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Greenville Public School District

Audited Financial Statements
For the Year Ended June 30, 2021

Fortenberry & Ballard, PC
Certified Public Accountants

Greenville Public School District

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FINANCIAL AUDIT REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Greenville Public School District

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Greenville Public School District, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions (PERS), the Schedule of the District's Proportionate Share of the Net OPEB Liability, and the Schedule of District Contributions (OPEB) on pages 8 to 19 and 64 to 74, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greenville Public School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds, and the other information section, which includes the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds, Last Four Years are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare

the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information mentioned above is fairly stated in all material respects in relation to the basic financial statements as a whole.

The other information section, which includes the Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds, Last Four Years has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2023, on our consideration of the Greenville Public School District's internal control over financial reporting and on our tests of its compliance with certain provisions of law regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Greenville Public School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greenville Public School District's internal control over financial reporting and compliance.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
January 17, 2023

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021

The following discussion and analysis of Greenville Public School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 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 decreased \$1,401,969, including a prior period adjustment of (\$1,010,788), which represents a 3% decrease from fiscal year 2020. Total net position for 2020 increased \$1,964,759, including a prior period adjustment of (\$480,946), which represents a 4% increase from fiscal year 2019.
- General revenues amounted to \$31,583,791 and \$33,584,622, or 68% and 74% 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 \$14,747,067, or 32% of total revenues for 2021, and \$11,887,896, or 26% of total revenues for 2020.
- The District had \$46,722,039 and \$43,026,813 in expenses for fiscal years 2021 and 2020; only \$14,747,068 for 2021 and \$11,887,896 for 2020 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$31,583,791 for 2021 were not adequate to provide for these programs. However, \$33,584,622 for 2020 were adequate to provide for these programs.
- Among the major funds, the General Fund had \$31,557,710 in revenues and \$30,354,336 in expenditures for 2021, and \$31,712,519 in revenues and \$31,944,024 in expenditures for 2020. The General Fund's fund balance decreased by \$19,094, including a prior period adjustment of (\$957,395) and a decrease in inventory totaling (\$1,741), from 2020 to 2021, and decreased by \$269,292, from 2019 to 2020.
- Capital assets, net of accumulated depreciation, decreased by \$322,577, including a prior period adjustment of \$6,554, for 2021 and decreased by \$942,974, including a prior period adjustment of (\$480,946), for 2020. The decrease for 2021 was due primarily to the recording of depreciation expense during the year.
- Long-term debt decreased by \$112,870 for 2021 and decreased by \$109,903 for 2020. This decrease for 2021 was due primarily to principal payments on outstanding long-term debt. The liability for compensated absences increased by \$4,061 for 2021 and increased by \$7,382 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,

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021

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 governmental funds.

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

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

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021

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.

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021

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 \$54,982,160 as of June 30, 2021.

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

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021

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	\$ 10,677,086	10,717,949	0%
Restricted assets	4,538,382	4,535,812	0%
Capital assets, net	10,188,486	10,511,063	(3)%
Total assets	25,403,954	25,764,824	(1)%
Deferred outflows of resources	11,340,426	9,239,403	23%
Current liabilities	2,124,709	2,147,695	(1)%
Long-term debt outstanding	5,981,938	6,090,747	(2)%
Net OPEB Liability	4,241,334	4,786,460	(11)%
Net pension liability	73,793,566	68,762,096	7%
Total liabilities	86,141,547	81,786,998	5%
Deferred inflows of resources	5,584,993	6,797,420	(18)%
Net position:			
Net investment in capital assets	4,547,569	4,757,276	(4)%
Restricted	8,507,830	10,164,052	(16)%
Unrestricted	(68,037,559)	(68,501,519)	1%
Total net position (deficit)	\$ (54,982,160)	(53,580,191)	(3)%

Additional information on unrestricted net position:

In connection with the application of standards on accounting and financial reporting for pensions and OPEB, management presents the following additional information:

Total unrestricted net position (deficit)	\$ (68,037,559)
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	<u>72,279,467</u>
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ 4,241,908</u>

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021

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

- Decrease in net capital assets in the amount of \$322,577.
- The principal retirement of \$112,870 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 \$46,330,858 and \$45,472,518, respectively. The total cost of all programs and services was \$46,722,039 for 2021 and \$43,026,813 for 2020.

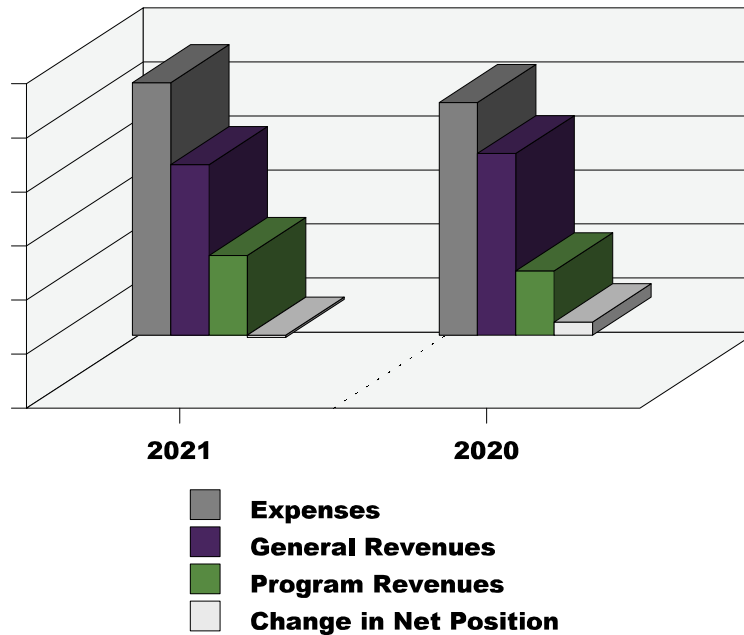
Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021

Table 2
Changes in Net Position

	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Percentage Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 96,444	424,150	(77)%
Operating grants and contributions	14,650,623	11,463,746	28%
General Revenues:			
Property and gaming taxes	10,799,438	9,826,913	10%
Grants and contributions not restricted	20,403,951	21,337,636	(4)%
Unrestricted investment earnings	140,073	115,453	21%
Sixteenth section sources	49,664	131,974	(62)%
Other	190,665	2,172,646	(91)%
Total revenues	<u>46,330,858</u>	<u>45,472,518</u>	2%
Expenses:			
Instruction	21,912,452	20,289,544	8%
Support services	17,456,869	17,413,123	0%
Non-instructional	1,522,398	1,464,303	4%
Sixteenth section	14,049	7,577	85%
Pension expense	5,595,719	3,417,361	64%
OPEB expense	(24,500)	182,627	(113)%
Interest on long-term liabilities	245,052	252,278	(3)%
Total expenses	<u>46,722,039</u>	<u>43,026,813</u>	9%
Increase (Decrease) in net position	<u>(391,181)</u>	<u>2,445,705</u>	(116)%
Net Position (Deficit), July 1, as previously reported	(53,580,191)	(55,544,950)	4%
Prior Period Adjustment	<u>(1,010,788)</u>	<u>(480,946)</u>	(110)%
Net Position (Deficit), July 1, as restated	<u>(54,590,979)</u>	<u>(56,025,896)</u>	3%
Net Position (Deficit), June 30	<u>\$ (54,982,160)</u>	<u>(53,580,191)</u>	(3)%

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021



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.

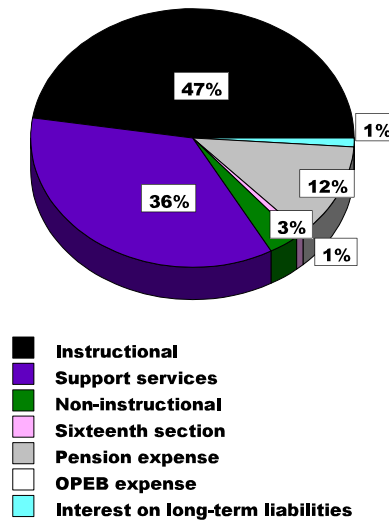
Table 3
Net Cost of Governmental Activities

	Total Expenses		Percentage Change
	2021	2020	
Instruction	\$ 21,912,452	20,289,544	8%
Support services	17,456,869	17,413,123	0%
Non-instructional	1,522,398	1,464,303	4%
Sixteenth section	14,049	7,577	85%
Pension expense	5,595,719	3,417,361	64%
OPEB expense	(24,500)	182,627	(113)%
Interest on long-term liabilities	245,052	252,278	(3)%
Total expenses	\$ 46,722,039	43,026,813	9%

Greenville Public School District
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	Net (Expense) Revenue		
	2021	2020	Percentage Change
Instruction	\$ (13,861,757)	(15,304,896)	9%
Support services	(12,223,399)	(13,347,903)	8%
Non-instructional	(59,496)	1,373,725	(104)%
Sixteenth section	(14,049)	(7,577)	(85)%
Pension expense	(5,595,719)	(3,417,361)	(64)%
OPEB expense	24,500	(182,627)	113%
Interest on long-term liabilities,	(245,052)	(252,278)	3%
Total net (expense) revenue	\$ (31,974,972)	(31,138,917)	(3)%

Chart of Expenses per Statement of Activities



- Net cost of governmental activities (\$31,974,972 for 2021 and \$31,138,917 for 2020) was financed by general revenue, which is primarily made up of property and gaming taxes (\$10,799,438 for 2021 and \$9,826,913 for 2020) and state and federal revenues (\$20,403,951 for 2021 and \$21,337,636 for 2020). In addition, there was \$49,664 and \$131,974 in Sixteenth Section sources for 2021 and 2020, respectively.
- Investment earnings amounted to \$140,073 for 2021 and \$115,453 for 2020.

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$13,331,066, a decrease of \$17,452, which includes a prior period adjustment of (\$1,017,342) and an increase in inventory of \$14,745. \$4,212,734 or 32% of the fund balance is unassigned, which represents the residual classification for the general fund's fund balance that has not been assigned to other funds and that has not been restricted or assigned to specific purposes within the general fund. The remaining fund balance of \$9,118,332 or 68% is either nonspendable, restricted or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted or assigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was \$19,094, including a prior period adjustment of (\$957,395) and a decrease in inventory of (\$1,741). The fund balance of Other Governmental Funds showed a decrease in the amount of (\$697,069), including a prior period adjustment of (\$61,336) and an increase in inventory of \$16,486. The increase (decrease) in the fund balance of the other major funds were as follow:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
Title I - A Basic Fund	(\$56,854)
IDEA Part B Fund	\$801,189
Tax Levy Debt Service Fund	(\$45,624)

BUDGETARY HIGHLIGHTS

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

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

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2021, the District's total capital assets were \$26,401,145, including school buildings, building improvements, improvements other than buildings, mobile equipment, buses, other school vehicles, furniture and equipment and leased property under capital leases. This amount represents an increase of \$117,359. Total accumulated depreciation as of June 30, 2021, was \$16,212,659, and total depreciation expense for the year was \$467,680, resulting in total net capital assets of \$10,188,486.

Table 4
Capital Assets, Net of Accumulated Depreciation

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Percentage Change</u>
Buildings	\$ 8,993,425	9,163,092	(2)%
Building improvements	44,918	49,909	(10)%
Improvements other than buildings	39,057	39,057	0%
Mobile equipment	514,318	606,887	(15)%
Furniture and equipment	236,128	240,763	(2)%
Leased property under capital leases	360,640	411,355	(12)%
Total	<u>\$ 10,188,486</u>	<u>10,511,063</u>	<u>(3)%</u>

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 \$5,981,938 in outstanding long-term debt, of which \$1,615,917 is due within one year. The liability for compensated absences increased \$4,061 from the prior year.

Table 5
Outstanding Long-Term Debt

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Percentage Change</u>
Qualified school construction bonds payable	\$ 5,525,000	5,525,000	0%
Obligations under capital lease	115,917	228,787	(49)%
Compensated absences payable	341,021	336,960	1%
Total	<u>\$ 5,981,938</u>	<u>6,090,747</u>	<u>(2)%</u>

Greenville Public School District
Management's Discussion and Analysis
For the Year Ended June 30, 2021

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

CURRENT ISSUES

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

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

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

Enrollment for the 2020 - 2021 year decreased by 8% to 3,884 students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

GREENVILLE PUBLIC SCHOOL DISTRICT**STATEMENT OF NET POSITION**

JUNE 30, 2021

	Governmental Activities
Assets	
<i>Cash and cash equivalents</i>	\$ 7,752,040
<i>Due from other governments</i>	2,762,888
<i>Inventories</i>	162,158
<i>Restricted assets</i>	4,538,382
<i>Capital assets, net of accumulated depreciation:</i>	
<i>Buildings</i>	8,993,425
<i>Building improvements</i>	44,918
<i>Improvements other than buildings</i>	39,057
<i>Mobile equipment</i>	514,318
<i>Furniture and equipment</i>	236,128
<i>Leased property under capital leases</i>	360,640
Total Assets	<u>25,403,954</u>
Deferred Outflows of Resources	
Deferred outflows - pensions	10,533,329
Deferred outflows - OPEB	807,097
Total Deferred Outflows of Resources	<u>11,340,426</u>
Liabilities	
<i>Accounts payable and accrued liabilities</i>	1,836,706
<i>Unearned revenue</i>	47,696
<i>Interest payable on long-term liabilities</i>	240,307
Long-term liabilities (due within one year):	
<i>Capital related liabilities</i>	1,615,917
<i>Net OPEB liability</i>	168,016
Long-term liabilities (due beyond one year):	
<i>Capital related liabilities</i>	4,025,000
<i>Non-capital related liabilities</i>	341,021
<i>Net pension liability</i>	73,793,566
<i>Net OPEB liability</i>	4,073,318
Total Liabilities	<u>86,141,547</u>
Deferred Inflows of Resources	
Deferred inflows - pensions	4,259,535
Deferred inflows - OPEB	1,325,458
Total Deferred Inflows of Resources	<u>5,584,993</u>
Net Position	
Net Investment in Capital Assets	4,547,569
Restricted For:	
Expendable:	
School-based activities	2,309,464
Debt service	4,216,323
Capital projects	1,850,407
Unemployment benefits	90,887
Nonexpendable:	
Sixteenth section	40,749
Unrestricted	(68,037,559)
Total Net Position (Deficit)	<u>\$ (54,982,160)</u>

The accompanying notes are an integral part of this statement.

GREENVILLE PUBLIC SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:				Governmental Activities
<i>Instruction</i>	21,912,452	80,751	7,969,944	(13,861,757)
<i>Support services</i>	17,456,869	--	5,233,470	(12,223,399)
<i>Noninstructional services</i>	1,522,398	15,693	1,447,209	(59,496)
<i>Sixteenth section</i>	14,049	--	--	(14,049)
<i>Pension expense</i>	5,595,719	--	--	(5,595,719)
<i>OPEB expense</i>	(24,500)	--	--	24,500
<i>Interest on long-term liabilities</i>	245,052	--	--	(245,052)
Total Governmental Activities	<u>\$ 46,722,039</u>	<u>\$ 96,444</u>	<u>\$ 14,650,623</u>	<u>(31,974,972)</u>
General Revenues:				
Taxes:				
<i>General purpose levies</i>				10,587,618
<i>Debt purpose levies</i>				89,499
<i>Gaming</i>				122,321
Unrestricted grants and contributions:				
<i>State</i>				20,399,063
<i>Federal</i>				4,888
<i>Unrestricted investment earnings</i>				140,073
<i>Sixteenth section sources</i>				49,664
<i>Other</i>				190,665
Total General Revenues				<u>31,583,791</u>
Change in Net Position				<u>(391,181)</u>
Net Position (Deficit) - Beginning, as previously reported				(53,580,191)
Prior Period Adjustment				<u>(1,010,788)</u>
Net Position (Deficit) - Beginning, as restated				(54,590,979)
Net Position (Deficit) - Ending				<u>\$ (54,982,160)</u>

The accompanying notes are an integral part of this statement.

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GREENVILLE PUBLIC SCHOOL DISTRICT**BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2021

	General Fund	Title I - A Basic Fund
	<hr/>	<hr/>
Assets:		
<i>Cash and cash equivalents</i>	\$ 3,035,393	\$ --
<i>Cash with fiscal agents</i>	--	--
<i>Investments</i>	--	--
<i>Due from other governments</i>	503,929	950,520
<i>Due from other funds</i>	3,280,431	686
<i>Inventories</i>	47,334	--
Total Assets	<u>\$ 6,867,087</u>	<u>\$ 951,206</u>
Liabilities and Fund Balances:		
Liabilities:		
<i>Accounts payable and accrued liabilities</i>	\$ 1,427,746	\$ 197,407
<i>Due to other funds</i>	796,465	753,799
<i>Unearned revenue</i>	--	--
Total Liabilities	<u>2,224,211</u>	<u>951,206</u>
Fund Balances:		
Nonspendable:		
<i>Permanent fund purposes</i>	--	--
<i>Inventory</i>	47,334	--
Restricted:		
<i>Unemployment benefits</i>	--	--
<i>Capital improvements</i>	--	--
<i>Debt service</i>	--	--
<i>Grant activities</i>	--	--
<i>Food service</i>	--	--
Assigned:		
<i>Technology</i>	250,756	--
<i>School activity purposes</i>	132,052	--
Unassigned	<u>4,212,734</u>	<u>--</u>
Total Fund Balances	<u>4,642,876</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 6,867,087</u>	<u>\$ 951,206</u>

The accompanying notes are an integral part of this statement.

IDEA Part B Fund	Tax Levy Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 278,761	\$ 45,559	\$ 4,478,635	\$ 7,838,348
--	44,811	--	44,811
--	4,407,263	--	4,407,263
313,281	--	995,158	2,762,888
456,841	85,497	494,597	4,318,052
--	--	114,824	162,158
<u>\$ 1,048,883</u>	<u>\$ 4,583,130</u>	<u>\$ 6,083,214</u>	<u>\$ 19,533,520</u>
\$ 82,957	\$ --	\$ 128,596	\$ 1,836,706
965,926	126,500	1,675,362	4,318,052
--	--	47,696	47,696
<u>1,048,883</u>	<u>126,500</u>	<u>1,851,654</u>	<u>6,202,454</u>
--	--	40,749	40,749
--	--	114,824	162,158
--	--	90,887	90,887
--	--	1,850,407	1,850,407
--	4,456,630	--	4,456,630
--	--	1,216,374	1,216,374
--	--	918,319	918,319
--	--	--	250,756
--	--	--	132,052
--	--	--	4,212,734
<u>--</u>	<u>4,456,630</u>	<u>4,231,560</u>	<u>13,331,066</u>
<u>\$ 1,048,883</u>	<u>\$ 4,583,130</u>	<u>\$ 6,083,214</u>	<u>\$ 19,533,520</u>

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GREENVILLE PUBLIC SCHOOL DISTRICT
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2021*

Total fund balances for governmental funds	\$ 13,331,066
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	10,188,486
Liabilities due in one year are not reported in the funds.	(1,783,933)
Payables for capital leases which are not due in the current period are not reported in the funds.	(4,025,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(240,307)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(341,021)
Recognition of the School District's proportionate share of the net pension liability is not reported in the funds.	(73,793,566)
Deferred Inflows of Resources related to the pension plan are not reported in the funds.	(4,259,535)
Deferred Outflows of Resources related to the pension plan are not reported in the funds.	10,533,329
Recognition of the School District's proportionate share of the net OPEB liability is not reported in the funds.	(4,073,318)
Deferred Inflows of Resources related to the OPEB plan are not reported in the funds.	(1,325,458)
Deferred Outflows of Resources related to the OPEB plan are not reported in the funds.	807,097
Net position of governmental activities	\$ <u>(54,982,160)</u>

The accompanying notes are an integral part of this statement.

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GREENVILLE PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Title I - A Basic Fund
Revenues:		
Local sources	\$ 10,770,821	\$ --
State sources	20,650,251	--
Federal sources	86,974	4,403,776
Sixteenth section sources	49,664	--
Total Revenues	<u>31,557,710</u>	<u>4,403,776</u>
Expenditures:		
Instruction	16,558,011	1,600,190
Support services	13,659,230	2,087,519
Noninstructional services	--	41,181
Sixteenth section	12,799	--
Debt service:		
Principal	112,870	--
Interest	6,177	--
Other	5,249	--
Total Expenditures	<u>30,354,336</u>	<u>3,728,890</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,203,374</u>	<u>674,886</u>
Other Financing Sources (Uses):		
Insurance recovery	1,177	--
Payments to QSCB escrow agent	--	--
Payment to QSCB bond escrow agent	--	--
Transfers in	277,769	--
Transfers out	(542,278)	(276,288)
Total Other Financing Sources (Uses)	<u>(263,332)</u>	<u>(276,288)</u>
Net Change in Fund Balances	<u>940,042</u>	<u>398,598</u>
Fund Balances:		
July 1, 2020, as previously reported	4,661,970	56,854
Prior period adjustments	(957,395)	(455,452)
July 1, 2020, as restated	<u>3,704,575</u>	<u>(398,598)</u>
Increase (decrease) in inventory	(1,741)	--
June 30, 2021	<u>\$ 4,642,876</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

IDEA Part B Fund	Tax Levy Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 118,597	\$ 251,809	\$ 11,141,227
--	--	921,194	21,571,445
1,795,256	71,550	7,209,789	13,567,345
--	--	--	49,664
<u>1,795,256</u>	<u>190,147</u>	<u>8,382,792</u>	<u>46,329,681</u>
1,079,726	--	4,885,236	24,123,163
371,182	--	3,103,154	19,221,085
--	--	1,586,168	1,627,349
--	--	1,250	14,049
--	--	--	112,870
--	235,771	--	241,948
--	--	--	5,249
<u>1,450,908</u>	<u>235,771</u>	<u>9,575,808</u>	<u>45,345,713</u>
<u>344,348</u>	<u>(45,624)</u>	<u>(1,193,016)</u>	<u>983,968</u>
--	--	--	1,177
--	472,364	--	472,364
--	(472,364)	--	(472,364)
--	--	1,932,404	2,210,173
--	--	(1,391,607)	(2,210,173)
<u>--</u>	<u>--</u>	<u>540,797</u>	<u>1,177</u>
<u>344,348</u>	<u>(45,624)</u>	<u>(652,219)</u>	<u>985,145</u>
(801,189)	4,502,254	4,928,629	13,348,518
456,841	--	(61,336)	(1,017,342)
<u>(344,348)</u>	<u>4,502,254</u>	<u>4,867,293</u>	<u>12,331,176</u>
--	--	16,486	14,745
<u>\$ --</u>	<u>\$ 4,456,630</u>	<u>\$ 4,231,560</u>	<u>\$ 13,331,066</u>

GREENVILLE PUBLIC SCHOOL DISTRICT

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021*

Net change in fund balances - total governmental funds	\$ 985,145
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	138,763
The depreciation of capital assets used in governmental activities is not reported in the funds.	(467,680)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(214)
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	112,870
(Increase) decrease in accrued interest from beginning of period to end of period.	2,145
Change in inventory affects fund balance in the funds but affects expense in SOA.	14,745
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(4,061)
Pension contributions made after the measurement date but in current FY were de-expended & reduced NPL.	4,255,277
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(5,595,719)
Amounts paid by employer as benefits come due subsequent to measurement date of NOL and before end of reporting period.	143,048
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	24,500
	<hr/>
Change in net position of governmental activities	\$ <u>(391,181)</u>

The accompanying notes are an integral part of this statement.

Greenville Public School District

Notes to the Financial Statements
For the Year Ended June 30, 2021

Greenville Public School District

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

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

B. Government-wide and Fund Financial Statements

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

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

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

2. Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

Fund Financial Statements - Separate financial statements are provided for governmental 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 is a special revenue fund that accounts for the federal revenue received and expenditures incurred related to the Title I grants to local educational agencies program.

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

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

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

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 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.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

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

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

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

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

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

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

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

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

D. Encumbrances

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

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

1. Cash, Cash equivalents and Investments

Cash and cash equivalents

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

Investments

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

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

3. Due from Other Governments

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

4. Inventories and Prepaid Items

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

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

5. Restricted Assets

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

6. Capital Assets

Capital assets include land, improvements to land, easements, water rights, timber rights, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Capital assets are reported in the governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost or estimated historical cost based on appraisals or deflated current replacement cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

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
Leased property under capital leases		*	*

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

7. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then. The school district has deferred inflows which are presented as deferred inflows for pension and OPEB.

See Note 13 for further details.

8. Compensated Absences

Employees of the school district accumulate sick leave at a minimum amount as required by state law. A greater amount may be provided by school district policy provided that it does not exceed the provisions for leave as provided in Sections 25-3-93 and 25-3-95. Some employees are allowed personal leave and/or vacation leave in accordance with school district policy. The district pays for unused leave for employees as required by Section 37-7-307(5), Miss. Code Ann. (1972).

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

9. Long-term Liabilities and Bond Discounts/Premiums

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

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures. See Note 6 for details.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the benefit payments

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

(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 the approval of such a commitment by the school board. Currently there is no committed fund balance for this school district.

Greenville Public School District

Notes to the Financial Statements For the 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 and Business Manager pursuant to authorization established by the policy adopted by the school district.

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

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

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

13. Accounting Standards Update

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

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

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, Cash with Fiscal Agents and Investments

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

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

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

Cash and Cash Equivalents

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds was \$7,838,348.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the district. As of June 30, 2021, none of the district's bank balance of \$10,542,686 was exposed to custodial credit risk.

Cash with Fiscal Agents

The carrying amount of the school district's cash with fiscal agents held by financial institutions was \$44,811.

Investments

As of June 30, 2021, the district had the following investments.

<u>Investment Type</u>	<u>Rating</u>	<u>Maturities (in years)</u>	<u>Fair Value</u>
U.S. Treasury SLGS Deposit	N/A	Less than 5	\$ <u>4,407,263</u>

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

The district has the following recurring fair value measurements as of June 30, 2021: U. S. Treasury SLGS investments of \$4,407,263 are valued using quoted market prices (Level 1 inputs).

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

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

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The district does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2021, the district did not have any investments to which this would apply.

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

Note 3 - Inter-fund Receivables, Payables and Transfers

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

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Title I - A Basic Fund	\$ 753,799
	IDEA Part B Fund	965,926
	Tax Levy Debt Service Fund	126,500
	Other Governmental Funds	1,434,206
Title I - A Basic Fund	General Fund	686
IDEA Part B Fund	General Fund	456,841
Tax Levy Debt Service Fund	General Fund	85,497
Other Governmental Funds	General Fund	253,441
	Other Governmental Funds	241,156
Total		\$ <u>4,318,052</u>

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

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

B. Inter-fund Transfers

Transfers In	Transfers Out	Amount
General Fund	Title I A Basic Fund	\$ 276,288
	Other Governmental Funds	1,481
Other Governmental Funds	General Fund	542,278
	Other Governmental Funds	1,390,126
Total		\$ <u>2,210,173</u>

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

Note 4 - Restricted Assets

The restricted assets represents the cash balance, totaling \$40,749, of the Sixteenth Section Principal Fund (Permanent Fund) which is legally restricted and may not be used for purposes that support the district's programs.

In addition, the restricted assets represent the cash, cash with fiscal agents, and investment balances, totaling \$45,559, \$44,811, and \$4,407,263, respectively, of the Tax Levy Debt Service Fund.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

Note 5 - Capital Assets

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

	Balance 7-1-2020	Additions	Deletions	Adjustments	Balance 6-30-2021
<u>Depreciable capital assets:</u>					
Buildings	\$ 20,822,014				20,822,014
Building improvements	124,772				124,772
Improvements other than buildings	195,284				195,284
Mobile equipment	2,128,421	9,720			2,138,141
Furniture and equipment	2,449,795	129,043	21,404		2,557,434
Leased property under capital leases	563,500				563,500
Total depreciable capital assets	26,283,786	138,763	21,404	0	26,401,145
<u>Less accumulated depreciation for:</u>					
Buildings	11,658,922	169,667			11,828,589
Building improvements	74,863	4,991			79,854
Improvements other than buildings	156,227				156,227
Mobile equipment	1,521,534	107,580		(5,291)	1,623,823
Furniture and equipment	2,209,032	134,727	21,190	(1,263)	2,321,306
Leased property under capital leases	152,145	50,715			202,860
Total accumulated depreciation	15,772,723	467,680	21,190	(6,554)	16,212,659
Governmental activities capital assets, net	\$ 10,511,063	(328,917)	214	6,554	10,188,486

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

Depreciation expense was charged to the following governmental functions:

	Amount
Instruction	\$ 327,376
Support services	93,536
Non-instructional	46,768
Total depreciation expense	\$ 467,680

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

Note 6 - Long-term liabilities

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

	Balance 7-1-2020	Additions	Reductions	Balance 6-30-2021	Amounts due within one year
A. Qualified school construction bonds payable	\$ 5,525,000			5,525,000	1,500,000
B. Obligations under capital leases	228,787		112,870	115,917	115,917
C. Compensated absences payable	336,960	4,061		341,021	
Total	\$ 6,090,747	4,061	112,870	5,981,938	1,615,917

A. Qualified school construction bonds payable

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

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

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

1. Qualified School Construction Bonds, Series 2011:

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

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

2. Qualified School Construction Bonds, Series 2012:

Year Ending June 30	Principal	Interest	Total
2022	\$	206,885	206,885
2023		206,885	206,885
2024	4,025,000	206,885	4,231,885
Total	\$ 4,025,000	620,655	4,645,655

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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

Total Qualified School Construction Bonds

Year Ending June 30	Principal	Interest	Total
2022	\$ 1,500,000	290,885	1,790,885
2023		206,885	206,885
2024	4,025,000	206,885	4,231,885
Total	\$ 5,525,000	704,655	6,229,655

B. Obligations under capital leases

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

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

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Bus Lease, Series 2017	2.70%	09-15-17	10-15-21	\$ 563,500	115,917

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

Year Ending June 30	Principal	Interest	Total
2022	\$ 115,917	3,130	119,047

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

This debt will be retired from the District Maintenance Fund.

C. Compensated absences payable

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

Greenville Public School District

Notes to the Financial Statements
For the Year Ended June 30, 2021

Note 7 - Other Matters

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

Note 8 - Defined Benefit Pension Plan

General Information about the Pension Plan

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

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.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

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 \$4,255,277, \$4,416,542, and \$4,009,398, 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 \$73,793,566 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 0.381188 percent, which was based on a measurement date of June 30, 2020. This was a decrease of 0.009684 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 \$5,595,719. At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 641,703	\$
Net difference between projected and actual earnings on pension plan investments	2,974,574	
Changes of assumptions	423,289	
Changes in proportion and differences between District contributions and proportionate share of contributions	2,238,486	4,259,535
District contributions subsequent to the measurement date	4,255,277	
Total	<u>\$ 10,533,329</u>	<u>\$ 4,259,535</u>

\$4,255,277 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

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2022	\$	(532,444)
2023		445,551
2024		1,128,674
2025		976,736
Total	\$	<u>2,018,517</u>

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 will be 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:

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00%	4.90%
International Equity	22.00%	4.75%
Global Equity	12.00%	5.00%
Fixed Income	20.00%	0.50%
Real Estate	10.00%	4.00%
Private Equity	8.00%	6.25%
Cash	1.00%	0.00%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ <u>95,516,705</u>	\$ <u>73,793,566</u>	\$ <u>55,863,250</u>

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

Note 9 - Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan.

Plan description. State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by Section 25-15-3 et. seq., Mississippi Code Ann. (1972), which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

within the confines of the law governing the Plan. The Plan is self-insured and is financed through premiums collected from employers, employees, retirees and COBRA participants. The Plan provides for Other Postemployment Benefits (OPEB) as a multiple-employer defined benefit OPEB plan. The plan issues a publicly available financial report that can be obtained at <http://knowyourbenefits.dfa.ms.gov/>.

Benefits provided.

The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare Eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

Contributions.

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. Contributions to the OPEB plan from the District were \$143,048 for the year ended June 30, 2021.

Greenville Public School District

Notes to the Financial Statements 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 \$4,241,334 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 0.54501290 percent. This was a decrease of 0.01906827 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 (\$24,500). 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	\$ 5,407	\$ 738,106
Changes of assumptions	658,506	179,233
Net difference between projected and actual earnings on OPEB plan investments	136	
Changes in proportion and differences between District contributions and proportionate share of contributions		408,119
District contributions subsequent to the measurement date	143,048	
Total	\$ 807,097	\$ 1,325,458

\$143,048 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:

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

Year Ending June 30:

2022	\$	(178,139)
2023		(178,139)
2024		(157,811)
2025		(74,366)
2026		(72,954)
Total	\$	<u>(661,409)</u>

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 ultimate rate of 4.50% by 2030
Pre-Medicare	

Mortality rates were based on the PubS.H-2010(B) Retiree Table projected with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

The demographic actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study dated April 2, 2019.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 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%.

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 Buyer 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%)		Discount Rate (2.19%)		1% Increase (3.19%)
Net OPEB liability	\$	4,686,964	\$	4,241,334	\$	3,859,106

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	\$	3,916,223	\$	4,241,334	\$	4,609,670

Greenville Public School District

Notes to the Financial Statements
For the Year Ended June 30, 2021

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in a separately issued report that can be found at <http://knowyourbenefits.dfa.ms.gov/>.

Note 10 - Risk Management

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

Note 11 - Contingencies

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

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

Note 12 - Prior Period Adjustments

A summary of significant Net Position adjustments is as follows:

Exhibit B - Statement of Activities

<u>Explanation(s)</u>	<u>Amount</u>
Adjustments were made to properly present capital assets during the fiscal year.	\$ 6,554
See explanation below.	(1,017,342)
Total	\$ <u>(1,010,788)</u>

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

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

<u>Fund</u>	<u>Explanation</u>	<u>Amount</u>
General Fund	To correct accounts payable.	\$ 79,689
General Fund	To correct payroll clearing.	2,599
General Fund	To balance cash reconciliations.	144,995
General Fund	To balance to MCAPS.	541,681
General Fund	Misstated items found by consultants or auditors.	(1,726,359)
Title I - A Basic Fund	Misstated items found by consultants or auditors.	(455,452)
IDEA Part B Fund	Misstated items found by consultants or auditors.	456,841
Other Governmental Funds	To balance to MCAPS.	(84,359)
Other Governmental Funds	Misstated items found by consultants or auditors.	22,858
Other Governmental Funds	To correct accounts payable.	165
Total		<u>(\$1,017,342)</u>

Note 13 - Effect of Deferred Amounts on Net Position

The unrestricted net position amount of (\$68,037,559) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflows of resources related to pension in the amount of \$4,255,277 resulting from the school district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The \$6,278,052 balance of deferred outflow of resources, 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 (\$68,037,559) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$4,259,535 balance of deferred inflow of resources, at June 30, 2021 will be recognized as a revenue and will increase the unrestricted net position over the next 3 years.

The unrestricted net position amount of (\$68,037,559) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from OPEB. A portion of the deferred outflows of resources related to OPEB in the amount of \$143,048 resulting from the amount paid by the school district as benefits come due subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. The \$664,049 balance of deferred outflow of resources, 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 (\$68,037,559) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$1,325,458 balance of deferred inflow of resources at June 30, 2021 will be recognized as a revenue and will increase the unrestricted net position over the next 5 years.

Greenville Public School District

Notes to the Financial Statements
For the Year Ended June 30, 2021

Note 14 - Sixteenth Section Lands

Sixteenth section school lands, or lands granted in lieu thereof, constitute property held in trust for the benefit of the public schools. The school board, under the general supervision of the Office of the Secretary of State, has control and jurisdiction of said school trust lands and of all funds arising from any disposition thereof. It is the duty of the school board to manage the school trust lands and all funds arising therefrom as trust property. Accordingly, the board shall assure that adequate compensation is received for all uses of the trust lands, except for uses by the public schools. The following are the future rental payments to be made to the school district for the use of school trust lands. These future rental payments are from existing leases and do not anticipate renewals or new leases.

Year Ending June 30		Amount
2022	\$	135,751
2023		135,751
2024		127,552
2025		34,591
2026		31,358
2027 - 2031		96,921
2032 - 2036		69,071
2037 - 2041		2,164
2042 - 2046		2,164
2047 - 2051		2,164
Total	\$	<u>637,487</u>

Note 15 - Insurance Loss Recoveries

The Greenville Public School District received \$1,177 in insurance loss recoveries during the 2020-2021 fiscal year related to roof damages. In the government-wide Statement of Activities, the insurance loss recoveries were reported as charges for services and were allocated to the noninstructional service expense function.

Note 16 - Qualified School Construction Bonds

Section 1521 of the American Recovery and Reinvestment Act (ARRA) of 2009 provides for a source of capital at no or at nominal interest rates for costs incurred by certain public schools in connection with the construction, rehabilitation or repair of a public school facility or the acquisition of land where a school will be built. Investors receive Federal income tax credits at prescribed tax credit rate in lieu of interest, which essentially allows state and local governments to borrow without incurring interest costs. While Qualified School Construction Bonds (QSCBs) are intended to be interest free to a borrower, the ARRA legislation allows a lender to charge supplemental interest, and such supplemental interest is the responsibility of the school district.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

When the stated interest rate on the QSCB results in interest payments that exceed the supplemental interest payments discussed in the preceding paragraph, the school district may apply for a direct cash subsidy payment from the U.S. Treasury which is intended to reduce the stated interest rate to a nominal percentage. These subsidy payments do not include the amount of any supplemental interest paid on a QSCB. For the year ended June 30, 2021, the subsidy payments amounted to \$71,550.

The school district makes equal annual payments into a sinking fund which is used to pay off the bonds at termination. The current maturity limit of tax credit bonds is 17 years, per the U.S. Treasury Department. Under this program, ten percent of the proceeds must be subject to a binding commitment to be spent within six months of issuance and 100% must be spent within three years. Up to two percent of bond proceeds can be used to pay costs of issuance. The amount on deposit at June 30, 2021 was \$4,497,633. The amount accumulated in the sinking fund at the maturity date of the bonds is expected to be sufficient to retire the debt. The following schedule reports the annual deposits to be made to the sinking fund by the school district.

Year Ending June 30	Series 2011	Series 2012	Amount
2022	\$ 136,364	336,000	472,364
2023		336,000	336,000
2024		334,000	334,000
Total	\$ 136,364	1,006,000	1,142,364

Note 17 - Vocational School Consortium

The school district entered a Vocational Educational Agreement dated May 8, 1972 with the Western Line School District. This consortium was created pursuant to the provisions of Section 37-31-73, Miss. Code Ann. (1972), and approved by the Mississippi Department of Education. The consortium includes the Western Line School District.

Section 37-31-73, Miss. Code Ann. (1972), authorizes the above noted entities to enter into an agreement that would provide for the construction or operation of a regional vocational education center. Any such agreement should provide for a designated fiscal agent, providing the method of financing the construction and operation of such facilities, the manner in which such facilities are to be controlled and staffed and detail procedures for student admission and transportation services for those students.

The Greenville Public School District has been designated as the fiscal agent for the consortium with the Western Line School District, and the operations of the consortium are included in its financial statements.

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

The following Statement of Revenues, Expenditures and Changes in Fund Balances is presented to detail the financial activity of the consortium with Western Line School District.

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

Revenues

Local sources:	
Advalorem	\$ <u>215,025</u>
Total local sources	<u>215,025</u>
State sources	460,203
Federal sources	<u>58,392</u>
Total Revenues	<u>733,620</u>

Expenditures

Salaries	807,843
Employee benefits	280,600
Purchased professional and technical services	2,916
Other purchased services	3,536
Supplies	13,853
Property	60,129
Other	<u>900</u>
Total Expenditures	<u>1,169,777</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures (436,157)

Other Financing Sources/Uses:

Operating Transfers In	<u>432,580</u>
Total Other Financing Sources/Uses	<u>432,580</u>

Net Change in Fund Balance (3,577)

Fund Balance:

July 1, 2020	<u>3,577</u>
June 30, 2021	\$ 0

Note 18 - Other Commitments

The school district has an operating lease for a copier.

Lease expenditures for the year ended June 30, 2021, amounted to \$166,726. Future lease payments for this lease are as follows:

Greenville Public School District

Notes to the Financial Statements For the Year Ended June 30, 2021

<u>Year Ending June 30</u>	<u>Amount</u>
2022	\$ 166,726
2023	166,726
2024	<u>152,832</u>
Total	<u><u>\$ 486,284</u></u>

Note 19 - Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the Greenville Public School District evaluated the activity of the district through the date the financial statements were available to be issued, and determined the following subsequent event has occurred requiring disclosure in the notes to the financial statement:

On November 29, 2022, the school district purchased six (6) new buses totaling \$652,500. The buses were funded using the budgeted ARP ESSER funds.

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REQUIRED SUPPLEMENTARY INFORMATION

GREENVILLE PUBLIC SCHOOL DISTRICT

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2021

Exhibit 1

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local sources	\$ 10,583,153	11,073,144	10,770,821	489,991	(302,323)
State sources	22,277,740	22,121,514	20,650,251	(156,226)	(1,471,263)
Federal sources	4,159	84,662	86,974	80,503	2,312
Sixteenth section sources	137,900	137,900	49,664	-	(88,236)
Total Revenues	<u>33,002,952</u>	<u>33,417,220</u>	<u>31,557,710</u>	<u>414,268</u>	<u>(1,859,510)</u>
Expenditures:					
Instruction	18,386,950	16,507,369	16,558,011	1,879,581	(50,642)
Support services	16,639,745	12,498,085	13,659,230	4,141,660	(1,161,145)
Sixteenth section	10,400	14,250	12,799	(3,850)	1,451
Debt service:					
Principal		5,249	112,870	(5,249)	(107,621)
Interest			6,177	-	(6,177)
Other			5,249	-	(5,249)
Total Expenditures	<u>35,037,095</u>	<u>29,024,953</u>	<u>30,354,336</u>	<u>6,012,142</u>	<u>(1,329,383)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,034,143)</u>	<u>4,392,267</u>	<u>1,203,374</u>	<u>6,426,410</u>	<u>(3,188,893)</u>
Other Financing Sources (Uses):					
Insurance recovery		1,177	1,177	1,177	-
Operating transfers in	4,146,342	3,516,804	277,769	(629,538)	(3,239,035)
Operating transfers out	(5,024,703)	(4,184,166)	(542,278)	840,537	3,641,888
Total Other Financing Sources (Uses)	<u>(878,361)</u>	<u>(666,185)</u>	<u>(263,332)</u>	<u>212,176</u>	<u>402,853</u>
Net Change in Fund Balances	<u>(2,912,504)</u>	<u>3,726,082</u>	<u>940,042</u>	<u>6,638,586</u>	<u>(2,786,040)</u>
Fund Balances:					
July 1, 2020, as previously reported	4,161,326	4,755,770	4,661,970	594,444	(93,800)
Prior period adjustments			(957,395)	-	(957,395)
July 1, 2020, as restated	<u>4,161,326</u>	<u>4,755,770</u>	<u>3,704,575</u>	<u>594,444</u>	<u>(1,051,195)</u>
Increase (decrease) in inventory	-	-	(1,741)	-	(1,741)
June 30, 2021	<u>\$ 1,248,822</u>	<u>8,481,852</u>	<u>4,642,876</u>	<u>7,233,030</u>	<u>(3,838,976)</u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT

Budgetary Comparison Schedule

Title I - A Basic Fund

For the Year Ended June 30, 2021

Exhibit 2

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal sources	\$ 4,939,866	4,939,866	4,403,776	0	(536,090)
Total Revenues	<u>4,939,866</u>	<u>4,939,866</u>	<u>4,403,776</u>	<u>0</u>	<u>(536,090)</u>
Expenditures:					
Instruction	828,392	2,494,383	1,600,190	(1,665,991)	894,193
Support services	4,082,792	2,693,044	2,087,519	1,389,748	605,525
Noninstructional services	<u>28,682</u>	<u>97,662</u>	<u>41,181</u>	<u>(68,980)</u>	<u>56,481</u>
Total Expenditures	<u>4,939,866</u>	<u>5,285,089</u>	<u>3,728,890</u>	<u>(345,223)</u>	<u>1,556,199</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(345,223)</u>	<u>674,886</u>	<u>(345,223)</u>	<u>1,020,109</u>
Other Financing Sources (Uses):					
Operating transfers out		(142,506)	(276,288)	(142,506)	(133,782)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(142,506)</u>	<u>(276,288)</u>	<u>(142,506)</u>	<u>(133,782)</u>
Net Change in Fund Balances	<u>-</u>	<u>(487,729)</u>	<u>398,598</u>	<u>(487,729)</u>	<u>886,327</u>
Fund Balances:					
July 1, 2020, as previously reported	(140,103)	56,854	56,854	196,957	-
Prior period adjustments			(455,452)	-	(455,452)
July 1, 2020, as restated	<u>(140,103)</u>	<u>56,854</u>	<u>(398,598)</u>	<u>196,957</u>	<u>(455,452)</u>
June 30, 2021	<u>\$ (140,103)</u>	<u>(430,875)</u>	<u>-</u>	<u>(290,772)</u>	<u>430,875</u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT
 Budgetary Comparison Schedule
 IDEA Part B Fund
 For the Year Ended June 30, 2021

Exhibit 3

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal sources	\$ 1,424,329	1,424,329	1,795,256	0	370,927
Total Revenues	<u>1,424,329</u>	<u>1,424,329</u>	<u>1,795,256</u>	<u>0</u>	<u>370,927</u>
Expenditures:					
Instruction	932,976	2,065,693	1,079,726	(1,132,717)	985,967
Support services	463,258	1,080,708	371,182	(617,450)	709,526
Noninstructional services		10,000		(10,000)	10,000
Total Expenditures	<u>1,396,234</u>	<u>3,156,401</u>	<u>1,450,908</u>	<u>(1,760,167)</u>	<u>1,705,493</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,095</u>	<u>(1,732,072)</u>	<u>344,348</u>	<u>(1,760,167)</u>	<u>2,076,420</u>
Other Financing Sources (Uses):					
Operating transfers out		(31,027)		(31,027)	31,027
Total Other Financing Sources (Uses)	<u>-</u>	<u>(31,027)</u>	<u>-</u>	<u>(31,027)</u>	<u>31,027</u>
Net Change in Fund Balances	<u>28,095</u>	<u>(1,763,099)</u>	<u>344,348</u>	<u>(1,791,194)</u>	<u>2,107,447</u>
Fund Balances:					
July 1, 2020, as previously reported	(1,009,178)	3,205	(801,189)	1,012,383	(804,394)
Prior period adjustments			456,841	-	456,841
July 1, 2020, as restated	<u>(1,009,178)</u>	<u>3,205</u>	<u>(344,348)</u>	<u>1,012,383</u>	<u>(347,553)</u>
June 30, 2021	<u>\$ (981,083)</u>	<u>(1,759,894)</u>	<u>-</u>	<u>(778,811)</u>	<u>1,759,894</u>

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

Greenville Public 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 proportionate share of the net pension liability	\$ 73,793,566	68,762,097	67,330,267	65,679,030	78,380,636	72,668,189	58,878,009
District's proportion of the net pension liability	0.381188%	0.390872%	0.404800%	0.395100%	0.438800%	0.470100%	0.485100%
District's covered payroll	25,382,425	23,042,517	25,853,410	25,342,660	28,069,194	29,368,476	29,639,956
District's proportionate share of the net pension liability as a percentage of its covered payroll	290.73%	298.41%	260.43%	259.16%	279.24%	247.44%	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 FYE 6/30/15, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

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

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 4,255,277	4,416,542	4,009,398	4,071,912	3,991,469	4,420,898	4,625,535
Contributions in relation to the contractually required contribution	4,255,277	4,416,542	4,009,398	4,071,912	3,991,469	4,420,898	4,625,535
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
District's covered payroll	24,455,615	25,382,425	25,456,495	25,853,410	25,342,660	28,069,194	29,368,476
Contributions as a percentage of covered payroll	17.40%	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 68 was implemented in FYE 6/30/15, and, until a full 10-year is compiled, the District has only presented information for the years in which information is available.

Greenville Public School District

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

OPEB

Last 10 Fiscal Years*

	2021	2020	2019	2018
District's proportionate share of the net OPEB liability	\$ 4,241,334	4,786,460	4,446,841	4,749,514
District's proportion of the net OPEB liability	0.54501290%	0.56408117%	0.57486145%	0.60533520%
District's covered-employee payroll	26,266,112	25,831,680	26,000,592	27,196,046 **
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	16.15%	18.53%	17.10%	17.46%
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.

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, 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.

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

	2021	2020	2019	2018
Actuarially determined contribution	\$ 143,048	169,144	191,856	202,479 **
Contributions in relation to the actuarially determined contribution	143,048	169,144	191,856	202,479 **
Contribution deficiency (excess)	\$ -	-	-	-
District's covered-employee payroll	\$ 23,833,070	23,732,351	25,456,495	25,853,410
Contributions as a percentage of covered-employee payroll	0.60%	0.71%	0.75%	0.78%

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

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented in FYE 6/30/18, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available. Prior year information is based on historical amounts reported in prior year audit report(s).

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

Greenville Public School District

Notes to the Required Supplementary Information For the Year Ended June 30, 2021

Budgetary Comparison Schedules

(1) Basis of Presentation

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

(2) Budget Amendments and Revisions

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

Pension Schedules

(1) *Changes of assumptions*

2015:

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

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

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

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

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

2016:

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

2017:

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

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

Greenville Public School District

Notes to the Required Supplementary Information (Continued) For the Year Ended June 30, 2021

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

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

2019:

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments: for males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119; for females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119; and projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments: for males, 137% of male rates at all ages; for females, 115% of female rates at all ages; and projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

(2) *Changes in benefit provisions*

2016:

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

- (3) *Method and assumptions used in calculations of actuarially determined contributions.* The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 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

Greenville Public School District

Notes to the Required Supplementary Information (Continued) For the Year Ended June 30, 2021

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

OPEB Schedules

(1) Changes of assumptions

2017:

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

2018:

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

2019:

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

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

Greenville Public School District

Notes to the Required Supplementary Information (Continued) For the Year Ended June 30, 2021

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 Pre-Medicare	7.00%
Ultimate health care cost trend rates Medicare Supplement Claims Pre-Medicare	4.75%
Year of ultimate trend rates Medicare Supplement Claims Pre-Medicare	2028
Long-term investment rate of return, net of pension plan investment expense, including price inflation	3.50%

SUPPLEMENTARY INFORMATION

GREENVILLE PUBLIC SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2021

Federal Grantor/ Pass-through Grantor/ Program Title/	Pass-through Entity Identifying Numbers	Catalog of Federal Domestic Assistance No.	Federal Expenditures
<u>U. S. Department of Agriculture</u>			
Passed-through the Mississippi Department of Education:			
Child Nutrition Cluster:			
Summer Food Service Program for Children	225MS326N1099	10.559	\$ 1,331,015
Total child nutrition cluster			1,331,015
State Administrative Expenses for Child Nutrition	225MS907N2533	10.560	12,666
Total passed-through the Mississippi Department of Education			1,343,681
Total U.S. Department of Agriculture			1,343,681
<u>U. S. Department of Treasury</u>			
Passed-through the Mississippi Department of Education			
COVID-19 - Coronavirus Relief Fund	N/A	21.019	2,203,509
Total passed-through the Mississippi Department of Education			2,203,509
Total U.S. Department of Treasury			2,203,509
<u>U. S. Department of Education</u>			
Passed-through the Mississippi Department of Education:			
Title I Grants to Local Educational Agencies	ES010A210024	84.010	4,496,066
Career and Technical Education - Basic Grants to States	V048A210024	84.048	58,392
Rural Education	ES358B210024	84.358	50,249
Supporting Effective Instruction State Grants	ES367A210023	84.367	556,191
Student Support and Academic Enrichment Program	ES424A210025	84.424	317,034
COVID-19 - Elementary and Secondary School Emergency Relief Grant (ESSER II)	S425D220031	84.425D	2,439,902
Subtotal			7,917,834
Special Education Cluster:			
Special Education - Grants to States	H027A210108	84.027	1,450,908
Educator Interpreter	H027A210108	84.027A	73,752
Positive Behavior Specialists	H027A210108	84.027A	8,333
Special Education - Preschool Grants	H173A210113	84.173	39,636
Total Special Education Cluster			1,572,629
Total passed-through the Mississippi Department of Education			9,490,463
Total U.S. Department of Education			9,490,463
<u>U.S. Department of Social Security Administration</u>			
Passed-through Mississippi Department of Rehabilitation Services:			
Social Security Administration	04-20-04MSDI00	96.001	4,888
Total passed-through the Mississippi Department of Rehabilitation Services			4,888
Total U.S. Department of Social Security Administration			4,888
Total for All Federal Awards			\$ 13,042,541

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

Greenville Public School District

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

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

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(4) Other Items

Donated commodities of \$93,645 are included in the Summer Food Service Program for Children.

GREENVILLE PUBLIC SCHOOL DISTRICT

Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds

For the Year Ended June 30, 2021

Expenditures	Total	Instruction and Other Student Instructional Expenditures	General Administration	School Administration	Other
Salaries and fringe benefits \$	33,660,920	24,584,586	1,556,161	3,026,651	4,493,522
Other	11,684,793	6,002,140	1,870,054	16,444	3,796,155
Total \$	<u>45,345,713</u>	<u>30,586,726</u>	<u>3,426,215</u>	<u>3,043,095</u>	<u>8,289,677</u>
Total number of students *	<u>3,884</u>				
Cost per student \$	<u>11,675</u>	<u>7,875</u>	<u>882</u>	<u>784</u>	<u>2,134</u>

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

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

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

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

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

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

OTHER INFORMATION

GREENVILLE PUBLIC SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

"UNAUDITED"

General Fund

Last Four Years

	2021	2020*	2019*	2018*
Revenues:				
Local sources	\$ 10,770,821	9,444,664	10,222,154	10,143,528
State sources	20,650,251	22,087,595	23,268,975	23,474,898
Federal sources	86,974	48,286	167,194	69,011
Sixteenth section sources	49,664	131,974	128,222	166,220
Total Revenues	<u>31,557,710</u>	<u>31,712,519</u>	<u>33,786,545</u>	<u>33,853,657</u>
Expenditures:				
Instruction	16,558,011	17,821,680	17,411,808	17,157,050
Support services	13,659,230	13,995,719	14,075,782	15,761,070
Noninstructional services			5,902	
Sixteenth section	12,799	7,577	5,567	
Debt service:				
Principal	112,870	109,903	107,013	117,797
Interest	6,177	9,145	31,952	16,380
Other	5,249			
Total Expenditures	<u>30,354,336</u>	<u>31,944,024</u>	<u>31,638,024</u>	<u>33,052,297</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,203,374</u>	<u>(231,505)</u>	<u>2,148,521</u>	<u>801,360</u>
Other Financing Sources (Uses):				
Insurance recovery	1,177	21,000	18,295	280,790
Inception of capital leases				563,500
Operating transfers in	277,769	336,931	302,217	499,905
Operating transfers out	(542,278)	(395,718)	(1,462,654)	(1,034,429)
Total Other Financing Sources (Uses)	<u>(263,332)</u>	<u>(37,787)</u>	<u>(1,142,142)</u>	<u>309,766</u>
Net Change in Fund Balances	940,042	(269,292)	1,006,379	1,111,126
Fund Balances:				
Beginning of period, as previously reported	4,661,970	4,931,262	3,869,571	2,766,576
Prior period adjustments	(957,395)		56,632	
Beginning of period, as restated	<u>3,704,575</u>	<u>4,931,262</u>	<u>3,926,203</u>	<u>2,766,576</u>
Increase (Decrease) in inventory	(1,741)		(1,320)	(8,131)
End of Period	<u>\$ 4,642,876</u>	<u>4,661,970</u>	<u>4,931,262</u>	<u>3,869,571</u>

*SOURCE - PRIOR YEAR AUDIT REPORTS

GREENVILLE PUBLIC SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Funds

Last Four Years

"UNAUDITED"

	2021	2020*	2019*	2018*
Revenues:				
Local sources	\$ 11,141,227	10,383,814	10,899,231	10,795,575
State sources	21,571,445	23,193,883	24,422,056	24,452,299
Federal sources	13,567,345	9,887,190	10,700,839	10,873,615
Sixteenth section sources	49,664	131,974	128,222	166,220
Total Revenues	<u>46,329,681</u>	<u>43,596,861</u>	<u>46,150,348</u>	<u>46,287,709</u>
Expenditures:				
Instruction	24,123,163	22,771,592	22,354,151	21,402,840
Support services	19,221,085	19,728,902	18,100,172	20,018,436
Noninstructional services	1,627,349	2,638,157	2,916,045	3,431,364
Sixteenth section	14,049	7,577	5,567	
Facilities acquisition and construction			477,541	
Debt service:				
Principal	112,870	109,903	107,013	177,797
Interest	241,948	253,826	322,837	308,435
Other	5,249		4,961	4,910
Total Expenditures	<u>45,345,713</u>	<u>45,509,957</u>	<u>44,288,287</u>	<u>45,343,782</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>983,968</u>	<u>(1,913,096)</u>	<u>1,862,061</u>	<u>943,927</u>
Other Financing Sources (Uses):				
Insurance recovery	1,177	3,656,847	301,096	280,790
Inception of capital lease				563,500
Payments to QSCB escrow agent	472,364	472,364		
Payments to QSCB debt escrow agent	(472,364)	(472,364)		
Operating transfers in	2,210,173	794,272	1,764,871	1,534,334
Other financing sources			471,364	440,800
Operating transfers out	(2,210,173)	(794,272)	(1,764,871)	(1,534,334)
Other financing uses			(471,364)	(440,800)
Total Other Financing Sources (Uses)	<u>1,177</u>	<u>3,656,847</u>	<u>301,096</u>	<u>844,290</u>
Net Change in Fund Balances	985,145	1,743,751	2,163,157	1,788,217
Fund Balances:				
Beginning of period, as previously reported	13,348,518	11,530,552	9,376,577	7,587,847
Prior period adjustments	(1,017,342)		13,894	(3,935)
Beginning of period, as restated	<u>12,331,176</u>	<u>11,530,552</u>	<u>9,390,471</u>	<u>7,583,912</u>
Increase (Decrease) in inventory	14,745	74,215	(23,076)	4,448
End of Period	<u>\$ 13,331,066</u>	<u>13,348,518</u>	<u>11,530,552</u>	<u>9,376,577</u>

*SOURCE - PRIOR YEAR AUDIT REPORTS

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Greenville Public School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenville Public School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Greenville Public School District's basic financial statements, and have issued our report thereon dated January 17, 2023.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Finding 2021-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as finding 2021-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greenville Public School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Greenville Public School District's Responses to Findings

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

Purpose of this Report

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

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
January 17, 2023

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Greenville Public School District

Report on Compliance for Each Major Federal Program

We have audited Greenville Public School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Greenville Public School District's major federal programs for the year ended June 30, 2021. The Greenville Public School District's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Greenville Public School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the school district's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as finding 2021-003. Our opinion on each major federal programs is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Management of the Greenville Public School District is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Greenville Public School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the school district's internal control over compliance.

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

Our consideration of 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 were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as finding 2021-003 to be a material weakness.

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

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

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
January 17, 2023

Certified Public Accountants

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

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board
Greenville Public School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greenville Public School District as of and for the year ended June 30, 2021, which collectively comprise Greenville Public School District's basic financial statements and have issued our report thereon dated January 17, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

The results of our procedures performed to test compliance with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), disclosed the following instance of noncompliance. The noncompliance is reported in finding number 3 below.

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

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

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

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

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

Finding 1

Criteria:

Section 37-6-15, Miss. Code Ann. (1972) requires that board members shall be bonded for at least \$50,000. Section 37-9-27, Miss. Code Ann. (1972) requires that superintendents shall be bonded for at least \$100,000. Section 37-9-31, Miss. Code Ann. (1972) requires that principals shall be bonded for at least \$50,000. Section 37-39-21, Miss. Code Ann. (1972) requires that purchasing agents shall be bonded for at least \$50,000. Those bonds shall be recorded and on file at the chancery clerk's office.

Condition:

During the course of our audit, we noted (8) principals, (1) superintendent, (4) board members, and (10) purchasing agents were not bonded. Two surety bonds were not on file at the chancery clerk's office.

Cause:

Due to changing of business managers and superintendents, client did not have management in charge of monitoring surety bonds.

Effect:

The District was not indemnified from certain potential losses

Recommendation:

We recommend the school district comply with all applicable code sections and bond applicable personnel for the appropriate amounts with those bonds being recorded and on file in the chancery clerk's office.

Response:

The District has acquired surety bonds on all principals, superintendent, board members and purchasing agents and has filed them in the office of the clerk of the chancery court of Washington County.

Finding 2

Criteria:

Section 29-3-121, Miss. Code Ann. (1972) provides, "it shall be the duty of the Superintendent of each school district to make or cause to be made annual lists of the children enrolled in the schools of such district and who reside in such district, which lists shall be based upon the end of the first month enrollment required to be reported to the State Department of Education for the then current school year. The lists shall be made separately as to the townships in which such children reside. Such lists shall be filed by the Superintendent of the custodial school district on or before December 31 of each year, and the lists shall be used in making the division of the available funds of each township during the ensuing calendar year."

Condition:

During our test of sixteenth section revenue, we noted that the educable child list was not sent to the shared school district by December 31.

Cause:

Due to change in Business Manager and Superintendent positions, no procedures were in place to ensure regulation was followed.

Effect:

Noncompliance with Section 29-3-121, Miss. Code Ann. (1972), could result in the District not receiving their pro rate share of sixteenth section revenue from other school districts or having to repay other districts.

Recommendation:

We recommend that the District implement policies and procedures to ensure the list is prepared and sent to the appropriate school district by December 31 of each year, in accordance with Section 29-3-121, Miss. Code Ann. (1972).

Response:

This District has shared students with Wester Line School District. A letter was sent but it did not meet the required December 31 deadline. It was sent on January 14, 2021 for the 2020-2021 school year.

Finding 3

Criteria:

Section 37-61-33(3)(a)(iii), Miss. Code (1972), states “Determine that the school district authorized the issuance of procurement cards to eligible teachers, meaning any employee of the school district who is required by law to obtain a teacher’s license from the State Board of Education and is assigned to an instructional area of work, but shall not include a federally funded teacher.”

Condition:

During our classroom supplies testing, we noted one of the federally funded teachers received a procurement card.

Cause:

The School District failed to comply with Section 37-61-33(3)(a)(iii), Miss. Code (1972).

Effect:

The School District was not in compliance with Section 37-61-33(3)(a)(iii), Miss. Code (1972).

Recommendation:

We recommend the school district to ensure that their federally funded teachers do not receive procurement cards.

Response:

The state law was changed beginning July 1, 2022 for the current year, to include federal funded teachers to receive EEF cards.

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

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

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

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
January 17, 2023

Certified Public Accountants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Greenville Public School District

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

Section I: Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

4. Internal control over major programs:
 - a. Material weakness(es) identified? Yes.
 - b. Significant deficiency(ies) identified? None reported.
5. Type of auditor's report issued on compliance for major programs: Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes.
7. Identification of major programs:

CFDA Numbers:	Name of Federal Program or Cluster
21.019	COVID-19 - Coronavirus Relief Fund
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief Grant (ESSER II)
84.027, 84.027A & 84.173	Special Education Cluster

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000.
9. Auditee qualified as low-risk auditee? No.

10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b). Yes.

Section II: Financial Statements Findings

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

Material Weakness

Finding 2021-001

Criteria:

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

Condition:

1. During our test of receivables, we noted that receivable and unearned revenue balances were not properly reconciled during the current audit period. A consultant was hired by the school district to reconstruct the correct balances and make the necessary adjustments after the fiscal year ended but before financial statements were issued.
2. During our test of payables, we noted that payable balances were not properly reconciled during the current audit period. A consultant was hired by the school district to reconstruct the correct payable balances, resulting in an audit adjustment of \$79,737.15 to clear old balances.
3. During our test of prepaid expenditures, we noted that the prepaid balance was not properly reconciled during the current audit period and was overstated by \$869,692. An audit adjustment was made to accurately reflect this balance.

Cause:

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

Effect:

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

Recommendation:

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

Response:

The district has Policies in place to address and properly implement an effective internal control system. Policy DIAB Internal control of Cash Receipts, and Policy DIB-Financial Reports and Statements. Procedures and Personnel (A new business manager and team) have been hired to ensure the district is adhering to Board Policies and establishing a strong financial accountability system to properly safeguard assets and maintain accurate accounting records.

Significant Deficiency

Finding 2021-002

Criteria:

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

Condition:

During our test of invoices, we noted all sixty (60) invoices were not marked canceled after payment. Also three out of sixty invoices were not paid within 45 days of the invoice.

Cause:

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

Effect:

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

Recommendation:

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

Response:

The district has in place Board Policy DJEG – Purchase Orders and Contracts. This policy addresses and explains the proper purchasing and documenting procedures for when it comes to purchase orders and invoices. Systems and procedures have been put in place and the appropriate personnel will be trained to ensure that documentation and accuracy of payment for all invoices are recorded.

Section III: Federal Awards Findings and Questioned Costs

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

Material Weakness and Noncompliance

Finding 2021-003

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

Compliance requirement: Activities Allowed/Unallowed

Criteria:

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

Condition:

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

Context:

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

Cause:

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

Effect:

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

Questioned Costs:

\$34,381

Identification of a Repeat Finding:

Yes. It's a repeat from Finding 2020-003.

Whether Sampling was Statistically Valid:

No.

Recommendation:

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

Views of Responsible Official:

The District will implement internal control procedures to ensure appropriate alignment of allocations of fund in each funding area. The Special Education director, special education bookkeeper and the district business manager will have monthly collaboration meetings to review expenditures and funding, MCAP and budget revisions will be performed as needed to ensure appropriate alignment.

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



Dr. Glenn Dedeaux

Superintendent

412 S. Main Street

P. O. Box 1619

Greenville, MS 38702-1619

Office: (662)334-7000

Fax: (662)334-3646

AUDITEE'S CORRECTIVE ACTION PLAN

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Greenville Public School District has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2021.

Finding

Corrective Action Plan Details

2021-001

a. Name of Contact Person Responsible for Corrective Action

Name: Glenn J. Dedeaux

Title: Superintendent

Phone Number: (662) 334-7004

b. Correction Action Planned:

The district has Policies in place to address and properly implement an effective internal control system. Policy DIAB- Internal control of Cash Receipts, and Policy DIB-Financial Reports and Statements. Procedures and Personnel (A new business manager and team) have been hired to ensure the district is adhering to Board Policies and establishing a strong financial accountability system to properly safeguard assets and maintain accurate accounting records.

c. Anticipated Completion Date:

Implementation is to begin immediately and will be ongoing.

2021-002

Name of Contact Person Responsible for Corrective Action

a.

Name: Glenn J. Dedeaux

Title: Superintendent

Phone Number: (662) 334-7004

b. Correction Action Planned:

The district has in place Board Policy DJEG – Purchase Orders and Contracts. This policy addresses and explains the proper purchasing and documenting procedures for when it comes to purchase orders and invoices. Systems and procedures have been put in place and the appropriate personnel will be trained to ensure that documentation and accuracy of payment for all invoices are recorded.

c. Anticipated Completion Date:

Implementation will begin immediately and will be ongoing.



Dr. Glenn Dedeaux

Superintendent

412 S. Main Street

P. O. Box 1619

Greenville, MS 38702-1619

Office: (662)334-7000

Fax: (662)334-3646

AUDITEE'S CORRECTIVE ACTION PLAN (Continued)

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Greenville Public School District has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2021.

Finding

2021-003

Corrective Action Plan Details

a. Name of Contact Person Responsible for Corrective Action

Name: Glenn J. Dedeaux

Title: Superintendent

Phone Number: (662) 334-7004

b. Correction Action Planned:

The District will implement internal control procedures to ensure appropriate alignment of allocations of fund in each funding area. The Special Education director, special education bookkeeper and the district business manager will have monthly collaboration meetings to review expenditures and funding, MCAP and budget revisions will be performed as needed to ensure appropriate alignment.

c. Anticipated Completion Date:

Implementation will begin immediately and will be ongoing.



Dr. Glenn Dedeaux

Superintendent

412 S. Main Street

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Greenville, MS 38702-1619

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Fax: (662)334-3646

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOLLOW UP

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Greenville Public School District has prepared and hereby submits the following summary of prior year audit findings follow up as of June 30, 2021:

<u>Finding</u>	<u>Status</u>
2020-001	Not Corrected (see Finding 2021-001)
2020-002	Not Corrected (see Finding 2021-002)
2020-003	Not Corrected (see Finding 2021-003)