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POPLARVILLE SPECIAL MUNICIPAL
SEPARATE SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2024

St. Clair CPA, PLLC
Carriere, MS

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INDEPENDENT AUDITOR'S REPORT

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ST. CLAIR CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board
Poplarville Special Municipal Separate School District

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Poplarville Special Municipal Separate School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Poplarville Special Municipal Separate School District's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Poplarville Special Municipal Separate School District, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Poplarville Special Municipal Separate School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Poplarville Special Municipal Separate School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions (PERS), the Schedule of the District's Proportionate Share of the Net OPEB Liability, and the Schedule of District Contributions (OPEB) on pages 9-16, 57-58, 59, 60, 61 and 62 respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Poplarville Special Municipal Separate School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are presented for purposes of additional analysis and are

not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying Schedule of Expenditures of Federal Awards and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Funds, Last Four Years but does not include the basic financial statements and my auditor’s report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated March 25, 2025, on my consideration of the Poplarville Special Municipal Separate School District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Poplarville Special Municipal Separate 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 Poplarville Special Municipal Separate School District's internal control over financial reporting and compliance.

St. Clair CPA, PLLC

St. Clair CPA, PLLC
Carriere, MS
March 25, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024

The following discussion and analysis of Poplarville Special Municipal Separate School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2024. 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 2024 decreased \$4,062,329, including an error correction of (\$31,030), which represents a 1001% decrease from fiscal year 2023. Total net position for 2023 decreased \$805,946, including an error correction of (\$19,395), which represents a 201% decrease from fiscal year 2022.
- General revenues amounted to \$19,144,467 and \$18,026,729 or 80% and 77% of all revenues for fiscal years 2024 and 2023, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4,915,877, or 20% of total revenues for 2024, and \$5,245,773, or 23 % of total revenues for 2023.
- The District had \$28,091,643 and \$24,059,053 in expenses for fiscal years 2024 and 2023; only \$4,915,877 for 2024 and \$5,245,773 for 2023 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$19,144,467 for 2024 and \$18,026,729 for 2023 were not adequate to provide for these programs.
- Among major funds, the General Fund had \$19,367,617 in revenues and \$17,039,992 in expenditures for 2024, and \$18,322,612 in revenues and \$16,497,558 in expenditures in 2023. The General Fund's fund balance increased by \$267,756 from 2023 to 2024, and increased by \$1,492,876 from 2022 to 2023.
- Capital assets, including leased assets and subscription based IT assets, net of accumulated depreciation and amortization, increased by \$2,189,565 for 2024 and increased by \$2,852,984 for 2023. The increase for 2024 was due to the addition to buildings and leased assets.
- Long-term debt increased by \$379,134 for 2024 and increased by \$676,526 for 2023. This increase for 2024 was due primarily to the issuance of a loan and leased asset obligations. The liability for compensated absences decreased by \$47,220 for 2024 and increased by \$95,236 for 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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 \$4,468,115 as of June 30, 2024.

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 and amortization of capital assets.

Table 1 presents a summary of the District's net position at June 30, 2024 and June 30, 2023.

Table 1
Condensed Statement of Net Position

	June 30, 2024	June 30, 2023	Percentage Change
Current assets	\$ 17,283,016	\$ 15,959,586	8.29 %
Restricted assets	735,243	1,923,019	(61.77) %
Lease receivable	223,805	200,471	11.64 %
Capital assets, net	19,806,349	17,616,784	12.43 %
Total assets	38,048,413	35,699,860	6.58 %
Deferred outflows of resources	10,569,322	6,835,276	54.63 %
Current liabilities	1,838,458	1,104,601	66.44 %
Long-term debt outstanding	5,503,359	5,119,862	7.49 %
Lease liability	93,808	0	N/A %
SBITA liability	31,524	129,695	(75.69) %
Net OPEB liability	1,254,670	1,107,037	13.34 %
Net pension liability	41,575,383	33,932,952	22.52 %
Total liabilities	50,297,202	41,394,147	21.51 %
Deferred inflows of resources	2,788,648	1,546,775	80.29 %
Net position:			
Net investment in capital assets	15,266,477	13,705,195	11.39 %
Restricted	1,312,245	1,994,384	(34.20) %
Unrestricted	(21,046,837)	(16,105,365)	(30.68) %
Total net position	\$ (4,468,115)	\$ (405,786)	(1001.10) %

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)	\$ (21,046,837)
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	34,779,860
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ 13,733,023</u>

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

- Increase in net capital assets in the amount of \$2,189,565.
- The principal retirement of \$521,087 of long-term debt.
- The issuance of loans payable in the amount of \$794,000.

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2024 and June 30, 2023 were \$24,060,344 and \$23,272,502, respectively. The total cost of all programs and services was \$28,091,643 for 2024 and \$24,059,053 for 2023.

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2024 and June 30, 2023.

**Table 2
Changes in Net Position**

	Year Ended June 30, 2024	Year Ended June 30, 2023	Percentage Change
Revenues:			
Program revenues:			
Charges for services	\$ 610,225	\$ 1,072,286	(43.09) %
Operating grants and contributions	4,305,652	4,173,487	3.17 %
General revenues:			
Property taxes	5,982,557	5,769,501	3.69 %
Grants and contributions not restricted	12,219,260	11,424,481	6.96 %
Investment earnings	462,018	350,245	31.91 %
Sixteenth section sources	473,605	459,715	3.02 %
Other	7,027	22,787	(69.16) %
Total revenues	24,060,344	23,272,502	3.39 %
Expenses:			
Instruction	10,846,617	11,240,878	(3.51) %
Support services	8,434,134	7,360,645	14.58 %
Non-instructional	1,079,198	1,091,753	(1.15) %
Sixteenth section	19,883	33,756	(41.10) %
Pension expense	7,646,426	4,342,578	76.08 %
OPEB expense	(59,407)	(123,197)	51.78 %
Interest on long-term liabilities	124,792	112,640	10.79 %
Total expenses	28,091,643	24,059,053	16.76 %
Increase (Decrease) in net position	(4,031,299)	(786,551)	(412.53) %
Net Position, July 1, as previously reported	(405,786)	400,160	(201.41) %
Error correction	(31,030)	(19,395)	(59.99) %
Net Position, July 1, as restated	(436,816)	380,765	(214.72) %
Net Position, June 30	\$ (4,468,115)	\$ (405,786)	(1,001.10) %

Per GASB No. 100, prior period information should not be restated for change in accounting principle and changes to/within the reporting entity in RSI and SI. Prior period information can be restated for error corrections if applicable and practicable.

Error correction that impacted prior fiscal year(s) made during fiscal year ending June 30, 2024. The explanation for this correction is disclosed in Note 10 on page 51 of this report. Due to the immateriality of the result upon the affected funds, restatement to individually impacted line items of prior year(s) were not made to this schedule.

Governmental activities

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

Table 3
Net Cost of Governmental Activities

	Total Expenses		Percentage
	2024	2023	Change
Instruction	\$ 10,846,617	\$ 11,240,878	(3.51) %
Support services	8,434,134	7,360,645	14.58 %
Non-instructional	1,079,198	1,091,753	(1.15) %
Sixteenth section	19,883	33,756	(41.10) %
Pension Expense	7,646,426	4,342,578	76.08 %
OPEB Expense	(59,407)	(123,197)	(51.78) %
Interest on long-term liabilities	124,792	112,640	10.79 %
Total expenses	\$ 28,091,643	\$ 24,059,053	16.76 %

	Net (Expense) Revenue		Percentage
	2024	2023	Change
Instruction	\$ (9,067,892)	\$ (8,914,205)	1.72 %
Support services	(6,613,446)	(5,900,677)	12.08 %
Non-instructional	237,266	367,379	(35.42) %
Sixteenth section	(19,883)	(33,756)	(41.10) %
Pension Expense	(7,646,426)	(4,342,578)	76.08 %
OPEB Expense	59,407	123,197	(51.78) %
Interest on long-term liabilities	(124,792)	(112,640)	10.79 %
Total net (expense) revenue	\$ (23,175,766)	\$ (18,813,280)	23.19 %

- Net cost of governmental activities (\$23,175,766 for 2024 and \$18,813,280 for 2023) was financed by general revenue, which is primarily made up of property taxes (\$5,982,557 for 2024 and \$5,769,501 for 2023) and state and federal revenues (\$12,219,260 for 2024 and \$11,424,481 for 2023). In addition, there was \$473,605 and \$459,715 in Sixteenth Section sources for 2024 and 2023, respectively.
- Investment earnings amounted to \$462,018 for 2024 and \$350,245 for 2023.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$16,163,776, a decrease of \$618,737, which includes a decrease in inventory of \$11,253. \$12,110,083 or 75% of the fund balance is unassigned, which represents the residual classification for the General Fund's fund balance that has not been assigned to other funds and that has not been restricted,

committed, or assigned to specific purposes within the general fund. The remaining fund balance of \$4,053,693 or 25% is either nonspendable, restricted, committed or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$267,756. The fund balance of Other Governmental Funds showed a decrease in the amount of \$948,453, which includes a decrease in reserve for inventory of \$11,253. The increase (decrease) in the fund balances for the other major funds were as follows:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
ARP ESSER III Fund	no increase or decrease
PUE Renovations Funds	\$61,960

BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2024, the District’s total capital assets were \$34,283,425, including land, school buildings, building improvements, improvements other than buildings, buses, other school vehicles, furniture and equipment, leased assets and subscription IT assets. This amount represents an increase of \$3,059,994 from 2023. Total accumulated depreciation and amortization as of June 30, 2024, was \$14,477,076, and total depreciation and amortization expense for the year was \$1,136,747, resulting in total net capital assets of \$19,806,349.

Table 4
Capital Assets, Net of Accumulated Depreciation

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percentage Change</u>
Land	\$ 509,271	\$ 509,271	0.00 %
Construction in Progress	2,212,714	2,852,092	(22.42) %
Buildings	7,865,558	4,536,699	73.38 %
Building improvements	4,957,681	5,352,861	(7.38) %
Improvements other than buildings	3,157,347	3,317,402	(4.82) %
Mobile equipment	799,281	800,297	(0.13) %
Furniture and equipment	179,850	112,093	60.45 %
Leased assets	91,079	0	N/A %
Subscription IT assets	33,568	136,069	(75.33) %
Total	\$ 19,806,349	\$ 17,616,784	12.43 %

Additional information on the District’s capital assets can be found in Notes 5 and 6 included in this report.

Debt Administration. At June 30, 2024, the District had \$5,628,691 in outstanding long-term debt, of which \$465,963 is due within one year. The liability for compensated absences decreased \$47,220 from the prior year.

**Table 5
Outstanding Long-Term Debt**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percentage Change</u>
Three mill notes payable	3,815,000	4,060,000	(6.03) %
Obligations under lease liabilities	93,808	0	N/A %
Subscription IT liabilities	31,524	129,695	(75.69) %
Installment purchase loans payable	0	44,783	(100.00) %
Other loans payable	1,455,500	735,000	98.03 %
Compensated absences payable	232,859	280,079	(16.86) %
Total	\$ 5,628,691	\$ 5,249,557	7.22 %

Additional information on the District’s long-term debt can be found in Notes 6 and 7 included in this report.

CURRENT ISSUES

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

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

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

If you have any questions about this report or need additional financial information, contact the Superintendent’s Office of the Poplarville Special Municipal Separate School District, 302 South Julia Street, Poplarville, Mississippi 39470.

BASIC FINANCIAL STATEMENTS

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POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Exhibit A

Statement of Net Position

June 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 15,514,944
Due from other governments	1,737,089
Lease receivable (Note 6)	223,805
Other receivables, net	12,436
Inventories	18,547
Restricted assets (Note 4)	735,243
Non-depreciable capital assets (Note 5)	
Land	509,271
Construction in progress	2,212,714
Depreciable capital assets, net (Note 5)	
Buildings	7,865,558
Building improvements	4,957,681
Improvements other than buildings	3,157,347
Mobile equipment	799,281
Furniture and equipment	179,850
Leased assets	91,079
Subscription based IT assets	33,568
Total Assets	<u><u>38,048,413</u></u>
Deferred Outflows of Resources	
Deferred outflow - pensions (Note 8)	10,108,243
Deferred outflow - OPEB (Note 9)	461,079
Total Deferred Outflows of Resources	<u><u>10,569,322</u></u>
Liabilities	
Accounts payable and accrued liabilities	1,795,026
Interest payable on long-term liabilities	29,689
Other payables	13,743
Long-term liabilities (Due within one year)	
Capital related liabilities (Note 7)	402,900
Non-capital related liabilities (Note 7)	18,629
Lease liabilities (Note 6)	28,963
SBITA liabilities (Note 6)	15,471
Net OPEB liability (Note 9)	53,969
Long-term liabilities (Due beyond one year)	
Capital related liabilities (Note 7)	4,867,600
Non-capital related liabilities (Note 7)	214,230
Lease liabilities (Note 6)	64,845

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Exhibit A

Statement of Net Position

June 30, 2024

	<u>Governmental Activities</u>
SBITA liabilities (Note 6)	16,053
Net OPEB liability (Note 9)	1,200,701
Net pension liability (Note 8)	41,575,383
Total Liabilities	<u>50,297,202</u>
Deferred Inflows of Resources	
Deferred inflows - pensions (Note 8)	2,056,646
Deferred inflows - OPEB (Note 9)	462,483
Deferred inflow - leases (Note 6)	269,519
Total Deferred Inflows of Resources	<u>2,788,648</u>
Net Position	
Net investment in capital assets	15,266,477
Restricted net position	
Expendable	
School-based activities	485,075
Debt service	285,918
Forestry improvements	20,442
Unemployment benefits	108,035
Non-expendable	
Sixteenth section	412,775
Unrestricted	<u>(21,046,837)</u>
Total Net Position	<u>\$ (4,468,115)</u>

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Exhibit B

Statement of Activities

For the Year Ended June 30, 2024

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Instruction	\$ 10,846,617	610,225	1,168,500	(9,067,892)
Support services	8,434,134		1,820,688	(6,613,446)
Non-instructional	1,079,198		1,316,464	237,266
Sixteenth section	19,883			(19,883)
Pension expense	7,646,426			(7,646,426)
OPEB expense	(59,407)			59,407
Interest on long-term liabilities	124,792			(124,792)
Total Governmental Activities	28,091,643	610,225	4,305,652	(23,175,766)
General Revenues				
Taxes				
				5,687,888
				294,669
Unrestricted grants and contributions				
				12,184,595
				34,665
				462,018
				473,605
				7,027
				<u>19,144,467</u>
Changes in Net Position				
				<u>(4,031,299)</u>
Net Position - Beginning, as previously reported				
				(405,786)
Adjustment or Restatement (Note 10)				
				(31,030)
Net Position - Beginning - as restated				
				<u>(436,816)</u>
Net Position - Ending				
				<u>\$ (4,468,115)</u>

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Exhibit C

Balance Sheet - Governmental Funds

June 30, 2024

	Major Funds				Total Governmental Funds
	General Fund	ARP ESSER III Fund	PUE Renovations Fund	Other Governmental Funds	
Assets					
Cash and cash equivalents (Note 2)	\$ 14,196,720		735,000	1,318,467	16,250,187
Due from other governments	290,377	369,279		1,077,433	1,737,089
Lease receivable (Note 6)	223,805				223,805
Other receivables, net				12,436	12,436
Due from other funds (Note 3)	637,266				637,266
Inventories				18,547	18,547
Total Assets	15,348,168	369,279	735,000	2,426,883	18,879,330
Liabilities, Deferred Inflow of Resources and Fund Balances					
Liabilities					
Accounts payable & accrued liabilities	1,099,024		673,040	22,962	1,795,026
Due to other funds (Note 3)		369,279		267,987	637,266
Other payables	13,743				13,743
Total Liabilities	1,112,767	369,279	673,040	290,949	2,446,035
Deferred Inflows of Resources					
Leases (Note 6)	269,519				269,519
Total Deferred Inflows of Resources	269,519	0	0	0	269,519
Total Liabilities and Deferred Inflows of Resources	1,382,286	369,279	673,040	290,949	2,715,554
Fund Balances					
Nonspendable					
Inventory				18,547	18,547
Permanent fund principal				412,775	412,775

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
 Balance Sheet - Governmental Funds
 June 30, 2024

Exhibit C

	<u>Major Funds</u>			Other Governmental Funds	Total Governmental Funds
	<u>General Fund</u>	<u>ARP ESSER III Fund</u>	<u>PUE Renovations Fund</u>		
Restricted					
Debt service				315,607	315,607
Capital projects			61,960	794,000	855,960
Forestry improvements				20,442	20,442
Unemployment benefits				108,035	108,035
Grant activities				466,528	466,528
Assigned					
School activities	396,645				396,645
Budget reserves	538,998				538,998
Insurance deductibles	775,136				775,136
Technology	145,020				145,020
Unassigned	12,110,083				12,110,083
Total Fund Balances	<u>13,965,882</u>	<u>0</u>	<u>61,960</u>	<u>2,135,934</u>	<u>16,163,776</u>
Total Liabilities and Deferred Inflows of Resources and Fund Balances	<u>\$ 15,348,168</u>	<u>369,279</u>	<u>735,000</u>	<u>2,426,883</u>	<u>18,879,330</u>

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
 Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2024

Exhibit C-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 16,163,776
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Land	509,271
Construction in progress	2,212,714
Buildings	13,492,365
Building improvements	9,917,376
Improvement other than buildings	4,065,788
Mobile equipment	2,770,801
Furniture and equipment	1,136,699
Leased assets	121,438
Subscription IT based asset	56,973
Accumulated depreciation and amortization	<u>(14,477,076)</u>
	19,806,349
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	(41,575,383)
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	10,108,243
Deferred inflows of resources related to pensions	<u>(2,056,646)</u>
	8,051,597
Some liabilities, including net OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds:	
Net OPEB liability	(1,254,670)
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	461,079
Deferred inflows of resources related to OPEB	<u>(462,483)</u>
	(1,404)
Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported in the funds:	
Notes payable	(5,270,500)
Leased asset obligations	(93,808)
Subscription IT based obligations	(31,524)
Compensated absences	(232,859)
Accrued interest payable	<u>(29,689)</u>
	<u>(5,658,380)</u>
Total Net Position - Governmental Activities	<u>\$ (4,468,115)</u>

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Exhibit D

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

For the Year Ended June 30, 2024

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	ARP ESSER III Fund	PUE Renovations Fund		
Revenues					
Local sources	\$ 6,715,117			636,337	7,351,454
State sources	12,184,595			594,860	12,779,455
Federal sources	34,665	747,854		2,666,284	3,448,803
Sixteenth section sources	433,240			40,365	473,605
Total Revenues	19,367,617	747,854	0	3,937,846	24,053,317
Expenditures					
Instruction	10,353,683	238,159		1,233,139	11,824,981
Support services	6,581,787	373,943	345,701	1,651,014	8,952,445
Noninstructional services				1,149,747	1,149,747
Sixteenth section	8,287			11,596	19,883
Facilities acquisition and construction			1,230,715	1,797,784	3,028,499
Debt service					
Principal (Note 7)	87,194			433,893	521,087
Interest	9,041			118,176	127,217
Total Expenditures	17,039,992	612,102	1,576,416	6,395,349	25,623,859
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	2,327,625	135,752	(1,576,416)	(2,457,503)	(1,570,542)
Other Financing Sources (Uses)					
Bonds and notes issued (Note 7)				794,000	794,000
Leases issued (Note 6)	121,438				121,438
SBITAs issued (Note 6)	40,593				40,593
Insurance loss recoveries (Note 14)	7,027				7,027

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2024

Exhibit D

	<u>Major Funds</u>			Other Governmental Funds	Total Governmental Funds
	<u>General Fund</u>	<u>ARP ESSER III Fund</u>	<u>PUE Renovations Fund</u>		
Operating transfers in (Note 3)	154,125		1,638,376	1,543,268	3,335,769
Operating transfers out (Note 3)	(2,383,052)	(135,752)		(816,965)	(3,335,769)
Total Other Financing Sources (Uses)	<u>(2,059,869)</u>	<u>(135,752)</u>	<u>1,638,376</u>	<u>1,520,303</u>	<u>963,058</u>
Net Change in Fund Balances	<u>267,756</u>	<u>0</u>	<u>61,960</u>	<u>(937,200)</u>	<u>(607,484)</u>
Fund Balances					
July 1, 2023	13,698,126	0		3,084,387	16,782,513
Decrease in reserve for inventory	<u>0</u>	<u>0</u>	<u>0</u>	<u>(11,253)</u>	<u>(11,253)</u>
June 30, 2024	<u>\$ 13,965,882</u>	<u>0</u>	<u>61,960</u>	<u>2,135,934</u>	<u>16,163,776</u>

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
 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, 2024

Exhibit D-1

		<u>Amount</u>
Net Change in Fund Balance - Governmental Funds		\$ (607,484)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, those amounts are:		
Capital outlay, leased assets and subscription IT based assets	3,485,136	
Depreciation expense and amortization expense	<u>(1,136,747)</u>	2,348,389
In the Statement of Activities, only the gain/loss on the sale of assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.		
		(119,204)
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:		
Bonds and notes issued	(794,000)	
Leased asset obligations issued	(121,438)	
Subscription IT based liability issued	(40,593)	
Payments of debt principal	521,087	
Accrued interest payable	<u>2,425</u>	(432,519)
Some items relating to pensions and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:		
Pension expense	(7,646,426)	
Contributions made subsequent to the measurement date	<u>2,276,602</u>	(5,369,824)
Some items relating to OPEB and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:		
OPEB expense	59,407	
Contributions made subsequent to the measurement date	<u>53,969</u>	113,376
Some items reported in the Statement of Activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. These activities include:		
Change in compensated absences	47,220	
Change in inventory reserve	<u>(11,253)</u>	<u>35,967</u>
Changes in Net Position of Governmental Activities		<u><u>\$ (4,031,299)</u></u>

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

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POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

For financial reporting purposes, Poplarville Special Municipal Separate 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.

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

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

The school district reports the following major governmental funds:

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

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

PUE Renovations Fund - This fund is used to account for construction and improvement projects at Poplarville Upper Elementary School and is financed with the proceeds of the Educational Facilities Revolving Loans and the general fund.

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

Additionally, the school district reports the following fund types:

GOVERNMENTAL FUNDS

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

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 the 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 are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

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

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

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

D. Encumbrances

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

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

1. Cash, Cash equivalents and Investments

Cash and cash equivalents

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

these depositories are to be selected.

Investments

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

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

Investments for the district are reported at fair market value.

2. Receivables and payables

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

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

3. Due from Other Governments

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

4. Inventories and Prepaid Items

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

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

5. Restricted Assets

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2024

6. Capital Assets

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

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

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

The following schedule details the capitalization thresholds:

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

(**) A capitalization threshold amount has not been set for the right to use property assets. Right to use leased property assets will be amortized in a rational and systematic manner over the shorter of the lease term of the useful life of the underlying asset.

(***) A capitalization threshold amount has not been set for the right to use subscription IT assets. Right to use subscription IT assets will be amortized in a rational and systematic manner over the shorter of the subscription term of the useful life of the underlying asset.

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 district has incurred deferred outflows which are presented as deferred outflows related to pensions and OPEB.

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

See Note 8, 9 and 15 for further details.

8. Compensated Absences

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

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

9. Leases

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

When acting as the lessor for the leasing of sixteenth section trust lands, the school district uses the minimum of 4% interest required by Mississippi statute for sixteenth section loans to calculate the present value of the future sixteenth section lease payments. When acting as the lessee, the school district uses the federal prime lending rate to calculate the present value of lease payments if the rate implicit in the lease is not known. See Notes 6 and 7 for details.

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. GASB 96 was implemented during fiscal year 2023.

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

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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.

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 nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the district:

Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed, or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.

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

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

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

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Notes to the Financial Statements

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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.

The district's minimum unassigned fund balance goal in the general fund at fiscal year end is 15% of annual general fund operating revenues.

15. Accounting Standards Update

GASB 100, Accounting Changes and Error Corrections, was implemented during the 2024 fiscal year. This Statement is an amendment of GASB Statement 62 Codification of Accounting and Financial Reporting Guidance. The purpose of the standard is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

Note 2 – Cash and Cash Equivalents

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

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

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds was \$16,250,187.

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, 2024, none of the district's bank balance was exposed to custodial credit risk.

Note 3 – Inter-fund Receivables, Payables and Transfers

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

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A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Major Fund - ARP ESSER III Fund	\$ 369,279
	Other governmental funds	<u>267,987</u>
Total		<u><u>\$ 637,266</u></u>

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

B. Inter-fund Transfers

Transfers Out	Transfers In	Amount
General Fund	Major Fund - PUE Renovations Fund	\$ 1,638,376
	Other governmental funds	744,676
Major Fund - ARP ESSER III Fund	General Fund	135,752
Other governmental funds	General Fund	18,373
	Other governmental funds	<u>798,592</u>
Total		<u><u>\$ 3,335,769</u></u>

The transfer out of the General Fund was for the purpose of funding capital improvements in the Major Fund – PUE Renovations fund and to fund the vocational program, capital improvements and debt service in the Other Governmental Funds. The transfer from Other Governmental Funds to the General Fund was for indirect Costs. The transfers within the Other Governmental Funds were to fund capital improvements and debt service.

Note 4 – Restricted Assets

The restricted assets represent the cash balance, totaling \$ 735,243, of the Sixteenth Section Principal Fund (Permanent Fund) and debt service funds which are legally restricted and may not be used for purposes that support the district’s programs.

Note 5 – Capital Assets

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

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	Balance 7/1/2023	Increases	Decreases	Completed Construction	Adjustments	Balance 6/30/2024
Governmental Activities:						
<u>Non-depreciable capital assets:</u>						
Land	\$ 509,271					509,271
Construction-in-progress	2,852,092	3,028,499		(3,626,719)	(41,158)	2,212,714
Total non-depreciable capital assets	3,361,363	3,028,499	0	(3,626,719)	(41,158)	2,721,985
<u>Depreciable capital assets:</u>						
Buildings	9,989,750		(124,104)	3,626,719		13,492,365
Building improvements	9,917,376					9,917,376
Improvements other than buildings	4,065,788					4,065,788
Mobile equipment	2,644,910	151,356	(25,465)			2,770,801
Furniture and equipment	987,544	143,250			5,905	1,136,699
Total depreciable capital assets	27,605,368	294,606	(149,569)	3,626,719	5,905	31,383,029
<u>Less accumulated depreciation for:</u>						
Buildings	5,453,051	218,505	(7,446)		(37,303)	5,626,807
Building improvements	4,564,515	395,180				4,959,695
Improvements other than buildings	748,386	160,055				908,441
Mobile equipment	1,844,613	126,907	(22,919)		22,919	1,971,520
Furniture and equipment	875,451	81,398				956,849
Total accumulated depreciation	13,486,016	982,045	(30,365)	0	(14,384)	14,423,312
Total depreciable capital assets, net	14,119,352	(687,439)	(119,204)	3,626,719	20,289	16,959,717
Governmental activities capital assets, net	\$ 17,480,715	2,341,060	(119,204)	0	(20,869)	19,681,702
Lease assets, net (Note 6)						91,079
Subscription IT assets, net (Note 6)						33,568
Total capital assets, net, as reported in the statement of net position						\$ 19,806,349

Depreciation expense was charged to the following governmental functions:

	<u>Amount</u>
Governmental activities:	
Instruction	\$ 447,633
Support services	377,957
Non-instructional	156,455
Total depreciation expense - Governmental activities	\$ 982,045

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2024

	Spent to June 30, 2024	Remaining Commitment
Governmental Activities:		
Solar canopy installation	\$ 247,000	\$ 11,700
PUE Renovations	1,965,714	928,912
Total governmental activities	\$ 2,212,714	\$ 940,612

Construction projects included in governmental activities are funded with proceeds from the Educational Facilities Revolving Loan Fund and the general fund.

Note 6 – Intangible Right-to-Use Leases and Subscription Based IT Assets

A summary of lease and subscription IT asset activity during the year ended June 30, 2024 is as follows:

	Balance 7/1/2023	Additions	Remeasurments	Deductions	Balance 6/30/2024
Lease assets:					
Furniture and equipment	\$ 0	121,438			121,438
Total lease assets	0	121,438	0	0	121,438
Less accumulated amortization:					
Lease assets:					
Furniture and equipment		30,359			30,359
Total accumulated amortization	0	30,359	0	0	30,359
Total lease assets, net	0	91,079	0	0	91,079
Subscription IT assets	256,700	40,593	(25,569)	214,751	56,973
Less accumulated amortization	120,631	124,343	(6,818)	214,751	23,405
Subscription IT assets, net	136,069	(83,750)	(18,751)	0	33,568
Total lease and subscription IT assets, net	\$ 136,069	7,329	(18,751)	0	124,647

Amortization expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	\$ 154,702
Total amortization expense - Governmental activities	\$ 154,702

A summary of lease and subscription IT liabilities during the year ended June 30, 2024 is as follows:

	Balance 7/1/2023	Additions	Remeasurments	Deductions	Balance 6/30/2024	Amounts due within one year
Lease liabilities	\$ 0	121,438		27,630	93,808	28,963
Subscription IT liabilities	129,695	40,593	(8,590)	130,174	31,524	15,471
Total	\$ 129,695	162,031	(8,590)	157,804	125,332	44,434

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Leases

The school district is a lessee for various noncancellable 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 amortization 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 incremental borrowing rate as the discount rate for leases unless the rate that the lessor charges is known.

The lease term includes the noncancellable 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 terminated 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.

As Lessee:

The district has one (1) contract for copiers for a lease term of 48 months. The lease agreement can only be cancelled if both parties agree. There are no options to extend the lease agreement and no variable payment options.

For purposes of this note disclosure, leased equipment assets and liabilities are grouped into one category.

Description	Discount Rate	Term	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
		48				
Leased asset liability	7.50%	months	07/01/23	06/30/27	\$ 121,438	\$ 93,808

The principal and interest requirements to maturity are:

Year Ending June 30	Principal	Interest	Total
2025	\$ 28,963	\$ 6,053	\$ 35,016
2026	31,211	3,805	35,016
2027	33,634	1,382	35,016
Total	\$ 93,808	\$ 11,240	\$ 105,048

As Lessor:

Sixteenth Section Lands

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

The school district is a lessor for multiple leases on sixteenth section lands for residential, commercial and other leases. The majority of the district’s sixteenth section leases are commercial leases based on the Consumer Price Index (CPI) which causes the annual rental payment to change annually. The lease maturities range from 1 – 40 years. The net present value of future lease payments has been calculated using the 4% statutory minimum rate the district would pay on sixteenth section permanent fund loans. At lease inception, the district records a lease receivable and a deferred inflow of resources for future lease payments. The lease receivable is reduced by the principal portion of the payments received over the term of the lease. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

The District has included in its financial statements at year end the net present value of \$223,805 for future lease payments as a lease receivable and a deferred inflow of resources of \$269,519.

The total amount of inflows of resources including lease revenue and interest revenue recognized during the current fiscal year is \$52,500.

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

Year Ending		Principal	Interest	Total
June 30				
2025	\$	69,437	8,952	78,389
2026		68,102	6,175	74,277
2027		17,243	3,450	20,693
2028		17,933	2,761	20,694
2029		13,524	2,044	15,568
2030 – 2034		12,796	6,098	18,894
2035 – 2039		9,258	4,242	13,500
2040 – 2044		11,163	2,237	13,400
2045 – 2046		4,349	251	4,600
Total	\$	223,805	36,210	260,015

SBITA

The school district has contracts for multiple subscription-based IT arrangements for items such as software, user seats and various site licenses. For contracts that have a maximum possible term of 12 months or less at commencement, the school district recognizes expenses based on the provisions of the contract. For all other contracts, other than short term, the school district recognizes subscription liability and a right to use subscription assets.

At commencement, the school district initially measures the liability at the present value of payments expected during the subscription term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2024

of the subscription term, and capitalized implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the subscription asset is amortized in depreciation and amortization expense on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT asset.

The school district generally uses its estimated incremental borrowing rate as the discount rate unless the rate that the vendor charges is known. The estimated incremental borrowing rate is the rate the district would be charged for borrowing the subscription payment amount during the subscription term.

The subscription term includes the noncancellable period of the contract plus any additional periods covered by either a school district or vendor 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 vendor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the subscription term.

Description	Discount Rate	Term	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Subscription-based IT liabilities	2.8 - 4.49%	2-3 years	07/01/22	06/30/26	\$ 297,293	\$ 31,524

The following is a schedule by years of the total payments due on the Subscription-based IT assets:

Year Ending June 30	Principal	Interest	Total
2025	\$ 15,471	\$ 1,332	\$ 16,803
2026	16,053	680	16,733
Total	\$ 31,524	\$ 2,012	\$ 33,536

Note 7 – Long-term Liabilities

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

	Balance 7/1/2023	Additions	Reductions	Balance 6/30/2024	Amounts due within one year
A. Three mill notes payable	4,060,000		245,000	3,815,000	250,000
B. Installment purchases loans payable	44,783		44,783	0	0
C. Other loans payable	735,000	794,000	73,500	1,455,500	152,900
D. Compensated absences payable	280,079		47,220	232,859	18,629
Total	\$ 5,119,862	794,000	410,503	5,503,359	421,529

A. Three mill notes payable

Debt currently outstanding is as follows:

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Notes to the Financial Statements

For Year Ended June 30, 2024

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Limited Tax Notes, Series 2022	2.44%	4/12/2022	4/1/2037	\$ 4,300,000	3,815,000
Total				<u>\$ 4,300,000</u>	<u>3,815,000</u>

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

Year Ending June 30	Principal	Interest	Total
2025	250,000	93,086	343,086
2026	255,000	89,986	344,986
2027	265,000	80,764	345,764
2028	270,000	74,298	344,298
2029	280,000	67,710	347,710
2030 – 2034	1,500,000	233,142	1,733,142
2035 – 2037	995,000	48,922	1,043,922
Total	<u>\$ 3,815,000</u>	<u>687,908</u>	<u>4,502,908</u>

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

This debt is partially secured by an irrevocable pledge of building and bus fund revenues (\$63,592) to repay the debt through the fiscal year 2037 that the district receives from the State of Mississippi pursuant to the Education Enhancement Funds authorization, Section 37-61-33. Miss. Code Ann. (1972).

B. Installment purchases loans payable

This debt was paid off and retired from the Finance Lease PHS Scoreboard Fund (Debt Service Fund).

C. Other loans payable

The school district has issued debt instruments granted under the authority of the Educational Facilities Revolving Loan Fund (EFRLF) passed by the Mississippi Legislature designed to support public education infrastructure. The Loan Fund provides interest-free loans for public schools to use for facility improvements.

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. EFRLF Loan - 2023	0.00%	5/1/2023	5/1/2033	\$ 735,000	\$ 661,500
2. EFRLF Loan - 2024	0.00%	6/10/2024	5/31/2034	\$ 794,000	\$ 794,000
Total				<u>\$ 1,529,000</u>	<u>1,455,500</u>

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

1. Other loan payable issue of EFRLF Loan, 2023:

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
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For Year Ended June 30, 2024

Year Ending June 30	Principal	Interest	Total
2025	73,500	0	73,500
2026	73,500	0	73,500
2027	73,500	0	73,500
2028	73,500	0	73,500
2029	73,500	0	73,500
2030 – 2033	294,000	0	294,000
Total	\$ 661,500	\$ 0	\$ 661,500

This debt will be retired from the District Maintenance Fund (General Fund).

2. Other loan payable issue of EFRLF Loan, 2024

Year Ending June 30	Principal	Interest	Total
2025	79,400	0	79,400
2026	79,400	0	79,400
2027	79,400	0	79,400
2028	79,400	0	79,400
2029	79,400	0	79,400
2030 – 2034	397,000	0	397,000
Total	\$ 794,000	\$ 0	\$ 794,000

This debt will be retired from the District Maintenance Fund (General Fund).

Total other loans payments for all issues:

Year Ending June 30	Principal	Interest	Total
2025	\$ 152,900	0	152,900
2026	152,900	0	152,900
2027	152,900	0	152,900
2028	152,900	0	152,900
2029	152,900	0	152,900
2030 – 2034	691,000	0	691,000
Total	\$ 1,455,500	\$ 0	1,455,500

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.

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, 2024 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, 2024, 2023 and 2022 were \$2,276,602, \$2,132,083 and \$1,974,736, 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, 2024, the school district reported a liability of \$41,575,383 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2024 net pension liability was .165301 percent, which was based on a measurement date of June 30, 2023. This was an increase of .000447 percent from its proportionate share used to calculate the June 30, 2023 net pension liability, which was based on a measurement date of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$7,646,426. At June 30, 2024, the District

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,149,696	\$ 398,678
Net difference between projected and actual earnings on pension plan investments	1,301,294	
Changes of assumptions	5,179,885	1,657,968
Changes in proportion and differences between District contributions and proportionate share of contributions	200,766	
District contributions subsequent to the measurement date	2,276,602	
Total	\$ 10,108,243	\$ 2,056,646

\$2,276,602 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, 2025. 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:	
2025	\$ 2,044,816
2026	2,044,816
2027	1,360,039
2028	325,324

Actuarial assumptions. The total pension liability as of June 30, 2023 was determined by actuarial valuation prepared as of June 30, 2022, by the new actuarial assumptions adopted by the Board subsequent to June 30, 2022 valuation based on the experience investigation for the four-year period ending June 30, 2022, and by the investment experience for the fiscal year ending June 30, 2023. 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	7.00 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, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2024

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

<u>Asset Class</u>	<u>Target Allocation</u>	%	<u>Long-Term Expected Real Rate of Return</u>	%
Domestic Equity	27.00	%	4.75	%
International Equity	22.00		4.75	
Global Equity	12.00		4.95	
Fixed Income	20.00		1.75	
Real Estate	10.00		3.25	
Private Equity	8.00		6.00	
Cash Equivalents	1.00		0.25	
Total	100	%		

Discount rate. The discount rate used to measure the total pension liability was 7.00 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 phased in to 22.40 percent over three fiscal years (17.40 percent for FYE 2024, 19.40 percent for FYE 2025, 21.40 percent for FYE 2026, and 22.40 percent for FYE 2027). 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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District’s proportionate share of the net pension liability	\$ 53,612,511	\$ 41,575,383	\$ 31,697,583

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

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 \$53,969 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$1,254,670 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2023, the District's proportion was .22673059 percent. This was an increase of .00203547 percent from the proportionate share as of the measurement date of June 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of (\$59,407). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 205,665	\$ 354,226
Changes of assumptions	112,087	94,388
Net difference between projected and actual earnings on OPEB plan investments	77	
Changes in proportion and differences between District contributions and proportionate share of contributions	89,281	13,869
District contributions subsequent to the measurement date	53,969	
Total	\$ 461,079	\$ 462,483

\$53,969 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, 2025. 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:		
2025	\$	(29,376)
2026		(45,396)
2027		(21,045)
2028		3,638
2029		22,664
Thereafter		14,142

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, 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	3.66%	
Prior Measurement Date	3.37%	
Year FNP is projected to be depleted		
Measurement Date	2023	
Prior Measurement Date	2022	
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation		
Measurement Date	3.66%	
Prior Measurement Date	3.37%	
Health Care Cost Trends		
Medicare Supplement Claims	6.50% for 2024 decreasing to an ultimate	

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2024

Pre-Medicare

rate of 4.50% by 2029 FYE

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, 2023 valuation were based on the results of the last actuarial experience study, dated April 21, 2023.

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, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 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, 2023 was 3.66 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.37% to 3.66%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2023, the trust has \$1,067,750. 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, 2022 and the June 30, 2023 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2023 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.66 percent) or 1-percentage-point higher (4.66 percent) than the current discount rate:

	1% Decrease (2.66%)	Current Discount Rate (3.66%)	1% Increase (4.66%)
Net OPEB liability	\$ 1,374,298	\$ 1,254,670	\$ 1,150,952

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

	1% Decrease	Healthcare Cost Trend Rates Current	1% Increase
Net OPEB liability	\$ 1,169,080	\$ 1,254,670	\$ 1,350,532

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/>.

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

Note 10 – Adjustments and Restatements of Beginning Balances

Correction of an Error in Previously Issued Financial Statements

Capital assets decreased by \$41,158 to reflect items that were previously reflected as construction in progress that was for renovations that should not have been capitalized. Accumulated depreciation decreased by \$14,384 to correctly stated accumulated depreciation in buildings and mobile equipment and increase of \$5,905 in furniture and equipment.

Additionally, subscription IT assets decreased by \$18,751 including the current year amortization due to a remeasurement for an agreement that was originally through to be renewed for three years but was only renewed for one year. The subscription IT liability obligation associated with this agreement was decreased by \$8,590.

Adjustments to and Restatements of Beginning Balances

During fiscal year 2024, error corrections resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances
	Government-Wide
	Governmental Activities
June 30, 2023, as previously reported	(405,786)
Error correction	(31,030)
June 30, 2023, as adjusted or restated	(436,816)

Note 11 – Contingencies

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

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

Note 12 – Risk Management

The school district is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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.

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Notes to the Financial Statements

For Year Ended June 30, 2024

Note 13 – Alternative School Consortium

The school district entered into an Alternative School Agreement dated June 14, 2010 creating the Pearl River Central Center for Alternative Education. This consortium was created pursuant to the provisions of Section 37-13-92 (6), Miss. Code Ann. (1972), and approved by the Mississippi Department of Education and includes the Pearl River County School District and Poplarville Special Municipal Separate School District.

Section 37-13-92 (6), Miss. Code Ann. (1972), allows two or more adjacent school districts to enter into a contract to operate an alternative school program. The school board of the school district designated by the agreement as the lead district will serve as the governing board of the alternative school program. Transportation for students attending the alternative school program will be the responsibility of the individual school district sending the students.

The Pearl River County School District has been designated as the lead school district for the Pearl River Central Center for Alternative Education and the operations of the consortium are included in its financial statements.

Note 14 - Insurance loss recoveries

The Poplarville School District received \$7,027 in insurance loss recoveries related to lightening damage during the 2023-2024 fiscal year. In the government-wide Statement of Activities, the insurance loss recoveries were reported as other general revenue.

Note 15 – Effect of Deferred Amounts on Net Position

The unrestricted net position amount of (\$21,046,837) 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 \$2,276,602 resulting from the school district contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The \$7,831,641 balance of deferred outflow of resources related to pensions, at June 30, 2024 will be recognized as an expense and will decrease the unrestricted net position over the next 4 years.

The unrestricted net position amount of (\$21,046,837) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$2,056,646 balance of deferred inflow of resources related to pensions, at June 30, 2024 will be recognized as revenue and will increase the unrestricted net position over the next 3 years.

The unrestricted net position amount of (\$21,046,837) 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 \$53,969 resulting from the school district contribution subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. The \$407,110 balance of deferred outflow of resources related to OPEB, at June 30, 2024 will be recognized as an expense and will decrease the unrestricted net position over the next 6 years.

The unrestricted net position amount of (\$21,046,837) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$462,483 balance of deferred inflow of resources related to OPEB, at June 30, 2024 will be recognized as revenue and will increase the unrestricted net position over the next 6 years.

The unrestricted net position amount of (\$21,046,837) includes the effect of deferring the recognition of revenue resulting

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Financial Statements
For Year Ended June 30, 2024

from a deferred inflow from leases. The \$269,519 balance of deferred inflow of resources related to leases, at June 30, 2024 will be recognized as revenue and will increase the unrestricted net position over the next 22 years.

Note 16 – Juvenile Detention Center

The school district was required to participate in the Rankin County Juvenile Detention Center. This consortium was created pursuant to the provisions of Section 43-21-321, Mississippi Code Ann. (1972), and approved by the Mississippi Department of Education and includes the Bay St. Louis-Waveland School District, Copiah County School District, Covington County School District, Enterprise School District, Forest Municipal School District, Hancock County School District, Hazlehurst City School District, Philadelphia Public School District, Lauderdale County School District, Lawrence County School District, Leake County School District, Meridian Public School District, Neshoba County School District, Newton Municipal School District, Newton County School District, Pearl Public School District, Pearl River County School District, Picayune School District, Poplarville Special Municipal Separate School District, Quitman School District, Rankin County School District, Scott County School District, Simpson County School District, Smith County School District, Stone County School District and Union Public School District.

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 Poplarville School District evaluated the activity of the district through March 25, 2025, (the date the financial statements were available to be issued), and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
 Budgetary Comparison Schedule for the General Fund
 For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
	Revenues				
Local sources	\$ 6,351,317	6,845,631	6,715,117	494,314	(130,514)
State sources	12,140,207	12,184,595	12,184,595	44,388	0
Federal sources	43,370	34,665	34,665	(8,705)	0
Sixteenth section sources	99,998	320,735	433,240	220,737	112,505
Total Revenues	<u>18,634,892</u>	<u>19,385,626</u>	<u>19,367,617</u>	<u>750,734</u>	<u>(18,009)</u>
Expenditures					
Instruction	10,342,003	10,274,044	10,353,683	67,959	(79,639)
Support services	6,648,914	6,595,630	6,581,787	53,284	13,843
Sixteenth section	22,922	8,287	8,287	14,635	0
Debt service					
Principal	0	0	87,194	0	(87,194)
Interest	0	0	9,041	0	(9,041)
Total Expenditures	<u>17,013,839</u>	<u>16,877,961</u>	<u>17,039,992</u>	<u>135,878</u>	<u>(162,031)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,621,053</u>	<u>2,507,665</u>	<u>2,327,625</u>	<u>886,612</u>	<u>(180,040)</u>
Other Financing Sources (Uses)					
Leases issued	0	0	121,438	0	121,438
SBITAs issued	0	0	40,593	0	40,593
Insurance loss recoveries	0	7,027	7,027	7,027	0
Operating transfers in	2,253,471	4,076,991	154,125	1,823,520	(3,922,866)
Operating transfers out	(3,120,889)	(6,305,917)	(2,383,052)	(3,185,028)	3,922,865
Total Other Financing Sources (Uses)	<u>(867,418)</u>	<u>(2,221,899)</u>	<u>(2,059,869)</u>	<u>(1,354,481)</u>	<u>162,030</u>
Net Change in Fund Balances			<u>267,756</u>		
Fund Balances					
July 1, 2023			<u>13,698,126</u>		
June 30, 2024			<u>\$ 13,965,882</u>		

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
 Budgetary Comparison Schedule for the Major Special Revenue Fund - ARP ESSER III Fund
 For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
	Revenues				
Federal sources	\$ 1,000,000	1,000,000	747,854	0	(252,146)
Total Revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>747,854</u>	<u>0</u>	<u>(252,146)</u>
Expenditures					
Instruction	1,000,000	358,512	238,159	641,488	120,353
Support services	0	491,660	373,943	(491,660)	117,717
Total Expenditures	<u>1,000,000</u>	<u>850,172</u>	<u>612,102</u>	<u>149,828</u>	<u>238,070</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>149,828</u>	<u>135,752</u>	<u>149,828</u>	<u>(14,076)</u>
Other Financing Sources (Uses)					
Operating transfers out	0	(228,686)	(135,752)	(228,686)	92,934
Total Other Financing Sources (Uses)	<u>0</u>	<u>(228,686)</u>	<u>(135,752)</u>	<u>(228,686)</u>	<u>92,934</u>
Net Change in Fund Balances			<u>0</u>		
Fund Balances					
July 1, 2023			<u>0</u>		
June 30, 2024			\$ <u><u>0</u></u>		

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.165301%	0.164854%	0.160050%	0.159949%	0.163054%
District's proportionate share of the net pension liability	41,575,383	33,932,952	23,656,089	30,964,268	28,684,416
District's covered payroll	12,253,351	11,349,057	10,641,701	10,650,626	9,612,264
District's proportionate share of the net pension liability as a percentage of its covered payroll	339.30%	298.99%	222.30%	290.73%	298.41%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.157137%	0.164804%	0.166415%	0.175200%	0.157218%
District's proportionate share of the net pension liability	26,136,551	27,396,018	29,725,873	27,082,464	19,083,386
District's covered payroll	10,034,686	10,572,273	10,645,981	10,945,498	9,606,838
District's proportionate share of the net pension liability as a percentage of its covered payroll	260.46%	259.13%	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented in FYE 6/30/2015 and the District has compiled a full 10-year trend.

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Schedule of District Contributions
PERS
Last 10 Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,276,602	2,132,083	1,974,736	1,851,656	1,853,209
Contributions in relation to the contractually required contribution	2,276,602	2,132,083	1,974,736	1,851,656	1,853,209
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
District's covered payroll	\$ 13,083,920	12,253,351	11,349,057	10,641,701	10,650,626
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	17.40%

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,672,534	1,580,463	1,665,133	1,676,742	1,723,916
Contributions in relation to the contractually required contribution	1,672,534	1,580,463	1,665,133	1,676,742	1,723,916
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
District's covered payroll	\$ 10,619,263	10,034,686	10,572,273	10,645,981	10,945,498
Contributions as a percentage of covered payroll	15.75%	15.75%	15.75%	15.75%	15.75%

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

This schedule is presented to illustrate the requirement to show information for 10 years. GASB Statement No. 68 was implemented in FYE 6/30/2015 and the District has compiled a full 10-year trend.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net OPEB liability	0.22673059%	0.22469512%	0.21835826%	0.21011990%
District's proportionate share of the net OPEB liability	\$ 1,254,670	1,107,037	1,405,533	1,635,101
Covered employee payroll	\$ 12,253,351	11,349,057	9,725,458	10,125,997
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	10.24%	9.75%	14.45%	16.15%
Plan fiduciary net position as a percentage of the total OPEB liability	0.19%	0.21%	0.16%	0.13%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
District's proportion of the net OPEB liability	0.21506346%	0.21072765%	0.20445351%	
District's proportionate share of the net OPEB liability	\$ 1,824,902	1,630,084	1,604,161	
Covered employee payroll	\$ 9,848,672	9,531,068	9,185,534	
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	18.53%	17.10%	17.46%	
Plan fiduciary net position as a percentage of the total OPEB liability	0.12%	0.13%	0.00%	

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

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

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Schedule of District Contributions
OPEB
Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 53,969	55,016	45,114	56,493
Contributions in relation to the actuarially determined contribution	53,969	55,016	45,114	56,493
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered employee payroll	\$ 13,083,920	12,253,351	11,349,057	9,725,458
Contributions as a percentage of covered employee payroll	0.41%	0.45%	0.40%	0.58%

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 65,208	73,148	68,388
Contributions in relation to the actuarially determined contribution	65,208	73,148	68,388
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>
Covered employee payroll	\$ 9,071,101	8,922,511	9,405,406
Contributions as a percentage of covered employee payroll	0.72%	0.82%	0.73%

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 6/30/2018, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available. Prior year information is based on historical amounts reported in prior year audit report(s).

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

Budgetary Comparison Schedule

(1) Basis of Presentation

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

(2) Budget Amendments and Revisions

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

Pension Schedules

(1) *Changes of assumptions*

2015:

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

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

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

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

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

2016:

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

2017:

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

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

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

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

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%.

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

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

2023:

The investment rate of return assumption was changed from 7.55% to 7.00%.

The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.

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

The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.

For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.

The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.

The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

(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, 2021 valuation for the June 30, 2023 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	26.7 years
Asset valuation method	5-year smoothed market
Price Inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.55 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.

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

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.

2023: The discount rate was changed from 3.37% for the prior Measurement Date to 3.66% for the current Measurement Date. Withdrawal rates, disability rates, service retirement rates and salary merit rates were adjusted to reflect actual experience more closely.

(2) *Changes in benefit provisions*

2017: None

2018: None

2019: None

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

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

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.

2023: The schedule of monthly retiree contributions was increased as of January 1, 2024. In addition, the in-network medical deductible was increased for the Base Family coverage beginning January 1, 2024.

(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, 2022 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2023:

Actuarial cost method	Entry age
Amortization method	Level dollar

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75%
Salary increases, including wage inflation	3.00% to 18.25%
Initial health care cost trend rates	
Medicare Supplement Claims	7.00%
Pre-Medicare	
Ultimate health care cost trend rates	
Medicare Supplement Claims	4.50%
Pre-Medicare	
Year of ultimate trend rates	
Medicare Supplement Claims	2029
Pre-Medicare	
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.37%

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SUPPLEMENTARY INFORMATION

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POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	Assistance Listing No.	Pass-through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Passed-through Mississippi Department of Education:			
Child nutrition cluster:			
School breakfast program	10.553	245MS326N1099	\$ 281,605
National school lunch program	10.555	245MS326N1099	961,666
National school lunch program - donated commodities	10.555	245MS326N1099	59,334
Total national school lunch program			<u>1,021,000</u>
Total child nutrition cluster			<u>1,302,605</u>
Total passed-through Mississippi Department of Education			<u>1,302,605</u>
Total U.S. Department of Agriculture			<u>1,302,605</u>
 <u>U.S. Department of Education</u>			
Passed-through Mississippi Department of Education:			
Title I - grants to local educational agencies	84.010A	S010A230024	661,155
Title V Rural education	84.358B	S358B230024	55,331
Supporting effective instruction - state grants	84.367A	S367A230023	7,810
Student support and academic enrichment program	84.424A	S424A230025	16,461
Total			<u>740,757</u>
Education stabilization funds:			
COVID-19 - Education stabilization fund (ESSER) II	84.425D	S425D210031	141,613
COVID-19 - Education stabilization fund (ESSER) ARP III	84.425U	S425U210031	747,854
COVID-19 - ESSER II - Healthy Schools	84.425D	S425D210031	7,440
COVID-19 - ESSER II - Healthy Schools - Yr 3	84.425D	S425D210031	120,926
COVID-19 - ARP Homeless II	84.425W	S425W210025	11,199
Total education stabilization funds			<u>1,029,032</u>
Special education cluster:			
Special education - grants to states	84.027A	H027A230108	602,970
Special Education - Positive Behavior Specialist	84.027A	H027A230108	7,795
Total special education - grants to states			<u>610,765</u>
Special education - preschool grants	84.173A	H173A230113	17,751
Total special education cluster			<u>628,516</u>
Total passed-through Mississippi Department of Education			<u>2,398,305</u>
Total U.S. Department of Education			<u>2,398,305</u>
 <u>U.S. Department of Health and Human Services</u>			
Passed-through Mississippi Department of Education:			
Medicaid cluster:			
Medical assistance program	93.778	2405MS5ADM	9,395
Total Medicaid cluster			<u>9,395</u>
Total passed-through Mississippi Department of Education			<u>9,395</u>
Total U.S. Department of Health and Human Services			<u>9,395</u>
Total for All Federal Awards			<u>\$ 3,710,305</u>

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

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT

Notes to the Supplementary Information

For the Year Ended June 30, 2024

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(5) Other Items

As allowed by federal regulations, the school district elected to transfer program funds. The district expended \$85,542 from its Supporting Effective Instruction - State Grants ALN# 84.367 and \$26,069 from Student Support and Academic Enrichment Program ALN# 84.424 on allowable activities of the Title I - Grants to Local Educational Agencies ALN# 84.010. These amounts are reflected in the expenditures of Title I - Grants to Local Educational Agencies.

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
 Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds
 For the Year Ended June 30, 2024

<u>Expenditures</u>	<u>Total</u>	<u>Instruction and Other Student Instructional Expenditures</u>	<u>General Administration</u>	<u>School Administration</u>	<u>Other</u>
Salaries and fringe benefits	\$ 16,980,062	12,371,598	1,060,743	1,343,253	2,204,468
Other	<u>8,643,797</u>	<u>1,654,650</u>	<u>256,633</u>	<u>19,806</u>	<u>6,712,708</u>
Total	<u>25,623,859</u>	<u>14,026,248</u>	<u>1,317,376</u>	<u>1,363,059</u>	<u>8,917,176</u>
 Total number of students	<u>1,670</u>				
 Cost per student	<u>\$ 15,344</u>	<u>8,399</u>	<u>789</u>	<u>816</u>	<u>5,340</u>

Notes to the schedule.

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

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

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

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

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

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

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OTHER INFORMATION

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

UNAUDITED

	2024	2023*	2022*	2021*
Revenues				
Local sources	\$ 6,715,117	6,463,790	6,077,783	5,927,897
State sources	12,184,595	11,415,314	9,703,199	9,534,846
Federal sources	34,665	9,167	45,540	59,972
Sixteenth section sources	433,240	434,341	80,116	345,042
Total Revenues	<u>19,367,617</u>	<u>18,322,612</u>	<u>15,906,638</u>	<u>15,867,757</u>
Expenditures				
Instruction	10,353,683	10,138,447	9,181,934	8,707,766
Support services	6,581,787	6,087,804	5,846,257	5,424,180
Noninstructional services	0	11,237	0	8,236
Sixteenth section	8,287	26,983	13,849	7,776
Facilities acquisition and construction	0	184,000	63,000	0
Debt service				
Principal	87,194	49,087	0	0
Interest	9,041	0	0	0
Total Expenditures	<u>17,039,992</u>	<u>16,497,558</u>	<u>15,105,040</u>	<u>14,147,958</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,327,625</u>	<u>1,825,054</u>	<u>801,598</u>	<u>1,719,799</u>
Other Financing Sources (Uses)				
Installment purchase	0	0	88,188	0
Leases issued	121,438	0	0	0
SBITAs issued	40,593	110,494	0	0
Insurance loss recoveries	7,027	22,787	5,969	24,263
Sale of transportation equipment	0	0	8,427	0
Operating transfers in	154,125	120,991	2,088,735	57,318
Operating transfers out	(2,383,052)	(567,055)	(2,221,484)	(229,506)
Total Other Financing Sources (Uses)	<u>(2,059,869)</u>	<u>(312,783)</u>	<u>(30,165)</u>	<u>(147,925)</u>
Net Change in Fund Balances	<u>267,756</u>	<u>1,512,271</u>	<u>771,433</u>	<u>1,571,874</u>
Fund Balances:				
Beginning of period, as previously reported	13,698,126	12,205,250	11,433,817	9,861,943
Accounting changes or error corrections	0	(19,395)	0	0
Beginning of period, as restated	<u>13,698,126</u>	<u>12,185,855</u>	<u>11,433,817</u>	<u>9,861,943</u>
End of period	<u>\$ 13,965,882</u>	<u>13,698,126</u>	<u>12,205,250</u>	<u>11,433,817</u>

* Source - Prior year audit reports.

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Funds
Last Four Years

UNAUDITED

	2024	2023*	2022*	2021*
Revenues				
Local sources	\$ 7,351,454	7,115,145	6,478,486	6,332,564
State sources	12,779,455	11,942,440	10,425,737	10,435,289
Federal sources	3,448,803	3,732,415	5,764,252	3,696,098
Sixteenth section sources	473,605	459,715	80,688	378,793
Total Revenues	24,053,317	23,249,715	22,749,163	20,842,744
Expenditures				
Instruction	11,824,981	12,041,786	11,315,536	11,225,385
Support services	8,952,445	7,968,085	7,208,180	6,697,226
Noninstructional services	1,149,747	1,151,986	1,008,602	910,167
Sixteenth section	19,883	33,756	20,206	20,895
Facilities acquisition and construction	3,028,499	3,473,510	1,995,472	0
Debt service				
Principal	521,087	410,410	3,000,000	0
Interest	127,217	104,122	48,195	0
Other		0	0	2,850
Total Expenditures	25,623,859	25,183,655	24,596,191	18,856,523
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,570,542)	(1,933,940)	(1,847,028)	1,986,221
Other Financing Sources (Uses)				
Bonds and notes issued	794,000	735,000	4,300,000	0
Installment purchase		0	88,188	0
Leases issued	121,438	0	0	0
SBITAs issued	40,593	256,700	0	0
Insurance loss recoveries	7,027	22,787	5,969	24,263
Sale of transportation equipment	0	0	8,427	0
Operating transfers in	3,335,769	1,102,625	5,977,833	287,595
Other financing sources	0	0	0	302,881
Operating transfers out	(3,335,769)	(1,102,625)	(5,977,833)	(287,595)
Payment to QSCB escrow agent	0	0	(285,570)	0
Payment held by QSCB escrow agent	0	0	285,570	0
Other financing uses	0	0	0	(302,881)
Total Other Financing Sources (Uses)	963,058	1,014,487	4,402,584	24,263
Net Change in Fund Balances	(607,484)	(919,453)	2,555,556	2,010,484
Fund Balances:				
Beginning of period, as previously reported	16,782,513	17,724,117	15,158,680	13,197,325
Accounting changes or error corrections	0	(19,395)	0	0
Beginning of period, as restated	16,782,513	17,704,722	15,158,680	13,197,325
Increase (Decrease) in reserve for inventory	(11,253)	(2,756)	9,881	(49,129)
End of period	\$ 16,163,776	16,782,513	17,724,117	15,158,680

* Source - Prior year audit reports.

REPORTS ON INTERNAL CONTROLS AND COMPLIANCE

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ST. CLAIR CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

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

Independent Auditor's Report

Superintendent and School Board
Poplarville Special Municipal Separate School District

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Poplarville Special Municipal Separate School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Poplarville Special Municipal Separate School District's basic financial statements, and have issued my report thereon dated March 25, 2025.

Report on Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Poplarville Special Municipal Separate School District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

St. Clair CPA, PLLC

St. Clair CPA, PLLC
Carriere, MS
March 25, 2025

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ST. CLAIR CPA, PLLC
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

Superintendent and School Board
Poplarville Special Municipal Separate School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Poplarville Special Municipal Separate 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 Poplarville Special Municipal Separate School District's major federal programs for the year ended June 30, 2024. Poplarville Special Municipal Separate School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Poplarville Special Municipal Separate 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, 2024.

Basis for Opinion on Each Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Poplarville Special Municipal Separate 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 Poplarville Special Municipal Separate 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 Poplarville Special Municipal Separate School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

compliance described in the accompanying schedule of findings and questioned costs as item [2024-001] to be a significant deficiency.

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

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

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

St. Clair CPA, PLLC

St. Clair CPA, PLLC
Carriere, MS
March 25, 2025

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

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

Superintendent and School Board
Poplarville Special Municipal Separate School District

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Poplarville Special Municipal Separate School District as of and for the year ended June 30, 2024, which collectively comprise Poplarville Special Municipal Separate School District's basic financial statements and have issued my report thereon dated March 25, 2025. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

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

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

The results of procedures performed to test compliance with certain other state laws and regulations and my audit of the financial statements disclosed the following immaterial instance of noncompliance with other state laws and regulations. My finding and recommendation and Poplarville Special Municipal Separate School District's response are as follows:

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Finding – PERS Retirees

CRITERIA: *Section 25-11-127(4)(a)(b), Mississippi Code Annotated (1972)*, states , “The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either: (a) For a period of time not to exceed one-half (1/2) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half (1/2) of the salary in effect for the position at the time of employment, or (b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of the retiree’s average compensation.”

CONDITION: During the testing of the district’s PERS Form 4Bs, I noted one (1) instance out of a sample of two (2) in which the PERS retiree was paid more than the allowed salary by PERS, totaling \$1,666.60.

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

EFFECT: The district is not in compliance with *Section 25-11-127(4)(a)(b), Miss. Code of 1972*.

RECOMMENDATION: It is recommended that Poplarville Special Municipal Separate School District strengthen controls to ensure compliance with *Section 25-11-127(4)(a)(b), Mississippi Code Annotated (1972)* to ensure retirees are properly paid and do not make more than allowed on their Form 4Bs.

DISTRICT’S RESPONSE: Poplarville School District has developed an internal control that will help prevent this finding in the future. All school/department bookkeepers will maintain records that track the cumulative hours worked by retirees to ensure they are properly paid and do not make more than allowed on their Forms 4Bs.

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

The Poplarville Special Municipal Separate School District’s response to the finding included in this report was not audited and, accordingly, I express no opinion on it.

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

St. Clair CPA, PLLC

St. Clair CPA, PLLC
Carriere, MS
March 25, 2025

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2024

Section I: Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

- | | |
|---|------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified? | Yes |
| 5. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes |
| 7. Federal program identified as major program: | |

Assistance Listing

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
10.553 & 10.555	Child Nutrition cluster
84.027A, 84.173A	Special education cluster

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

Section II: Financial Statement Findings

The results of my tests did not disclose any findings related to the financial statements that are required to be reported under the *Government Auditing Standards*.

Section III: Federal Award Findings and Questioned Costs

Significant deficiency identified that is not considered to be material weaknesses.

Finding 2024-001

Program ALN: 84.027A & 84.173A	Program Title: Special Education – Grants to States (Special Education Cluster)
	Passed through the Mississippi Department of Education
Compliance Requirement:	Procurements, Suspension, Debarment

POPLARVILLE SPECIAL MUNICIPAL SEPARATE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

CONDITION: The school district failed to acquire documentation (price quotes) to demonstrate that competitive purchasing requirements were met for one instance or program expenditures from a service vendor that exceeded \$10,000.
CRITERIA: The federal office of Management and Budget sets forth uniform guidance for the administration of federal grant awards. The district is charged with the responsibility of designing and implementing a set of internal controls to ensure compliance with competitive purchasing requirements of the grant award. For all purchases of goods and services exceeding the micro-purchase threshold amount of \$10,000, the district must show that competitiveness was introduced into the purchasing process through quotes or formal bid process. Price and rate quotations must be obtained from an adequate number of qualified sources for purchases falling within this range. The discretion of determining the adequate number of qualified sources is left to the nonfederal entity.

CAUSE OF CONDITION: The cause of this condition appears to be oversight by management.

POTENTIAL EFFECT OF CONDITION: This condition could result in noncompliance with federal program guidelines and possible questioned cost to the program.

QUESTIONED COST: None

PREVALENCE OF THE CONDITION: This appears to be an isolated matter.

REPEAT FINDING: This is not a repeat finding.

RECOMMENDATION: It is recommended that the school district acquire an adequate number of vendor quotes when the program expenditures are between \$10,000 and \$250,000.

VIEWS OF RESPONSIBLE OFFICIAL(S): In agreement. See the school district response in the Corrective Action Plan in this report.

AUDITEE'S CORRECTIVE ACTION PLAN

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Corrective Action Plan

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (UG), the Poplarville Special Municipal Separate School District has prepared and hereby submits the following corrective action plan for the finding included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2024.

Finding 2024-001

Corrective Action Plan

- a. Contact person responsible for corrective action: The Special Services Director
- b. Description of correction action to be taken: The Special Services Director will obtain quotes for all services provided to SPED students of the Poplarville School District before the beginning of each fiscal year. This process will be completed according to the state and federal procurement laws and regulations. This process will ensure that all the services performed to students are based on a competitive selection process.
- c. Anticipated completion date of corrective action: This process will be implemented immediately.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J Will', is written over the printed name and title.

Jonathan Will
Superintendent of Education

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