14,819,972</u>	<u>551,558</u>	<u>486,139</u>	<u>916,561</u>	<u>2,292,130</u>	<u>19,066,360</u>

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

COAHOMA COUNTY SCHOOL DISTRICT

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2021

Exhibit C-1

		<u>Amount</u>
Total Fund Balance - Governmental Funds		\$ 15,986,967
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Land	27,423	
Buildings	11,684,813	
Building Improvements	4,760,131	
Improvement other than buildings	15,979	
Mobile equipment	2,840,168	
Furniture and equipment	954,264	
Accumulated depreciation	<u>(9,505,984)</u>	10,776,794
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability		(25,326,781)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions	2,575,168	
Deferred inflows of resources related to pensions	<u>(517,182)</u>	2,057,986
Some liabilities, including net OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net OPEB liability		(1,535,243)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to OPEB	309,164	
Deferred inflows of resources related to OPEB	<u>(427,897)</u>	(118,733)
Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported in the funds:		
Notes payable	(4,245,000)	
Compensated absences	(58,234)	
Accrued interest payable	<u>(12,944)</u>	<u>(4,316,178)</u>
Total Net Position - Governmental Activities		<u>\$ (2,475,188)</u>

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

COAHOMA COUNTY SCHOOL DISTRICT

Exhibit D

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021

	Major Funds				Other	Total
	General	Title I-A	ESSER	ESSER II	Governmental	Governmental
	Fund	Basic	Fund	Fund	Funds	Funds
Revenues						
Local sources	\$ 5,345,558				737,598	6,083,156
State sources	5,987,551				196,908	6,184,459
Federal sources	93,303	950,059	828,741	916,561	3,026,628	5,815,292
Sixteenth section sources	1,079,228				22,800	1,102,028
Total Revenues	12,505,640	950,059	828,741	916,561	3,983,934	19,184,935
Expenditures						
Instruction	5,795,595	155,790	285,977	172,882	634,894	7,045,138
Support services	5,302,126	584,661	538,959	314,132	1,259,774	7,999,652
Noninstructional services		202,297			1,204,379	1,406,676
Sixteenth section	195,060				15,974	211,034
Facilities acquisition and construction	1,010,877			353,842	581,773	1,946,492
Debt service						
Principal (Note 6)					265,000	265,000
Interest					167,321	167,321
Total Expenditures	12,303,658	942,748	824,936	840,856	4,129,115	19,041,313
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	201,982	7,311	3,805	75,705	(145,181)	143,622
Other Financing Sources (Uses)						
Operating transfers in (Note 3)	151,221				422,986	574,207
Operating transfers out (Note 3)	(422,986)	(7,311)	(3,805)	(75,705)	(64,400)	(574,207)
Total Other Financing Sources (Uses)	(271,765)	(7,311)	(3,805)	(75,705)	358,586	0
Net Change in Fund Balances	(69,783)	0	0	0	213,405	143,622
Fund Balances						
July 1, 2020, as previously reported	14,131,298				1,725,519	15,856,817
Prior period adjustments (Note 10)	164,875				(146,270)	18,605
July 1, 2020, as restated	14,296,173	0	0	0	1,579,249	15,875,422
Decrease in reserve for inventory					(32,077)	(32,077)
June 30, 2021	\$ 14,226,390	0	0	0	1,760,577	15,986,967

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

COAHOMA COUNTY SCHOOL DISTRICT

Exhibit D-1

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2021

	<u>Amount</u>
Net Change in Fund Balance - Governmental Funds	\$ 143,622

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, those amounts are:

Capital outlay	2,245,698	
Depreciation expense	<u>(249,798)</u>	1,995,900

In the Statement of Activities, only the gain/loss on the sale of assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.

(461)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the statement of activities:

Payments of debt principal	265,000	
Accrued interest payable	<u>350</u>	265,350

Some items relating to pensions and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:

Pension expense	(2,503,744)	
Contributions made subsequent to the measurement date	<u>1,480,163</u>	(1,023,581)

Some items relating to OPEB and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:

OPEB expense	(7,043)	
Contributions made subsequent to the measurement date	<u>50,457</u>	43,414

Some items reported in the Statement of Activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:

Change in compensated absences	30,475	
Change in inventory reserve	<u>(32,077)</u>	<u>(1,602)</u>

Changes in Net Position of Governmental Activities

\$ 1,422,642

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

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

B. Government-wide and Fund Financial Statements

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

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

1. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by outstanding balances of bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.
2. Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are 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.

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

Fund Financial Statements - Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other governmental funds.

The school district reports the following major governmental funds:

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

Title I-A Basic Fund - This Special Revenue Fund is used to account for the Federal funds whose use is restricted for services associated with providing supplemental educational service to students.

ESSER Fund - This special revenue fund is federally funded and is used to provide additional funds for the prevention and protection from the COVID 19 pandemic.

ESSER Fund II - This special revenue fund is federally funded and is used to provide additional funds for the learning loss from the COVID 19 pandemic and improve the classroom environment and safety.

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

Additionally, the school district reports the following fund types:

GOVERNMENTAL FUNDS

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

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

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

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

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

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. 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

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and judgments, are recorded only when payment is due.

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

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

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

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

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

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

Revenues from the Mississippi 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

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

these depositories are to be selected.

Investments

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

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

Investments for the 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.

Prepaid items, such as prepaid insurance, are not reported for governmental fund types since the costs of such items are accounted for as expenditures in the period of acquisition.

5. Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net Position because their use is limited by applicable debt statutes, e.g. Qualified School Construction Bond sinking funds. Also, the nonexpendable portion of the Permanent Fund, if applicable, is classified as restricted assets because the 16th Section Principal fund is not available for use by the district except as provided for under state statute for loans from this fund.

6. Capital Assets

Capital assets include land, improvements to land, easements, water rights, timber rights, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

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

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

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

The following schedule details the capitalization thresholds:

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

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 deferred outflows are directly related to pension reporting and OPEB reporting.

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

See Notes 7, 8 and 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

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

vacation leave in accordance with school district policy. The district pays for unused leave for employees as required by Section 37-7-307(5), Miss. Code Ann. (1972).

The liability for these compensated absences is recorded as a long-term liability in the government-wide statements. 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

In the government-wide financial statements, outstanding debt is reported as liabilities. 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.

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 documented in the board minutes of the school board. Currently there is no committed fund balance for this school district.

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

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 of education and/or the business manager pursuant to authorization established by the school board.

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

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

It is the goal of the district to achieve and maintain an unassigned fund balance in the general fund at fiscal year-end of an amount not less than 7% of district revenues. If the unassigned fund balance at fiscal year-end falls below the goal, the district shall develop a restoration plan to achieve and maintain the minimum fund balance.

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.

GASB 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds.

Note 2 – Cash and Cash Equivalents

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

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

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

Insurance Corporation.

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds was \$14,045,729.

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.

Note 3 – Inter-fund Receivables, Payables and Transfers

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

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Major Fund - Title I-A Basic Fund	\$ 551,558
	Major Fund - ESSER Fund	486,139
	Major Fund - ESSER II Fund	916,561
	Other governmental funds	504,621
Major Fund - Title I-A Basic Fund	General Fund	2,731
Other governmental funds	General Fund	60,130
Total		<u>\$ 2,521,740</u>

The purpose of the inter-fund loans was to eliminate deficit cash balances in certain federal programs as part of the normal year end closing adjustments.

B. Inter-fund Transfers

Transfers Out	Transfers In	Amount
General Fund	Other governmental funds	\$ 422,986
Major Fund - Title I-A Basic Fund	General Fund	7,311
Major Fund - ESSER Fund	General Fund	3,805
Major Fund - ESSER II Fund	General Fund	75,705
Other governmental funds	General Fund	64,400
Total		<u>\$ 574,207</u>

The transfer out of the General Fund was for the purpose of funding the unemployment compensation (Fund 2820), capital projects and other programs in the Other Governmental Funds. The transfers from the Major Funds and Other Governmental Funds to the General Fund were for indirect costs.

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

Note 4 – Restricted Assets

The restricted assets represent the cash balance (\$1,798,419) of various federal programs, capital projects fund, debt service funds and the Sixteenth Section Principal Fund (Permanent Fund) which are legally restricted and may not be used for purposes that support the district's programs.

Note 5 – Capital Assets

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

	Balance 7/1/2020	Increases	Decreases	Completed Construction	Adjustments	Balance 6/30/2021
Governmental Activities:						
<u>Non-depreciable capital assets:</u>						
Land	\$ 27,423					27,423
Construction-in-progress	4,611,371	1,946,492		(6,567,683)	9,820	0
Total non-depreciable capital assets	4,638,794	1,946,492	0	(6,567,683)	9,820	27,423
<u>Depreciable capital assets:</u>						
Buildings	5,359,618			6,325,195		11,684,813
Building improvements	4,517,643			242,488		4,760,131
Improvements other than buildings	15,979					15,979
Mobile equipment	2,644,948	181,500			13,720	2,840,168
Furniture and equipment	882,697	117,706	(46,139)			954,264
Total depreciable capital assets	13,420,885	299,206	(46,139)	6,567,683	13,720	20,255,355
Less accumulated depreciation for:						
Buildings	3,222,008	68,390				3,290,398
Building improvements	3,308,150	27,164				3,335,314
Improvements other than buildings	2,557	639				3,196
Mobile equipment	1,945,357	96,278			12,348	2,053,983
Furniture and equipment	811,444	57,327	(45,678)			823,093
Total accumulated depreciation	9,289,516	249,798	(45,678)	0	12,348	9,505,984
Total depreciable capital assets, net	4,131,369	49,408	(461)	6,567,683	1,372	10,749,371
Governmental activities capital assets, net	\$ 8,770,163	1,995,900	(461)	0	11,192	10,776,794

Depreciation expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	\$ 111,517
Support services	127,629
Non-instructional	10,652
Total depreciation expense - Governmental activities	\$ 249,798

Note 6 – Long-term Liabilities

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

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

	Balance 7/1/2020	Additions	Reductions	Balance 6/30/2021	Amounts due within one year
A. Limited tax notes payable	\$ 4,510,000		265,000	4,245,000	275,000
B. Compensated absences payable	88,709		30,475	58,234	4,659
Total	\$ 4,598,709	0	295,475	\$ 4,303,234	279,659

A. Three mill notes payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Limited tax notes, 2019	4.95	06/26/19	06/01/36	\$ 4,950,000	\$ 4,245,000

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

Three mill notes payable issue of 2019:

Year Ending June 30	Principal	Interest	Total
2022	\$ 275,000	157,490	432,490
2023	280,000	147,287	427,287
2024	290,000	136,899	426,899
2025	300,000	126,140	426,140
2026	310,000	115,010	425,010
2027 – 2031	1,325,000	415,706	1,740,706
2032 – 2036	1,465,000	166,208	1,631,208
Total	\$ 4,245,000	1,264,740	5,509,740

This debt will be retired from the Three Mill Note Retirement Fund (Debt Service Fund).

This debt is partially secured by an irrevocable pledge of building and bus fund revenues (\$39,511) the district receives from the State of Mississippi pursuant to the Education Enhancement Funds authorization, Section 37-61-33, Miss. Code Ann. (1972).

B. 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.

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

Note 7 – Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description. The school district contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available at www.pers.ms.gov.

Benefits provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter.

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2021 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, 2021, 2020 and 2019 were \$1,480,163, \$1,515,803 and \$1,415,111, 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, 2021, the school district reported a liability of \$25,326,781 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2021 net pension liability was .130828 percent, which was based on a measurement date of June 30, 2020. This was a decrease of .007130 percent from its proportionate share used to calculate the June 30, 2020 net pension liability, which was based on a measurement date of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$2,503,744. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 159,774	\$ 0
Net difference between projected and actual earnings on pension plan investments	832,262	0
Changes of assumptions	102,969	0
Changes in proportion and differences between District contributions and proportionate share of contributions	0	517,182
District contributions subsequent to the measurement date	1,480,163	0
Total	\$ 2,575,168	\$ 517,182

\$1,480,163 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, 2022. 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:

2022	\$ 98,300
2023	98,300
2024	173,157
2025	208,066

Actuarial assumptions. The total pension liability as of June 30, 2020 was determined by actuarial valuation prepared as of June 30, 2019. 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

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 are projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2014 to June 30, 2018. The experience report is dated April 2, 2019.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.00 %	4.90 %

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

International Equity	22.00	4.75
Global Equity	12.00	5.00
Fixed Income	20.00	0.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	1.00	0.00
Total	<u>100</u>	<u>%</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 table 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	\$ 32,782,405	\$ 25,326,781	\$ 19,172,894

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 8 – Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan.

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

Benefits provided. The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare Eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

Contributions. The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. Contributions to the OPEB plan from the District were \$50,457 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$1,535,243 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, 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, 2020, the District's proportion was .19727921 percent. This was a decrease of .00026947 percent from the proportionate share as of the measurement date of June 30, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$7,043. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,957	\$ 267,173
Changes of assumptions	238,361	64,877
Net difference between projected and actual earnings on OPEB plan investments	49	0
Changes in proportion and differences between District contributions and proportionate share of contributions	18,340	95,847
District contributions subsequent to the measurement date	50,457	0
Total	\$ <u>309,164</u>	\$ <u>427,897</u>

\$50,457 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

Year Ending June 30:	
2022	\$ (48,569)
2023	(48,569)
2024	(44,524)
2025	(14,005)
2026	(13,523)

Actuarial assumptions. The total OPEB liability in the June 30, 2020 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	3.00-18.25 percent, including wage inflation
Municipal Bond Index Rate	
Measurement Date	2.19%
Prior Measurement Date	3.50%
Year FNP is projected to be depleted	
Measurement Date	2020
Prior Measurement Date	2019
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Measurement Date	2.19%
Prior Measurement Date	3.50%
Health Care Cost Trends	
Medicare Supplement Claims	7.00 percent for 2021 decreasing to an
Pre-Medicare	ultimate rate of 4.50% by 2030

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 demographic actuarial assumptions used in the June 30, 2020 valuation were based on the results of the last 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, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 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, 2020 was 2.19 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.50% to 2.19%.

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2020, the trust has \$1,037,371. 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, 2019 and the June 30, 2020 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2020 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current discount rate:

	1% Decrease (1.19%)	Current Discount Rate (2.19%)	1% Increase (3.19%)
Net OPEB liability	\$ 1,696,548	\$ 1,535,243	\$ 1,396,887

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	\$ 1,417,562	\$ 1,535,243	\$ 1,668,570

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 9 – 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.

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

Year Ending June 30	Amount
2022	\$ 757,936
2023	672,935
2024	384,235
2025	99,213
2026	1,213
2027 – 2031	6,063
2032 - 2036	3,988
2037 – 2041	1,800
2042 – 2046	1,800
Total	<u>\$ 1,929,183</u>

Note 10 – Prior Period Adjustments

A summary of significant Net Position/Fund Balance adjustments is as follows:

Exhibit B - Statement of Activities

Explanation	Amount
1. Error correction - restatement of a prior period asset/liability	\$ 18,605
2. Correctly state capital assets	<u>11,192</u>
Total	<u>\$ 29,797</u>

Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balances

Fund	Explanation	Amount
General Fund	Error correction -restatement of a prior period asset/liability	\$ 160,609
	Implementation of GASB No. 84	4,266
Other governmental funds	Error correction -restatement of a prior period asset/liability	<u>(146,270)</u>
Total		<u>\$ 18,605</u>

Note 11 – Contingencies

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

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

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2021

Note 12 – Risk Management

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

Participation in Public Entity Risk Pool

The school district is a member of the Mississippi School Boards Association Workers' Compensation Trust (MSBAWCT). The trust is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. The trust consists of approximately 57 school districts and covers risks of loss arising from injuries to the members' employees. The Mississippi Workers' Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member. Each member of MSBAWCT contributes quarterly to a fund held in trust by Wells Fargo in Portland, Oregon. The funds in the trust account are used to pay any claim up to \$750,000. For a claim exceeding \$750,000, MSBAWCT has insurance which will pay the excess to the statutory amount required by the Mississippi Workers' Compensation Commission Act. If total claims during a year were to deplete the trust account, then the member school districts would be required to pay for the deficiencies. The district has not had an additional assessment for excess losses incurred by the pool.

Note 13 – Effect of Deferred Amounts on Net Position

The unrestricted net position amount of (\$10,754,615) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources related to pension in the amount of \$1,480,163 resulting from the school district contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The \$1,095,005 balance of deferred outflow of resources related to pensions, at June 30, 2021 will be recognized as an expense and will decrease the unrestricted net position over the next 4 years.

The unrestricted net position amount of (\$10,754,615) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$517,182 balance of deferred inflow of resources related to pensions, at June 30, 2021 will be recognized as revenue and will increase the unrestricted net position over the next year..

The unrestricted net position amount of (\$10,754,615) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from OPEB. A portion of the deferred outflow of resources related to OPEB in the amount of \$50,457 resulting from the school district contribution subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. The \$258,707 balance of deferred outflow of resources related to OPEB, at June 30, 2021 will be recognized as an expense and will decrease the unrestricted net position over the next 5 years.

The unrestricted net position amount of (\$10,754,615) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$427,897 balance of deferred inflow of resources related to OPEB, at June 30, 2021 will be recognized as revenue and will increase the unrestricted net position over the next 5 years.

Note 14 - 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 Coahoma County School District evaluated the activity of the district through

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Notes to the Financial Statements

For Year Ended June 30, 2021

August 5, 2022, (the date the financial statements were available to be issued), and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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COAHOMA COUNTY SCHOOL DISTRICT
 Budgetary Comparison Schedule for the General Fund
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues					
Local sources	\$ 7,008,947	7,008,947	5,345,558	0	(1,663,389)
State sources	8,335,673	8,335,673	5,987,551	0	(2,348,122)
Federal sources	500	500	93,303	0	92,803
Sixteenth section sources	1,300,100	1,300,100	1,079,228	0	(220,872)
Total Revenues	<u>16,645,220</u>	<u>16,645,220</u>	<u>12,505,640</u>	<u>0</u>	<u>(4,139,580)</u>
Expenditures					
Instruction	7,006,699	7,061,396	5,795,595	(54,697)	1,265,801
Support services	6,803,086	8,125,932	5,302,126	(1,322,846)	2,823,806
Noninstructional services	6,058	6,058	0	0	6,058
Sixteenth section	75,900	210,759	195,060	(134,859)	15,699
Facilities acquisition and construction	1,613,000	1,318,000	1,010,877	295,000	307,123
Total Expenditures	<u>15,504,743</u>	<u>16,722,145</u>	<u>12,303,658</u>	<u>(1,217,402)</u>	<u>4,418,487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,140,477</u>	<u>(76,925)</u>	<u>201,982</u>	<u>(1,217,402)</u>	<u>278,907</u>
Other Financing Sources (Uses)					
Operating transfers in	648,576	648,576	151,221	0	(497,355)
Operating transfers out	(578,576)	(988,454)	(422,986)	(409,878)	565,468
Other financing uses	(60,920)	(60,920)	0	0	60,920
Total Other Financing Sources (Uses)	<u>9,080</u>	<u>(400,798)</u>	<u>(271,765)</u>	<u>(409,878)</u>	<u>129,033</u>
Net Change in Fund Balances			<u>(69,783)</u>		
Fund Balances					
July 1, 2020, as previously reported			14,131,298		
Prior period adjustments			164,875		
July 1, 2020 as restated			<u>14,296,173</u>		
June 30, 2021			<u>\$ 14,226,390</u>		

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

COAHOMA COUNTY SCHOOL DISTRICT

Budgetary Comparison Schedule for the Major Special Revenue Fund - Title I-A Basic Fund

For the Year Ended June 30, 2021

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues					
Federal sources	\$ 2,273,036	2,273,036	950,059	0	(1,322,977)
Total Revenues	<u>2,273,036</u>	<u>2,273,036</u>	<u>950,059</u>	<u>0</u>	<u>(1,322,977)</u>
Expenditures					
Instruction	329,749	414,709	155,790	(84,960)	258,919
Support services	1,092,545	1,111,945	584,661	(19,400)	527,284
Noninstructional services	260,946	346,796	202,297	(85,850)	144,499
Total Expenditures	<u>1,683,240</u>	<u>1,873,450</u>	<u>942,748</u>	<u>(190,210)</u>	<u>930,702</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>589,796</u>	<u>399,586</u>	<u>7,311</u>	<u>(190,210)</u>	<u>(392,275)</u>
Other Financing Sources (Uses)					
Operating transfers out	(12,354)	(13,215)	(7,311)	(861)	5,904
Total Other Financing Sources (Uses)	<u>(12,354)</u>	<u>(13,215)</u>	<u>(7,311)</u>	<u>(861)</u>	<u>5,904</u>
Net Change in Fund Balances			<u>0</u>		
Fund Balances					
July 1, 2020			<u>0</u>		
June 30, 2021			<u><u>\$ 0</u></u>		

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

COAHOMA COUNTY SCHOOL DISTRICT

Budgetary Comparison Schedule for the Major Special Revenue Fund - ESSER Fund

For the Year Ended June 30, 2021

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues					
Federal sources	\$ 0	0	828,741	0	828,741
Total Revenues	<u>0</u>	<u>0</u>	<u>828,741</u>	<u>0</u>	<u>828,741</u>
Expenditures					
Instruction	0	420,617	285,977	(420,617)	134,640
Support services	170,200	958,010	538,959	(787,810)	419,051
Total Expenditures	<u>170,200</u>	<u>1,378,627</u>	<u>824,936</u>	<u>(1,208,427)</u>	<u>553,691</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(170,200)</u>	<u>(1,378,627)</u>	<u>3,805</u>	<u>(1,208,427)</u>	<u>1,382,432</u>
Other Financing Sources (Uses)					
Operating transfers out	0	(6,341)	(3,805)	(6,341)	2,536
Total Other Financing Sources (Uses)	<u>0</u>	<u>(6,341)</u>	<u>(3,805)</u>	<u>(6,341)</u>	<u>2,536</u>
Net Change in Fund Balances			<u>0</u>		
Fund Balances					
July 1, 2020			<u>0</u>		
June 30, 2021			<u>\$ 0</u>		

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

COAHOMA COUNTY SCHOOL DISTRICT

Budgetary Comparison Schedule for the Major Special Revenue Fund - ESSER II Fund

For the Year Ended June 30, 2021

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues					
Federal sources	\$ 0	2,950,000	916,561	2,950,000	(2,033,439)
Total Revenues	<u>0</u>	<u>2,950,000</u>	<u>916,561</u>	<u>2,950,000</u>	<u>(2,033,439)</u>
Expenditures					
Instruction	0	674,120	172,882	(674,120)	501,238
Support services	0	1,617,761	314,132	(1,617,761)	1,303,629
Facilities acquisition and construction	0	1,702,066	353,842	(1,702,066)	1,348,224
Total Expenditures	<u>0</u>	<u>3,993,947</u>	<u>840,856</u>	<u>(3,993,947)</u>	<u>3,153,091</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>(1,043,947)</u>	<u>75,705</u>	<u>(1,043,947)</u>	<u>1,119,652</u>
Other Financing Sources (Uses)					
Operating transfers out	0	(378,532)	(75,705)	(378,532)	302,827
Total Other Financing Sources (Uses)	<u>0</u>	<u>(378,532)</u>	<u>(75,705)</u>	<u>(378,532)</u>	<u>302,827</u>
Net Change in Fund Balances	<u>0</u>	<u>(1,422,479)</u>	<u>0</u>	<u>(1,422,479)</u>	<u>1,422,479</u>
Fund Balances					
July 1, 2020			<u>0</u>		
June 30, 2021			<u>\$ 0</u>		

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

COAHOMA COUNTY SCHOOL DISTRICT

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

PERS

Last 10 Fiscal Years *

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.130828%	0.137958%	0.118374%	0.136076%	0.141408%	0.140926%	0.139128%
District's proportionate share of the net pension liability	\$ 25,326,781	24,269,534	19,689,113	22,620,450	25,259,000	21,784,379	16,887,591
District's covered payroll	\$ 8,711,511	8,984,832	7,559,289	8,729,333	9,046,248	8,804,222	8,501,416
District's proportionate share of the net pension liability as a percentage of its covered payroll	290.73%	270.12%	260.46%	259.13%	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	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 the 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.

COAHOMA COUNTY SCHOOL DISTRICT
Schedule of District Contributions
PERS
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,480,163	1,515,803	1,415,111	1,190,558	1,374,870	1,424,784	1,386,665
Contributions in relation to the contractually required contribution	1,480,163	1,515,803	1,415,111	1,190,558	1,374,870	1,424,784	1,386,665
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
District's covered payroll	8,506,684	8,711,511	8,984,832	7,559,289	8,729,333	9,046,248	8,804,222
Contributions as a percentage of covered payroll	17.40%	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 68 was implemented in the 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.

COAHOMA COUNTY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
OPEB
Last 10 Fiscal Years *

	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.19727921%	0.19754868%	0.19448905%	0.21593883%
District's proportionate share of the net OPEB liability	\$ 1,535,243	1,676,282	1,504,470	1,694,275
Covered employee payroll	\$ 8,711,511	8,984,832	7,559,289	8,729,333
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	17.62%	18.66%	19.90%	19.41%
Plan fiduciary net position as a percentage of the total OPEB liability	0.13%	0.12%	0.13%	0.00%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented in FYE 6/30/2018, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

COAHOMA COUNTY SCHOOL DISTRICT
Schedule of District Contributions
OPEB
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 50,457	61,225	67,191	72,229
Contributions in relation to the actuarially determined contribution	50,457	61,225	67,191	72,229
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered employee payroll	\$ 8,506,684	8,711,511	8,984,832	7,559,289
Contributions as a percentage of covered employee payroll	0.59%	0.70%	0.75%	0.96%

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 75 was implemented in the 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).

COAHOMA COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2021

Budgetary Comparison Schedule

(1) Basis of Presentation

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

(2) Budget Amendments and Revisions

The budget is adopted by the school board and filed with the taxing authority. Amendments can be made on the approval of the school board. By statute, final budget revisions must be approved on or before October 15. A budgetary comparison is presented for the General Fund 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%.

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%.

COAHOMA COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2021

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, 2018 valuation for the June 30, 2020 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	30.9 years
Asset valuation method	5-year smoothed market
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.

COAHOMA COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2021

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

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

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

(2) *Changes in benefit provisions*

2017: None

2018: None

2019: None

2020: The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for the Select coverage and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

(3) *Methods and assumptions used in calculations of Actuarially Determined Contributions.* The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2019 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2020:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75%
Salary increases, including wage inflation	3.00% to 18.25%
Initial health care cost trend rates	
Medicare Supplement Claims	7.00%
Pre-Medicare	
Ultimate health care cost trend rates	
Medicare Supplement Claims	4.75%
Pre-Medicare	
Year of ultimate trend rates	
Medicare Supplement Claims	2028
Pre-Medicare	

COAHOMA COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2021

Long-term investment rate of return, net of
OPEB plan investment expense, including 3.50%
price inflation

SUPPLEMENTARY INFORMATION

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COAHOMA COUNTY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic Assistance No.	Pass-through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed-through Mississippi Department of Education:			
Child nutrition cluster:			
COVID-19 - summer food service program for children	10.559	215MS326N1099	\$ 1,359,539
Total child nutrition cluster			<u>1,359,539</u>
Fresh fruits and vegetable program	10.582	215MS326L1603	55,742
Total passed-through Mississippi Department of Education			<u>1,415,281</u>
Total U.S. Department of Agriculture			<u>1,415,281</u>
<u>Department of the Treasury</u>			
Passed-through Mississippi Department of Education:			
COVID-19 - Coronavirus relief fund	21.019	Not Available	331,865
COVID-19 - MS Pandemic Response Broadband Availability Act HB1788	21.019	Not Available	145,644
Total passed-through the Mississippi Department of Education			<u>477,509</u>
Total Department of the Treasury			<u>477,509</u>
<u>U.S. Department of Education</u>			
Passed-through Mississippi Department of Education:			
Title I - grants to local educational agencies	84.010	S010A200024	1,258,964
Rural education	84.358	S358B200024	25,202
Supporting effective instruction - state grants	84.367	S367A200023	91,775
Student support and academic enrichment program	84.424	S424A200025	19,008
Total			<u>1,394,949</u>
Education stabilization funds:			
COVID-19 - Education stabilization fund (ESSER) I	84.425D	S425D200031	828,741
COVID-19 - Education stabilization fund (ESSER) II	84.425D	S425D210031	916,560
Total education stabilization funds			<u>1,745,301</u>
Special education cluster:			
Special education - grants to states	84.027	H027A200108	452,461
Special education - preschool grants	84.173	H173A200113	15,698
Total special education cluster			<u>468,159</u>
Total passed-through Mississippi Department of Education			<u>3,608,409</u>
Total U.S. Department of Education			<u>3,608,409</u>
Total for All Federal Awards			<u>\$ 5,501,199</u>

The notes to the Supplementary Information are an integral part of this schedule.

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Supplementary Information

For the Year Ended June 30, 2021

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2021. 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 School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(4) Noncash Awards

Donated commodities of \$61,786 are included in the COVID-19 – Summer food service program for children.

COAHOMA COUNTY SCHOOL DISTRICT

Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds

For the Year Ended June 30, 2021

<u>Expenditures</u>	<u>Total</u>	<u>Instruction and Other Student Instructional Expenditures</u>	<u>General Administration</u>	<u>School Administration</u>	<u>Other</u>
Salaries and fringe benefits	\$ 12,183,092	8,220,215	1,166,313	893,083	1,903,481
Other	6,858,221	1,956,650	444,078	4,404	4,453,089
Total	<u>19,041,313</u>	<u>10,176,865</u>	<u>1,610,391</u>	<u>897,487</u>	<u>6,356,570</u>
Total number of students	<u>1,050</u>				
Cost per student	<u>\$ 18,135</u>	<u>9,692</u>	<u>1,534</u>	<u>855</u>	<u>6,054</u>

Notes to the schedule.

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.

Total number of students - the ADA report submission for month 9, which is the final submission for the fiscal year.

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OTHER INFORMATION

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COAHOMA COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
Last Four Years

	UNAUDITED			
	2021	2020*	2019*	2018*
Revenues				
Local sources	\$ 5,345,558	6,472,291	5,747,662	5,013,895
State sources	5,987,551	6,810,494	6,549,158	6,791,378
Federal sources	93,303	44,393	85,986	120,545
Sixteenth section sources	1,079,228	1,086,615	1,144,788	917,592
Total Revenues	<u>12,505,640</u>	<u>14,413,793</u>	<u>13,527,594</u>	<u>12,843,410</u>
Expenditures				
Instruction	5,795,595	6,047,019	6,015,042	5,843,842
Support services	5,302,126	5,428,652	5,708,838	5,168,317
Noninstructional services	0	435	1,804	7,729
Sixteenth section	195,060	166,184	145,615	145,388
Facilities acquisition and construction	1,010,877	0	0	17,760
Total Expenditures	<u>12,303,658</u>	<u>11,642,290</u>	<u>11,871,299</u>	<u>11,183,036</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>201,982</u>	<u>2,771,503</u>	<u>1,656,295</u>	<u>1,660,374</u>
Other Financing Sources (Uses)				
Insurances loss recoveries	0	89,921	8,815	1,141
Sale of transportation equipment	0	0	5,000	0
Operating transfers in	151,221	67,279	11,381	11,792
Other financing sources	0	0	28,724	0
Operating transfers out	(422,986)	(209,882)	(22,191)	(24,670)
Other financing uses	0	(921)	(51,805)	0
Total Other Financing Sources (Uses)	<u>(271,765)</u>	<u>(53,603)</u>	<u>(20,076)</u>	<u>(11,737)</u>
Net Change in Fund Balances	<u>(69,783)</u>	<u>2,717,900</u>	<u>1,636,219</u>	<u>1,648,637</u>
Fund Balances				
Beginning of period, as previously reported	14,131,298	11,378,640	9,812,191	8,163,554
Prior period adjustments	<u>164,875</u>	<u>34,758</u>	<u>(69,770)</u>	<u>0</u>
Beginning of period, as restated	<u>14,296,173</u>	<u>11,413,398</u>	<u>9,742,421</u>	<u>8,163,554</u>
End of period	<u>\$ 14,226,390</u>	<u>\$ 14,131,298</u>	<u>11,378,640</u>	<u>9,812,191</u>

* Source - Prior year audit reports.

COAHOMA COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Funds
Last Four Years

	UNAUDITED			
	2021	2020*	2019*	2018*
Revenues				
Local sources	\$ 6,083,156	6,727,735	5,908,849	5,136,304
State sources	6,184,459	6,986,749	6,812,423	7,402,929
Federal sources	5,815,292	3,999,891	3,310,238	3,345,497
Sixteenth section sources	1,102,028	1,086,615	1,151,085	917,592
Total Revenues	<u>19,184,935</u>	<u>18,800,990</u>	<u>17,182,595</u>	<u>16,802,322</u>
Expenditures				
Instruction	7,045,138	6,865,598	6,868,135	6,804,150
Support services	7,999,652	7,302,900	7,030,386	6,573,516
Noninstructional services	1,406,676	1,709,532	1,474,125	1,412,182
Sixteenth section	211,034	166,313	150,367	145,388
Facilities acquisition and construction	1,946,492	4,611,371	0	17,760
Debt service				
Principal	265,000	440,000	0	162,000
Interest	167,321	170,892	0	3,839
Total Expenditures	<u>19,041,313</u>	<u>21,266,606</u>	<u>15,523,013</u>	<u>15,118,835</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>143,622</u>	<u>(2,465,616)</u>	<u>1,659,582</u>	<u>1,683,487</u>
Other Financing Sources (Uses)				
Proceeds of refunding bonds	0	0	4,950,000	0
Insurances loss recoveries	0	89,921	8,815	1,141
Sale of transportation equipment	0	0	5,000	0
Other financing sources	0	257,631	28,724	0
Operating transfers in	574,207	615,093	33,572	36,462
Operating transfers out	(574,207)	(615,093)	(33,572)	(36,462)
Other financing uses	0	(87,280)	(51,805)	(150,052)
Total Other Financing Sources (Uses)	<u>0</u>	<u>260,272</u>	<u>4,940,734</u>	<u>(148,911)</u>
Net Change in Fund Balances	<u>143,622</u>	<u>(2,205,344)</u>	<u>6,600,316</u>	<u>1,534,576</u>
Fund Balances				
Beginning of period, as previously reported	15,856,817	17,948,715	11,453,881	9,914,617
Prior period adjustments	18,605	66,919	(98,801)	0
Beginning of period, as restated	<u>15,875,422</u>	<u>18,015,634</u>	<u>11,355,080</u>	<u>9,914,617</u>
Increase (Decrease) in reserve for inventory	<u>(32,077)</u>	<u>46,527</u>	<u>(6,681)</u>	<u>4,688</u>
End of period	<u>\$ 15,986,967</u>	<u>\$ 15,856,817</u>	<u>\$ 17,948,715</u>	<u>\$ 11,453,881</u>

* Source - Prior year audit reports.

REPORTS ON INTERNAL CONTROLS AND COMPLIANCE

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ST. CLAIR CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

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*

Independent Auditor's Report

Superintendent and School Board
Coahoma County School District

I 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 Coahoma County School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Coahoma County School District's basic financial statements, and have issued my report thereon dated August 5, 2022.

Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that I consider to be material weaknesses [2021-001 and 2021-002.]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coahoma County School District's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Coahoma County School District's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

St. Clair CPA, PLLC

St. Clair CPA, PLLC
Carriere, MS
August 5, 2022



ST. CLAIR CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

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

Independent Auditor's Report

Superintendent and School Board
Coahoma County School District

Report on Compliance for Each Major Federal Program

I have audited Coahoma County 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 Coahoma County School District's major federal programs for the year ended June 30, 2021. Coahoma County School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

My responsibility is to express an opinion on compliance for each of Coahoma County School District's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 Coahoma County School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Coahoma County School District's compliance.

Opinion on Each Major Federal Program

In my opinion, Coahoma County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Coahoma County School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Coahoma County 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, I do not express an opinion on the effectiveness of Coahoma County 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 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.

My consideration of 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, I identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item [2021-003], that I consider to be a significant deficiency.

Coahoma County School District's response to the internal control over compliance findings identified in my audit are described in the accompanying Auditee's Corrective Action Plan. Coahoma County School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.

St. Clair CPA, PLLC

St. Clair CPA, PLLC
Carriere, MS
August 5, 2022

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

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ST. CLAIR CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

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

Superintendent and School Board
Coahoma County School District

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coahoma County School District as of and for the year ended June 30, 2021, which collectively comprise Coahoma County School District's basic financial statements and have issued my report thereon dated August 5, 2022. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

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

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

The results of procedures performed to test compliance with certain other state laws and regulations and my audit of the financial statements disclosed the following immaterial instances of noncompliance with other state laws and regulations. My findings and recommendations and Coahoma County School District's responses are as follows:

Finding No. 1 – Unemployment Compensation Fund

CRITERIA: Section 71-5-359(5), Mississippi Code Annotated (1972), states, "Each political subdivision, unless it elects to make contributions to the unemployment compensation fund as provided in subsection (9) of this section, shall establish a revolving fund and deposit an amount equal to two percent (2%) of the first Six Thousand Dollars (\$6,000.00) paid to each employee thereof during the next preceding year. However, the department shall by regulation establish a procedure to allow reimbursing political subdivisions to elect to maintain the balance in the revolving fund as required under this paragraph or to annually execute a surety bond to be approved by the department in an amount not less than two percent (2%) of the covered wages paid during the next preceding year."

CONDITION: During testing of the district's unemployment compensation fund, it was noted that based on the 2021 wages, the school district should have \$29,760 in their cash balance in their unemployment fund as of June 30, 2021. However, the school district only has \$14,222 cash in the fund, \$15,538 less than the statutory required amount.

CAUSE OF CONDITION: The cause of the condition is the result of an oversight by management.

EFFECT: The district is not in compliance with *Section 71-5-359(5), Miss. Code Ann (1972)*.

RECOMMENDATION: It is recommended that the school district deposit at least \$15,538 in the unemployment compensation fund and implement controls to evaluate the balance annually to ensure that a balance of no less than two percent (2%) of the first \$6,000 of each employee's wages is maintained in the fund.

DISTRICT'S RESPONSE: The school district will deposit at least \$15,538 in the unemployment compensation fund and implement controls to evaluate the balance annually to ensure that a balance of no less than two percent (2%) of the first \$6,000 of each employee's wages is maintained in the fund.

Finding No. 2 - Travel

CRITERIA: Section 25-1-79, Mississippi Code Annotated (1972), states, "it shall be unlawful for any such officer or employee to be paid or to receive any sums whatsoever for travel expense until the expenses for which payment is made, and each item thereof, have been actually incurred by such officer or employee, and then only upon the presentation of an itemized expense account which shall be approved in writing by the head of the department, agency or institution on whose behalf such travel is performed."

CONDITION: During my testing of travel vouchers, I noted the following:

- One instance where a board member was reimbursed travel in the amount of \$25.76 for a meeting that board member did not attend.
- An employee claimed reimbursement for mileage on 11/10/2020 and 11/11/2020 in the amount of \$31.05 (54 miles). Per review of the employee's time records, that employee did not work either day.
- One instance where the district paid taxes in the amount of \$44.16 for lodging.

CAUSE OF CONDITION: The cause of the condition is the result of an oversight by management.

POTENTIAL EFFECT OF CONDITION: The district is not in compliance with *Section 25-1-79, Miss. Code Ann (1972)*. Lack of controls could result in fraud, loss, or misappropriation of assets.

RECOMMENDATION: It is recommended that the school district strengthen controls over and compliance with travel reimbursements by ensuring there are adequate policies and procedures surrounding reimbursements for professional travel expenses.

DISTRICT'S RESPONSE: The school district will strengthen controls over and compliance with travel reimbursements by ensuring that there are adequate policies and procedures surrounding reimbursements for professional travel expenses.

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

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

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

St. Clair CPA, PLLC

St. Clair CPA, PLLC
Carriere, MS
August 5, 2022

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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COAHOMA COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I: Summary of Auditor's Results

Financial Statements:

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | Yes |
| b. Significant deficiency(ies) identified? | None Reported |
| 3. Noncompliance material to the financial statements? | 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)? | Yes |
| 7. Federal program identified as major program: | |

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 – Coronavirus Relief Fund
21.019	COVID-19 – MS Pandemic Response Broadband Availability Act HB 1788
84.425D	COVID-19 – Education Stabilization Fund (ESSER) I
84.425D	COVID-19 – Education Stabilization Fund (ESSER) II

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

Section II: Financial Statement Findings

Deficiencies considered to be material weaknesses.

Finding 2021-001

CONDITION: There is a lack of segregation of duties with the job duties and responsibilities of the business manager. The business manager performs bank reconciliations, has general administrative rights to the financial accounting software (including preparing, approving, and entering adjusting journal entries) and has access to blank checks.

CRITERIA: A well designed system of accounting controls should limit the duties and responsibilities of the business manager to prevent the performance of too many incompatible duties and responsibilities.

CAUSE OF CONDITION: The cause of this condition is an inadequately designed system of accounting controls.

COAHOMA COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

POTENTIAL EFFECT OF CONDITION: This condition could lead to errors being made and those errors not being prevented or detected by management in a timely manner.

RECOMMENDATION: It is recommended that the superintendent review and approve all adjusting journal entries that are prepared and entered by the business manager.

REPEAT FINDING: This is a repeat finding due to timing of the audit.

VIEWS OF RESPONSIBLE OFFICIAL: See Auditee Corrective Action Plan

Finding 2021-002

CONDITION: The following material transactions were not recorded in the financial statements:

- Accrued payroll in the amount of \$465,720 was not recorded in the General Fund. This is a repeat finding from the prior year.
- Due from other funds and the corresponding transfers in within the unemployment compensation fund in the Other Governmental Funds was overstated by \$128,768 due to a miscalculation.
- Receivables and deferred revenue in the Major Fund – Title I-A Basic Fund were overstated by \$154,112 due to a posting error.

These conditions resulted in material omissions to the financial statements.

CRITERIA: All material account transactions should be recorded in the financial statements and accounting estimates should be reviewed and corrected during year-end closeout.

CAUSE OF CONDITION: The cause of the condition was the result of oversight by management.

POTENTIAL EFFECT OF CONDITION: The effect of the condition resulted in material misstatements to the financial statements. However, the errors were corrected with auditor adjustments once approved by management.

RECOMMENDATION: It is recommended that management exercise caution and due diligence when preparing year-end adjustments to close financial statements to ensure inclusion of all necessary adjustments.

VIEWS OF RESPONSIBLE OFFICIAL: See Auditee Corrective Action Plan

Section III: Federal Award Findings and Questioned Costs

Reference Number:	2021-003
Federal Agency:	U.S. Department of Education
Federal Program:	COVID-19 – Education Stabilization Fund (ESSER) II
Assistance Listing No.:	84.425D
Compliance Requirement:	Procurement Suspension & Debarment
Type of Finding:	Significant deficiency in Internal Control over Compliance

CRITERIA: In accordance with the procurement requirements of Uniform Guidance, written quotes are required when the acquisition cost using federal funds is greater than \$10,000 but less than \$250,000.

CONDITION: The district incurred an architect invoice which was initially paid from local funds. The district did not receive quotes for the architect services. The district subsequently transferred \$61,853 in architect cost to the federal program. The substance of the transfer subjected the cost to the procurement requirements of the Uniform Guidance, i.e., two quotes should have been acquired by the district. Furthermore, construction cost of \$291,988 was initially paid with local funds and was subsequently transferred to the federal program. Based on the architect fee rate of 6%, an excess amount of \$46,334 was charged to the federal program.

CAUSE: The cause of the condition is the result of an oversight by management.

EFFECT: The effect of the condition could result in a control deficiency and questioned cost to the federal program.

COAHOMA COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

QUESTIONED COST: \$46,334

PREVALENCE OF AUDIT FINDING: This condition is considered to be an isolated incident.

REPEAT FINDING: Not a repeat finding.

RECOMMENDATION: It is recommended that the required quotes be taken into consideration when transferring acquisitions made initially with local funds and later being transferred to the federal program. Architect costs associated with construction cost transferred to the federal program should be calculated based on the architect approved percent rate for payment.

VIEWS OF RESPONSIBLE OFFICIAL: See Auditee's Corrective Action Plan

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

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COAHOMA COUNTY SCHOOL DISTRICT

Committed to Caring...Dedicated to Excellence

Dr. Ilean Richards, Interim Superintendent

1555 Lee Drive
P. O. Box 820
Clarksdale, MS 38614

Email: irichards@coahoma.k12.ms.us
Phone: 662-624-5448
Fax: 662-624-5512

Corrective Action Plan

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (UG), the Coahoma County 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, 2021.

Finding 2021-001

Corrective Action Plan

- a. Contact person responsible for corrective action:**
 - Director of Finance
- b. Description of correction action to be taken:**
 - The superintendent will review and approve all adjusting journal entries that are prepared and entered by the business manager. Also, an Assistant Finance Director was hired to separate office duties.
- c. Anticipated completion date of corrective action:**
 - This finding was corrected on July 1, 2021

Finding 2021-002

Corrective Action Plan

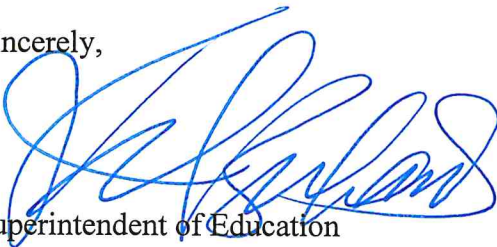
- **Contact person responsible for corrective action:**
 - Director of Finance
- **Description of correction action to be taken:**
 - Management will exercise caution and due diligence when preparing year-end adjustments to close financial statements to ensure inclusion of all necessary adjustments.
- **Anticipated completion date of corrective action:**
 - Immediately (June 2022)

Finding 2021-003

Corrective Action Plan

- **Contact person responsible for corrective action:**
 - Director of Finance, Federal Programs Director, ESSER Coordinator
- **Description of correction action to be taken:**
 - The district will ensure that the required quotes be taken into consideration when transferring acquisitions made initially with local fund and later being transferred to the federal program. Architect costs associated with construction cost transferred to the federal program should be calculated based on the architect approved percent rate for payment.
- **Anticipated completion date of corrective action:**
 - Immediately (June 2022)

Sincerely,

A handwritten signature in blue ink, appearing to be "J. K. [unclear]", written over the printed name of the Superintendent of Education.

Superintendent of Education



COAHOMA COUNTY SCHOOL DISTRICT

Committed to Caring...Dedicated to Excellence

Dr. Ilean Richards, Interim Superintendent

1555 Lee Drive
P. O. Box 820
Clarksdale, MS 38614

Email: irichards@coahoma.k12.ms.us
Phone: 662-624-5448
Fax: 662-624-5512

Summary Schedule of Prior Year Audit Findings

As required by Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Coahoma County School District has prepared and hereby submits the following Summary Schedule of Prior Audit Findings as of June 30, 2021.

<u>Finding</u>	<u>Status</u>
2020 – 001	Due to the timing of the audit, this finding was not corrected in the current fiscal year. See Finding 2021-001.
2020 – 002	Partially corrected. Accrued payroll was not recorded in error/oversight by management. Management anticipates correcting this matter for the 2021-22 FY. See Finding 2021-002.
2020 – 003	Corrected
2020 – 004	Corrected

Sincerely,

Superintendent of Education

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