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COAHOMA COUNTY SCHOOL DISTRICT

Audited Financial Statements  
For the Year Ended June 30, 2022

St. Clair CPA, PLLC  
Carriere, MS

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## INDEPENDENT AUDITOR'S REPORT

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**ST. CLAIR CPA, PLLC**  
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT**

Superintendent and School Board  
Coahoma County School District

**Report on the Audit of the Financial Statements**

***Opinions***

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coahoma County School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Coahoma County School District's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Coahoma County School District, as of June 30, 2022, 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.

***Basis for Opinions***

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of the Coahoma County School District and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coahoma County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



## ***Auditor's Responsibility for the Audit of the Financial Statements***

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Coahoma County School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coahoma County School District's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

## ***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 9-16, 47-48, 49, 50, 51 and 52 respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

## ***Supplementary Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Coahoma County School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly

to the underlying accounting and other records used to prepare the basic financial statements. The 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 basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying Schedule of Expenditures of Federal Awards and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises 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 but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated February 15, 2024, on my consideration of the Coahoma County School District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coahoma County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coahoma County School District's internal control over financial reporting and compliance.

***St. Clair CPA, PLLC***

St. Clair CPA, PLLC  
Carriere, MS  
February 15, 2024

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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COAHOMA COUNTY SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2022

The following discussion and analysis of Coahoma County School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2022. 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 2022 increased \$4,839,266, including a prior period adjustment of (\$43,796), which represents a 196% increase from fiscal year 2021. Total net position for 2021 increased \$1,452,439, including a prior period adjustment of \$29,797, which represents a 37% increase from fiscal year 2020.
- General revenues amounted to \$13,323,479 and \$12,922,701, or 68% and 67% of all revenues for fiscal years 2022 and 2021, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,234,870, or 32% of total revenues for 2022, and \$6,262,234, or 33% of total revenues for 2021.
- The District had \$14,675,287 and \$17,762,293 in expenses for fiscal years 2022 and 2021; only \$6,234,870 for 2022 and \$6,262,234 for 2021 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$13,323,479 for 2022 and \$12,922,701 for 2021 were adequate to provide for these programs.
- Among major funds, the General Fund had \$12,902,121 in revenues and \$10,520,599 in expenditures for 2022, and \$12,505,640 in revenues and \$12,303,658 in expenditures in 2021. The General Fund's fund balance increased by \$1,880,995, including a prior period adjustment of (\$270,568), from 2021 to 2022, and increased by \$95,092, including a prior period adjustment of \$164,875 from 2020 to 2021.
- Capital assets, net of accumulated depreciation, increased by \$142,922 for 2022 and increased by \$2,006,631 for 2021. The increase for 2022 was due primarily to the addition of construction in progress.
- Long-term debt decreased by \$284,115 for 2022 and decreased by \$295,475 for 2021. This decrease for 2022 was due primarily to principal payments on outstanding long-term debt. The liability for compensated absences decreased by \$9,115 for 2022 and decreased by \$30,475 for 2021.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **Government-wide Financial Statements**

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

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

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

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

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are in the governmental funds category.

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

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

## **Reconciliation of Government-wide and Fund Financial Statements**

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

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

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

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

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

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

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

## **Notes to the financial statements**

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

## **Required Supplementary Information**

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

## **Supplementary Information**

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

## **Other Information**

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Net position**

Net position may serve over time as a useful indicator of the District's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,364,078 as of June 30, 2022.

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

Table 1 presents a summary of the District's net position at June 30, 2022 and June 30, 2021.



**Table 1**  
**Condensed Statement of Net Position**

	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>Percentage Change</b>
Current assets	\$ 19,875,940	\$ 14,746,199	34.79 %
Restricted assets	2,187,291	1,798,421	21.62 %
Capital assets, net	10,919,716	10,776,794	1.33 %
<b>Total assets</b>	<b>32,982,947</b>	<b>27,321,414</b>	<b>20.72 %</b>
<b>Deferred outflows of resources</b>	<b>2,991,601</b>	<b>2,884,332</b>	<b>3.72 %</b>
Current liabilities	1,109,690	570,597	94.48 %
Long-term debt outstanding	4,019,119	4,303,234	(6.60) %
Net OPEB liability	1,255,361	1,535,243	(18.23) %
Net pension liability	18,910,091	25,326,781	(25.34) %
<b>Total liabilities</b>	<b>25,294,261</b>	<b>31,735,855</b>	<b>(20.30) %</b>
<b>Deferred inflows of resources</b>	<b>8,316,209</b>	<b>945,079</b>	<b>779.95 %</b>
<b>Net position:</b>			
Net investment in capital assets	6,949,716	6,531,794	6.40 %
Restricted	2,619,906	1,747,633	49.91 %
Unrestricted	(7,205,544)	(10,754,615)	33.00 %
<b>Total net position</b>	<b>\$ 2,364,078</b>	<b>\$ (2,475,188)</b>	<b>195.51 %</b>

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)	\$ (7,205,544)
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	23,263,810
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ 16,058,266</u>

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

- Increase in net capital assets in the amount of \$142,922.
- The principal retirement of \$275,000 of long-term debt.

### Changes in net position

The District's total revenues for the fiscal years ended June 30, 2022 and June 30, 2021 were \$19,558,349 and \$19,184,935, respectively. The total cost of all programs and services was \$14,675,287 for 2022 and \$17,762,293 for 2021.

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

**Table 2**  
**Changes in Net Position**

	<b>Year Ended June 30, 2022</b>	<b>Year Ended June 30, 2021</b>	<b>Percentage Change</b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 228,881	\$ 130,117	75.90 %
Operating grants and contributions	5,520,544	6,132,117	(9.97) %
Capital Grants and Contributions	485,445	0	100.00 %
General revenues:			
Property taxes	5,466,513	5,727,552	(4.56) %
Grants and contributions not restricted	6,850,371	6,080,854	12.65 %
Investment earnings	16,377	12,567	30.32 %
Sixteenth section sources	990,218	1,101,728	(10.12) %
<b>Total revenues</b>	<b>19,558,349</b>	<b>19,184,935</b>	<b>1.95 %</b>
<b>Expenses:</b>			
Instruction	5,740,069	6,217,303	(7.68) %
Support services	7,611,971	7,400,701	2.85 %
Non-instructional	1,182,696	1,255,497	(5.80) %
Sixteenth section	174,567	211,034	(17.28) %
Pension expense	(91,522)	2,503,744	(103.66) %
OPEB expense	(99,146)	7,043	(1,507.72) %
Interest on long-term liabilities	156,652	166,971	(6.18) %
<b>Total expenses</b>	<b>14,675,287</b>	<b>17,762,293</b>	<b>(17.38) %</b>
<b>Increase (Decrease) in net position</b>	<b>4,883,062</b>	<b>1,422,642</b>	<b>243.24 %</b>
<b>Net Position, July 1, as previously reported</b>	<b>(2,475,188)</b>	<b>(3,927,627)</b>	36.98 %
<b>Prior Period Adjustment</b>	<b>(43,796)</b>	<b>29,797</b>	(246.98) %
<b>Net Position, July 1, as restated</b>	<b>(2,518,984)</b>	<b>(3,897,830)</b>	<b>35.37 %</b>
<b>Net Position, June 30</b>	<b>\$ 2,364,078</b>	<b>\$ (2,475,188)</b>	<b>195.51 %</b>

### 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**

	<b>Total Expenses</b>		<b>Percentage Change</b>
	<b>2022</b>	<b>2021</b>	
Instruction	\$ 5,740,069	\$ 6,217,303	(7.68) %
Support services	7,611,971	7,400,701	2.85 %
Non-instructional	1,182,696	1,255,497	(5.80) %
Sixteenth section	174,567	211,034	(17.28) %
Pension Expense	(91,522)	2,503,744	(103.66) %
OPEB Expense	(99,146)	7,043	(1,507.72) %
Interest on long-term liabilities	156,652	166,971	(6.18) %
<b>Total expenses</b>	<b>\$ 14,675,287</b>	<b>\$ 17,762,293</b>	<b>(17.38) %</b>

	<b>Net (Expense) Revenue</b>		<b>Percentage Change</b>
	<b>2022</b>	<b>2021</b>	
Instruction	\$ (4,305,056)	\$ (4,627,759)	6.97 %
Support services	(4,453,386)	(4,572,938)	2.61 %
Non-instructional	458,576	589,430	(22.20) %
Sixteenth section	(174,567)	(211,034)	17.28 %
Pension Expense	91,522	(2,503,744)	103.66 %
OPEB Expense	99,146	(7,043)	1,507.72 %
Interest on long-term liabilities	(156,652)	(166,971)	6.18 %
<b>Total net (expense) revenue</b>	<b>\$ (8,440,417)</b>	<b>\$ (11,500,059)</b>	<b>26.61 %</b>

- Net cost of governmental activities (\$8,440,417 for 2022 and \$11,500,059 for 2021) was financed by general revenue, which is primarily made up of property taxes (\$5,466,513 for 2022 and \$5,727,552 for 2021) and state and federal revenues (\$6,850,371 for 2022 and \$6,080,854 for 2021). In addition, there was \$990,218 and \$1,101,728 in Sixteenth Section sources for 2022 and 2021, respectively.
- Investment earnings amounted to \$16,377 for 2022 and \$12,567 for 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 \$18,739,397, an increase of \$2,752,430, which includes a prior period adjustment of \$54 and a decrease in inventory of \$4,169. \$16,078,100 or 86% of the fund balance is unassigned, which represents the residual classification for the General Fund's fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The remaining fund balance of \$2,661,297 or 14% is either nonspendable, restricted, committed or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed, or assigned.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for

the fiscal year was \$1,880,995, which includes a prior period adjustment of (\$270,568). The fund balance of Other Governmental Funds showed an increase in the amount of \$871,435, which includes a prior period adjustment of \$270,622 and a decrease in reserve for inventory of \$4,169. The increase (decrease) in the fund balance for the other major fund was as follows:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
ESSER III	no increase or decrease

## BUDGETARY HIGHLIGHTS

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

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** As of June 30, 2022, the District's total capital assets were \$20,549,760, including land, construction in progress, school buildings, building improvements, improvements other than buildings, buses, other school vehicles, and furniture and equipment. This amount represents an increase of \$266,982 from 2021. Total accumulated depreciation as of June 30, 2022, was \$9,630,044, and total depreciation expense for the year was \$422,243, resulting in total net capital assets of \$10,919,716.

**Table 4**  
**Capital Assets, Net of Accumulated Depreciation**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Percentage Change</u>
Land	\$ 27,423	\$ 27,423	0.00 %
Construction in Progress	485,445	0	100.00 %
Buildings	8,073,018	8,394,415	(3.83) %
Building improvements	1,378,255	1,424,817	(3.27) %
Improvements other than buildings	95,972	12,783	650.78 %
Mobile equipment	707,828	786,185	(9.97) %
Furniture and equipment	151,775	131,171	15.71 %
<b>Total</b>	<b><u>\$ 10,919,716</u></b>	<b><u>\$ 10,776,794</u></b>	<b>1.33 %</b>

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

**Debt Administration.** At June 30, 2022, the District had \$4,019,119 in outstanding long-term debt, of which \$283,930 is due within one year. The liability for compensated absences decreased \$9,115 from the prior year.

**Table 5**  
**Outstanding Long-Term Debt**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Percentage Change</u>
Limited Tax Note, 2019	\$ 3,970,000	\$ 4,245,000	(6.48) %
Compensated absences payable	49,119	58,234	(15.65) %
<b>Total</b>	<b><u>\$ 4,019,119</u></b>	<b><u>\$ 4,303,234</u></b>	<b><u>(6.60) %</u></b>

Additional information on the District's long-term debt can be found in Note 7 included in this report.

## **CURRENT ISSUES**

The Coahoma County School District is financially stable. The District is proud of its community support of the public schools. The District has committed itself to financial excellence for many years.

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

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

## BASIC FINANCIAL STATEMENTS

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COAHOMA COUNTY SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2022

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 16,701,009
Due from other governments	956,293
Lease receivables (Note 6)	2,182,010
Inventories	36,628
Restricted assets (Note 4)	2,187,291
Non-depreciable capital assets (Note 5)	512,868
Depreciable capital assets, net (Note 5)	10,406,848
Total Assets	<u>32,982,947</u>
Deferred Outflows of Resources	
Deferred outflow - pensions (Note 8)	2,737,242
Deferred outflow - OPEB (Note 9)	254,359
Total Deferred Outflows of Resources	<u>2,991,601</u>
Liabilities	
Accounts payable and accrued liabilities	1,006,728
Interest payable on long-term liabilities	12,106
Other payables	90,856
Long-term liabilities (Due within one year)	
Capital related liabilities (Note 7)	280,000
Non-capital related liabilities (Note 7)	3,930
Net OPEB liability (Note 9)	35,582
Long-term liabilities (Due beyond one year)	
Capital related liabilities (Note 7)	3,690,000
Non-capital related liabilities (Note 7)	45,189
Net OPEB liability (Note 9)	1,219,779
Net pension liability (Note 8)	18,910,091
Total Liabilities	<u>25,294,261</u>
Deferred Inflows of Resources	
Deferred inflows - pensions (Note 8)	5,571,713
Deferred inflows - OPEB (Note 9)	518,246
Deferred inflow - leases (Note 6)	2,226,250
Total Deferred Inflows of Resources	<u>8,316,209</u>
Net Position	
Net investment in capital assets	6,949,716
Restricted net position	
Expendable	
School-based activities	1,318,547
Debt service	752,565
Forestry improvements	43,266
Unemployment benefits	62,428
Non-expendable	
Sixteenth section	443,100
Unrestricted	<u>(7,205,544)</u>
Total Net Position	<u>\$ 2,364,078</u>

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



## COAHOMA COUNTY SCHOOL DISTRICT

Exhibit B

## Statement of Activities

For the Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Governmental Activities
Governmental Activities					
Instruction	\$ 5,740,069	199,525	1,235,488		(4,305,056)
Support services	7,611,971		2,673,140	485,445	(4,453,386)
Non-instructional	1,182,696	29,356	1,611,916		458,576
Sixteenth section	174,567				(174,567)
Pension expense	(91,522)				91,522
OPEB expense	(99,146)				99,146
Interest on long-term liabilities	156,652				(156,652)
Total Governmental Activities	14,675,287	228,881	5,520,544	485,445	(8,440,417)
General Revenues					
Taxes					
General purpose levies					4,880,391
Debt purpose levies					586,122
Unrestricted grants and contributions					
State					6,781,135
Federal					69,236
Unrestricted investment earnings					16,377
Sixteenth section sources					990,218
Total General Revenues					13,323,479
Changes in Net Position					4,883,062
Net Position - Beginning, as previously reported					(2,475,188)
Prior Period Adjustments (Note 10)					(43,796)
Net Position - Beginning - as restated					(2,518,984)
Net Position - Ending					\$ 2,364,078

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

## COAHOMA COUNTY SCHOOL DISTRICT

Exhibit C

## Balance Sheet - Governmental Funds

June 30, 2022

	Major Funds		Other	Total
	General	ESSER III	Governmental	Governmental
	Fund	Fund	Funds	Funds
<b>Assets</b>				
Cash and cash equivalents (Note 2)	\$ 16,701,009		2,187,291	18,888,300
Due from other governments	129,599	415,480	411,214	956,293
Lease receivable (Note 6)	2,182,010			2,182,010
Due from other funds (Note 3)	832,015		709,008	1,541,023
Inventories			36,628	36,628
<b>Total Assets</b>	<b>19,844,633</b>	<b>415,480</b>	<b>3,344,141</b>	<b>23,604,254</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable & accrued liabilities	877,144	14,806	114,778	1,006,728
Due to other funds (Note 3)	633,854	400,674	506,495	1,541,023
Other payables			90,856	90,856
<b>Total Liabilities</b>	<b>1,510,998</b>	<b>415,480</b>	<b>712,129</b>	<b>2,638,607</b>
<b>Deferred Inflows of Resources</b>				
Leases (Note 6)	2,226,250			2,226,250
<b>Total Deferred Inflows of Resources</b>	<b>2,226,250</b>	<b>0</b>	<b>0</b>	<b>2,226,250</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>3,737,248</b>	<b>415,480</b>	<b>712,129</b>	<b>4,864,857</b>
<b>Fund Balances</b>				
<b>Nonspendable</b>				
Inventory			36,628	36,628
Permanent fund principal			443,100	443,100
<b>Restricted</b>				
Debt service			764,671	764,671
Forestry improvements			43,266	43,266
Unemployment benefits			62,428	62,428
Grant activities			1,281,919	1,281,919
<b>Assigned</b>				
School activities	29,285			29,285
<b>Unassigned</b>	<b>16,078,100</b>			<b>16,078,100</b>
<b>Total Fund Balances</b>	<b>16,107,385</b>	<b>0</b>	<b>2,632,012</b>	<b>18,739,397</b>
<b>Total Liabilities and Fund Balances</b>	<b>17,618,383</b>	<b>415,480</b>	<b>3,344,141</b>	<b>21,378,004</b>
<b>Total Liabilities and Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 19,844,633</b>	<b>415,480</b>	<b>3,344,141</b>	<b>23,604,254</b>

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

## COAHOMA COUNTY SCHOOL DISTRICT

Exhibit C-1

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

June 30, 2022

	<u>Amount</u>	
Total Fund Balance - Governmental Funds	\$	18,739,397
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Land	27,423	
Construction in progress	485,445	
Buildings	11,684,813	
Building improvements	4,760,131	
Improvement other than buildings	103,300	
Mobile equipment	2,452,363	
Furniture and equipment	1,036,285	
Accumulated depreciation	<u>(9,630,044)</u>	10,919,716
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension liability		(18,910,091)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to pensions	2,737,242	
Deferred inflows of resources related to pensions	<u>(5,571,713)</u>	(2,834,471)
Some liabilities, including net OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net OPEB liability		(1,255,361)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows of resources related to OPEB	254,359	
Deferred inflows of resources related to OPEB	<u>(518,246)</u>	(263,887)
Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported in the funds:		
Notes payable	(3,970,000)	
Compensated absences	(49,119)	
Accrued interest payable	<u>(12,106)</u>	(4,031,225)
Total Net Position - Governmental Activities	\$	<u><u>2,364,078</u></u>

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

## COAHOMA COUNTY SCHOOL DISTRICT

Exhibit D

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2022

	Major Funds		Other	Total
	General	ESSER III	Governmental	Governmental
	Fund	Fund	Funds	Funds
Revenues				
Local sources	\$ 5,068,532		643,239	5,711,771
State sources	6,781,135		166,359	6,947,494
Federal sources	69,236	1,130,826	4,708,804	5,908,866
Sixteenth section sources	983,218		7,000	990,218
Total Revenues	12,902,121	1,130,826	5,525,402	19,558,349
Expenditures				
Instruction	5,211,561	325,901	905,040	6,442,502
Support services	5,137,303	547,245	2,186,197	7,870,745
Noninstructional services	3,288	88,913	1,223,384	1,315,585
Sixteenth section	168,447		6,120	174,567
Facilities acquisition and construction		128,375	357,070	485,445
Debt service				
Principal (Note 6)			275,000	275,000
Interest			157,490	157,490
Total Expenditures	10,520,599	1,090,434	5,110,301	16,721,334
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,381,522	40,392	415,101	2,837,015
Other Financing Sources (Uses)				
Operating transfers in (Note 3)	204,256		517,691	721,947
Operating transfers out (Note 3)	(353,745)	(40,392)	(327,810)	(721,947)
Other financing uses	(80,470)			(80,470)
Total Other Financing Sources (Uses)	(229,959)	(40,392)	189,881	(80,470)
Net Change in Fund Balances	2,151,563	0	604,982	2,756,545
Fund Balances				
July 1, 2021, as previously reported	14,226,390		1,760,577	15,986,967
Prior period adjustments (Note 10)	(270,568)		270,622	54
July 1, 2021, as restated	13,955,822	0	2,031,199	15,987,021
Decrease in reserve for inventory			(4,169)	(4,169)
June 30, 2022	\$ 16,107,385	0	2,632,012	18,739,397

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

## COAHOMA COUNTY SCHOOL DISTRICT

Exhibit D-1

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures  
and Changes in Fund Balances to the Statement of Activities  
For the Year Ended June 30, 2022

	<u>Amount</u>	
Net Change in Fund Balance - Governmental Funds		\$ 2,756,545
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, those amounts are:		
Capital outlay	655,482	
Depreciation expense	<u>(422,243)</u>	233,239
In the Statement of Activities, only the gain/loss on the sale of assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.		(46,467)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the statement of activities:		
Payments of debt principal	275,000	
Accrued interest payable	<u>838</u>	275,838
Some items relating to pensions and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:		
Pension expense	91,522	
Contributions made subsequent to the measurement date	<u>1,432,711</u>	1,524,233
Some items relating to OPEB and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:		
OPEB expense	99,146	
Contributions made subsequent to the measurement date	<u>35,582</u>	134,728
Some items reported in the Statement of Activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:		
Change in compensated absences	9,115	
Change in inventory reserve	<u>(4,169)</u>	<u>4,946</u>
Changes in Net Position of Governmental Activities		<u>\$ 4,883,062</u>

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

## COAHOMA COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements

For Year Ended June 30, 2022

#### **Note 1 – Summary of Significant Accounting Policies**

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

##### **A. Financial Reporting Entity**

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

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

##### **B. Government-wide and Fund Financial Statements**

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

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

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

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

## COAHOMA COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements

For Year Ended June 30, 2022

Fund Financial Statements - Separate financial statements are provided for the 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.

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

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

Additionally, the school district reports the following fund types:

#### GOVERNMENTAL FUNDS

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

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

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

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

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

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

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

Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables and

## COAHOMA COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements

For Year Ended June 30, 2022

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

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

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

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

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

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

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

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

#### **D. Encumbrances**

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

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

##### **1. Cash, Cash equivalents and Investments**

###### **Cash and cash equivalents**

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



# COAHOMA COUNTY SCHOOL DISTRICT

## Notes to the Financial Statements

For Year Ended June 30, 2022

Ann. (1972), or in any other type investment in which any other agency, instrumentality or subdivision of the State of Mississippi may invest, except that 100% of said funds are authorized to be so invested.

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

Investments for the district are reported at fair market value.

### 2. Receivables and payables

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

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

### 3. Due from Other Governments

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

### 4. Inventories and Prepaid Items

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

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

### 5. Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net Position because their use is limited by applicable debt statutes, e.g. Qualified School Construction Bond sinking funds. Also, the nonexpendable portion of the Permanent Fund, if applicable, is classified as restricted assets because the 16<sup>th</sup> 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 applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost or estimated historical cost based on appraisals or deflated current replacement cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2022

assets are defined by the District as assets with an initial, individual cost in excess of the thresholds in the table below.

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

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

The following schedule details the capitalization thresholds:

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

See Note 5 for details.

7. Deferred outflows/inflows of resources

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

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

See Note 6, 8,9 and 13 for further details.

8. Compensated Absences

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

## COAHOMA COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements

For Year Ended June 30, 2022

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. Leases

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases* (GASB 87) to establish a single leasing model for accounting and reporting purposes. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. GASB 87 was implemented during fiscal year 2022.

When acting as the lessor for the leasing of sixteenth section trust lands, the school district uses the minimum of 4% interest required by Mississippi statute for sixteenth section loans to calculate the present value of future sixteenth section lease payments. When acting as lessee, the school district uses its estimated incremental borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known. See Note 6 for details.

#### 10. Long-term Liabilities and Bond Discounts/Premiums

In the government-wide financial statements, outstanding debt is reported as liabilities. See Note 7 for details.

#### 11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### 12. 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.

#### 13. 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.

## COAHOMA COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements

For Year Ended June 30, 2022

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

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

*Assigned fund balance* includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the superintendent of education and/or the business manager pursuant to authorization established by the school board.

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

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

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

#### 14. Accounting Standards Update

GASB 87, Leases, was implemented during fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments.

### **Note 2 – Cash and Cash Equivalents**

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

**Deposits.** The school board must advertise and accept bids for depositories no less than once every three years as required by Section 37-7-333, Miss. Code Ann. (1972). The collateral pledged for the school district's deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2022

institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds was \$18,888,300 .

*Custodial Credit Risk - Deposits.* Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the district.

**Note 3 – Inter-fund Receivables, Payables and Transfers**

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

**A. Due From/To Other Funds**

Receivable Fund	Payable Fund	Amount
General Fund	Major Fund - ESSER III Funds	\$ 400,674
	Other governmental funds	431,341
Other governmental funds	General Fund	633,854
	Other governmental funds	75,154
Total		<u>\$ 1,541,023</u>

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

**B. Inter-fund Transfers**

Transfers Out	Transfers In	Amount
General Fund	Other governmental funds	\$ 353,745
Major Fund - ESSER III Funds	General Fund	40,392
Other governmental funds	General Fund	163,864
	Other governmental funds	163,946
Total		<u>\$ 721,947</u>

The transfer out of the General Fund was for the purpose of funding debt service in the Other Governmental Funds. The transfer from the Major Fund – ESSER III Funds to the General Fund was for indirect costs. The transfers from Other Governmental to the General Fund were for indirect costs and the transfer to Other Governmental was from Title I to the consolidated administrative cost fund.

**Note 4 – Restricted Assets**

The restricted assets represent the cash balance (\$2,187,291) of various federal programs, debt service funds and the Sixteenth Section Principal Fund (Permanent Fund) which are legally restricted and may not be used for purposes that support the district's programs.

COAHOMA COUNTY SCHOOL DISTRICT  
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For Year Ended June 30, 2022

**Note 5 – Capital Assets**

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

	Balance 7/1/2021	Increases	Decreases	Adjustments	Balance 6/30/2022
<b>Governmental Activities:</b>					
Non-depreciable capital assets:					
Land	\$ 27,423				27,423
Construction-in-progress		485,445			485,445
Total non-depreciable capital assets	<u>27,423</u>	<u>485,445</u>	<u>0</u>	<u>0</u>	<u>512,868</u>
<u>Depreciable capital assets:</u>					
Buildings	11,684,813				11,684,813
Building improvements	4,760,131				4,760,131
Improvements other than buildings	15,979			87,321	103,300
Mobile equipment	2,840,168	73,152	(460,957)		2,452,363
Furniture and equipment	954,264	96,885	(19,895)	5,031	1,036,285
Total depreciable capital assets	<u>20,255,355</u>	<u>170,037</u>	<u>(480,852)</u>	<u>92,352</u>	<u>20,036,892</u>
<u>Less accumulated depreciation for:</u>					
Buildings	3,290,398	194,894		126,503	3,611,795
Building improvements	3,335,314	36,863		9,699	3,381,876
Improvements other than buildings	3,196	4,132			7,328
Mobile equipment	2,053,983	105,413	(414,861)		1,744,535
Furniture and equipment	823,093	80,941	(19,524)		884,510
Total accumulated depreciation	<u>9,505,984</u>	<u>422,243</u>	<u>(434,385)</u>	<u>136,202</u>	<u>9,630,044</u>
Total depreciable capital assets, net	<u>10,749,371</u>	<u>(252,206)</u>	<u>(46,467)</u>	<u>(43,850)</u>	<u>10,406,848</u>
Governmental activities capital assets, net	<u>\$ 10,776,794</u>	<u>233,239</u>	<u>(46,467)</u>	<u>(43,850)</u>	<u>10,919,716</u>

Depreciation expense was charged to the following governmental functions:

	Amount
<b>Governmental activities:</b>	
Instruction	\$ 107,188
Support services	305,284
Non-instructional	<u>9,771</u>
Total depreciation expense - Governmental activities	<u>\$ 422,243</u>

The details of construction-in-progress are as follows:

	Spent to June 30, 2022	Remaining Commitment
<b>Governmental Activities:</b>		
CCHS Gym Renovations	\$ 357,070	\$ 1,341,346
Sherard Elementary Renovations	128,375	0
Total governmental activities	<u>485,445</u>	<u>1,341,346</u>

The remaining commitment for the Sherard Elementary Renovations could not be determined as of June 30, 2022 since the project had not been bid yet.

COAHOMA COUNTY SCHOOL DISTRICT  
Notes to the Financial Statements  
For Year Ended June 30, 2022

Construction projects included in governmental activities are funded with ESSER funds.

**Note 6 – Leases**

**As Lessor:**

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 (by lease agreement) is received for all uses of the trust lands, except for uses by the public schools. These future rental payments are from existing leases and do not anticipate renewals or new leases.

The school district uses the rate of 4% minimum interest required by Mississippi statute for sixteenth section loans to calculate the present value of the sixteenth section lease rental payments since a rate implicit in the sixteenth section leases is not a part of the contract. The school district's financial statements have not been restated nor has a cumulative effect been reflected for the restatement of the beginning net position of the school district.

The school district, acting as lessor, has entered into 33 leases involving the lease of the right to use sixteenth section school lands. Such leases are leased for a term that corresponds with state law in accordance with the type of lease executed. The district's financial statements have not been restated nor has a cumulative effect been reflected for the restatement of the beginning net position of the district as part of the implementation of GASB Statement No. 87. The district has, however, included in its financial statements at year end of the present value of future lease payments of \$2,182,010 as a lease receivable and \$2,226,250 as deferred inflows of resources. The deferred inflows of resources are being amortized using the straight-line method of amortization.

The total amount of inflows of resources recognized during the current year is \$959,810.

The following are the future principal and interest payments to be received on the leases:

Year Ending June 30	Principal	Interest	Total
2023	\$ 916,769	\$ 87,280	\$ 1,004,049
2024	599,668	50,610	650,278
2025	363,405	26,623	390,028
2026	280,366	12,087	292,453
2027	4,990	872	5,862
2028 – 2032	6,446	2,867	9,313
2033 – 2037	6,028	1,552	7,580
2038 – 2042	2,735	565	3,300
2043 – 2047	1,603	197	1,800
Total	<u>\$ 2,182,010</u>	<u>\$ 182,653</u>	<u>\$ 2,364,663</u>

**Note 7 – Long-term Liabilities**

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

**COAHOMA COUNTY SCHOOL DISTRICT**

Notes to the Financial Statements

For Year Ended June 30, 2022

	Balance 7/1/2021	Additions	Reductions	Balance 6/30/2022	Amounts due within one year
A. Limited tax notes payable	\$ 4,245,000		275,000	3,970,000	280,000
B. Compensated absences payable	58,234		9,115	49,119	3,930
Total	<u>\$ 4,303,234</u>	<u>0</u>	<u>284,115</u>	<u>4,019,119</u>	<u>283,930</u>

**A. Limited tax notes payable**

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Limited tax notes, 2019	4.95	06/26/19	06/01/36	<u>\$ 4,950,000</u>	<u>\$ 3,970,000</u>

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

Limited notes payable issue of 2019:

Year Ending June 30	Principal	Interest	Total
2023	\$ 280,000	147,287	427,287
2024	290,000	136,899	426,899
2025	300,000	126,140	426,140
2026	310,000	115,010	425,010
2027	320,000	103,509	423,509
2028 – 2032	1,280,000	366,548	1,646,548
2033 – 2036	1,190,000	111,857	1,301,857
Total	<u>\$ 3,970,000</u>	<u>1,107,250</u>	<u>5,077,250</u>

This debt will be retired from the Three Mill Note Retirement Fund.

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

**B. Compensated absences payable**

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

**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



## COAHOMA COUNTY SCHOOL DISTRICT

### Notes to the Financial Statements

For Year Ended June 30, 2022

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](http://www.pers.ms.gov).

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

*Contributions.* PERS members are required to contribute 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2022 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, 2022, 2021 and 2020 were \$1,432,711, \$1,480,163 and \$1,515,803, 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, 2022, the school district reported a liability of \$18,910,091 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2022 net pension liability was .127940 percent, which was based on a measurement date of June 30, 2021. This was a decrease of .002888 percent from its proportionate share used to calculate the June 30, 2021 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of (\$91,522). At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2022

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 224,441	\$
Net difference between projected and actual earnings on pension plan investments		4,555,930
Changes of assumptions	1,080,090	
Changes in proportion and differences between District contributions and proportionate share of contributions		1,015,783
District contributions subsequent to the measurement date	1,432,711	
Total	\$ 2,737,242	\$ 5,571,713

\$1,432,711 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2023	\$ (1,038,722)
2024	(1,038,722)
2025	(1,050,755)
2026	(1,138,983)

*Actuarial assumptions.* The total pension liability as of June 30, 2021 was determined by actuarial valuation prepared as of June 30, 2020, by the new actuarial assumptions adopted by the Board subsequent to the June 30, 2020 valuation based on the experience investigation for the four-year period ending June 30, 2020, and by the investment experience for the fiscal year ending June 30, 2021. The following actuarial assumptions are applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	2.65-17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

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

# COAHOMA COUNTY SCHOOL DISTRICT

## Notes to the Financial Statements

For Year Ended June 30, 2022

allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.00 %	4.60 %
International Equity	22.00	4.50
Global Equity	12.00	4.80
Fixed Income	20.00	(0.25)
Real Estate	10.00	3.75
Private Equity	8.00	6.00
Cash Equivalents	1.00	(1.00)
Total	100 %	

*Discount rate.* The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.55%, 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 (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	<u>1% Decrease (6.55%)</u>	<u>Current Discount Rate (7.55%)</u>	<u>1% Increase (8.55%)</u>
District's proportionate share of the net pension liability	\$ 26,781,122	\$ 18,910,091	\$ 12,423,735

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

### Note 9 – Other Postemployment Benefits (OPEB)

#### General Information about the OPEB Plan.

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

# COAHOMA COUNTY SCHOOL DISTRICT

## Notes to the Financial Statements

For Year Ended June 30, 2022

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 \$35,582 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of \$1,255,361 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, 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, 2021, the District's proportion was .19502808 percent. This was a decrease of .00225113 percent from the proportionate share as of the measurement date of June 30, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of (\$99,146). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,365	\$ 392,535
Changes of assumptions	203,315	42,458
Net difference between projected and actual earnings on OPEB plan investments	59	
Changes in proportion and differences between District contributions and proportionate share of contributions	14,038	83,253
District contributions subsequent to the measurement date	35,582	
Total	\$ 254,359	\$ 518,246

# COAHOMA COUNTY SCHOOL DISTRICT

## Notes to the Financial Statements

For Year Ended June 30, 2022

\$35,582 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:		
2023	\$	(84,939)
2024		(80,942)
2025		(50,584)
2026		(50,007)
2027		(32,997)

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following key actuarial assumptions and other inputs:

Inflation	2.40 percent
Salary increases	2.65-17.90 percent, including wage inflation
Municipal Bond Index Rate	
Measurement Date	2.13%
Prior Measurement Date	2.19%
Year FNP is projected to be depleted	
Measurement Date	2021
Prior Measurement Date	2020
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Measurement Date	2.13%
Prior Measurement Date	2.19%
Health Care Cost Trends	
Medicare Supplement Claims	6.50% for 2022 decreasing to an ultimate rate of
Pre-Medicare	4.50% by 2030

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The demographic actuarial assumptions used in the June 30, 2021 valuation were based on the results of the last actuarial experience study, dated April 20, 2021.

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, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2022

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, 2021 was 2.13 percent. Since the Prior Measurement Date, the Discount Rate has changed from 2.19% to 2.13%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2021, the trust has \$1,044,424. 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, 2020 and the June 30, 2021 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2021 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.13 percent) or 1-percentage-point higher (3.13 percent) than the current discount rate:

	1% Decrease (1.13%)	Current Discount Rate (2.13%)	1% Increase (3.13%)
Net OPEB liability	\$ 1,389,505	\$ 1,255,361	\$ 1,140,983

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates Current	1% Increase
Net OPEB liability	\$ 1,162,789	\$ 1,255,361	\$ 1,360,122

*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 – Prior Period Adjustments

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

#### Exhibit B - Statement of Activities

Explanation	Amount
1. Error Correction - restatement of a prior period asset/liability	\$ 54
2. Error Correction - Correctly state capital assets	(43,850)
Total	<u>\$ (43,796)</u>

COAHOMA COUNTY SCHOOL DISTRICT  
Notes to the Financial Statements  
For Year Ended June 30, 2022

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

Fund	Explanation	Amount
General Fund	Error Correction - restatement of a prior period asset/liability	\$ (270,568)
Other governmental funds	Error Correction - restatement of a prior period asset/liability	270,622
Total		<u>\$ 54</u>

**Note 11 – Contingencies**

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

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

**Note 12 – Risk Management**

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

**Participation in Public Entity Risk Pool**

The school district is a member of the Mississippi School Boards Association Workers' Compensation Trust (MSBAWCT). The trust is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. The trust consists of approximately 52 school districts and covers risks of loss arising from injuries to the members' employees. The Mississippi Workers' Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member. Each member of MSBAWCT contributes quarterly to a fund held in trust by Wells Fargo in Portland, Oregon. The funds in the trust account are used to pay any claim up to \$750,000. For a claim exceeding \$750,000, MSBAWCT has insurance which will pay the excess to the statutory amount required by the Mississippi Workers' Compensation Commission Act. If total claims during a year were to deplete the trust account, then the member school districts would be required to pay for the deficiencies. The district has not had an additional assessment for excess losses incurred by the pool.

**Note 13 – Effect of Deferred Amounts on Net Position**

The unrestricted net position (deficit) amount of (\$7,205,544) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources related to pension in the amount of \$1,432,711 resulting from the school district contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The \$1,304,531 balance of deferred outflow of resources related to pensions, at June 30, 2022 will be recognized as an expense and will decrease the unrestricted net position over the next 3 years.

COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2022

The unrestricted net position (deficit) amount of (\$7,205,544) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$5,571,713 balance of deferred inflow of resources related to pensions, at June 30, 2022 will be recognized as revenue and will increase the unrestricted net position over the next 4 years.

The unrestricted net position (deficit) amount of (\$7,205,544) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from OPEB. A portion of the deferred outflow of resources related to OPEB in the amount of \$35,582 resulting from the school district contribution subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. The \$218,777 balance of deferred outflow of resources related to OPEB, at June 30, 2022 will be recognized as an expense and will decrease the unrestricted net position over the next 5 years.

The unrestricted net position (deficit) amount of (\$7,205,544) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$518,246 balance of deferred inflow of resources related to OPEB, at June 30, 2022 will be recognized as revenue and will increase the unrestricted net position over the next 5 years.

The unrestricted net position (deficit) amount of (\$7,205,544) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from 16<sup>th</sup> section leases. The \$2,226,250 balance of deferred inflow of resources related to leases at June 30, 2022 will be recognized as revenue and will increase the unrestricted net position over the next 25 years.

**Note 14 – State Compliance Testing**

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

**Note 15 - Subsequent Events**

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the Coahoma County School District evaluated the activity of the district through February 15, 2024, (the date the financial statements were available to be issued), and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.



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## REQUIRED SUPPLEMENTARY INFORMATION

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COAHOMA COUNTY SCHOOL DISTRICT  
 Budgetary Comparison Schedule for the General Fund  
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues					
Local sources	\$ 6,707,717	7,429,473	5,068,532	721,756	(2,360,941)
State sources	8,052,876	8,807,652	6,781,135	754,776	(2,026,517)
Federal sources	500	500	69,236	0	68,736
Sixteenth section sources	1,300,100	1,300,100	983,218	0	(316,882)
Total Revenues	<u>16,061,193</u>	<u>17,537,725</u>	<u>12,902,121</u>	<u>1,476,532</u>	<u>(4,635,604)</u>
Expenditures					
Instruction	6,962,858	7,185,978	5,211,561	(223,120)	1,974,417
Support services	6,132,431	8,071,488	5,137,303	(1,939,057)	2,934,185
Noninstructional services	6,058	8,030	3,288	(1,972)	4,742
Sixteenth section	105,114	214,114	168,447	(109,000)	45,667
Facilities acquisition and construction	1,000,000	1,000,000	0	0	1,000,000
Total Expenditures	<u>14,206,461</u>	<u>16,479,610</u>	<u>10,520,599</u>	<u>(2,273,149)</u>	<u>5,959,011</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,854,732</u>	<u>1,058,115</u>	<u>2,381,522</u>	<u>(796,617)</u>	<u>1,323,407</u>
Other Financing Sources (Uses)					
Operating transfers in	648,576	648,576	204,256	0	(444,320)
Operating transfers out	586,878	586,878	(353,745)	0	(940,623)
Other financing uses	31,000	85,000	(80,470)	54,000	(165,470)
Total Other Financing Sources (Uses)	<u>1,266,454</u>	<u>1,320,454</u>	<u>(229,959)</u>	<u>54,000</u>	<u>(1,550,413)</u>
Net Change in Fund Balances			<u>2,151,563</u>		
Fund Balances					
July 1, 2021, as previously reported			14,226,390		
Prior period adjustments			(270,568)		
July 1, 2021, as restated			<u>13,955,822</u>		
June 30, 2022			<u>\$16,107,385</u>		

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

## COAHOMA COUNTY SCHOOL DISTRICT

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

For the Year Ended June 30, 2022

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues					
Federal sources	\$ 0	4,372,479	1,130,826	4,372,479	(3,241,653)
Total Revenues	<u>0</u>	<u>4,372,479</u>	<u>1,130,826</u>	<u>4,372,479</u>	<u>(3,241,653)</u>
Expenditures					
Instruction	0	358,277	325,901	(358,277)	32,376
Support services	0	238,532	547,245	(238,532)	(308,713)
Noninstructional services	0	0	88,913	0	(88,913)
Facilities acquisition and construction	0	1,668,871	128,375	(1,668,871)	1,540,496
Total Expenditures	<u>0</u>	<u>2,265,680</u>	<u>1,090,434</u>	<u>(2,265,680)</u>	<u>1,175,246</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>2,106,799</u>	<u>40,392</u>	<u>2,106,799</u>	<u>(2,066,407)</u>
Other Financing Sources (Uses)					
Operating transfers out	0	(248,133)	(40,392)	(248,133)	207,741
Total Other Financing Sources (Uses)	<u>0</u>	<u>(248,133)</u>	<u>(40,392)</u>	<u>(248,133)</u>	<u>207,741</u>
Net Change in Fund Balances			<u>0</u>		
Fund Balances					
July 1, 2021			<u>0</u>		
June 30, 2022			<u>\$ 0</u>		

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

COAHOMA COUNTY SCHOOL DISTRICT

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

PERS

Last 10 Fiscal Years \*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
District's proportion of the net pension liability	0.127940%	0.130828%	0.137958%	0.118374%
District's proportionate share of the net pension liability	\$ 18,910,091	25,326,781	24,269,534	19,689,113
District's covered payroll	\$ 8,506,684	8,711,511	8,984,832	7,559,289
District's proportionate share of the net pension liability as a percentage of its covered payroll	222.30%	290.73%	270.12%	260.46%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability	0.136076%	0.141408%	0.140926%	0.139128%
District's proportionate share of the net pension liability	\$ 22,620,450	25,259,000	21,784,379	16,887,591
District's covered payroll	\$ 8,729,333	9,046,248	8,804,222	8,501,416
District's proportionate share of the net pension liability as a percentage of its covered payroll	259.13%	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	61.49%	57.47%	61.70%	67.21%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in the FYE 6-30-15, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Contractually required contribution	\$ 1,432,711	1,480,163	1,515,803	1,415,111
Contributions in relation to the contractually required contribution	1,432,711	1,480,163	1,515,803	1,415,111
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
District's covered payroll	\$ 8,233,971	8,506,684	8,711,511	8,984,832
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	15.75%

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,190,558	1,374,870	1,424,784	1,386,665
Contributions in relation to the contractually required contribution	1,190,558	1,374,870	1,424,784	1,386,665
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
District's covered payroll	\$ 7,559,098	8,729,333	9,046,248	8,804,222
Contributions as a percentage of covered payroll	15.75%	15.75%	15.75%	15.75%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement 68 was implemented in the FYE 6-30-15, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

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

	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
District's proportion of the net OPEB liability	0.19502808%	0.19727921%	0.19754868%	0.19448905%	0.21593883%
District's proportionate share of the net OPEB liability	\$ 1,255,361	1,535,243	1,676,282	1,504,470	1,694,275
Covered employee payroll	\$ 8,506,684	8,711,511	8,984,832	7,559,289	8,729,333
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	14.76%	17.62%	18.66%	19.90%	19.41%
Plan fiduciary net position as a percentage of the total OPEB liability	0.16%	0.13%	0.12%	0.13%	0.00%

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

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

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



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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially determined contribution	\$ 35,582	50,457	61,225	67,191	72,229
Contributions in relation to the actuarially determined contribution	35,582	50,457	61,225	67,191	72,229
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered employee payroll	\$ 8,233,971	8,506,684	8,711,511	8,984,832	7,559,289
Contributions as a percentage of covered employee payroll	0.43%	0.59%	0.70%	0.75%	0.96%

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

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

COAHOMA COUNTY SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2022

Budgetary Comparison Schedule

(1) Basis of Presentation

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

(2) Budget Amendments and Revisions

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

Pension Schedules

(1) *Changes of assumptions*

2015:

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

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

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

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

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

2016:

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

2017:

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

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

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

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

COAHOMA COUNTY SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2022

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%.

2021:

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments: for males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77; for females, 84% of female rates up to age 72, 100% for ages above 76; and projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments: for males, 134% of male rates at all ages; for females, 121% of female rates at all ages; and projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments: for males, 97% of male rates at all ages; for females, 110% of female rates at all ages; and projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.  
The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

COAHOMA COUNTY SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2022

(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, 2019 valuation for the June 30, 2021 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	28.8 years
Asset valuation method	5-year smoothed market
Price Inflation	2.75 percent
Salary increase	3.00 percent to 18.25 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.

2021: The discount rate was changed from 2.19% for the prior Measurement Date to 2.13% for the current Measurement Date.

(2) *Changes in benefit provisions*

2017: None

2018: None

2019: None

COAHOMA COUNTY SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2022

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.

2021: The schedule of monthly retiree contributions was increased as of January 1, 2022. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

- (3) *Methods and assumptions used in calculations of Actuarially Determined Contributions.* The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2020 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending 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	7.00%
Pre-Medicare	
Ultimate health care cost trend rates	
Medicare Supplement Claims	4.75%
Pre-Medicare	
Year of ultimate trend rates	
Medicare Supplement Claims	2028
Pre-Medicare	
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	2.19%

## SUPPLEMENTARY INFORMATION

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COAHOMA COUNTY SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor/ Program Title	Assistance Listing No.	Pass-through Entity Identifying Number	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed-through Mississippi Department of Education:			
Child nutrition cluster:			
National school lunch program - seamless summer option	10.555	225MS326N1099	\$ 1,174,965
Fresh fruits and vegetable program	10.582	225MS326L1603	50,851
Total child nutrition cluster			1,225,816
Total passed-through Mississippi Department of Education			1,225,816
<b>Total U.S. Department of Agriculture</b>			1,225,816
<b><u>U.S. Department of Education</u></b>			
Passed-through Mississippi Department of Education:			
Title I - grants to local educational agencies	84.010	S010A210024	1,434,280
Title I - program for neglected and delinquent children	84.013	S010A210024	77,379
Rural education	84.358	S358B210024	27,659
Supporting effective instruction - state grants	84.367	S367A210023	45,982
Student support and academic enrichment program	84.424	S424A210025	98,191
Total			1,683,491
Education stabilization funds:			
COVID-19 - Education stabilization fund (ESSER) I	84.425D	S425D200031	82,023
COVID-19 - Education stabilization fund (ESSER) II	84.425D	S425D210031	1,141,434
COVID-19 - Education stabilization fund (ESSER) ARP III	84.425U	S425U210031	1,130,826
Total education stabilization funds			2,354,283
Special education cluster:			
Special education - grants to states	84.027	H027A210108	446,789
COVID-19 - Special education - grants to states ARP	84.027X	H027X210108	32,035
Total special education - grants to states			478,824
Special education - preschool grants	84.173	H173A210113	43,254
Total special education cluster			522,078
Total passed-through Mississippi Department of Education			4,559,852
<b>Total U.S. Department of Education</b>			4,559,852
Total for All Federal Awards			\$ 5,785,668

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



COAHOMA COUNTY SCHOOL DISTRICT

Notes to the Supplementary Information

For the Year Ended June 30, 2022

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(4) Noncash Awards

Donated commodities of \$91,949 are included in the national school lunch program - seamless summer option.

(5) Other Items

As allowed by federal regulations, the school district elected to transfer program funds. The district expended \$1,000 from its Supporting Effective Instruction - State Grants ALN# 84.367 and \$90,100 from Student Support and Academic Enrichment Program ALN# 84.424 on allowable activities of the Title I - Grants to Local Educational Agencies ALN# 84.010. These amounts are reflected in the expenditures of Title I - Grants to Local Educational Agencies.

For each federal grant passed through the Mississippi Department of Education, the school district has elected to use the pass-through entity identifying number as provided by the Mississippi Department of Education for the most recent and significant grant year.

COAHOMA COUNTY SCHOOL DISTRICT  
Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds  
For the Year Ended June 30, 2022

Expenditures	Total	Instruction and Other Student Instructional Expenditures	General Administration	School Administration	Other
Salaries and fringe benefits	\$ 11,885,282	7,733,878	1,502,570	732,128	1,916,706
Other	4,836,052	1,353,316	456,851	3,687	3,022,198
Total	16,721,334	9,087,194	1,959,421	735,815	4,938,904
Total number of students	966				
Cost per student	\$ 17,310	9,407	2,028	762	5,113

Notes to the schedule.

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

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

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

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

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

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

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## OTHER INFORMATION

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

	UNAUDITED			
	2022	2021*	2020*	2019*
Revenues				
Local sources	\$ 5,068,532	5,345,558	6,472,291	5,747,662
State sources	6,781,135	5,987,551	6,810,494	6,549,158
Federal sources	69,236	93,303	44,393	85,986
Sixteenth section sources	983,218	1,079,228	1,086,615	1,144,788
Total Revenues	<u>12,902,121</u>	<u>12,505,640</u>	<u>14,413,793</u>	<u>13,527,594</u>
Expenditures				
Instruction	5,211,561	5,795,595	6,047,019	6,015,042
Support services	5,137,303	5,302,126	5,428,652	5,708,838
Noninstructional services	3,288	0	435	1,804
Sixteenth section	168,447	195,060	166,184	145,615
Facilities acquisition and construction	0	1,010,877	0	0
Total Expenditures	<u>10,520,599</u>	<u>12,303,658</u>	<u>11,642,290</u>	<u>11,871,299</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,381,522</u>	<u>201,982</u>	<u>2,771,503</u>	<u>1,656,295</u>
Other Financing Sources (Uses)				
Insurance loss recoveries	0	0	89,921	8,815
Sale of transportation equipment	0	0	0	5,000
Operating transfers in	204,256	151,221	67,279	11,381
Other financing sources	0	0	0	28,724
Operating transfers out	(353,745)	(422,986)	(209,882)	(22,191)
Other financing uses	(80,470)	0	(921)	(51,805)
Total Other Financing Sources (Uses)	<u>(229,959)</u>	<u>(271,765)</u>	<u>(53,603)</u>	<u>(20,076)</u>
Net Change in Fund Balances	<u>2,151,563</u>	<u>(69,783)</u>	<u>2,717,900</u>	<u>1,636,219</u>
Fund Balances:				
Beginning of period, as previously reported	14,226,390	14,131,298	11,378,640	9,812,191
Prior period adjustments	(270,568)	164,875	34,758	(69,770)
Beginning of period, as restated	<u>13,955,822</u>	<u>14,296,173</u>	<u>11,413,398</u>	<u>9,742,421</u>
End of period	<u>\$ 16,107,385</u>	<u>14,226,390</u>	<u>14,131,298</u>	<u>11,378,640</u>

\* Source - Prior year audit reports.

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

	UNAUDITED			
	2022	2021*	2020*	2019*
Revenues				
Local sources	\$ 5,711,771	6,083,156	6,727,735	5,908,849
State sources	6,947,494	6,184,459	6,986,749	6,812,423
Federal sources	5,908,866	5,815,292	3,999,891	3,310,238
Sixteenth section sources	990,218	1,102,028	1,086,615	1,151,085
Total Revenues	<u>19,558,349</u>	<u>19,184,935</u>	<u>18,800,990</u>	<u>17,182,595</u>
Expenditures				
Instruction	6,442,502	7,045,138	6,865,598	6,868,135
Support services	7,870,745	7,999,652	7,302,900	7,030,386
Noninstructional services	1,315,585	1,406,676	1,709,532	1,474,125
Sixteenth section	174,567	211,034	166,313	150,367
Facilities acquisition and construction	485,445	1,946,492	4,611,371	0
Debt service				
Principal	275,000	265,000	440,000	0
Interest	157,490	167,321	170,892	0
Total Expenditures	<u>16,721,334</u>	<u>19,041,313</u>	<u>21,266,606</u>	<u>15,523,013</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,837,015</u>	<u>143,622</u>	<u>(2,465,616)</u>	<u>1,659,582</u>
Other Financing Sources (Uses)				
Proceeds of refunding bonds	0	0	0	4,950,000
Insurance loss recoveries	0	0	89,921	8,815
Sale of transportation equipment	0	0	0	5,000
Operating transfers in	721,947	574,207	615,093	33,572
Other financing sources	0	0	257,631	28,724
Operating transfers out	(721,947)	(574,207)	(615,093)	(33,572)
Other financing uses	(80,470)	0	(87,280)	(51,805)
Total Other Financing Sources (Uses)	<u>(80,470)</u>	<u>0</u>	<u>260,272</u>	<u>4,940,734</u>
Net Change in Fund Balances	<u>2,756,545</u>	<u>143,622</u>	<u>(2,205,344)</u>	<u>6,600,316</u>
Fund Balances:				
Beginning of period, as previously reported	15,986,967	15,856,817	17,948,715	11,453,881
Prior period adjustments	54	18,605	66,919	(98,801)
Beginning of period, as restated	<u>15,987,021</u>	<u>15,875,422</u>	<u>18,015,634</u>	<u>11,355,080</u>
Increase (Decrease) in reserve for inventory	<u>(4,169)</u>	<u>(32,077)</u>	<u>46,527</u>	<u>(6,681)</u>
End of period	<u>\$ 18,739,397</u>	<u>15,986,967</u>	<u>15,856,817</u>	<u>17,948,715</u>

\* Source - Prior year audit reports.

## REPORTS ON INTERNAL CONTROLS AND COMPLIANCE



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**ST. CLAIR CPA, PLLC**  
CERTIFIED PUBLIC ACCOUNTANT

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

**Independent Auditor's Report**

Superintendent and School Board  
Coahoma County School District

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Coahoma County School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Coahoma County School District's basic financial statements, and have issued my report thereon dated February 15, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that I consider to be material weaknesses. [2022-001, 2022-002, 2022-003 and 2022-004].

Member: AICPA MSCPA  
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## **Report on Compliance and Other Matters**

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

## **Coahoma County School District's Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the Coahoma County School District's response to the finding identified in my audit and described in the accompanying schedule of findings and questioned costs. Coahoma County School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

## **Purpose of this Report**

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

*St. Clair CPA, PLLC*

St. Clair CPA, PLLC  
Carriere, MS  
February 15, 2024

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**ST. CLAIR CPA, PLLC**  
CERTIFIED PUBLIC ACCOUNTANT

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

**Independent Auditor's Report**

Superintendent and School Board  
Coahoma County School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

I have audited Coahoma County School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Coahoma County School District's major federal programs for the year ended June 30, 2022. Coahoma County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Coahoma County School District complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major Federal Program***

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

I am required to be independent of Coahoma County School District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Coahoma County School District's compliance with the compliance requirements referred to above.

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## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Coahoma County School District's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coahoma County School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Coahoma County School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, I did

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Coahoma County School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Coahoma County School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Coahoma County School District's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that I identified during the audit.

## **Report on Internal Control Over Compliance**

My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I did identify certain deficiencies in internal control over compliance that I consider to be a material weakness and significant deficiencies.

*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. I consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item [2022-008] to be a material weakness.

*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. I consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2022-005, 2022-006 and 2022-007] to be significant deficiencies.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Coahoma County School District's response to the internal control over compliance findings identified in my audit described in the accompanying schedule of findings and questioned costs. Coahoma County School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

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

*St. Clair CPA, PLLC*

St. Clair CPA, PLLC  
Carriere, MS  
February 15, 2024

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS



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COAHOMA COUNTY SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

Section I: Summary of Auditor's Results

**Financial Statements:**

- |                                                        |               |
|--------------------------------------------------------|---------------|
| 1. Type of auditor's report issued:                    | Unmodified    |
| 2. Internal control over financial reporting:          |               |
| a. Material weakness(es) identified?                   | Yes           |
| b. Significant deficiency(ies) identified?             | None Reported |
| 3. Noncompliance material to the financial statements? | No            |

**Federal Awards:**

- |                                                                                                       |            |
|-------------------------------------------------------------------------------------------------------|------------|
| 4. Internal control over major programs:                                                              |            |
| a. Material weakness(es) identified?                                                                  | Yes        |
| b. Significant deficiency(ies) identified?                                                            | Yes        |
| 5. Type of auditor's report issued on compliance for major programs:                                  | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes        |
| 7. Federal program identified as major program:                                                       |            |

Assistance Listing

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
10.555 & 10.582	Child Nutrition Cluster
84.425D	COVID-19 – Education Stabilization Fund (ESSER) I
84.425D	COVID-19 – Education Stabilization Fund (ESSER) II
84.425U	COVID-19 – Education Stabilization Fund (ESSER) ARP III

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

Section II: Financial Statement Findings

Deficiencies considered to be material weaknesses

**Finding 2022-001**

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

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

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

COAHOMA COUNTY SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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

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

VIEW OF RESPONSIBLE OFFICIAL: See Auditee Corrective Action Plan.

This is a repeat finding.

**Finding 2022-002**

CONDITION: The operations bank statements were not properly reconciled to the accounting records due to two errors being made by district staff:

- A \$50,000 posting occurred on June 30, 2022, as part of the fiscal year closeout. The posting error was carried as an unreconciled item on the operations bank statement reconciliations. This unreconciled item remained as of May 2023.
- Due to an error resulting in an overpayment to the Public Employees Retirement System, on January 27, 2022, the school district posted an adjustment of \$182,500 to reimburse the payroll clearing fund (General Fund) from the district maintenance fund (General Fund). The adjustment was properly posted to the district maintenance fund but was not posted to the payroll clearing fund until May 31, 2023. The posting error was carried as an unreconciled item on the operations bank statement reconciliations until the matter was corrected in May 2023.

CRITERIA: Bank statements should be reconciled to the accounting records on a timely basis with any unreconciled items being fully resolved.

CAUSE OF CONDITION: The cause of this condition is an absence of controls with bank statement reconciliations and unreconciled items on those reconciliations.

POTENTIAL EFFECT OF CONDITION: The effect of this condition resulted in district cash accounts not being properly reconciled to the bank statements.

RECOMMENDATION: It is recommended that the district bank statements be reconciled to the district account balances and any unreconciled items be fully resolved in a timely manner.

VIEW OF RESPONSIBLE OFFICIAL: See Auditee Corrective Action Plan.

**Finding 2022-003**

CONDITION: There is a lack of segregation of duties with the job duties and responsibilities of the accounts payable/16<sup>th</sup> section clerk. The accounts payable/16<sup>th</sup> section clerk performs bank reconciliations, has general administrative rights to the financial accounting software (including preparing, approving, and entering adjusting journal entries) and has access to blank checks.

CRITERIA: A well designed system of accounting controls should limit the duties and responsibilities of the account payable/16<sup>th</sup> section clerk to prevent the performance of too many incompatible duties and responsibilities.

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

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

RECOMMENDATION: It is recommended that the accounts payable/16<sup>th</sup> section clerk not have general administrative rights to the financial accounting software and that bank reconciliations be reviewed and approved by the business manager.

VIEW OF RESPONSIBLE OFFICIAL: See Auditee Corrective Action Plan.

COAHOMA COUNTY SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

**Finding 2022-004**

CONDITION: During my testing of accounts receivables, revenues, transfers, and capital assets, I noted the following:

- An overstatement of accounts receivable and revenue in Fund 2090 in the amount of \$25,201 and Fund 2610 in the amount of \$57,771. Auditor adjustments, as approved by management, were made to correct these overstatements.
- Ad valorem taxes received in the amount of \$571,147 for debt service was not recorded in the debt service fund (Other Governmental Funds) as required, rather it was recorded in the district maintenance fund (General Fund). Additionally, a receivable in the amount of \$8,127 was not recorded. Audit adjustments that were approved by management were made to correct these errors.
- Outstanding indirect cost transfers from the Child Nutrition fund to the district maintenance fund in the accounting records as explained in Finding 2022-005 under Section III: Federal Award Findings and Questioned Costs.
- The prior year depreciation on the new transportation building, administration building, maintenance storage building and auditorium totaling \$136,203.41 was not reflected on the depreciation schedule from the capital asset accounting system. Only the current year depreciation was recorded in the capital asset system. A prior period audit adjustment, as approved by management, was made to correctly state the depreciation on these buildings and building improvement.

CRITERIA: Management is responsible for establishing 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.

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

POTENTIAL EFFECT OF CONDITION: The effect of this condition could result in the financial statements being materially misstated and an increased risk of misappropriation of assets.

RECOMMENDATION: It is recommended that the district implement policies and procedures to establish an internal control system that will ensure strong financial accountability, proper safeguarding of assets, and accurate accounting records.

VIEW OF RESPONSIBLE OFFICIAL: See Auditee Corrective Action Plan.

**Section III: Federal Award Findings and Questioned Costs**

Significant deficiencies identified that are not considered to be material weaknesses.

Reference No.	<b>2022-005</b>
Federal Agency:	U.S. Department of Agriculture
Federal Program:	Child Nutrition Cluster
Assistance Listing No:	10.555
Compliance Requirement:	Allowable Cost/Cost Principles

CRITERIA: Indirect costs on federal programs should be transferred to the district maintenance fund (General Fund) in a timely manner after the close of the fiscal year. Indirect cost transfers should occur before the October 15 deadline for submission of financial data (FETS) to the Mississippi Department of Education. The Office of Child Nutrition with the Mississippi Department of Education has indicated indirect cost transfers for the Child Nutrition Program will not be allowed beyond October 15 after the close of the fiscal year.

CONDITION: As of June 30, 2022, the school district had recorded indirect cost for the Child Nutrition Program in the amount of \$216,526. This amount represents an accumulation of indirect costs for the past three years that had not been transferred to the district maintenance fund (General Fund). This matter did create a material misstatement to the financial statements. However, the misstatement was corrected by an auditor adjustment that was approved by management.

COAHOMA COUNTY SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

**CAUSE OF CONDITION:** The cause of this condition is an absence of accounting controls regarding indirect cost and the transfer of that indirect cost.

**EFFECT:** The effect of this condition resulted in a loss of the indirect cost of \$216,526 to the General Fund from the Child Nutrition Fund.

**QUESTIONED COST:** None

**PREVALENCE:** This incident occurred over three consecutive years.

**REPEAT FINDING:** This is not a repeat finding.

**RECOMMENDATION:** It is recommended that indirect cost for federal programs be transferred to the district maintenance fund (General Fund) in a timely manner after the close of the fiscal year but no later than October 15th.

**VIEW OF RESPONSIBLE OFFICIAL:** See Auditee Corrective Action Plan.

Reference No.	<b>2022-006</b>
Federal Agency:	U.S. Department of Agriculture
Federal Program:	Child Nutrition Cluster
Assistance Listing No:	10.555
Compliance Requirement:	Procurement and Suspension and Debarment

**CRITERIA:** Uniform Guidance requires that a sufficient number of quotes be acquired when the purchase using Federal funds exceeds \$10,000.

**CONDITION:** The school district did acquire at least two competitive quotes for numerous purchases of produce for the child nutrition program during the school year.

**CAUSE OF CONDITION:** The cause of the condition was an absence of controls for the procurement of produce by the child nutrition program.

**EFFECT:** The effect of this condition resulted in noncompliance with Federal procurement rules and regulations.

**QUESTIONED COST:** None

**PREVALENCE:** This appears to be a systemic problem.

**REPEAT FINDING:** This is not a repeat finding.

**RECOMMENDATION:** It is recommended that the school district acquire a sufficient number of quotes for the purchase of produce acquired by the child nutrition program when the purchase exceeds \$10,000.

**VIEW OF RESPONSIBLE OFFICIAL:** See Auditee Corrective Action Plan.

Reference No.	<b>2022-007</b>
Federal Agency:	U.S. Department of Agriculture
Federal Program:	Child Nutrition Cluster
Assistance Listing No:	10.555
Compliance Requirement:	Allowable Cost/Cost Principles

**CRITERIA:** The allocation of employee salaries that are funded with both federal and local funds should be supported by the actual time worked in each area.

**CONDITION:** The actual salary of a program employee was allocated and paid 50% federal and 50% local. Upon inspection of the employee time sheets it was noted that the actual time worked in each area was 41% federal and 59% local. Thus, the federal program paid an excess amount of \$7,259.80.

COAHOMA COUNTY SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

CAUSE OF CONDITION: The cause of the condition was a failure to monitor the actual time worked in each area and make appropriate changes to salary based on the actual time worked.

EFFECT: This condition could result in noncompliance with program requirements.

QUESTIONED COST: None

PREVALENCE: This appears to be an isolated incident.

REPEAT FINDING: This is not a repeat finding.

RECOMMENDATION: It is recommended that allocated salaries between federal programs and local funds be supported by the actual time worked in each area.

VIEW OF RESPONSIBLE OFFICIAL: See Auditee Corrective Action Plan.

Deficiency considered to be a material weakness.

Reference No.	<b>2022-008</b>
Federal Agency:	U.S. Department of Education
Federal Program:	Supporting effective instruction – state grant
Assistance Listing No:	84.367
Compliance Requirement:	Cash Management

CRITERIA: When complying with Uniform Guidance Section 200.300(b)(3), federal reimbursable programs should not have a cash balance.

CONDITION: The program had a cash balance of \$90,424 at June 30, 2022.

CAUSE OF CONDITION: The cause of this condition is an apparent failure of controls related to requesting reimbursement of funds.

EFFECT: This condition results in noncompliance with program regulations and questioned cost to the district.

QUESTIONED COST: The questioned cost of \$90,424 was determined based on the fiscal year-end cash balance in the program.

PREVALENCE: This condition appears to be an isolated incident.

REPEAT FINDING: This is not a repeat finding.

RECOMMENDATION: It is recommended that controls be established and implemented to ensure that requests for reimbursement be based on the previous month's expenditures which complies with Uniform Guidance Section 200.300(b)(3).

VIEW OF RESPONSIBLE OFFICIAL: See Auditee Corrective Action Plan.

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



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# COAHOMA COUNTY SCHOOL DISTRICT

Committed To Caring...Dedicated To Excellence

**Dr. Virginia Young, Superintendent**

1555 Lee Drive  
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Clarksdale, MS 38614

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## Corrective Action Plan

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (UG), the Coahoma County School District has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2022.

### **Finding 2022-001**

#### **Corrective Action Plan**

**a. Contact person responsible for corrective action:**

- Chief Financial Officer

**b. Description of correction action to be taken:**

- The superintendent will review and approve all adjusting journal entries that are prepared and entered by the business manager.

**c. Anticipated completion date of corrective action:**

- This finding was corrected on July 1, 2023

### **Finding 2022-002**

#### **Corrective Action Plan**

**• Contact person responsible for corrective action:**

- Chief Financial Officer

**• Description of correction action to be taken:**

- Management will ensure that the district bank statements be reconciled to the district account balances and any unreconciled items be fully resolved in a timely manner

**• Anticipated completion date of corrective action:**

- Immediately (Nov 2023)

#### **Finding 2022-003**

##### **Corrective Action Plan**

- **Contact person responsible for corrective action:**
  - Chief Financial Officer
- **Description of correction action to be taken:**
  - The district will ensure that the accounts payable/16<sup>th</sup> section clerk does not have general administrative rights to the financial accounting software and that bank reconciliations be reviewed and approved by the business manager. We have also hired additional staff to assist in needed areas.
- **Anticipated completion date of corrective action:**
  - This finding was corrected August 2023

#### **Finding 2022-004**

##### **Corrective Action Plan**

- **Contact person responsible for corrective action:**
  - Technology Director, Superintendent and Chief Financial Officer
- **Description of correction action to be taken:**
  - The district will ensure that the district implement policies and procedures to establish an internal control system that will ensure strong financial accountability, proper safeguarding of assets, and accurate accounting records.
- **Anticipated completion date of corrective action:**
  - Immediately (Nov 2023)

#### **Finding 2022-005**

##### **Corrective Action Plan**

- **Contact person responsible for corrective action:**
  - Chief Financial Officer
- **Description of correction action to be taken:**
  - The district will ensure that the indirect cost for federal programs be transferred to the district maintenance fund (General Fund) in a timely manner after the close of the fiscal year but no later than October 15<sup>th</sup>.
- **Anticipated completion date of corrective action:**
  - Immediately (Nov 2023)

**Finding 2022-006**

**Corrective Action Plan**

- **Contact person responsible for corrective action:**
  - Food Service Director and Chief Financial Officer
- **Description of correction action to be taken:**
  - The district will ensure that the school district acquire a sufficient number of quotes for the purchase of produce acquired by the child nutrition program when the purchase exceeds \$10,000.
- **Anticipated completion date of corrective action:**
  - This finding was corrected July 2023

**Finding 2022-007**

**Corrective Action Plan**


- **Contact person responsible for corrective action:**
  - Food Service Director, Superintendent and Chief Financial Officer
- **Description of correction action to be taken:**
  - The district will ensure that the allocated salaries between federal programs and local funds be supported by the actual time worked in each area.
- **Anticipated completion date of corrective action:**
  - This finding was corrected July 2023

**Finding 2022-008**

**Corrective Action Plan**

- **Contact person responsible for corrective action:**
  - Federal Programs Director, Superintendent and Chief Financial Officer
- **Description of correction action to be taken:**
  - The district will ensure that controls be established and implemented to ensure that requests for reimbursement be based on the previous month's expenditures which complies with Uniform guidance section 200 300(b)(3).
- **Anticipated completion date of corrective action:**
  - Immediately (Nov 2023)

Sincerely,

  
Superintendent of Education



# COAHOMA COUNTY SCHOOL DISTRICT

Committed To Caring...Dedicated To Excellence

**Dr. Virginia Young, Superintendent**

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Clarksdale, MS 38614

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## Summary Schedule of Prior Year Audit Findings

As required by Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Coahoma County School District has prepared and hereby submits the following Summary Schedule of Prior Audit Findings as of June 30, 2022.

<u>Finding</u>	<u>Status</u>
2021 – 001	Due to the timing of the audit, this finding was not corrected in the current fiscal year. See Finding 2022-001.
2021 – 002	Corrected
2021 – 003	Corrected

Sincerely,

  
\_\_\_\_\_  
Superintendent of Education