COLUMBUS MUNICIPAL SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2022

Charles L. Shivers, CPA, LLC
Ridgeland, MS

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board
Columbus Municipal 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 Columbus Municipal School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Columbus Municipal 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 Columbus Municipal 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 my report. I am required to be independent of the Columbus Municipal 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 Columbus Municipal 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 Columbus Municipal 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 Columbus Municipal 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), 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Columbus Municipal 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 December 8, 2023, on my consideration of the Columbus Municipal 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 Columbus Municipal 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 Columbus Municipal School District's internal control over financial reporting and compliance.

Charles L Shivers, CPA, LLC

Charles L. Shivers, CPA, LLC
Ridgeland, MS
December 8, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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The following discussion and analysis of Columbus Municipal 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 $8,917,331, including a prior period adjustment of ($3,471), which represents a 75% increase from fiscal year 2021. Total net position for 2021 increased $768,071, including a fund reclassification for GASB 84 of $6,646 and a prior period adjustment of $281,975, which represents a 6% increase from fiscal year 2020.

- General revenues amounted to $32,925,456 and $30,334,803, or 70% and 71% 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 $13,840,550, or 30% of total revenues for 2022, and $12,138,045, or 29% of total revenues for 2021.

- The District had $37,845,204 and $41,993,398 in expenses for fiscal years 2022 and 2021; only $13,840,550 for 2022 and $12,138,045 for 2021 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of $32,925,456 for 2022 and $30,334,803 for 2021 were adequate to provide for these programs.

- Among major funds, the General Fund had $28,495,470 in revenues and $28,569,839 in expenditures for 2022, and $28,113,776 in revenues and $25,207,054 in expenditures in 2021. The General Fund's fund balance decreased by $283,656 from 2021 to 2022, including a prior period adjustment of ($3,471), and increased by $2,435,106 from 2020 to 2021, including a fund reclassification for GASB 84 of $6,646 and a prior period adjustment of $532.

- Capital assets, net of accumulated depreciation, decreased by $10,659 for 2022 and increased by $64,449 for 2021. The decrease for 2022 was due to the disposal of mobile equipment and furniture and equipment coupled with the increase in accumulated depreciation.

- Long-term debt, including bond premiums, decreased by $2,323,888 for 2022 and decreased by $2,337,808 for 2021. The decrease for 2022 was due primarily to principal payments on outstanding long-term debt. The liability for compensated absences decreased by $7,357 for 2022 and increased by $14,969 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 currently reported as governmental funds.

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

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

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

Reconciliation of Government-wide and Fund Financial Statements

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

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

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

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

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

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

Notes to the financial statements

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of the District's financial position. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $2,944,384 as of June 30, 2022.

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

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

	June 30, 2022	June 30, 2021	Percentage Change
Current assets	$ 15,628,714	$ 14,013,847	11.52 %
Restricted assets	3,543,553	2,666,170	32.91 %
Capital assets, net	43,221,273	43,231,932	(0.02) %
Total assets	**62,393,540**	**59,911,949**	**4.14 %**
Deferred outflows of resources	**7,650,229**	**6,979,300**	**9.61 %**
Current liabilities	2,476,292	2,497,466	(0.85) %
Long-term debt outstanding	8,431,948	10,755,836	(21.61) %
Net OPEB liability	2,756,101	3,255,018	(15.33) %
Net pension liability	45,004,361	60,428,419	(25.52) %
Total liabilities	**58,668,702**	**76,936,739**	**(23.74) %**
Deferred inflows of resources	**14,319,451**	**1,816,225**	**688.42 %**
Net position:			
Net investment in capital assets	35,081,154	32,990,076	6.34 %
Restricted	3,317,398	2,434,447	36.27 %
Unrestricted	(41,342,936)	(47,286,238)	12.57 %
Total net position	**$ (2,944,384)**	**$ (11,861,715)**	**75.18 %**

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)	$ (41,342,936)
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	54,412,372
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	$ 13,069,436

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

- Decrease in net capital assets in the amount of $10,659.
- The principal retirement of $2,252,872 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 $46,766,006 and $42,472,848, respectively. The total cost of all programs and services was $37,845,204 for 2022 and $41,993,398 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

	Year Ended June 30, 2022	Year Ended June 30, 2021	Percentage Change
Revenues:			
Program revenues:			
Charges for services	$ 2,618,338	$ 119,996	2,082.02 %
Operating grants and contributions	11,222,212	12,018,049	(6.62) %
General revenues:			
Property taxes	13,020,028	12,873,190	1.14 %
Grants and contributions not restricted	19,875,632	17,278,598	15.03 %
Investment earnings	(9,314)	88,163	(110.56) %
Sixteenth section sources	11,977	17,179	(30.28) %
Other	27,133	77,673	(65.07) %
Total revenues	**46,766,006**	**42,472,848**	**10.11 %**
Expenses:			
Instruction	18,404,803	19,805,545	(7.07) %
Support services	16,596,305	13,139,156	26.31 %
Non-instructional	2,988,620	2,636,622	13.35 %
Sixteenth section	0	7,775	(100.00) %
Pension expense	(178,898)	6,094,935	(102.94) %
OPEB expense	(166,038)	44,027	(477.13) %
Interest on long-term liabilities	200,412	265,338	(24.47) %
Total expenses	**37,845,204**	**41,993,398**	**(9.88) %**
Increase (Decrease) in net position	**8,920,802**	**479,450**	**1,760.63 %**
Net Position, July 1, as previously reported	**(11,861,715)**	**(12,629,786)**	6.08 %
Fund Reclassification	**0**	**6,646**	(100.00) %
Prior Period Adjustment	**(3,471)**	**281,975**	(101.23) %
Net Position, July 1, as restated	**(11,865,186)**	**(12,341,165)**	**3.86 %**
Net Position, June 30	**$ (2,944,384)**	**$ (11,861,715)**	**75.18 %**

Governmental activities

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

Table 3
Net Cost of Governmental Activities

	Total Expenses				Percentage
	2022		2021		Change
Instruction	$	18,404,803	$	19,805,545	(7.07) %
Support services		16,596,305		13,139,156	26.31 %
Non-instructional		2,988,620		2,636,622	13.35 %
Sixteenth section		0		7,775	(100.00) %
Pension Expense		(178,898)		6,094,935	(102.94) %
OPEB Expense		(166,038)		44,027	(477.13) %
Interest on long-term liabilities		200,412		265,338	(24.47) %
Total expenses	**$**	**37,845,204**	**$**	**41,993,398**	**(9.88) %**

	Net (Expense) Revenue				Percentage
	2022		2021		Change
Instruction	$	(14,175,743)	$	(13,447,366)	(5.42) %
Support services		(11,301,331)		(9,907,715)	(14.07) %
Non-instructional		1,327,896		(88,197)	1,605.60 %
Sixteenth section		0		(7,775)	100.00 %
Pension Expense		178,898		(6,094,935)	102.94 %
OPEB Expense		166,038		(44,027)	477.13 %
Interest on long-term liabilities		(200,412)		(265,338)	24.47 %
Total net (expense) revenue	**$**	**(24,004,654)**	**$**	**(29,855,353)**	**19.60 %**

- Net cost of governmental activities ($24,004,654 for 2022 and $29,855,353 for 2021) was financed by general revenue, which is primarily made up of property taxes ($13,020,028 for 2022 and $12,873,190 for 2021) and state and federal revenues ($19,875,632 for 2022 and $17,278,598 for 2021). In addition, there was $11,977 and $17,179 in Sixteenth Section sources for 2022 and 2021, respectively.
- Investment earnings (losses) amounted to ($9,314) for 2022 and $88,163 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 $16,670,043, an increase of $2,411,784, which includes a prior period adjustment of ($3,471) and an increase in inventory of $39,336. $9,972,095, or 60% 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 $6,697,948, or 40% 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 decrease in fund balance in the General Fund for the fiscal year was $283,656, which includes a prior period adjustment of ($3,471). The fund balance of Other Governmental Funds showed an increase in the amount of $866,803, which includes an increase in inventory of $39,336. The increase (decrease) in the fund balances for the other major funds were as follows:

Major Fund	Increase (Decrease)
ESSER II Fund	no increase or decrease
Disaster Recovery Fund	$ 1,828,637

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. Budget revisions made during the fiscal year were routine in nature and were insignificant when compared with total revenues and expenditures of the District.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund and each 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 $72,899,052, including land, construction in progress, school buildings, building improvements, improvements other than buildings, buses, other school vehicles, and furniture and equipment. This amount represents a decrease of $444,083 from 2021. Total accumulated depreciation as of June 30, 2022, was $29,677,779, and total depreciation expense for the year was $1,545,461, resulting in total net capital assets of $43,221,273.

Table 4
Capital Assets, Net of Accumulated Depreciation

	June 30, 2022	June 30, 2021	Percentage Change
Land	$ 3,210,988	$ 3,210,988	0.00 %
Construction in Progress	1,812,587	1,365,144	32.78 %
Buildings	33,389,645	33,921,683	(1.57) %
Building improvements	1,186,567	1,249,017	(5.00) %
Improvements other than buildings	1,160,678	1,190,776	(2.53) %
Mobile equipment	2,119,419	1,397,306	51.68 %
Furniture and equipment	341,389	326,138	4.68 %
Leased property under capital leases	0	570,880	(100.00) %
Total	**$ 43,221,273**	**$ 43,231,932**	**(0.02) %**

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 $8,431,948 in outstanding long-term debt, of which $2,412,778 is due within one year. During the fiscal year, the District made principal payments totaling $2,252,872 on outstanding long-term debt. The liability for compensated absences decreased $7,357 from the prior year.

Table 5
Outstanding Long-Term Debt

	June 30, 2022	June 30, 2021	Percentage Change
General obligation bonds payable	$ 4,610,000	$ 6,595,000	(30.10) %
Obligations under capital leases	0	820,082	(100.00) %
Installment purchase loans payable	552,210	0	100.00 %
Qualified school construction bonds payable	3,000,000	3,000,000	0.00 %
Compensated absences payable	142,423	149,780	(4.91) %
Total	**$ 8,304,633**	**$ 10,564,862**	**(21.39) %**
Bond premiums	127,315	190,974	(33.33) %
Total	**$ 8,431,948**	**$ 10,755,836**	**(21.61) %**

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

CURRENT ISSUES

The Columbus Municipal School District is financially stable. The District is proud of its community support of the public schools.

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

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

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 Columbus Municipal School District, P.O. Box 1308, Columbus, MS 39703.

BASIC FINANCIAL STATEMENTS

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COLUMBUS MUNICIPAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2022

Exhibit A

	Governmental Activities
Assets	
Cash and cash equivalents	$ 12,272,491
Cash with fiscal agent	2,861
Due from other governments	3,157,186
Lease receivable	83,366
Inventories	112,810
Restricted assets	3,543,553
Non-depreciable capital assets	5,023,575
Depreciable capital assets, net	38,197,698
Total Assets	62,393,540
Deferred Outflows of Resources	
Deferred outflow - pensions	6,883,802
Deferred outflow - OPEB	698,247
Deferred outflow - advance refunding on bonds	68,180
Total Deferred Outflows of Resources	7,650,229
Liabilities	
Accounts payable and accrued liabilities	2,416,732
Interest payable on long-term liabilities	59,560
Long-term liabilities (Due within one year)	
Capital related liabilities	2,324,431
Non-capital related liabilities	88,347
Net OPEB liability	108,926
Long-term liabilities (Due beyond one year)	
Capital related liabilities	5,756,553
Bond premiums (discounts)	127,315
Non-capital related liabilities	135,302
Net OPEB liability	2,647,175
Net pension liability	45,004,361
Total Liabilities	58,668,702
Deferred Inflows of Resources	
Deferred inflows - pensions	13,148,105
Deferred inflows - OPEB	1,085,854
Deferred inflow - leases	85,492
Total Deferred Inflows of Resources	14,319,451
Net Position	
Net investment in capital assets	35,081,154
Expendable	
School-based activities	1,944,103
Debt service	1,296,935
Unemployment benefits	76,360
Unrestricted	(41,342,936)
Total Net Position	$ (2,944,384)

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

COLUMBUS MUNICIPAL SCHOOL DISTRICT

Statement of Activities

For the Year Ended June 30, 2022

Exhibit B

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Instruction	$ 18,404,803	243,252	3,985,808	(14,175,743)
Support services	16,596,305	2,310,788	2,984,186	(11,301,331)
Non-instructional	2,988,620	64,298	4,252,218	1,327,896
Pension expense	(178,898)			178,898
OPEB expense	(166,038)			166,038
Interest on long-term liabilities	200,412			(200,412)
Total Governmental Activities	37,845,204	2,618,338	11,222,212	(24,004,654)
General Revenues				
Taxes				
General purpose levies				10,566,153
Debt purpose levies				2,453,875
Unrestricted grants and contributions				
State				16,652,376
Federal				3,223,256
Unrestricted investment earnings				(9,314)
Sixteenth section sources				11,977
Other				27,133
Total General Revenues				32,925,456
Changes in Net Position				8,920,802
Net Position - Beginning, as previously reported				(11,861,715)
Prior Period Adjustments				(3,471)
Net Position - Beginning - as restated				(11,865,186)
Net Position - Ending				$ (2,944,384)

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

COLUMBUS MUNICIPAL SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2022

Exhibit C

	Major Funds				
	General Fund	ESSER II Fund	Disaster Recovery Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 9,145,383		3,127,108	2,187,058	14,459,549
Cash with fiscal agent	2,861				2,861
Investments				1,356,495	1,356,495
Due from other governments	388,457	1,495,212		1,273,517	3,157,186
Lease receivable	83,366				83,366
Due from other funds	2,936,892			28,357	2,965,249
Inventories				112,810	112,810
Total Assets	12,556,959	1,495,212	3,127,108	4,958,237	22,137,516
Liabilities, Deferred Inflow of Resources and Fund Balances					
Accounts payable & accrued liabilities	2,259,487	11,432		145,813	2,416,732
Due to other funds (Note 3)	4,518	1,483,780	41,485	1,435,466	2,965,249
Total Liabilities	2,264,005	1,495,212	41,485	1,581,279	5,381,981
Deferred Inflows of Resources					
Leases	85,492				85,492
Total Deferred Inflows of Resources	85,492				85,492
Total Liabilities and Deferred Inflows of Resources	2,349,497	1,495,212	41,485	1,581,279	5,467,473
Fund Balances					
Nonspendable					
Inventory				112,810	112,810
Restricted					
Debt service				1,356,495	1,356,495
Unemployment benefits				76,360	76,360
Grant activities				1,831,293	1,831,293
Assigned					
School activities	235,367				235,367
Repairs to damaged facilities	0		3,085,623		3,085,623
Unassigned	9,972,095				9,972,095
Total Fund Balances	10,207,462		3,085,623	3,376,958	16,670,043
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 12,556,959	1,495,212	3,127,108	4,958,237	22,137,516

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

COLUMBUS MUNICIPAL SCHOOL DISTRICT

Exhibit C-1

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

June 30, 2022

		Amount
Total Fund Balance - Governmental Funds		$ 16,670,043
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	3,210,988	
Construction in progress	1,812,587	
Buildings	58,142,019	
Building improvements	1,561,272	
Improvement other than buildings	1,907,547	
Mobile equipment	4,435,738	
Furniture and equipment	1,828,901	
Accumulated depreciation	(29,677,779)	43,221,273
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	(45,004,361)	
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	6,883,802	
Deferred inflows of resources related to pensions	(13,148,105)	(51,268,664)
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	(2,756,101)	
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	698,247	
Deferred inflows of resources related to OPEB	(1,085,854)	(3,143,708)
Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	(4,610,000)	
Qualified school construction bonds payable	(3,000,000)	
Installment purchase loans payable	(552,210)	
Compensated absences	(142,423)	
Unamortized charges	68,180	
Unamortized premiums	(127,315)	
Accrued interest payable	(59,560)	(8,423,328)
Total Net Position - Governmental Activities		$ (2,944,384)

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

COLUMBUS MUNICIPAL SCHOOL DISTRICT

Exhibit D

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2022

	Major Funds				
	General Fund	ESSER II Fund	Disaster Recovery Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Local sources	$ 10,858,669		52,740	2,422,702	13,334,111
State sources	17,172,426			742,797	17,915,223
Federal sources	452,201	2,778,287		9,963,222	13,193,710
Sixteenth section sources	12,174				12,174
Total Revenues	28,495,470	2,778,287	52,740	13,128,721	44,455,218
Expenditures					
Instruction	14,375,785	986,306		4,362,332	19,724,423
Support services	13,430,411	1,415,792		2,993,871	17,840,074
Noninstructional services	1,406			3,376,614	3,378,020
Facilities acquisition and construction	478,455			447,443	925,898
Debt service					
Principal	267,872			1,985,000	2,252,872
Interest	15,910			226,913	242,823
Other				3,307	3,307
Total Expenditures	28,569,839	2,402,098	0	13,395,480	44,367,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	(74,369)	376,189	52,740	(266,759)	87,801
Other Financing Sources (Uses)					
Insurance loss recoveries	2,310,788				2,310,788
Operating transfers in	1,084,052		2,301,927	4,228,162	7,614,141
Operating transfers out	(3,577,986)	(376,189)	(526,030)	(3,133,936)	(7,614,141)
Payment to bond escrow agent				(519,996)	(519,996)
Payment held by bond escrow agent				519,996	519,996
Other financing uses	(22,670)				(22,670)
Total Other Financing Sources (Uses)	(205,816)	(376,189)	1,775,897	1,094,226	2,288,118
Net Change in Fund Balances	(280,185)	0	1,828,637	827,467	2,375,919
Fund Balances					
July 1, 2021, as previously reported	10,491,118		1,256,986	2,510,155	14,258,259
Prior period adjustments	(3,471)				(3,471)
July 1, 2021, as restated	10,487,647	0	1,256,986	2,510,155	14,254,788
Increase in reserve for inventory				39,336	39,336
June 30, 2022	$ 10,207,462	0	3,085,623	3,376,958	16,670,043

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

COLUMBUS MUNICIPAL 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

			Amount
Net Change in Fund Balance - Governmental Funds			$ 2,375,919
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		1,736,694	
Depreciation expense		(1,545,461)	191,233
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.			(201,892)
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		2,252,872	
Accrued interest payable		16,148	2,269,020
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		178,898	
Contributions made subsequent to the measurement date		3,779,131	3,958,029
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		166,038	
Contributions made subsequent to the measurement date		86,192	252,230
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		7,357	
Change in inventory reserve		39,336	
Amortization of deferred charges, premiums and discounts		29,570	76,263
Changes in Net Position of Governmental Activities			$ 8,920,802

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

Note 1 – Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America, the school district is considered an "other stand-alone government." The school district is a related organization of, but not a component unit of, the city of Columbus since the governing authority of the city selects a majority of the school district's board but does not have financial accountability for the school district.

For financial reporting purposes, the 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.

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 II 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.

Disaster Recovery Fund - This capital projects fund is funded with local funds and insurance loss recoveries and will be used to repair a school building that was damaged by a tornado.

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

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

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

Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under 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 Ann. (1972), or in any other type investment in which any other agency, instrumentality or subdivision of the State of Mississippi may invest, except that 100% of said funds are authorized to be so invested.

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

Investments for the district are reported at fair market value.

2. Receivables and payables

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

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

3. Due from Other Governments

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

4. Inventories and Prepaid Items

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

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

5. Restricted Assets

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

6. Capital Assets

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

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

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

The following schedule details the capitalization thresholds:

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

See Note 5.

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 and advance refunding of general obligations bonds.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows are directly related to pension reporting, OPEB reporting and the deferred inflow related to 16th section future lease payments.

See Note 16 for further details.

8. Compensated Absences

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

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

9. 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.

The school district uses the incremental borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known.

10. Long-term Liabilities and Bond Discounts/Premiums

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

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

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 not less than 12% of total revenues of the school district.

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 financing 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, Cash with Fiscal Agents, and Investments

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

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

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

Cash and Cash Equivalents

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds was $14,459,549.

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.

Cash with Fiscal Agents

The carrying amount of school district's cash with fiscal agents held by financial institutions was $2,861.

Investments

As of June 30, 2022, the district had the following investments.

Investment Type	Rating	Maturities (in years)	Fair Value
QSCB Construction Bond Common Trust	Aaa	< 1 Year	$ 1,356,495

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

The investments of $1,356,495 are valued using quoted market prices (Level 1 inputs).

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

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

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The district does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2022, the district did not have any investments to which this would apply.

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 II Fund	$	1,483,780
	Major fund - Disaster Recovery		18,265
	Other governmental funds		1,434,847
Other governmental funds	General Fund		4,518
	Major fund - Disaster Recovery		23,220
	Other governmental funds		619
Total		$	2,965,249

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

B. Inter-fund Transfers

Transfers Out	Transfers In		Amount
General Fund	Major fund - Disaster Recovery Fund	$	2,301,927
	Other governmental funds		1,276,059
Major fund - ESSER II Fund	General Fund		376,189
Major fund - Disaster Recovery Fund	General Fund		55,320
	Other governmental funds		470,710
Other governmental funds	General Fund		652,543
	Other governmental funds		2,481,393
Total		$	7,614,141

The transfer out of the General Fund was primarily for the purpose of funding the Major Fund - Disaster Recovery Fund and the vocational program in the Other Governmental Funds. The transfer from the Major Fund - ESSER II and the Other Governmental Funds was primarily for indirect cost transferred to the General Fund.

Note 4 – Restricted Assets

The restricted assets of $3,543,553 represents the cash balance, cash with fiscal agent and investment balance, totaling $2,187,058, $2 and $1,356,493, respectively, of the QSCB Bond Retirement Fund and the assets of various state and federal programs which are legally restricted and may not be used for purposes that support the district's programs.

Note 5 – Capital Assets

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

	Balance 7/1/2021	Increases	Decreases	Adjustments	Balance 6/30/2022
Governmental Activities:					
Non-depreciable capital assets:					
Land	$ 3,210,988	$	$	$	$ 3,210,988
Construction-in-progress	1,365,144	447,443			1,812,587
Total non-depreciable capital assets	4,576,132	447,443	0	0	5,023,575
Depreciable capital assets:					
Buildings	57,663,564	478,455			58,142,019
Building improvements	1,561,272				1,561,272
Improvements other than buildings	1,881,550	25,997			1,907,547
Mobile equipment	4,954,384	678,405	(2,089,051)	892,000	4,435,738
Furniture and equipment	1,814,233	106,394	(91,726)		1,828,901
Leased property under capital lease	892,000			(892,000)	0
Total depreciable capital assets	68,767,003	1,289,251	(2,180,777)	0	67,875,477
Less accumulated depreciation for:					
Buildings	23,741,881	1,010,493			24,752,374
Building improvements	312,255	62,450			374,705
Improvements other than buildings	690,774	56,095			746,869
Mobile equipment	3,557,078	330,899	(1,892,778)	321,120	2,316,319
Furniture and equipment	1,488,095	85,524	(86,107)		1,487,512
Leased property under capital lease	321,120			(321,120)	0
Total accumulated depreciation	30,111,203	1,545,461	(1,978,885)	0	29,677,779
Total depreciable capital assets, net	38,655,800	(256,210)	(201,892)	0	38,197,698
Governmental activities capital assets, net	$ 43,231,932	$ 191,233	$ (201,892)	$ 0	$ 43,221,273

Depreciation expense was charged to the following governmental functions:

Governmental activities:	Amount
Instruction	$ 1,079,863
Support services	378,412
Non-instructional	87,186
Total depreciation expense - Governmental activities	$ 1,545,461

The leased property under capital lease was reclassified to mobile equipment to comply with GASB 87.

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

		Spent to June 30, 2022		Remaining Commitment
Governmental Activities:				
Hunt Building Project	$	1,812,587	$	0

Additional contracts for the repair and renovation to the Hunt Building were awarded in the subsequent year and will be funded with local funds and the proceeds of insurance recoveries.

Note 6 – Leases

As Lessee:

Currently, the school district does not have any leases of equipment, buildings, etc. that have a lease term of more than 12 months.

As Lessor:

The school district is a lessor for multiple leases on sixteenth section lands for residential, hunting and fishing, commercial and other leases. The lease maturities range from 1 to 37 years. The net present value of future lease payments has been calculated using the 4% statutory minimum rate the district would pay on sixteenth section permanent fund loans. At lease inception, the district records a lease receivable and a deferred inflow of resources for future lease payments. The lease receivable is reduced by the principal portion of the payments received over the term of the lease. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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 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. The District has, however, included in its financial statements at year end the net present value of $85,492 for future lease payments as a lease receivable and as deferred inflows of resources.

The total amount of inflows of resources including lease revenue and interest revenue recognized during the current fiscal year is $6,350.

Note 7 – Long-term Liabilities

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

	Balance 7/1/2021	Additions	Reductions	Balance 6/30/2022	Amounts due within one year
A. General obligation bonds payable	$ 6,595,000 $		$ 1,985,000 $	4,610,000 $	2,235,000
Premiums	190,974		63,659	127,315	63,660
B. Installment purchases loans payable	820,082		267,872	552,210	170,657
C. Qualified school construction bonds payable	3,000,000			3,000,000	0
D. Compensated absences payable	149,780		7,357	142,423	7,121
Total	$ 10,755,836 $	0 $	2,323,888 $	8,431,948 $	2,476,438

A. General obligation bonds payable

General obligation bonds are direct obligations and pledge the full faith and credit of the school district. General obligation bonds currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. General obligation bonds, 2009A	3.1-4.4	03/01/09	03/01/22	$ 9,950,000	$ 0
2. General obligation refunding bonds, 2017	3.0	09/01/17	04/01/24	8,205,000	4,610,000
Total				$ 18,155,000	$ 4,610,000

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

1. General obligation bonds, 2009 A were paid and retired in full during the 2021- 2022 fiscal year.

2. General obligation refunding bonds, 2017:

Year Ending June 30	Principal	Interest	Total
2023	$ 2,235,000 $	138,300 $	2,373,300
2024	2,375,000	71,250	2,446,250
Total	$ 4,610,000 $	209,550 $	4,819,550

This debt will be retired from the GO Bond Retirement Fund (Debt Service Fund).

The amount of bonded indebtedness that can be incurred by the school district is limited by Sections 37-59-5 and 37-59-7, Miss. Code Ann. (1972). Total outstanding bonded indebtedness during a year can be no greater than 15% of the assessed value of the taxable property within such district, according to the then last completed assessment for taxation, unless certain conditions, as set forth in Section 37-59-7, Miss. Code Ann. (1972) have been met. As of June 30, 2022, the amount of outstanding bonded indebtedness was equal to 2.1% of property assessments as of October 1, 2021.

B. Installment purchases loans payable

The school district has entered into an installment purchase agreement for financing the acquisition of Apple computers at a cost of $1,085,024. The district entered into an installment purchase agreement for financing the acquisition of Lenova computers at a cost of $324,902. The assets acquired were not capitalized since the cost of the individual assets were below the capitalization threshold amount. The school district entered into another installment purchase agreement for financing the acquisition of school buses at a cost of $892,000. These agreements were previously classified as capital leases but were properly classified as installment purchase agreements in the current year in accordance with GASB 87.

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Installment purchase - Apple computers	1.9	7/15/2016	3/18/2022	$ 1,085,024	$ 0
2. Installment purchase - Lenova computers	0.13	8/12/2019	8/12/2022	324,902	81,226
3. Installment purchase - School buses	2.58	4/24/2017	4/10/2027	892,000	470,984
Total				$ 2,301,926	$ 552,210

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

1. The installment purchase for the Apple computers was paid and retired in full during the fiscal year.

2. Installment purchase agreement – Lenova computers:

Year Ending June 30	Principal	Interest	Total
2023	$ 81,226	$ 209	$ 81,435

This debt will be retired from the General Fund.

3. Installment purchase agreement – School buses:

Year Ending June 30	Principal	Interest	Total
2023	$ 89,431	$ 11,579	$ 101,010
2024	91,752	9,256	101,008
2025	94,135	6,873	101,008
2026	96,579	3,429	100,008
2027	99,087	1,921	101,008
Total	$ 470,984	$ 33,058	$ 504,042

This debt will be retired from the General Fund.

Total installment purchases loans payments for all issues:

Year Ending June 30		Principal	Interest	Total
2023	$	170,657 $	11,788 $	182,445
2024		91,752	9,256	101,008
2025		94,135	6,873	101,008
2026		96,579	3,429	100,008
2027		99,087	1,921	101,008
Total	$	552,210 $	33,267 $	585,477

C. Qualified school construction bonds payable

As more fully explained in Note 13, debt has been issued by the school district that qualifies as Qualified School Construction bonds. Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Qualified school construction bonds	0.94	11/1/2009	11/1/2024	$ 3,000,000	$ 3,000,000

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

Year Ending June 30		Principal	Interest	Total
2023	$	$	28,200 $	28,200
2024			28,200	28,200
2025		3,000,000	28,200	3,028,200
Total	$	3,000,000 $	84,600 $	3,084,600

This debt will be retired from the QSCB Retirement Fund (Debt Service Fund).

This debt is partially secured by an irrevocable pledge of building and bus fund revenues ($188,104) the district receives from the State of Mississippi pursuant to the Education Enhancement Funds authorization, Section 37-61-33, Miss. Code Ann. (1972).

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

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

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 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 $3,779,131, $3,522,671 and $3,616,637, 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 $45,004,361 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 .304486 percent, which was based on a measurement date of June 30, 2021. This was a decrease of .007663 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 ($178,898). At June 30, 2022 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	534,150	$	0
Net difference between projected and actual earnings on pension plan investments		0		10,842,715
Changes of assumptions		2,570,521		0
Changes in proportion and differences between District contributions and proportionate share of contributions		0		2,305,390
District contributions subsequent to the measurement date		3,779,131		0
Total	$	6,883,802	$	13,148,105

$3,779,131 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	$	(2,433,161)
2024		(2,433,161)
2025		(2,466,453)
2026		(2,710,659)

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 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:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
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:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
District's proportionate share of the net pension liability	$ 63,736,727	$ 45,004,361	$ 29,567,402

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 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 $86,192 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 $2,756,101 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 .42817736 percent. This was an increase of .00990641 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 ($166,038). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,997	$ 0
Changes of assumptions	446,371	93,214
Net difference between projected and actual earnings on OPEB plan investments	128	861,797

		Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between District contributions and proportionate share of contributions		162,559	130,843
District contributions subsequent to the measurement date		86,192	0
Total	$	698,247	1,085,854

$86,192 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	$	(134,849)
2024		(127,387)
2025		(81,179)
2026		(76,623)
2027		(53,761)

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 Pre-Medicare	6.50% for 2022 decreasing to an ultimate rate of 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.

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	$ 3,050,610	$ 2,756,101	$ 2,504,987

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	$ 2,522,862	$ 2,756,101	$ 2,986,100

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
Error correction - adjustment to prior year receivable / revenue	$ (3,471)

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

Fund	Explanation		Amount
General Fund	Error correction - adjustment to prior year receivable / revenue	$	(3,471)

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.

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. 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 – Qualified School Construction Bonds

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

When the stated interest rate on the QSCB results in interest payments that exceed the supplemental interest payments discussed in the preceding paragraph, the school district may apply for a direct cash subsidy payment from the U.S. Treasury which is intended to reduce the stated interest rate to a nominal percentage. These subsidy payments do not include the amount of any supplemental interest paid on a QSCB. There were no subsidy payments for the fiscal year.

The school district makes equal annual payments into a sinking fund which is used to pay off the bonds at termination. The current maturity limit of tax credit bonds is 17 years, per the U. S. Treasury Department. Under this program, ten percent of the proceeds must be subject to a binding commitment to be spent within six months of issuance and 100% must be spent within three years. Up to two percent of bond proceeds can be used to pay costs of issuance. The amount on deposit at June 30, 2022 was $1,356,493. The amount accumulated in the sinking fund at the end of the seventeen-year period is expected to be sufficient to retire the debt. The following schedule reports the annual deposits to be made to the sinking fund by the school district.

Year Ending June 30		Amount
2023	$	28,200
2024		28,200
2025		28,200
Total	$	84,600

Note 14 – Juvenile Detention Center Education Program

The Columbus Municipal School District entered into a Juvenile Detention Center agreement creating the Lowndes County Juvenile Detention Center Education Program to be housed at the Lowndes County Juvenile Detention Center. This contract was in full force and effect for the fiscal year ended June 30, 2022. This program was in accordance with Section 43-21-321, Miss. Code Ann. (1972) which states a sponsoring school district must provide educational services to youths detained in juvenile detention centers. It was approved by the Mississippi Department of Education and includes the Chickasaw County School District, Choctaw County School District, Houston School District, Kemper County School District, Louisville School District, Lowndes County School District, Noxubee County School District, Okolona School District, Webster County School District and West Point Consolidated School District. The Columbus Municipal School District has been designated as the sponsoring school district and the operations of the program are included in its financial statements under the General Fund.

Note 15 - Insurance loss recoveries

The School District received $2,310,788 in insurance loss recoveries related to tornado damage to a district school building. The funds were placed in a general fund.

Note 16 – Effect of Deferred Amounts on Net Position

The net investment in capital assets net position amount of $35,081,154 includes the effect of deferring the recognition of expenditures resulting from a deferred outflow from advance refunding of school district debt. The $68,180 balance of deferred outflow of resources at June 30, 2022, will be recognized as an expense and will decrease the net investment in capital assets net position over the next two years.

The unrestricted net position amount of ($41,342,936) 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 $3,779,131 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 $3,104,671 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.

The unrestricted net position amount of ($41,342,936) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The $13,148,105 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 amount of ($41,342,936) 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 $86,192 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 $612,055 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 amount of ($41,342,936) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The $1,085,854 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.

Note 17 – State Compliance Testing

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

Note 18 - 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 School District evaluated the activity of the district through December 8, 2023, (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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COLUMBUS MUNICIPAL SCHOOL DISTRICT
Budgetary Comparison Schedule for the General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variances Positive (Negative)	
	Original	Final	(GAAP Basis)	Original to Final	Final to Actual
Revenues					
Local sources	$10,702,862	10,858,669	10,858,669	155,807	0
State sources	17,248,159	17,172,426	17,172,426	(75,733)	0
Federal sources	488,124	452,201	452,201	(35,923)	0
Sixteenth section sources	8,615	14,300	12,174	5,685	(2,126)
Total Revenues	28,447,760	28,497,596	28,495,470	49,836	(2,126)
Expenditures					
Instruction	15,393,366	14,375,785	14,375,785	1,017,581	0
Support services	13,351,863	13,430,411	13,430,411	(78,548)	0
Noninstructional services	0	1,406	1,406	(1,406)	0
Sixteenth section	10,000	0	0	10,000	0
Facilities acquisition and construction	0	478,455	478,455	(478,455)	0
Debt service					
Principal	186,646	267,872	267,872	(81,226)	0
Interest	15,732	15,910	15,910	(178)	0
Total Expenditures	28,957,607	28,569,839	28,569,839	387,768	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(509,847)	(72,243)	(74,369)	437,604	(2,126)
Other Financing Sources (Uses)					
Insurance loss recoveries	0	2,310,788	2,310,788	2,310,788	0
Operating transfers in	6,322,081	7,670,432	1,084,052	1,348,351	(6,586,380)
Operating transfers out	(5,090,747)	(10,164,366)	(3,577,986)	(5,073,619)	6,586,380
Other financing uses	0	(22,670)	(22,670)	(22,670)	0
Total Other Financing Sources (Uses)	1,231,334	(205,816)	(205,816)	(1,437,150)	0
Net Change in Fund Balances			(280,185)		
Fund Balances					
July 1, 2021, as previously reported			10,491,118		
Prior period adjustments			(3,471)		
July 1, 2021, as restated			10,487,647		
June 30, 2022			$10,207,462		

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

COLUMBUS MUNICIPAL SCHOOL DISTRICT
Budgetary Comparison Schedule for the Major Special Revenue Fund - ESSER II Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Variances Positive (Negative)	
	Original	Final	Actual (GAAP Basis)	Original to Final	Final to Actual
Revenues					
Federal sources	$ 10,550,348	10,914,154	2,778,287	363,806	(8,135,867)
Total Revenues	10,550,348	10,914,154	2,778,287	363,806	(8,135,867)
Expenditures					
Instruction	761,500	1,345,541	986,306	(584,041)	359,235
Support services	2,467,588	3,382,136	1,415,792	(914,548)	1,966,344
Facilities acquisition and construction	6,025,000	4,872,992	0	1,152,008	4,872,992
Total Expenditures	9,254,088	9,600,669	2,402,098	(346,581)	7,198,571
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,296,260	1,313,485	376,189	17,225	(937,296)
Other Financing Sources (Uses)					
Operating transfers out	(1,296,260)	(1,320,985)	(376,189)	(24,725)	944,796
Total Other Financing Sources (Uses)	(1,296,260)	(1,320,985)	(376,189)	(24,725)	944,796
Net Change in Fund Balances			0		
Fund Balances					
July 1, 2021			0		
June 30, 2022			$ 0		

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

COLUMBUS MUNICIPAL SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
PERS
Last 10 Fiscal Years *

	2022	2021	2020
District's proportion of the net pension liability	0.304486%	0.312149%	0.297622%
District's proportionate share of the net pension liability	$ 45,004,361	60,428,419	52,357,582
District's covered payroll	$ 20,245,236	20,785,270	19,383,352
District's proportionate share of the net pension liability as a percentage of its covered payroll	222.30%	290.73%	270.12%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%

	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.289568%	0.327652%	0.333704%	0.337688%	0.335614%
District's proportionate share of the net pension liability	48,163,761	54,466,833	59,607,867	52,199,905	40,737,394
District's covered payroll	18,491,663	21,019,086	21,347,873	21,096,813	20,507,765
District's proportionate share of the net pension liability as a percentage of its covered payroll	260.46%	259.13%	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

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

COLUMBUS MUNICIPAL SCHOOL DISTRICT
Schedule of District Contributions
PERS
Last 10 Fiscal Years

	2022	2021	2020
Contractually required contribution	3,779,131	3,522,671	3,616,637
Contributions in relation to the contractually required contribution	3,779,131	3,522,671	3,616,637
Contribution deficiency (excess)	0	0	0
District's covered payroll	21,719,144	20,245,236	20,785,270
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%

	2019	2018	2017	2016	2015
Contractually required contribution	3,052,878	2,912,437	3,310,506	3,362,290	3,322,748
Contributions in relation to the contractually required contribution	3,052,878	2,912,437	3,310,506	3,362,290	3,322,748
Contribution deficiency (excess)	0	0	0	0	0
District's covered payroll	19,383,352	18,491,663	21,019,086	21,347,873	21,096,813
Contributions as a percentage of covered payroll	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

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

	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.42817736%	0.41827095%	0.40291512%	0.41539389%	0.43997629%
District's proportionate share of the net OPEB liability	$ 2,756,101	3,255,018	3,418,900	3,213,279	3,452,094
District's covered employee payroll	$ 20,245,236	20,785,270	19,383,352	18,491,663	21,019,086
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	0.13613578	15.66%	17.64%	17.38%	16.42%
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.

COLUMBUS MUNICIPAL SCHOOL DISTRICT
Schedule of District Contributions
OPEB
Last 10 Fiscal Years

	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 86,192	110,777	129,810	137,040	147,168
Contributions in relation to the actuarially determined contribution	86,192	110,777	129,810	137,040	147,168
Contribution deficiency (excess)	0	0	0	0	0
Covered employee payroll	$ 21,719,144	20,245,236	20,785,270	19,383,352	18,491,663
Contributions as a percentage of covered employee payroll	0.40%	0.55%	0.62%	0.71%	0.80%

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).

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%.

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%.

(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

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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COLUMBUS MUNICIPAL 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
U.S. Department of Agriculture			
Passed-through Mississippi Department of Education:			
Child nutrition cluster:			
National school lunch program - seamless summer option	10.555	225MS326N1099	$ 3,677,353
Total child nutrition cluster			3,677,353
Total passed-through Mississippi Department of Education			3,677,353
Total U.S. Department of Agriculture			3,677,353
U.S. Department of Education			
Passed-through Mississippi Department of Education:			
Title I - grants to local educational agencies	84.010	S010A210024	3,048,876
Title I - program for neglected and delinquent children	84.013	S010A210024	135,678
Career and technical education - basic grants to states	84.048	V048A210024	38,931
Rural education	84.358	S358B210024	68,751
Supporting effective instruction - state grants	84.367	S367A210023	314,376
Student support and academic enrichment program	84.424	S424A210025	119,789
Total			3,726,401
Education stabilization funds:			
COVID-19 - Education stabilization fund (ESSER) I	84.425D	S425D200031	634,868
COVID-19 - Education stabilization fund (ESSER) II	84.425D	S425D210031	2,778,287
COVID-19 - Education stabilization fund (ESSER) ARP III	84.425U	S425U210031	126,215
Total education stabilization funds			3,539,370
Immediate aid to restart school operations (Restart)	84.938A	N/A	180,854
Special education cluster:			
Special education - grants to states	84.027	H027A210108	1,154,805
COVID-19 - Special education - grants to states ARP	84.027X	H027X210108	36,377
Special education - grants to states subtotal			1,191,182
Special education - preschool grants	84.173	H173A210113	71,701
COVID-19 - Special education - preschool grants ARP	84.173X	H173X210113	1,468
Special education - preschool grants subtotal			73,169
Total special education cluster			1,264,351
Total passed-through Mississippi Department of Education			8,710,976
Total U.S. Department of Education			8,710,976
Total for All Federal Awards			$ 12,388,329

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

(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 $250,710 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 $15,000 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.

COLUMBUS MUNICIPAL 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	$29,684,012	20,663,118	1,220,805	2,189,798	5,610,291
Other	14,683,405	4,001,271	491,529	17,650	10,172,955
Total	44,367,417	24,664,389	1,712,334	2,207,448	15,783,246
Total number of students	2,909				
Cost per student	$ 15,253	8,479	589	759	5,426

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

UNAUDITED

	2022	2021*	2020*	2019*
Revenues				
Local sources	$ 10,858,669	10,613,683	10,617,621	10,648,576
State sources	17,172,426	16,917,784	18,146,151	17,927,222
Federal sources	452,201	565,130	457,258	483,941
Sixteenth section sources	12,174	17,179	14,176	11,807
Total Revenues	28,495,470	28,113,776	29,235,206	29,071,546
Expenditures				
Instruction	14,375,785	14,278,372	15,034,419	14,295,638
Support services	13,430,411	10,550,728	13,066,593	12,959,314
Noninstructional services	1,406	0	5,135	8,051
Sixteenth section	0	7,775	550	691
Facilities acquisition and construction	478,455	0	0	0
Debt service				
Principal	267,872	349,118	435,783	469,845
Interest	15,910	21,061	28,374	34,628
Total Expenditures	28,569,839	25,207,054	28,570,854	27,768,167
Excess (Deficiency) of Revenues Over (Under) Expenditures	(74,369)	2,906,722	664,352	1,303,379
Other Financing Sources (Uses)				
Inception of installment loans	0	0	324,902	389,895
Insurance loss recoveries	2,310,788	0	83,015	0
Sale of transportation equipment	0	14,594	874	0
Operating transfers in	1,084,052	617,252	488,111	461,482
Operating transfers out	(3,577,986)	(1,110,640)	(1,356,619)	(1,326,776)
Other financing uses	(22,670)	0	0	0
Total Other Financing Sources (Uses)	(205,816)	(478,794)	(459,717)	(475,399)
Net Change in Fund Balances	(280,185)	2,427,928	204,635	827,980
Fund Balances				
Beginning of period, as previously reported	10,491,118	8,056,012	7,803,723	6,899,525
Fund reclassification - GASB No. 84	0	6,646	0	0
Prior period adjustments	(3,471)	532	47,654	76,218
Beginning of period, as restated	10,487,647	8,063,190	7,851,377	6,975,743
End of period	$ 10,207,462	10,491,118	8,056,012	7,803,723

* Source - Prior year audit reports.

COLUMBUS MUNICIPAL 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	$ 13,334,111	13,134,371	13,195,862	13,000,096
State sources	17,915,223	17,857,941	19,005,476	18,667,351
Federal sources	13,193,710	11,448,857	10,085,943	8,788,532
Sixteenth section sources	12,174	17,179	14,176	11,807
Total Revenues	44,455,218	42,458,348	42,301,457	40,467,786
Expenditures				
Instruction	19,724,423	20,915,618	20,549,747	18,623,231
Support services	17,840,074	13,912,119	17,088,907	14,906,211
Noninstructional services	3,378,020	3,069,355	2,891,908	2,946,239
Sixteenth section	0	7,775	550	691
Facilities acquisition and construction	925,898	1,088,611	0	0
Debt service				
Principal	2,252,872	2,289,118	4,066,366	2,569,845
Interest	242,823	307,473	1,403,760	461,321
Other	3,307	3,793	7,113	18,084
Total Expenditures	44,367,417	41,593,862	46,008,351	39,525,622
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,801	864,486	(3,706,894)	942,164
Other Financing Sources (Uses)				
Inception of installment loan	0	0	324,902	389,895
Insurance loss recoveries	2,310,788	0	281,122	3,408,332
Sale of transportation equipment	0	14,594	874	0
Operating transfers in	7,614,141	4,274,824	3,548,552	1,976,362
Operating transfers out	(7,614,141)	(4,274,824)	(3,548,552)	(1,976,362)
Payment to bond escrow agent	(519,996)	(519,794)	(189,966)	0
Payment held by bond escrow agent	519,996	519,794	189,966	0
Other financing uses	(22,670)	0	0	0
Total Other Financing Sources (Uses)	2,288,118	14,594	606,898	3,798,227
Net Change in Fund Balances	2,375,919	879,080	(3,099,996)	4,740,391
Fund Balances				
Beginning of period, as previously reported	14,258,259	13,369,200	16,350,596	11,530,168
Fund reclassification - GASB No. 84	0	6,646	0	0
Prior period adjustments	(3,471)	1,011	65,101	76,218
Beginning of period, as restated	14,254,788	13,376,857	16,415,697	11,606,386
Increase (Decrease) in reserve for inventory	39,336	2,322	53,499	3,819
End of period	$ 16,670,043	14,258,259	13,369,200	16,350,596

* Source - Prior year audit reports.

REPORTS ON INTERNAL CONTROLS AND COMPLIANCE

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CHARLES L. SHIVERS, CPA, LLC

Certified Public Accountant

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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
Columbus Municipal 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 Columbus Municipal School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Columbus Municipal School District's basic financial statements, and have issued my report thereon dated December 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Columbus Municipal 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 Columbus Municipal School District's internal control. Accordingly, I do not express an opinion on the effectiveness of Columbus Municipal 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item [2022-001] that I consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbus Municipal 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*.

Columbus Municipal School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Columbus Municipal School District's response to the finding identified in my audit and described in the accompanying schedule of findings and questioned costs. Columbus Municipal 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.

Charles L Shivers, CPA, LLC

Charles L. Shivers, CPA, LLC
Ridgeland, MS
December 8, 2023

CHARLES L. SHIVERS, CPA, LLC

Certified Public Accountant

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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
Columbus Municipal School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Columbus Municipal 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 Columbus Municipal School District's major federal programs for the year ended June 30, 2022. Columbus Municipal 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, Columbus Municipal 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 Columbus Municipal 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 Columbus Municipal School District's compliance with the compliance requirements referred to above.

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 Columbus Municipal 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 Columbus Municipal 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 Columbus Municipal 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 Columbus Municipal 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 Columbus Municipal 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 Columbus Municipal 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. I did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, I did identify certain deficiencies in internal control over compliance that I consider to be 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. 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 [2022-002, 2022-003 and 2022-004] 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 Columbus Municipal 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. Columbus Municipal 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.

Charles L Shivers, CPA, LLC

Charles L. Shivers, CPA, LLC
Ridgeland, MS
December 8, 2023

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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COLUMBUS MUNICIPAL 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?	No
b. Significant deficiency(ies) identified?	Yes
3. Noncompliance material to the financial statements?	No

Federal Awards:

4. Internal control over major programs:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified?	Yes
5. Type of auditor's report issued on compliance for major programs:	Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

7. Federal program identified as major program:

Assistance Listing Number	Name of Federal Program or Cluster
84.027, 84.027X, 84.173, 84.173X	Special Education 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?	Yes
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

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

Finding 2022-001

CONDITION: The sample selection for testing payroll consisted of 25 employees of which 17 were teachers. Of those teachers, 13 had teacher contracts with salary amounts that were incorrect. The salary amount on the contracts were from the previous years' salary scale. It is important to note that the actual salary paid to the teachers agreed with the board approved salary amounts.
CRITERIA: The salary listed in the teacher contract must agree with the salary approved by the school board which is based on the state salary scale and perhaps an approved local salary scale as well.
CAUSE OF CONDITION: This condition was an error by school district management.

POTENTIAL EFFECT OF CONDITION: The condition could result in a teacher being paid an inappropriate salary amount.
RECOMMENDATION: It is recommended that school district management exercise caution and due diligence when completing teacher contracts to ensure that the correct salary is listed in the contracts.
VIEWS OF RESPONSIBLE OFFICIAL(S): In agreement. See the school district response in the Corrective Action Plan in this report.

Section III: Federal Award Findings and Questioned Costs

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

Finding 2022-002

Assisting Listing Number No. 84.425D Program title: COVID-19 – Education Stabilization Fund (ESSER) II
Passed through the Mississippi Department of Education

Compliance Requirement: Allowable Cost, Cost Principles

CRITERIA: The basic guidelines for Allowable Cost/Cost Principles in the Uniform Guidance (2 CFR Part 200, Subpart E) issued by the US Office of Management and Budget requires that federal program cost must meet, in part, the following general criteria to be allowable under federal awards:

- Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-federal entity.
- Be adequately documented.

These guidelines require the school district to expend program funds for amounts that have been specifically budgeted in the program budget as approved by the Mississippi Department of Education.
CONDITION: The school district expended $9,953.30 of program funds for band supplies and equipment that was not specifically narrated in the program budget as approved by the Mississippi Department of Education. Furthermore, it appears that the school district received subsequent reimbursement for the expenditure.
CAUSE OF THE CONDITION: The cause of the condition appears to be an oversight by the district.
EFFECT OF THE CONDITION: This type of condition could result in noncompliance with federal program guidelines and possible questioned cost to the program.
QUESTIONED COST: None.
PREVALENCE OF THE CONDITION: This appears to be an isolated matter.
REPEAT FINDING: This is not a repeat finding.
RECOMMENDATION: It is recommended that the district staff exercise caution and due diligence to determine that proposed program expenditures have been specifically included and narrated in the program budget as approved by the Mississippi Department of Education.
VIEWS OF RESPONSIBLE OFFICIAL(S): In agreement. See the school district response in the Corrective Action Plan in this report.

Finding 2022-003

Assisting Listing Number No. 84.425D Program title: COVID-19 – Education Stabilization Fund (ESSER) II
Passed through the Mississippi Department of Education

Compliance Requirement: Procurement, Suspension, Debarment

CRITERIA: The guidelines for Procurement, Suspension and Debarment in the Uniform Guidance (2 CFR Part 200.318 through 200.326) issued by the US Office of Management and Budget requires that the school district must follow certain procurement standards when expanding federal program funds. For federal program expenditures between $10,000 and

$250,000, the school district must acquire and adequate number of vendors quotes or meet the noncompetitive proposals method (i.e., solicit a proposal from only one source) but only when one or more of four circumstances are met, in accordance with 2 CFR section 200.320(c)).
CONDITION: The school district acquired services from Mississippi State University ($23,575.00) and the Mississippi School for Mathematics and Science ($12,000.00) without having received an adequate number of vendor quotes or the school board declaring the expenditures a noncompetitive purchase (sole source item).
CAUSE OF THE CONDITION: The cause of the condition appears to be an oversight by the district management.
EFFECT OF THE CONDITION: This condition could result in noncompliance with federal program guidelines and possible questioned cost to the program.
QUESTIONED COST: None.
PREVALENCE OF THE CONDITION: This appears to be an isolated matter.
REPEAT FINDING: This is not a repeat finding.
RECOMMENDATION: It is recommended that the school district acquire an adequate number of vendor quotes or the school board declaring the expenditure a noncompetitive purchase (sole source item) when the program expenditures are between $10,000 and $250,000.
VIEWS OF RESPONSIBLE OFFICIAL(S): In agreement. See the school district response in the Corrective Action Plan in this report.

Finding 2022-004

Assisting Listing Number No.	84.027	Program title: Special Education – Grants to States (Special Education Cluster) Passed through the Mississippi Department of Education

Compliance Requirement: Procurement, Suspension, Debarment

CRITERIA: The guidelines for Procurement, Suspension and Debarment in the Uniform Guidance (2 CFR Part 200.318 through 200.326) issued by the US Office of Management and Budget requires that the school district must follow certain procurement standards when expanding federal program funds. For federal program expenditures between $10,000 and $250,000, the school district must acquire and adequate number of vendors quotes or meet the noncompetitive proposals method (i.e., solicit a proposal from only one source) but only when one or more of four circumstances are met, in accordance with 2 CFR section 200.320(c)).
CONDITION: The school district acquired services from SEAS Education, Inc. ($13,620.00) without having received an adequate number of vendor quotes or the school board declaring the expenditures a noncompetitive purchase (sole source item).
CAUSE OF THE CONDITION: The cause of the condition appears to be an oversight by the district management.
EFFECT OF THE CONDITION: This condition could result in noncompliance with federal program guidelines and possible questioned cost to the program.
QUESTIONED COST: None.
PREVALENCE OF THE CONDITION: This appears to be an isolated matter.
REPEAT FINDING: This is not a repeat finding.
RECOMMENDATION: It is recommended that the school district acquire an adequate number of vendor quotes or the school board declaring the expenditure a noncompetitive purchase (sole source item) when the program expenditures are between $10,000 and $250,000.
VIEWS OF RESPONSIBLE OFFICIAL(S): In agreement. See the school district response in the Corrective Action Plan in this report.

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

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COLUMBUS MUNICIPAL SCHOOL DISTRICT

Stanley K. Ellis, Ph.D., Superintendent

2630 McArthur Drive | P.O. Box 1308 | Columbus, MS 39703

Phone: 662-241-7400 | Fax: 662-241-7457

Holly Rogers
Chief Financial Officer

Tanyia Tackett
Business Office Supervisor

Corrective Action Plan

December 8, 2023

As required by 2 CFR 200.511(a), the Columbus Municipal 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: Holly Rogers, CFO
b. Description of correction action to be taken: All recommended salary amounts are viewed and calculated by the HR Director, the CFO, and the Business Office Supervisor.
c. Anticipated completion date of corrective action: July 1, 2022

Finding 2022-002

Corrective Action Plan

a. Contact person responsible for corrective action: Holly Rogers, CFO
b. Description of correction action to be taken: Will ensure proper narrative wording to encompass all items purchased using that account line.
c. Anticipated completion date of corrective action: November 15, 2023

Finding 2022-003

Corrective Action Plan

a. Contact person responsible for corrective action: Holly Rogers, CFO
b. Description of correction action to be taken: Requisitions are no longer approved without proper documentation attached, which would include quotes. The Executive Assistant/Board Clerk has been informed of the narrative required for board minutes when dealing with sole-source approval by the board of trustees.
c. Anticipated completion date of corrective action: November 15, 2023

COLUMBUS MUNICIPAL SCHOOL DISTRICT

Stanley K. Ellis, Ph.D., Superintendent

2630 McArthur Drive | P.O. Box 1308 | Columbus, MS 39703
Phone: 662-241-7400 | Fax: 662-241-7457

Finding 2022-004

Corrective Action Plan

a. Contact person responsible for corrective action: Holly Rogers, CFO
b. Description of correction action to be taken: Requisitions are no longer approved without proper documentation attached, which would include quotes.
c. Anticipated completion date of corrective action: January 1, 2023

Sincerely,

Superintendent of Education

COLUMBUS MUNICIPAL SCHOOL DISTRICT

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Holly Rogers
Chief Financial Officer

Tanyia Tackett
Business Office Supervisor

Summary Schedule of Prior Audit Findings

December 8, 2023

As required by 2 CFR 200.511(b), the Columbus Municipal School District has prepared and hereby submits the following Summary Schedule of Prior Audit Findings as of June 30, 2022.

Finding	Status
2021 - 001	Corrected
2021 - 002	Corrected

Sincerely,

Dr. Stanley K. Ellis,
Superintendent of Education

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