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GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT

Audited Financial Statements  
For the Year Ended June 30, 2023

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT



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## INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board  
Greenwood-Leflore Consolidated School District

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greenwood-Leflore Consolidated School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Greenwood-Leflore Consolidated School District's basic financial statements as listed in the table of contents.

In our 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 Greenwood-Leflore Consolidated School District, as of June 30, 2023, 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***

We conducted our 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Greenwood-Leflore Consolidated School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Greenwood-Leflore Consolidated 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***

Our 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 our 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*, we:

- 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 Greenwood-Leflore Consolidated 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greenwood-Leflore Consolidated School District's ability to continue as a going concern for a reasonable period of time.

We are 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 we 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greenwood-Leflore Consolidated 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 our 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 our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our 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, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, on our consideration of the Greenwood-Leflore Consolidated School District's internal control over financial reporting and on our 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 our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Greenwood-Leflore Consolidated 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 Greenwood-Leflore Consolidated School District's internal control over financial reporting and compliance.

McKenzie CPA, PLLC  
Madison, Mississippi  
February 28, 2025



MANAGEMENT'S DISCUSSION AND ANALYSIS



GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Year Ended June 30, 2023

The following discussion and analysis of Greenwood-Leflore Consolidated School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2023. 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 2023 increased \$6,606,124, including a prior period adjustment of (\$367,379), which represents a 16% increase from fiscal year 2022. Total net position for 2022 increased \$3,865,079, including a prior period adjustment of \$864,487, which represents a 8% increase from fiscal year 2021.
- General revenues amounted to \$34,286,110 and \$35,171,415, or 54% and 66% of all revenues for fiscal years 2023 and 2022, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,995,982, or 46% of total revenues for 2023, and \$18,025,223, or 34% of total revenues for 2022.
- The District had \$56,308,589 and \$50,196,046 in expenses for fiscal years 2023 and 2022; only \$28,995,982 for 2023 and \$18,025,223 for 2022 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$34,286,110 for 2023 and \$35,171,415 for 2022 were adequate to provide for these programs.
- Among major funds, the General Fund had \$35,622,424 in revenues and \$38,365,778 in expenditures for 2023, and \$34,588,596 in revenues and \$35,597,664 in expenditures for 2022. The General Fund's fund balance decreased by \$3,411,461, including a prior period adjustment of (\$8,909), from 2022 to 2023, and decreased by \$331,492, including a prior period adjustment of \$149,578, from 2021 to 2022.
- Capital assets, net of accumulated depreciation, increased by \$9,434,507, including a prior period adjustment of (\$25,416), for 2023, and increased by \$716,980, including a prior period adjustment of \$75,014, for 2022. The increase for 2023 was due primarily to the additions to construction in progress, mobile equipment and furniture and equipment.
- Long-term debt, including compensated absences, decreased by \$196,266 for 2023 and decreased by \$223,302 for 2022. The decrease for 2023 was due primarily to principal payments on outstanding long-term debt. The liability for compensated absences increased by \$3,972 for 2023 and decreased by \$22,300 for 2022.

## 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

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For the Year Ended June 30, 2023

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

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

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

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

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

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

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

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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 \$35,389,257 as of June 30, 2023.

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.

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Table 1 presents a summary of the District's net position at June 30, 2023 and June 30, 2022.

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<b>Percentage Change</b>
Current assets	\$ 19,403,142	\$ 19,948,692	(2.73) %
Restricted assets	2,939,288	2,637,245	11.45 %
Lease receivable	1,656,485	2,335,854	(29.08) %
Capital assets, net	<u>27,341,426</u>	<u>17,906,919</u>	52.69 %
<b>Total assets</b>	<u>51,340,341</u>	<u>42,828,710</u>	19.87 %
<b>Deferred outflows of resources</b>	<u>14,113,871</u>	<u>11,927,752</u>	18.33 %
Current liabilities	5,359,268	2,807,667	90.88 %
Long-term debt outstanding	3,487,434	3,683,700	(5.33) %
Net OPEB liability	2,985,876	3,890,735	(23.26) %
Net pension liability	<u>81,285,204</u>	<u>59,822,639</u>	35.88 %
<b>Total liabilities</b>	<u>93,117,782</u>	<u>70,204,741</u>	32.64 %
<b>Deferred inflows of resources</b>	<u>7,725,687</u>	<u>26,547,102</u>	(70.90) %
<b>Net position:</b>			
Net investment in capital assets	23,966,426	14,331,681	67.23 %
Restricted	6,954,903	6,476,855	7.38 %
Unrestricted	<u>(66,310,586)</u>	<u>(62,803,917)</u>	(5.58) %
<b>Total net position (deficit)</b>	<u>\$ (35,389,257)</u>	<u>\$ (41,995,381)</u>	15.73 %

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)	\$ (66,310,586)
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	75,938,270
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ 9,627,684</u>

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

- Increase in net capital assets in the amount of \$9,434,507.
- The principal retirement of \$200,238 of long-term debt.

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**Changes in net position**

The District's total revenues for the fiscal years ended June 30, 2023 and June 30, 2022 were \$63,282,092 and \$53,196,638, respectively. The total cost of all programs and services was \$56,308,589 for 2023 and \$50,196,046 for 2022.

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

**Table 2  
Changes in Net Position**

	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>	<b>Percentage Change</b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 818,911	\$ 425,884	92.28 %
Operating grants and contributions	28,177,071	17,599,339	60.10 %
General revenues:			
Property taxes	12,222,662	11,901,538	2.70 %
Grants and contributions not restricted	20,816,968	22,076,976	(5.71) %
Investment earnings	221,142	167,417	32.09 %
Sixteenth section sources	879,482	685,566	28.29 %
Other	145,856	339,918	(57.09) %
<b>Total revenues</b>	<u>63,282,092</u>	<u>53,196,638</u>	18.96 %
<b>Expenses:</b>			
Instruction	25,671,895	21,071,993	21.83 %
Support services	21,114,875	22,866,453	(7.66) %
Non-instructional	3,715,034	3,320,792	11.87 %
Sixteenth section	69,816	17,232	305.15 %
Pension expense	5,967,966	2,967,075	101.14 %
OPEB expense	(417,385)	(236,072)	(76.80) %
Interest on long-term liabilities	186,388	188,573	(1.16) %
<b>Total expenses</b>	<u>56,308,589</u>	<u>50,196,046</u>	12.18 %
<b>Increase (Decrease) in net position</b>	6,973,503	3,000,592	132.40 %
<b>Net Position (deficit), July 1, as previously reported</b>	(41,995,381)	(45,860,460)	8.43 %
<b>Prior Period Adjustment</b>	(367,379)	864,487	(142.50) %
<b>Net Position (deficit), July 1, as restated</b>	<u>(42,362,760)</u>	<u>(44,995,973)</u>	5.85 %
<b>Net Position (deficit), June 30</b>	<u>\$ (35,389,257)</u>	<u>\$ (41,995,381)</u>	15.73 %

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**Governmental activities**

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

**Table 3  
Net Cost of Governmental Activities**

	<b>Total Expenses</b>		<b>Percentage Change</b>
	<b>2023</b>	<b>2022</b>	
Instruction	\$ 25,671,895	\$ 21,071,993	21.83 %
Support services	21,114,875	22,866,453	(7.66) %
Non-instructional	3,715,034	3,320,792	11.87 %
Sixteenth section	69,816	17,232	305.15 %
Pension Expense	5,967,966	2,967,075	101.14 %
OPEB Expense	(417,385)	(236,072)	(76.80) %
Interest on long-term liabilities	186,388	188,573	(1.16) %
<b>Total expenses</b>	<b>\$ 56,308,589</b>	<b>\$ 50,196,046</b>	12.18 %

  

	<b>Net (Expense) Revenue</b>		<b>Percentage Change</b>
	<b>2023</b>	<b>2022</b>	
Instruction	\$ (16,379,431)	\$ (16,228,412)	(0.93) %
Support services	(6,026,446)	(13,557,568)	55.55 %
Non-instructional	900,055	551,965	63.06 %
Sixteenth section	(69,816)	(17,232)	(305.15) %
Pension Expense	(5,967,966)	(2,967,075)	(101.14) %
OPEB Expense	417,385	236,072	76.80 %
Interest on long-term liabilities	(186,388)	(188,573)	1.16 %
<b>Total net (expense) revenue</b>	<b>\$ (27,312,607)</b>	<b>\$ (32,170,823)</b>	15.10 %

- Net cost of governmental activities (\$27,312,607 for 2023 and \$32,170,823 for 2022) was financed by general revenue, which is primarily made up of property taxes (\$12,222,662 for 2023 and \$11,901,538 for 2022) and state and federal revenues (\$20,816,968 for 2023 and \$22,076,976 for 2022). In addition, there was \$879,482 and \$685,566 in Sixteenth Section sources for 2023 and 2022, respectively.
- Investment earnings amounted to \$221,142 for 2023 and \$167,417 for 2022.

**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

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completed the year, its governmental funds reported a combined fund balance of \$16,809,295, a decrease of \$2,857,377, which includes a prior period adjustment of (\$341,963) and an increase in inventory of \$16,669. \$9,595,167, or 57% of the fund balance is unassigned, which represents the residual classification for the General Fund's fund balance that has not been assigned to other funds and that has not been restricted or assigned to specific purposes within the general fund. The remaining fund balance of \$7,214,128, or 43% is either non-spendable, restricted or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted or assigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was \$3,411,461, including a prior period adjustment of (\$8,909). The fund balance of Other Governmental Funds showed an increase in the amount of \$53,357, which includes a prior period adjustment of (\$333,054). The increase (decrease) in the fund balances for the other major funds were as follows:

<u>Major Fund</u>		<u>Increase (Decrease)</u>
Child Nutrition Fund	\$	500,727
ESSER II Fund		no increase or decrease

### BUDGETARY HIGHLIGHTS

During the year, the District revised the annual operating budget. Budget revisions were made to address and correct the original budgets to reflect more accurately the sources and uses of funding for the School District. Budget revisions during the year were routine in nature and were insignificant when compared to the 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, 2023, the District's total capital assets were \$51,406,710, including land, construction in progress, school buildings, building improvements and other improvements, buses, other school vehicles, furniture and equipment and lease assets. This amount represents an increase of \$10,340,861, including a prior period adjustment of (\$25,416), from 2022. Total accumulated depreciation as of June 30, 2023, was \$24,065,284, and total depreciation expense for the year was \$958,113, resulting in total net capital assets of \$27,341,426.

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Percentage</u> <u>Change</u>	
Land	\$ 645,837	\$ 645,837	-	%
Construction in Progress	8,486,822	714,219	1,088.27	%
Buildings	11,102,442	11,434,471	(2.90)	%
Building improvements	3,443,881	2,964,894	16.16	%
Improvements other than buildings	364,274	378,802	(3.84)	%
Mobile equipment	2,881,160	1,089,859	164.36	%
Furniture and equipment	417,010	501,877	(16.91)	%
Lease assets	-	176,960	(100.00)	%
<b>Total</b>	<b>\$ 27,341,426</b>	<b>\$ 17,906,919</b>	52.69	%

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

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Management's Discussion and Analysis  
For the Year Ended June 30, 2023

**Debt Administration.** At June 30, 2023, the District had \$3,487,434 in outstanding long-term debt, of which \$125,622 is due within one year. During the fiscal year, the District made principal payments totaling \$200,238 on outstanding long-term debt. The liability for compensated absences increased 3,972 from the prior year.

**Table 5  
Outstanding Long-Term Debt**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Percentage Change</u>	
Three mill notes payable	\$ 375,000	\$ 490,000	(23.47)	%
Obligations under lease liabilities		85,238	(100.00)	%
Qualified school construction bonds payable	3,000,000	3,000,000	-	%
Compensated absences payable	112,434	108,462	3.66	%
<b>Total</b>	<b>\$ 3,487,434</b>	<b>\$ 3,683,700</b>	(5.33)	%

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

**CURRENT ISSUES**

The Greenwood-Leflore Consolidated 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 Greenwood-Leflore Consolidated School District, P.O. Box 1497, Greenwood-Leflore Consolidated, MS 38935.



FINANCIAL STATEMENTS

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**

**Statement of Net Position  
June 30, 2023**

**Exhibit A**

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 13,541,499
Investments	11,000
Due from other governments	5,704,409
Lease receivable	1,656,485
Inventories	129,980
Prepaid items	16,254
Restricted assets	2,939,288
Capital assets, non-depreciable:	
Land	645,837
Construction in progress	8,486,822
Capital assets, net of accumulated depreciation:	
Buildings	11,102,442
Building improvements	3,443,881
Improvements other than buildings	364,274
Mobile equipment	2,881,160
Furniture and equipment	417,010
Total Assets	<u>51,340,341</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows - pensions	13,405,722
Deferred outflows - OPEB	708,149
Total Deferred Outflows of Resources	<u>14,113,871</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	4,593,190
Unearned revenue	651,804
Interest payable on long-term liabilities	114,274
Long-term liabilities, due within one year:	
Capital related liabilities	120,000
Non-capital related liabilities	5,622
Net OPEB liability	140,690
Long-term liabilities, due beyond one year:	
Capital related liabilities	3,255,000
Non-capital related liabilities	106,812
Net pension liability	81,285,204
Net OPEB liability	2,845,186
Total Liabilities	<u>93,117,782</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows - pensions	4,070,282
Deferred inflows - OPEB	1,710,779
Deferred inflows - leases	1,944,626
Total Deferred Inflows of Resources	<u>7,725,687</u>
<b>Net Position</b>	
Net investment in capital assets	23,966,426
Restricted for:	
Expendable:	
School-based activities	3,794,407
Debt service	2,332,530
Capital improvements	291
Forestry improvements	44,825
Unemployment benefits	86,760
Non-expendable:	
Sixteenth section	696,090
Unrestricted	<u>(66,310,586)</u>
Total Net Position (deficit)	<u>\$ (35,389,257)</u>

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

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**

**Statement of Activities  
For the Year Ended June 30, 2023**

**Exhibit B**

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Governmental Activities:</b>						
Instruction	\$ 25,671,895	\$ 383,327	\$ 8,909,137	\$ -	\$	(16,379,431)
Support services	21,114,875	293,730	14,794,699	-		(6,026,446)
Non-instructional	3,715,034	141,854	4,473,235	-		900,055
Sixteenth section	69,816	-	-	-		(69,816)
Pension expense	5,967,966	-	-	-		(5,967,966)
OPEB expense	(417,385)	-	-	-		417,385
Interest on long-term liabilities	186,388	-	-	-		(186,388)
<b>Total Governmental Activities</b>	<b>\$ 56,308,589</b>	<b>\$ 818,911</b>	<b>\$ 28,177,071</b>	<b>\$ -</b>	<b>\$</b>	<b>(27,312,607)</b>

**General Revenues:**

**Taxes:**

General purpose levies	11,863,576
Debt purpose levies	359,086

**Unrestricted grants and contributions:**

State	20,709,721
Federal	107,247
Unrestricted investment earnings	221,142
Sixteenth section sources	879,482
Other	145,856

<b>Total General Revenues</b>	<b>34,286,110</b>
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<b>Change in Net Position</b>	<b>6,973,503</b>
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Net Position (deficit) - Beginning, as previously reported	(41,995,381)
Prior Period Adjustments	(367,379)

<b>Net Position (deficit) - Beginning, as restated</b>	<b>(42,362,760)</b>
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<b>Net Position (deficit) - Ending</b>	<b>\$ (35,389,257)</b>
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The notes to the financial statements are an integral part of this statement.

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Governmental Funds**

**Balance Sheet**  
**June 30, 2023**

**Exhibit C**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Child Nutrition Fund	ESSER II Fund		
<b>Assets</b>					
Cash and cash equivalents	\$ 8,844,712	3,028,748	\$	\$ 2,364,129	\$ 14,237,589
Cash with fiscal agents	-	-		5	5
Investments	11,000			2,243,193	2,254,193
Due from other governments	452,729		3,039,663	2,212,017	5,704,409
Lease receivable	1,656,485				1,656,485
Due from other funds	2,636,164	108		500	2,636,772
Inventories		129,980			129,980
Prepaid items	16,254				16,254
Total Assets	\$ 13,617,344	\$ 3,158,836	\$ 3,039,663	\$ 6,819,844	\$ 26,635,687
<b><u>Liabilities, Deferred Inflows of Resources, and Fund Balances:</u></b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 1,915,738	\$ 112,959	\$ 2,049,293	\$ 515,200	\$ 4,593,190
Due to other funds	608	456,161	990,370	1,189,633	2,636,772
Unearned Revenue				651,804	651,804
Total Liabilities	1,916,346	569,120	3,039,663	2,356,637	7,881,766
<b>Deferred Inflows of Resources</b>					
Leases	1,944,626				1,944,626
Total Deferred Inflows of Resources	1,944,626	-	-	-	1,944,626
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventory		129,980			129,980
Permanent fund principal				696,090	696,090
Prepaid items	16,254				16,254
<b>Restricted:</b>					
Unemployment benefits				86,760	86,760
Forestry improvement purposes				44,825	44,825
Capital projects				291	291
Debt service				2,446,804	2,446,804
Food service		2,459,736		1,188,437	3,648,173
<b>Assigned:</b>					
School activities	144,951	-		-	144,951
<b>Unassigned</b>	9,595,167	-	-	-	9,595,167
Total Fund Balances	9,756,372	2,589,716	-	4,463,207	16,809,295
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,617,344	\$ 3,158,836	\$ 3,039,663	\$ 6,819,844	\$ 26,635,687

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

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Governmental Funds**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2023**

**Exhibit C-1**

**Total fund balances for governmental funds** \$ 16,809,295

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

1. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Land	\$	645,837	
Construction in progress		8,486,822	
Buildings		26,942,833	
Building improvements		4,320,464	
Improvements other than buildings		771,436	
Mobile equipment		6,566,624	
Furniture and equipment		3,672,694	
Accumulated depreciation		<u>(24,065,284)</u>	27,341,426

2. 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		(81,285,204)	
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		13,405,722	
Deferred inflows of resources related to pensions		<u>(4,070,282)</u>	(71,949,764)

3. 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		(2,985,876)	
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		708,149	
Deferred inflows of resources related to OPEB		<u>(1,710,779)</u>	(3,988,506)

4. Long-term liabilities and related accrued interest are not due and payable in the current period and, therefore, are not reported in the funds:

Other bonds payable		(3,000,000)	
Notes payable		(375,000)	
Compensated absences		(112,434)	
Accrued interest payable		<u>(114,274)</u>	(3,601,708)

**Net Position of governmental activities** **\$ (35,389,257)**

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

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2023**

**Exhibit D**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Child Nutrition Fund	ESSER II Fund		
<b>Revenues:</b>					
Local sources	\$ 12,317,134	\$ 175,798	\$	\$ 760,585	\$ 13,253,517
State sources	22,248,739	54,330		1,769,585	24,072,654
Federal sources	108,016	4,282,379	7,787,086	12,829,905	25,007,386
Sixteenth section sources	948,535				948,535
<b>Total Revenues</b>	<b>35,622,424</b>	<b>4,512,507</b>	<b>7,787,086</b>	<b>15,360,075</b>	<b>63,282,092</b>
<b>Expenditures:</b>					
Instruction	21,744,764	-	103,927	7,025,068	28,873,759
Support services	16,458,044	185,828	855,482	6,636,686	24,136,040
Noninstructional services	57,917	3,486,961		351,599	3,896,477
Sixteenth section	69,816				69,816
Facilities acquisition and construction	35,237		6,827,677	1,579,468	8,442,382
Debt service:					
Principal				200,238	200,238
Interest				192,960	192,960
<b>Total Expenditures</b>	<b>38,365,778</b>	<b>3,672,789</b>	<b>7,787,086</b>	<b>15,986,019</b>	<b>65,811,672</b>
Excess (Deficiency) of Revenues over (under) Expenditures	<b>(2,743,354)</b>	<b>839,718</b>	<b>-</b>	<b>(625,944)</b>	<b>(2,529,580)</b>
<b>Other Financing Sources (Uses):</b>					
Payments held by escrow agent				236,000	236,000
Payment to QSCB debt escrow agent				(236,000)	(236,000)
Operating transfers in	456,951			1,113,646	1,570,597
Operating transfers out	(1,113,646)	(355,660)		(101,291)	(1,570,597)
Other financing uses	(2,503)				(2,503)
<b>Total Other Financing Sources (Uses)</b>	<b>(659,198)</b>	<b>(355,660)</b>	<b>-</b>	<b>1,012,355</b>	<b>(2,503)</b>
<b>Net Change in Fund Balances</b>	<b>(3,402,552)</b>	<b>484,058</b>	<b>-</b>	<b>386,411</b>	<b>(2,532,083)</b>
<b>Fund Balances:</b>					
July 1, 2022, as previously reported	13,167,833	2,088,989		4,409,850	19,666,672
Prior period adjustments	(8,909)	-		(333,054)	(341,963)
July 1, 2022, as restated	13,158,924	2,088,989	-	4,076,796	19,324,709
Increase (Decrease) in inventory		16,669			16,669
June 30, 2023	<b>\$ 9,756,372</b>	<b>\$ 2,589,716</b>	<b>\$ -</b>	<b>\$ 4,463,207</b>	<b>\$ 16,809,295</b>

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

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Governmental Funds**

**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, 2023**

**Exhibit D-1**

**Net change in fund balances - total governmental funds** **\$ (2,532,083)**

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, these amounts are:

Capital outlay	\$ 10,418,498	
Depreciation expense	<u>(958,113)</u>	9,460,385

- 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 assets sold.

(462)

- 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	200,238	
Accrued interest payable	<u>6,572</u>	206,810

- 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. The activities include:

Pension expense	(5,967,966)	
Contributions subsequent to the measurement date	<u>5,232,731</u>	(735,235)

- 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. The activities include:

OPEB expense	417,385	
Contributions subsequent to the measurement date	<u>144,006</u>	561,391

- 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 governmental funds. These activities include:

Change in compensated absences	(3,972)	
Change in inventory	<u>16,669</u>	12,697

**Change in Net Position of governmental activities** **\$ 6,973,503**

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

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

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

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

**A. Financial Reporting Entity**

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

For financial reporting purposes, Greenwood-Leflore Consolidated 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.



GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

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

Child Nutrition Fund – This is a special revenue fund that accounts for the federal and state revenue received and expenditures incurred related to the child nutrition operations of the school district.

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.

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

The school district had also previously reported fiduciary funds which focus on net position and changes in net position. The fiduciary funds were closed out through a prior period adjustment and are no longer being used by the district. This was done to clear a finding in the prior year.

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.

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

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

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

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

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

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

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

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.

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

#### 5. Restricted Assets

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

#### 6. Capital Assets

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

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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
Lease assets	*	*

(\*) The estimated useful life is the term of the lease agreement. There is no mandated maximum amortization period. Intangible assets with indefinite useful lives should not be amortized.

The term '*depreciation*' includes the amortization of intangible assets.

7. Deferred outflows/inflows of resources

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

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

See Note 15 for further details.

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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.

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

10. Subscription-Based Information Technology Arrangements

The Governmental Accounting Standards Board (GASB) issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) (GASB 96) to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, reliability, relevance and consistency of information about SBITAs.

11. 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.

12. 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.

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13. 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.

14. 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 non-spendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the district:

*Non-spendable 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 a resolution approved by the School Board. Currently there is no committed fund balance for this school district.

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

*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

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General Fund of at least 7% at fiscal year end of its general fund revenues.

15. Accounting Standards Update

GASB 96, Subscription-Based Information Technology Arrangements, was implemented during the 2023 fiscal year. Prior to the issuance of this statement there was no accounting or financial reporting guidance specifically for SBITAs. The purposes of the standard is to establish uniform accounting and financial reporting requirements for SBITAs, to improve comparability of financial statements among governments that have entered into SBITAs, and to enhance understandability, reliability, relevance, and consistency of information about SBITAs.

**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 \$14,237,589.

**Custodial Credit Risk - Deposits.** Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the district. As of June 30, 2023, none of the district's bank balance of \$16,881,625 was exposed to custodial credit risk.

Cash with Fiscal Agents

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The carrying amount of school district's cash with fiscal agents held by financial institutions was \$5.

Investments

As of June 30, 2023, the district had the following investments.

Investment Type	Rating	Maturities (in years)	Fair Value
Qualified School Construction Bond Common Trust Fund Series 2010-B	N/A	Less than 1	\$ 2,243,193
U.S. Treasury SLGS Deposits	N/A	Less than 1	<u>11,000</u>
<b>Total</b>			<u><u>\$ 2,254,193</u></u>

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

The district has the following recurring fair value measurements as of June 30, 2023:

- Qualified School Construction Bond Common Trust Fund type of investment of \$2,243,193 are valued using quoted market prices (Level 1 inputs)
- U.S Treasury SLGS Deposits type of investments of \$11,000 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, 2023, the district did not have any investments to which this would apply.

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



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**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	Child Nutrition Fund	\$ 456,161
	ESSER II Fund	990,370
	Other Governmental Funds	1,189,633
Child Nutrition Fund	General Fund	108
Other Governmental Funds	General Fund	500
Total		<u>\$ 2,636,772</u>

The primary reason for the inter-fund loans was to eliminate deficit cash balances in certain federal program funds as part of routine year end closing adjustments.

**B. Inter-fund Transfers**

Transfers In	Transfers Out	Amount
General Fund	Child Nutrition Fund	\$ 355,660
	Other Governmental Funds	101,291
Other Governmental Funds	General Fund	1,113,646
Total		<u>\$ 1,570,597</u>

Operating transfers were primarily for the following: indirect cost transfers, cost pool transfers, debt service transfers, and other routine operating transfers.

**Note 4 – Restricted Assets**

The restricted assets represent the cash balance totaling \$696,090 of the Sixteenth Section Principal Fund (Permanent Fund) which is legally restricted and may not be used for purposes that support the district's program. In addition, the restricted assets represent the cash with fiscal agents and investment balances of \$5 and \$2,243,193, respectively, of the QSCB Bond Retirement Fund.

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**Note 5 – Capital Assets**

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

	Balance 7/1/2022	Increases	Decreases	Completed Construction	Adjustments	Balance 6/30/2023
<b>Governmental Activities:</b>						
<u>Non-depreciable capital assets:</u>						
Land	\$ 645,837					\$ 645,837
Construction in progress	714,219	8,442,382		(669,779)		8,486,822
Total non-depreciable capital assets	<u>1,360,056</u>	<u>8,442,382</u>	-	<u>(669,779)</u>		<u>9,132,659</u>
<u>Depreciable capital assets:</u>						
Buildings	26,942,833					26,942,833
Building Improvements	3,682,151			669,779	(31,466)	4,320,464
Improvements other than buildings	771,436					771,436
Mobile equipment	3,859,144	1,970,180			737,300	6,566,624
Furniture and equipment	3,712,929	5,936	46,171			3,672,694
Lease assets	737,300				(737,300)	-
Total depreciable capital assets	<u>39,705,793</u>	<u>1,976,116</u>	<u>46,171</u>	<u>669,779</u>	<u>(31,466)</u>	<u>42,274,051</u>
<u>Less accumulated depreciation for:</u>						
Buildings	15,508,362	332,029				15,840,391
Building improvements	717,257	165,376			(6,050)	876,583
Improvements other than buildings	392,634	14,528				407,162
Mobile equipment	2,769,285	289,482			626,697	3,685,464
Furniture and equipment	3,211,052	90,341	45,709			3,255,684
Lease assets	560,340	66,357			(626,697)	-
Total accumulated depreciation	<u>23,158,930</u>	<u>958,113</u>	<u>45,709</u>	-	<u>(6,050)</u>	<u>24,065,284</u>
Total depreciable capital assets, net	<u>16,546,863</u>	<u>1,018,003</u>	<u>462</u>	<u>669,779</u>	<u>(25,416)</u>	<u>18,208,767</u>
Governmental activities capital assets, net	<u>\$ 17,906,919</u>	<u>\$ 9,460,385</u>	<u>\$ 462</u>	<u>\$ -</u>	<u>\$ (25,416)</u>	<u>\$ 27,341,426</u>
Total capital assets, net excluding lease assets	17,729,959					27,341,426
Lease assets, net (Note 6)	<u>176,960</u>					<u>-</u>
Total capital assets, net as reported in the statement of net position	<u>\$ 17,906,919</u>					<u>\$ 27,341,426</u>

Adjustments were made to building improvements to properly present capital assets.

Depreciation expense was charged to the following governmental functions:

	Amount
<b>Governmental activities:</b>	
Instruction	\$ 59,994
Support services	859,601
Non-instructional	38,518
Total depreciation expense	<u>\$ 958,113</u>

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

	Spent to June 30, 2023	Remaining Commitment
<b>Governmental Activities:</b>		
Greenwood Schools ESSER HVAC	\$ 5,233,864	14,764,361
Greenwood Schools ESSER Plumbing	2,825,386	1,950,753
Bankston Elementary Roofing Project	427,572	60,954
Total governmental activities	<u>\$ 8,486,822</u>	<u>16,776,068</u>

Construction projects included in governmental activities are funded with ESSER II Fund.

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**Note 6 – Leases**

**As Lessee:**

The school district is a lessee for various non-cancellable leases of equipment. For leases that have a maximum possible term of 12 months or less at commencement, the school district recognizes expense based on the provisions of the lease contract. For all other leases, other than short term, the school district recognized a lease and an intangible right-to-use lease asset.

At lease commencement, the school district initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized in depreciation expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The school district generally uses its estimated borrowing rate at lease inception as the discount rate for leases unless the rate that the lessor charges is known.

The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a school district or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the school district and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

The school district, acting as lessee, has entered into one (1) lease for school buses. The lease was paid off in FY 2023. The district exercised the bargain purchase option at the end of the lease term and kept the buses.

**As Lessor:**

Sixteenth Section Lands Sixteenth section school lands, or lands granted in lieu thereof, constitute property held in trust for the benefit of the public schools. The school board, under the general supervision of the Office of the Secretary of State, has control and jurisdiction of said school trust lands and of all funds arising from any disposition thereof. It is the duty of the school board to manage the school trust lands and all funds arising therefrom as trust property. Accordingly, the board shall assure that adequate compensation is received for all uses of the trust lands, except for uses by the public schools.

The school district uses the rate of 4% minimum interest required by Mississippi statute for sixteenth section loans to calculate the present value of sixteenth section lease rental payments since a rate implicit in the sixteenth section leases is not a part of the lease contract. In the fiscal year 2023, the school district recognized \$868,520 in revenue related to sixteenth section leases.

The school district, acting as lessor, has entered into leases involving the leasing of the right to use Sixteenth Section school lands. Such leases are let for a term that corresponds with state law in accordance with the type of lease executed. The school district has included in its financial statements at year end the net present value of future lease payments of \$1,656,485 as a lease receivable and \$1,944,626 as deferred inflows of resources. The deferred inflows of resources for leases are being amortized using the straight-line method of amortization.

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The following are the future rental payments to be made to the school district for the use of school trust lands. These future rental payments are from existing leases and do not anticipate renewals or new leases.

Year Ending June 30	Principal	Interest	Total Payments
2024	\$ 631,531	\$ 66,259	\$ 697,790
2025	397,636	40,998	438,634
2026	191,677	25,093	216,770
2027	150,859	17,426	168,285
2028	56,894	11,391	68,285
2029 - 2033	158,402	32,623	191,025
2034 - 2038	42,591	8,284	50,875
2039 - 2043	14,772	4,128	18,900
2044 - 2048	9,307	1,452	10,759
2049 - 2053	1,015	485	1,500
2054 - 2058	1,234	265	1,499
2059 - 2063	567	34	601
<b>Total</b>	<b>\$ 1,656,485</b>	<b>\$ 208,438</b>	<b>\$ 1,864,923</b>

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**Note 7 – Long-term Liabilities**

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

	Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023	Amounts due within one year
A. Three mill notes payable	\$ 490,000	\$	\$ 115,000	\$ 375,000	\$ 120,000
B. Obligations under lease liabilities	85,238		85,238	-	
C. Qualified school construction bonds payable	3,000,000			3,000,000	
D. Compensated absences payable	108,462	3,972		112,434	5,622
Total	<u>\$ 3,683,700</u>	<u>\$ 3,972</u>	<u>\$ 200,238</u>	<u>\$ 3,487,434</u>	<u>\$ 125,622</u>

**A. Three mill notes payable**

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Three mill notes, Series 2015	1.12 - 2.85%	7/15/2015	7/15/2025	\$ 1,125,000	\$ 375,000

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

Year Ending June 30	Principal	Interest	Total
2024	\$ 120,000	\$ 9,785	\$ 129,785
2025	125,000	6,905	131,905
2026	130,000	3,705	133,705
Total	<u>\$ 375,000</u>	<u>\$ 20,395</u>	<u>\$ 395,395</u>

This debt will be retired from the Three Mill Debt Service Fund.

**B. Obligations under lease liabilities**

This debt was paid off and retired from the EEF Buildings and Buses Fund.

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**C. Qualified school construction bonds payable**

As more fully explained in Note 12, 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	6.01%	12/1/2010	12/1/2025	\$ 3,000,000	\$ 3,000,000
Total				<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

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

Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 180,300	\$ 180,300
2025		180,300	180,300
2026	3,000,000	180,300	3,180,300
Total	<u>\$ 3,000,000</u>	<u>\$ 540,900</u>	<u>\$ 3,540,900</u>

**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.

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

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

*Contributions.* PERS members are required to contribute 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2023 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, 2023, 2022 and 2021 were \$5,232,731, \$4,730,413, and \$4,682,558, 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, 2023, the school district reported a liability of \$81,285,204 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2023 net pension liability was 0.394902 percent, which was based on a measurement date of June 30, 2022. This was a decrease of 0.009840 percent from its proportionate share used to calculate the June 30, 2022 net pension liability, which was based on a measurement date of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$5,967,966. At June 30, 2023 the District reported deferred outflows of resources and deferred inflows of resources related to

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,175,588	\$
Net difference between projected and actual earnings on pension plan investments	4,116,010	
Changes of assumptions	2,881,391	1,102,438
Changes in proportion and differences between District contributions and proportionate share of contributions	2	2,967,844
District contributions subsequent to the measurement date	5,232,731	
Total	<u>\$ 13,405,722</u>	<u>\$ 4,070,282</u>

\$5,232,731 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, 2024. 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:	
2024	\$ 585,410
2025	186,974
2026	(1,080,434)
2027	<u>4,410,759</u>
Total	<u>\$ 4,102,709</u>

*Actuarial assumptions.* The total pension liability as of June 30, 2022 was determined by actuarial valuation prepared as of June 30, 2021, and by the investment experience for the fiscal year ending June 30, 2022. 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.



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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	25.00 %	4.60 %
International Equity	20.00	4.50
Global Equity	12.00	4.85
Fixed Income	18.00	1.40
Real Estate	10.00	3.65
Private Equity	10.00	6.00
Private Infrastructure	2.00	4.00
Private Credit	2.00	4.00
Cash Equivalents	1.00	(0.10)
Total	<u>100 %</u>	

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

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.55%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	<u>1% Decrease (6.55%)</u>	<u>Current Discount Rate (7.55%)</u>	<u>1% Increase (8.55%)</u>
District's proportionate share of the net pension liability	\$ 106,085,490	\$ 81,285,204	\$ 60,838,626

*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 \$144,006 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$2,985,876 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, 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, 2022, the District's proportion was 0.60604278 percent. This was an increase of 0.00159297 percent from the proportionate share as of the measurement date of June 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of (\$417,385). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,473	\$ 1,293,604
Changes of assumptions	206	276,452
Net difference between projected and actual earnings on OPEB plan investments	465,695	
Changes in proportion and differences between District contributions and proportionate share of contributions	95,769	140,723
District contributions subsequent to the measurement date	144,006	
Total	<u>\$ 708,149</u>	<u>\$ 1,710,779</u>

\$144,006 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, 2024. 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:	
2024	\$ (279,162)
2025	(226,485)
2026	(269,734)
2027	(226,968)
2028	(103,058)
Thereafter	<u>(41,229)</u>
Total	<u>\$ (1,146,636)</u>

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*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, 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	3.37%
Prior Measurement Date	2.13%
Year FNP is projected to be depleted	
Measurement Date	2022
Prior Measurement Date	2021
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Measurement Date	3.37%
Prior Measurement Date	2.13%
Health Care Cost Trends	
Medicare Supplement Claims	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2029 FYE
Pre-Medicare	

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, 2022 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, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 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, 2022 was 3.37 percent. Since the Prior Measurement Date, the Discount Rate has changed from 2.13% to 3.37%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2022, the trust has \$1,049,208. 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, 2021 and the June 30, 2022 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2022 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

*Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.37 percent) or 1-percentage-point higher (4.37 percent) than the current discount rate:

	1% Decrease (2.37%)	Current Discount Rate (3.37%)	1% Increase (4.37%)
Net OPEB liability	\$ 3,289,309	\$ 2,985,876	\$ 2,725,229

*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	\$ 2,778,143	\$ 2,985,876	\$ 3,219,651

*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 – Contingencies**

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

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

**Note 11 – 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.

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 12 – 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.

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, 2023 was \$2,243,198. 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
2024	\$ 236,000
2025	236,000
2026	236,000
Total	\$ <u>708,000</u>

**Note 13 - Juvenile Detention Center Education Program**

The Leflore County School district entered into a Juvenile Detention Center agreement dated August 6, 2018 creating the Leflore County Juvenile Detention Center Education Program to be housed at the Leflore County Juvenile Detention Center. 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 Attala County School District, Carroll County School District, Coffeerville School District, Clarksdale Municipal School District, Coahoma Agricultural High School, Coahoma County School District, East Tallahatchie School District, Greenwood-Leflore Consolidated School District, Holmes County Consolidated School District, Humphreys County School District, Kosciusko School District, North Panola School District, Senatobia Municipal School District, South Panola School District, Sunflower County Consolidated School District, Tate County School District, Tunica County School District, Water Valley School District, West Tallahatchie Consolidated School District and Winona-Montgomery Consolidated School District. The Greenwood-Leflore Consolidated School District has been designated as the sponsoring school district and the operations of the program are included in its financial statements under Youth Detention Center Fund.

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 14 – Effect of Deferred Amounts on Net Position**

The unrestricted net position (deficit) amount of (\$66,310,586) 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 pensions in the amount of \$5,232,731 resulting from the school district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The \$8,172,991 balance of deferred outflow of resources related to pensions at June 30, 2023, will be recognized as an expense and will decrease the unrestricted net position over the next 4 years.

The unrestricted net position (deficit) amount of (\$66,310,586) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$4,070,282 balance of deferred inflow of resources related to pensions at June 30, 2023, will be recognized as revenue and will increase the unrestricted net position over the next 3 years.

The unrestricted net position (deficit) amount of (\$66,310,586) 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 \$144,006 resulting from the school district contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. The \$564,143 balance of deferred outflow of resources related to OPEB at June 30, 2023, will be recognized as an expense and will decrease the unrestricted net position over the next 6 years.

The unrestricted net position (deficit) amount of (\$66,310,586) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$1,710,779 balance of deferred inflow of resources related to OPEB at June 30, 2023, will be recognized as revenue and will increase the unrestricted net position over the next 6 years.

The unrestricted net position (deficit) amount of (\$66,310,586) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from leases. The \$1,944,626 balance of deferred inflow of resources related to leases at June 30, 2023, will be recognized as revenue and will increase the unrestricted net position over the next 40 years.

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Year Ended June 30, 2023

**Note 15 – Prior Period Adjustments**

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

Exhibit B - Statement of Activities

Explanation	Amount
1. To correct revenues or expenditures from a prior period.	\$ (341,963)
2. To correct assets and depreciation from a prior period.	(25,416)
Total	<u>\$ (367,379)</u>

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

Fund	Explanation	Amount
General Fund	To correct revenues or expenditures from a prior period.	\$ (8,909)
Other Governmental Funds	To correct revenues or expenditures from a prior period.	(333,054)
Total		<u>\$ (341,963)</u>

**Note 16 – 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 17 - 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 Greenwood-Leflore Consolidated School District evaluated the activity of the district through February 28, 2025, (the date the financial statements were available to be issued), and determined that there was one subsequent event that has occurred requiring disclosure in the notes to the financial statements.

In November 2024, Greenwood-Leflore Consolidated School District approved a General Obligation Bond issue not to exceed \$44,000,000. The bond has not been issued as of the date of this report.



REQUIRED SUPPLEMENTARY INFORMATION

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Required Supplementary Information**

**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual (GAAP Basis)	Variances	
				Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Local sources	\$ 12,968,984	\$ 12,968,984	\$ 12,317,134	\$ -	\$ (651,850)
State sources	21,910,488	21,910,488	22,248,739	-	338,251
Federal sources	269,735	261,994	108,016	(7,741)	(153,978)
Sixteenth section sources	894,968	894,968	948,535	-	53,567
<b>Total Revenues</b>	<b>36,044,175</b>	<b>36,036,434</b>	<b>35,622,424</b>	<b>(7,741)</b>	<b>(414,010)</b>
<b>Expenditures:</b>					
Instruction	21,793,662	22,114,046	21,744,764	(320,384)	369,282
Support services	16,923,608	17,955,852	16,458,044	(1,032,244)	1,497,808
Noninstructional services	95,914	106,939	57,917	(11,025)	49,022
Sixteenth section	95,130	95,130	69,816	-	25,314
Facilities acquisition and construction	311,981	254,237	35,237	57,744	219,000
<b>Total Expenditures</b>	<b>39,220,295</b>	<b>40,526,204</b>	<b>38,365,778</b>	<b>(1,305,909)</b>	<b>2,160,426</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(3,176,120)	(4,489,770)	(2,743,354)	(1,313,650)	1,746,416
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	2,407,738	2,407,738	456,951	-	(1,950,787)
Operating transfers out	(2,396,422)	(2,396,422)	(1,113,646)	-	1,282,776
Other financing uses	(26,450)	(26,450)	(2,503)	-	23,947
<b>Total Other Financing Sources (Uses)</b>	<b>(15,134)</b>	<b>(15,134)</b>	<b>(659,198)</b>	<b>-</b>	<b>(644,064)</b>
<b>Net Change in Fund Balances</b>	<b>(3,191,254)</b>	<b>(4,504,904)</b>	<b>(3,402,552)</b>	<b>(1,313,650)</b>	<b>1,102,352</b>
<b>Fund Balances:</b>					
July 1, 2022, as previously reported	13,400,277	13,400,277	13,167,833	-	(232,444)
Prior period adjustments	(598)	(598)	(8,909)	-	(8,311)
July 1, 2022, as restated	13,399,679	13,399,679	13,158,924	-	(240,755)
June 30, 2023	\$ 10,208,425	\$ 8,894,775	\$ 9,756,372	\$ (1,313,650)	\$ 861,597

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

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Required Supplementary Information**

**Budgetary Comparison Schedule**  
**Child Nutrition Fund**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual (GAAP Basis)	Variances	
				Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Local sources	\$ 61,876	\$ 61,876	\$ 175,798	\$ -	\$ 113,922
State sources	15,000	15,000	54,330	-	39,330
Federal sources	3,392,214	3,392,214	4,282,379	-	890,165
Total Revenues	3,469,090	3,469,090	4,512,507	-	1,043,417
<b>Expenditures:</b>					
Support services	330,885	332,975	185,828	(2,090)	147,147
Noninstructional services	2,978,380	3,662,018	3,486,961	(683,638)	175,057
Facilities acquisition and construction	75,000	17,075	-	57,925	17,075
Total Expenditures	3,384,265	4,012,068	3,672,789	(627,803)	339,279
Excess (Deficiency) of Revenues over (under) Expenditures	84,825	(542,978)	839,718	(627,803)	1,382,696
<b>Other Financing Sources (Uses):</b>					
Operating transfers out	(375,000)	(375,000)	(355,660)	-	19,340
Total Other Financing Sources (Uses)	(375,000)	(375,000)	(355,660)	-	19,340
Net Change in Fund Balances	(290,175)	(917,978)	484,058	(627,803)	1,402,036
<b>Fund Balances:</b>					
July 1, 2022, as previously reported	2,094,689	2,094,689	2,088,989	-	(5,700)
Increase (Decrease) in inventory			16,669	-	16,669
June 30, 2023	\$ 1,804,514	\$ 1,176,711	\$ 2,589,716	\$ (627,803)	\$ 1,413,005

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

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Required Supplementary Information**

**Budgetary Comparison Schedule**  
**ESSER II Fund**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Federal sources	\$ 14,252,495	\$ 14,252,495	\$ 7,787,086	-	\$ (6,465,409)
Total Revenues	<u>14,252,495</u>	<u>14,252,495</u>	<u>7,787,086</u>	<u>-</u>	<u>(6,465,409)</u>
<b>Expenditures:</b>					
Instruction	675,200	123,024	103,927	552,176	19,097
Support services	1,676,454	1,770,734	855,482	(94,280)	915,252
Facilities acquisition and construction	20,746,339	13,129,379	6,827,677	7,616,960	6,301,702
Total Expenditures	<u>23,097,993</u>	<u>15,023,137</u>	<u>7,787,086</u>	<u>8,074,856</u>	<u>7,236,051</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(8,845,498)</u>	<u>(770,642)</u>	<u>-</u>	<u>8,074,856</u>	<u>770,642</u>
<b>Other Financing Sources (Uses):</b>					
Operating transfers out	(600,000)	(73,233)	-	526,767	73,233
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>(73,233)</u>	<u>-</u>	<u>526,767</u>	<u>73,233</u>
Net Change in Fund Balances	<u>(9,445,498)</u>	<u>(843,875)</u>	<u>-</u>	<u>8,601,623</u>	<u>843,875</u>
Fund Balances:					
July 1, 2022,			-	-	-
June 30, 2023	<u>\$ (9,445,498)</u>	<u>\$ (843,875)</u>	<u>-</u>	<u>\$ 8,601,623</u>	<u>\$ 843,875</u>

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

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Required Supplementary Information**

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

**PERS**

**Last 10 Fiscal Years\***

	2023	2022	2021	2020
District's proportion of the net pension liability	0.394902%	0.404742%	0.434439%	0.439070%
District's proportionate share of the net pension liability	\$ 81,285,202	59,822,636	84,102,344	77,241,077
District's covered payroll	\$ 27,186,282	26,911,253	28,928,230	25,883,868
District's proportionate share of the net pension liability as a percentage of its covered payroll	298.99%	222.30%	290.73%	298.41%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%

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. 68 was implemented in FYE 6/30/15, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

The Mississippi Legislature passed House Bill 987 which provided for an administrative consolidation of the Greenwood Public School District and the Leflore County School District into one school district to be designated as Greenwood-Leflore Consolidated School District effective July 1, 2019. Therefore, the 2020 figures provided are for the first year the entity came into existence.

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Required Supplementary Information**

**Schedule of District Contributions**  
**PERS**  
**Last 10 Fiscal Years**

	2023	2022	2021	2020
Contractually required contribution	\$ 5,232,731	4,730,413	4,682,558	5,033,512
Contributions in relation to the contractually required contribution	5,232,731	4,730,413	4,682,558	5,033,512
Contribution deficiency (excess)	\$ -	-	-	-
District's covered payroll	\$ 30,073,167	27,186,282	26,911,253	28,928,230
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented in FYE 6/30/15, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

The Mississippi Legislature passed House Bill 987 which provided for an administrative consolidation of the Greenwood Public School District and the Leflore County School District into one school district to be designated as Greenwood-Leflore Consolidated School District effective July 1, 2019. Therefore, the 2020 figures provided are for the first year the entity came into existence.

**GREENWOOD - LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Required Supplementary Information**

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

**OPEB**

**Last 10 Fiscal Years\***

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.60604278%	0.60444981%	0.62845698%	0.62564600%
District's proportionate share of the net OPEB liability	\$ 2,985,876	3,890,735	4,890,703	5,308,862
District's covered - employee payroll	\$ 29,780,676	28,736,741	30,287,579	28,650,996
District's proportionate share of the net OPEB liability as a percentage of its covered - employee payroll	10.03%	13.54%	16.15%	18.53%
Plan fiduciary net position as a percentage of the total OPEB liability	0.21%	0.16%	0.13%	0.12%

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.

The Mississippi Legislature passed House Bill 987 which provided for an administrative consolidation of the Greenwood Public School District and the Leflore County School District into one school district to be designated as Greenwood-Leflore Consolidated School District effective July 1, 2019. Therefore, the 2020 figures provided are for the first year the entity came into existence.

**GREENWOOD - LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Required Supplementary Information**

**Schedule of District Contributions**  
**OPEB**  
**Last 10 Fiscal Years**

	2023	2022	2021	2020
Actuarially determined contribution	\$ 144,006	121,681	156,382	195,040
Contributions in relation to the actuarially determined contribution	144,006	121,681	156,382	195,040
Contribution deficiency (excess)	\$ -	-	-	-
District's covered - employee payroll	\$ 30,073,167	27,186,282	24,743,401	25,086,413
Contributions as a percentage of covered - employee payroll	0.48%	0.45%	0.63%	0.78%

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

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

The Mississippi Legislature passed House Bill 987 which provided for an administrative consolidation of the Greenwood Public School District and the Leflore County School District into one school district to be designated as Greenwood-Leflore Consolidated School District effective July 1, 2019. Therefore, the 2020 figures provided are for the first year the entity came into existence.



GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2023

Budgetary Comparison Schedule

(1) Basis of Presentation

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

(2) Budget Amendments and Revisions

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

Pension Schedules

(1) *Changes of assumptions*

2015:

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

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

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

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

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

2016:

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

2017:

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

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

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%.

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2023

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%.

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2023

(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, 2020 valuation for the June 30, 2022 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	27.7 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.

2022: The discount rate was changed from 2.13% for the prior Measurement Date to 3.37% 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.

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2023

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.

2022: The schedule of monthly retiree contributions was increased as of January 1, 2023. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2023.

- (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, 2021 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2022:

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	6.50%
Pre-Medicare	
Ultimate health care cost trend rates	
Medicare Supplement Claims	4.75%
Pre-Medicare	
Year of ultimate trend rates	
Medicare Supplement Claims	2030
Pre-Medicare	
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	2.13%

SUPPLEMENTARY INFORMATION

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Supplementary Information**

**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed-through Mississippi Department of Education:			
Child nutrition cluster:			
School breakfast program	10.553	235MS326N1099	\$ 1,102,563
National school lunch program	10.555	235MS326N1099	2,385,007
Summer food service program for children	10.559	235MS326N1099	78,470
Total child nutrition cluster			<u>3,566,040</u>
Total passed-through Mississippi Department of Education			<u>3,566,040</u>
<b>Total U.S. Department of Agriculture</b>			<u><u>3,566,040</u></u>
<b><u>U.S. Department of Defense</u></b>			
Direct Program:			
Reserve Officers' Training Corps	12.xxx	N/A	50,555
<b>Total U.S. Department of Defense</b>			<u>50,555</u>
<b><u>U.S. Department of Education</u></b>			
Passed-through Mississippi Department of Rehabilitation Services:			
Training of Interpreters for Individuals Who Are Deaf or Hard of Hearing or Deaf-Blind	84.160D	N/A	82,237
Total passed-through Mississippi Department of Rehabilitation Services			<u>82,237</u>
Passed-through Delta Health Alliance:			
Innovative Approaches to Literacy	84.215	N/A	647,290
Total passed-through Delta Health Alliance			<u>647,290</u>
Passed-through Mississippi Department of Education:			
Title I grants to local educational agencies	84.010	S010A220024	4,407,345
Career and technical education - basic grants to states	84.048	V048A220024	28,734
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334S	N/A	45,348
Rural education	84.358	S358B220024	253,574
English Language Acquisition State Grants	84.365A	S365A220024	33,742
Supporting Effective Instruction State Grants	84.367	S367A220025	711,283
Student Support and Academic Enrichment Program	84.424	S424A220025	322,845
Subtotal			<u>5,802,871</u>
Special education cluster:			
Special education - grants to states	84.027	H027A210108	1,562,055
IDEA, Part B ARP Grant	84.027X	H027X210108	135,527
Subtotal			<u>1,697,582</u>
Special education - preschool grants	84.173	H173A210113	53,935
IDEA, Part B Preschool ARP Grant	84.173X	H173X210113	6,367
Subtotal			<u>60,302</u>
Total special education cluster			<u>1,757,884</u>
Elementary & Secondary School Emergency Relief Fund I	84.425D	S425D200031	184,496
Elementary & Secondary School Emergency Relief Fund II	84.425D	S425D210031	7,787,086
Elementary & Secondary School Emergency Relief Fund I - Pre-K ESSER Grant	84.425D	S425D200031	6,609
Elementary & Secondary School Emergency Relief Fund ARP III	84.425U	S425U210031	4,250,069
COVID-19 - Education Stabilization Fund (ESSER) Subtotal			<u>12,228,260</u>
Total passed-through Mississippi Department of Education			<u>19,789,015</u>
<b>Total U.S. Department of Education</b>			<u><u>20,518,542</u></u>
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed-through Mississippi Department of Education:			
Medical assistance program	93.778	2105MS5ADM	24,499
Total Medicaid cluster			<u>24,499</u>
Total passed-through Mississippi Department of Education			<u>24,499</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>24,499</u>
<b><u>U.S. Department of Social Security Administration</u></b>			
Passed-through Mississippi Department of Rehabilitation Services:			
Social Security Disability Insurance	96.001	N/A	770
Total Disability insurance/SSI cluster			<u>770</u>
Total passed-through Mississippi Department of Rehabilitation Services			<u>770</u>
<b>Total U.S. Department of Social Security Administration</b>			<u>770</u>
<b>Total for All Federal Awards</b>			<u><u>\$ 24,160,406</u></u>

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

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT

Notes to the Supplementary Information

For the Year Ended June 30, 2023

Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Greenwood-Leflore Consolidated School District under programs of the federal government for the year ended June 30, 2023. 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 Greenwood-Leflore Consolidated School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Greenwood-Leflore Consolidated School District.

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(4) Other Items

Donated commodities are included in the National School Lunch Program.

E-rate funds have not been included on this schedule due to the fact the FCC considers the support to be in the form of providing a discount to the schools and libraries and does not consider the assistance to be direct financial support.

Schedule of Instructional, Administrative and Other Expenditures – Governmental Funds

(1) Basis of Accounting

This schedule is presented on the same basis of accounting and the same significant accounting policies, as applicable, as those used for the financial statements.

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**  
**Supplemental Information**

**Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds**  
**For the Year Ended June 30, 2023**

Expenditures	Total	Instruction and Other Student Instructional Expenditures	General Administration	School Administration	Other
Salaries and fringe benefits	\$ 41,490,544	29,332,817	2,587,455	3,423,415	6,146,857
Other	24,321,128	6,065,105	602,722	24,083	17,629,218
<b>Total</b>	<b>\$ 65,811,672</b>	<b>35,397,922</b>	<b>3,190,177</b>	<b>3,447,498</b>	<b>23,776,075</b>
Total number of students *	4,029				
Cost per student	\$ 16,334	8,785	792	856	5,901

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

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

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

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

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

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



OTHER INFORMATION

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**

**Other Information**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**General Fund**

**Last Four Years**

**UNAUDITED**

	2023	2022**	2021**	2020**
<b>Revenues:</b>				
Local sources	\$ 12,317,134	\$ 11,998,669	\$ 11,117,728	\$ 11,748,110
State sources	22,248,739	21,771,961	21,695,001	22,688,459
Federal sources	108,016	15,566	281,687	64,844
Sixteenth section sources	948,535	802,400	911,371	765,771
<b>Total Revenues</b>	<b>35,622,424</b>	<b>34,588,596</b>	<b>34,005,787</b>	<b>35,267,184</b>
<b>Expenditures:</b>				
Instruction	21,744,764	19,182,376	18,101,060	19,862,367
Support services	16,458,044	16,265,947	13,910,918	15,771,487
Noninstructional services	57,917	91,155	115,041	7,339
Sixteenth section	69,816	16,518	65,259	29,667
Facilities acquisition and construction	35,237	41,668	111,134	
<b>Total Expenditures</b>	<b>38,365,778</b>	<b>35,597,664</b>	<b>32,303,412</b>	<b>35,670,860</b>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(2,743,354)</u>	<u>(1,009,068)</u>	<u>1,702,375</u>	<u>(403,676)</u>
<b>Other Financing Sources (Uses):</b>				
Insurance recovery		30,738		77,669
Operating transfers in	456,951	688,630	558,641	491,533
Operating transfers out	(1,113,646)	(190,539)	(236,467)	(706,581)
Other financing uses	(2,503)	(831)	(88,359)	
<b>Total Other Financing Sources (Uses)</b>	<u>(659,198)</u>	<u>527,998</u>	<u>233,815</u>	<u>(137,379)</u>
<b>Net Change in Fund Balances</b>	<u>(3,402,552)</u>	<u>(481,070)</u>	<u>1,936,190</u>	<u>(541,055)</u>
<b>Fund Balances:</b>				
Beginning of period, as previously reported	13,167,833	13,499,325	11,643,149	12,191,394
Prior period adjustments	(8,909)	149,578	(80,014)	(7,190)
Beginning of period, as restated	<u>13,158,924</u>	<u>13,648,903</u>	<u>11,563,135</u>	<u>12,184,204</u>
End of Period	<u>\$ 9,756,372</u>	<u>\$ 13,167,833</u>	<u>\$ 13,499,325</u>	<u>\$ 11,643,149</u>

\* The Mississippi Legislature passed House Bill 987 which provided for an administrative consolidation of the Greenwood Public School District and the Leflore County School District into one school district to be designated as Greenwood-Leflore Consolidated School District effective July 1, 2019. Therefore, the 2020 figures provided are for the first year the entity came into existence.

\*\*SOURCE - PRIOR YEAR AUDIT REPORTS

**GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT**

**Other Information**

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**All Governmental Funds**

**Last Four Years**

**UNAUDITED**

	2023	2022*	2021*	2020*
<b>Revenues:</b>				
Local sources	\$ 13,253,517	\$ 12,519,967	\$ 11,888,376	\$ 13,075,510
Intermediate sources			(10,748)	
State sources	24,072,654	23,525,349	23,848,054	24,685,943
Federal sources	25,007,386	16,318,184	13,476,671	11,504,863
Sixteenth section sources	948,535	802,400	911,371	778,379
<b>Total Revenues</b>	<b>63,282,092</b>	<b>53,165,900</b>	<b>50,113,724</b>	<b>50,044,695</b>
<b>Expenditures:</b>				
Instruction	28,873,759	23,703,198	23,912,303	25,258,760
Support services	24,136,040	24,831,810	21,421,054	21,231,939
Noninstructional services	3,896,477	3,528,525	2,498,171	3,142,945
Sixteenth section	69,816	17,232	68,756	33,482
Facilities acquisition and construction	8,442,382	714,219	285,960	417,681
Debt service:				
Principal	200,238	201,002	189,647	177,145
Interest	192,960	189,517	203,006	212,345
Other		1,950	1,950	1,950
<b>Total Expenditures</b>	<b>65,811,672</b>	<b>53,187,453</b>	<b>48,580,847</b>	<b>50,476,247</b>
Excess (Deficiency) of Revenues over (under) Expenditures	(2,529,580)	(21,553)	1,532,877	(431,552)
<b>Other Financing Sources (Uses):</b>				
Insurance recovery		30,738		77,669
Payment held by QSCB escrow agent	236,000	231,006	237,000	237,000
Payment held by QSCB escrow agent	(236,000)	(231,006)	(237,000)	(237,000)
Operating transfers in	1,570,597	1,259,181	2,949,061	1,214,614
Operating transfers out	(1,570,597)	(1,259,181)	(2,920,491)	(1,214,614)
Other financing uses	(2,503)	(831)	(88,359)	
<b>Total Other Financing Sources (Uses)</b>	<b>(2,503)</b>	<b>29,907</b>	<b>(59,789)</b>	<b>77,669</b>
<b>Net Change in Fund Balances</b>	<b>(2,532,083)</b>	<b>8,354</b>	<b>1,473,088</b>	<b>(353,883)</b>
<b>Fund Balances:</b>				
Beginning of period, as previously reported	19,666,672	18,865,860	17,516,268	17,878,777
Prior period adjustments	(341,963)	789,473	(117,518)	(61,617)
Beginning of period, as restated	19,324,709	19,655,333	17,398,750	17,817,160
Increase (Decrease) in inventory	16,669	2,985	(5,978)	52,991
<b>End of Period</b>	<b>\$ 16,809,295</b>	<b>\$ 19,666,672</b>	<b>\$ 18,865,860</b>	<b>\$ 17,516,268</b>

\* The Mississippi Legislature passed House Bill 987 which provided for an administrative consolidation of the Greenwood Public School District and the Leflore County School District into one school district to be designated as Greenwood-Leflore Consolidated School District effective July 1, 2019. Therefore, the 2020 figures provided are for the first year the entity came into existence.

\*\*SOURCE - PRIOR YEAR AUDIT REPORTS

REPORTS ON INTERNAL CONTROL AND COMPLIANCE



# McKENZIE CPA, PLLC

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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*

Superintendent and School Board  
Greenwood-Leflore Consolidated School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenwood-Leflore Consolidated School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Greenwood-Leflore Consolidated School District's basic financial statements, and have issued our report thereon dated February 28, 2025.

### **Report on Internal Control Over Financial Reporting**

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

Our 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned cost as item **2023-001** that we consider to be a material weakness.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greenwood-Leflore Consolidated School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item **2023-001**.

## Greenwood-Leflore Consolidated School District Response to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we 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.

McKenzie CPA, PLLC  
Madison, Mississippi  
February 28, 2025





# McKENZIE CPA, PLLC

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## **Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

Superintendent and School Board  
Greenwood-Leflore Consolidated School District

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

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

We have audited Greenwood-Leflore Consolidated 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 Greenwood-Leflore Consolidated School District's major federal programs for the year ended June 30, 2023. The Greenwood-Leflore Consolidated 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 our opinion, the Greenwood-Leflore Consolidated 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, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our 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. We are required to be independent of the Greenwood-Leflore Consolidated School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Greenwood-Leflore Consolidated 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 the Greenwood-Leflore Consolidated School District's federal programs.

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

Our 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 the Greenwood-Leflore Consolidated 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 generally accepted auditing standards, 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 the Greenwood-Leflore Consolidated School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- 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 the Greenwood-Leflore Consolidated 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 the Greenwood-Leflore Consolidated 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 the Greenwood-Leflore Consolidated School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are 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 we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our 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.



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

McKenzie CPA, PLLC  
Madison, Mississippi  
February 28, 2025

*McKenzie CPA, PLLC*

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2023

Section I: Summary of Auditor's Results

Financial Statements:

- |    |  |               |
|----|--|---------------|
| 1. | Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified    |
| 2. | Internal control over financial reporting:   |               |
|    | a. Material weaknesses identified?   | Yes           |
|    | b. Significant deficiencies identified?  | None reported |
| 3. | Noncompliance material to financial statements noted?  | Yes           |

Federal Awards:

- |    |  |               |
|----|--|---------------|
| 4. | Internal control over major programs:  |               |
|    | a. Material weakness identified?   | No            |
|    | b. Significant deficiency identified?  | None reported |
| 5. | Type of auditor's report issued on compliance for major programs:                                  | Unmodified    |
| 6. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No            |
| 7. | Identification of major federal programs:  |               |

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027;84.027X;84.173; 84.173X	Special Education Cluster
84.367	Supporting Effective Instruction State Grants
84.425D	Education Stabilization Fund (ESSER I)
84.425D	Education Stabilization Fund (ESSER II)
84.425D	Education Stabilization Fund (Pre-K ESSER Grant)
84.425U	Education Stabilization Fund (ESSER III ARP)

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

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

Section II: Financial Statement Findings

**Material Weaknesses and Material Non-compliances**

**Finding 2023-001 Finding (Repeat 2022-001)**

**Deficiencies in controls surrounding year end accruals, balance sheet reconciliations and revenue reconciliations.**

**Criteria:**

The school district is charged with developing controls surrounding the reconciliation of year end accruals and year end balance sheet amounts. They are also responsible for maintaining proper documentation and support of those balances.

**Condition:**

In our review of the controls surrounding year end accruals and balance sheet accounts, we noted that management had not properly reconciled the year end accruals and some balance sheet accounts needed to be updated to agree to the current year reconciliations. Some accounts hold fund balances that do not appear to be accurate or updated. Balances appear to have amounts included from previous periods or unsupported balances. Some accounts were also out of balance. The following accounts were not reconciled:

- Beginning fund balances
- Bank reconciliation are not reconciled timely
- Cash accounts are not reconciled to clear negative cash balances
- Investment statements
- Due to and Due from balances
- Revenues did not appear to be reconciled to Mississippi Department of Education.
- Year-end receivables
- Year-end payables
- Performance bonds payable
- District could not provide support for one of five adjusting journal entries tested.
- Capital assets did not appear to be reconciled and one item could not be located during inspection of assets tested.

**Cause:**

The cause is due to a lack of controls to ensure items were reconciled appropriately with supporting documentation for all balances.

**Effect:**

The effect is a breakdown in the controls surrounding the year end close out cycle. Some balance will not agree to amounts recorded and are not clearing previous balances or updating to new reconciliations.

**Recommendation:**

We recommend that the school district review their close out procedures and ensure that year end accruals and balance sheet reconciliation agree to support within each fund. We also recommend the district review procedures for maintaining supporting documentation.

**Views of Responsible Officials**

Please see Auditee's Corrective Action Plan.

GREENWOOD-LEFLORE CONSOLIDATED SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

Section III: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to the federal awards.

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



**GREENWOOD LEFLORE**  
CONSOLIDATED SCHOOL DISTRICT  
1901 HIGHWAY 82, WEST  
GREENWOOD, MISSISSIPPI 38930

JAMES JOHNSON-WALDINGTON, SUPERINTENDENT  
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Phone: 662-453-4231

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Greenwood-Leflore Consolidated 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, 2023.

Finding                      Corrective Action Plan Details

2023-001                    a. Name of Contact Person Responsible for Corrective Action

Name: Lakenya Thomas  
Title: Business Manager

b. Correction Action Planned:

Correction Action Planned:

Upon promotion and start of Business Manager on July 1, 2022, policies and procedures were implemented to ensure Bank Reconciliations are completed within 45 days of receipt. Upon promotion and start of Business Manager on July 1, 2022, the Business Manager, Federal Programs Director, and Special Education Director meet once a month before and at the time of request for funds to ensure expenditures match all request from both state and federal programs. The bank statements should be timely reconciled within the 2024 Fiscal Year.

c. June 30, 2024



**GREENWOOD LEFLORE**  
CONSOLIDATED SCHOOL DISTRICT  
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GREENWOOD, MISSISSIPPI 38930

JAMES JOHNSON-WALDINGTON, SUPERINTENDENT  
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Phone: 662-453-4231

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards (UG), the Greenwood-Leflore Consolidated School District has prepared and hereby submits the following summary of prior year audit findings follow up as of June 30, 2023:

Finding Status

2022-001     See finding 2023-001