



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

TUNICA COUNTY SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2024

TUNICA COUNTY SCHOOL DISTRICT

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	14
Government-wide Financial Statements	
Exhibit A – Statement of Net Position	15
Exhibit B – Statement of Activities	16
Governmental Funds Financial Statements	
Exhibit C – Balance Sheet	17
Exhibit C-1 – Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Exhibit D – Statement of Revenues, Expenditures and Changes in Fund Balances	19
Exhibit D-1 – Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	20
Notes to the Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION	43
Budgetary Comparison Schedule – General Fund	44
Budgetary Comparison Schedule – ESSER III ARP Fund	45
Schedule of the District's Proportionate Share of the Net Pension Liability	46
Schedule of the District Contributions (PERS)	47
Schedule of the District's Proportionate Share of the Net OPEB Liability	48
Schedule of the District Contributions (OPEB)	49
Notes to the Required Supplementary Information	50
SUPPLEMENTARY INFORMATION	55
Schedule of Expenditures of Federal Awards	56
Schedule of Instructional, Administrative and Other Expenditures – Governmental Funds	58
OTHER INFORMATION	59
Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund, Last Four Years	60
Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Funds, Last Four Years	61
REPORTS ON INTERNAL CONTROL AND COMPLIANCE	62
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 <i>Government Auditing Standards</i>	63
Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance	65
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS	67
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	69
SUMMARY OF PRIOR YEAR AUDIT FINDINGS	72

INDEPENDENT AUDITOR'S REPORT



McKENZIE CPA, PLLC

346 Sundial Rd
Madison, MS 39110
(Phone) 601-670-5282 (Email) barrymckenzie@mckenziecpallc.com

INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board
Tunica County School District

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tunica County 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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tunica County School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Expenditures of Federal Awards and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds

are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2026, on our consideration of the Tunica County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tunica County School District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tunica County School District's internal control over financial reporting and compliance.

McKenzie CPA, PLLC
Madison, Mississippi
March 31, 2026

A handwritten signature in blue ink that reads "McKenzie CPA, PLLC". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

TUNICA COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

The following discussion and analysis of Tunica County 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 increased \$3,680,015, including an error correction of (\$449,168), which represents a 34% increase from fiscal year 2023. Total net position for 2023 increased \$3,319,678, which represents a 44% increase from fiscal year 2022.
- General revenues amounted to \$22,716,637 and \$23,945,654, or 59% and 71% 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 \$15,707,742, or 41% of total revenues for 2024, and \$9,917,086, or 29% of total revenues for 2023.
- The district had \$34,295,196 and \$30,543,062 in expenses for fiscal years 2024 and 2023; only \$15,707,742 for 2024 and \$9,917,086 for 2023 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$22,716,637 for 2024 and general revenues of \$23,945,654 for 2023 were adequate to provide for these programs.
- Among major funds, the General Fund had \$23,368,762 in revenues and \$22,255,835 in expenditures for 2024, and \$23,842,080 in revenues and \$25,181,825 in expenditures in 2023. The General Fund's fund balance increased by \$1,356,832, including an error correction of (\$28,708), from 2023 to 2024, and increased by \$260,787, from 2022 to 2023.
- Capital assets, including the right to use subscription-based IT assets and net of accumulated depreciation/amortization, increased by \$5,323,808, including an adjustment of (\$237,168), for 2024 and increased by \$10,239,846 for 2023. The increase for 2024 is due to the addition of construction in progress, mobile equipment and furniture and equipment.
- Long-term debt, including compensated absences and SBITA obligations, decreased by \$1,394,948 for 2024 and increased by \$7,351,294 for 2023. This decrease for 2024 was due primarily to principal payments on outstanding long-term debt. The liability for compensated absences increased by \$2,035 for 2024 and decreased by \$525 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.

TUNICA COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

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, pension expense, OPEB expense, and interest on long-term liabilities.

Fund Financial Statements

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

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

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

TUNICA COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

statements but are not reported on governmental funds financial statements.

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

Notes to the financial statements

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of the district's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,549,250 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 of capital assets.

TUNICA COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percentage Change</u>
Current assets	\$ 30,280,977	\$ 29,295,806	3.36 %
Restricted assets	1,369,112	1,494,461	(8.39) %
Capital assets, net	31,735,665	26,411,857	20.16 %
Total assets	<u>63,385,754</u>	<u>57,202,124</u>	10.81 %
Deferred outflows of resources	<u>12,812,684</u>	<u>7,512,749</u>	70.55 %
Current liabilities	1,335,334	1,372,665	(2.72) %
Long-term debt outstanding	1,970,937	2,018,475	(2.36) %
SBITA liability	5,519,385	6,866,795	(19.62) %
Net OPEB liability	1,447,300	1,271,607	13.82 %
Net pension liability	50,518,187	40,812,416	23.78 %
Total liabilities	<u>60,791,143</u>	<u>52,341,958</u>	16.14 %
Deferred inflows of resources	<u>858,045</u>	<u>1,503,680</u>	(42.94) %
Net position:			
Net investment in capital assets	26,053,280	19,545,062	33.30 %
Restricted	2,930,086	3,389,765	(13.56) %
Unrestricted	(14,434,116)	(12,065,592)	(19.63) %
Total net position	<u>\$ 14,549,250</u>	<u>\$ 10,869,235</u>	33.86 %

Error corrections that impacted prior fiscal years were made during the fiscal year ending June 30, 2024. Additional information and further explanation can be found in Note 13 of this report. Due to the immateriality of the result upon the affected funds, restatement to the individual impacted line items of the prior periods were not made to this schedule.

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)	\$ (14,434,116)
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	40,010,848
Unrestricted net position, exclusive of the net pension liability and net OPEB liability effect	<u>\$ 25,576,732</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 \$5,323,808, including right to use assets - SBITAs.
- The principal retirement of \$947,154 of long-term debt.
- Issuance of Shortfall Notes payable in the amount of \$685,581.

TUNICA COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2024 and June 30, 2023 were \$38,424,379 and \$33,862,740, respectively. The total cost of all programs and services was \$34,295,196 for 2024 and \$30,543,062 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**

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Percentage Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 239,367	\$ 283,138	(15.46) %
Operating grants and contributions	15,468,375	9,633,948	60.56 %
General revenues:			
Property taxes	10,760,529	12,225,207	(11.98) %
Grants and contributions not restricted	9,065,908	9,062,314	0.04 %
Investment earnings	63,165	66,092	(4.43) %
Other	2,827,035	2,592,041	9.07 %
Total revenues	<u>38,424,379</u>	<u>33,862,740</u>	13.47 %
Expenses:			
Instruction	12,759,636	13,026,441	(2.05) %
Support services	12,395,442	12,769,281	(2.93) %
Non-instructional	2,272,364	1,908,313	19.08 %
Pension expense	6,634,060	2,980,929	122.55 %
OPEB expense	(106,156)	(187,479)	43.38 %
Interest on long-term liabilities	339,850	45,577	645.66 %
Total expenses	<u>34,295,196</u>	<u>30,543,062</u>	12.28 %
Increase (Decrease) in net position	<u>4,129,183</u>	<u>3,319,678</u>	24.39 %
Net Position, July 1, as previously reported	10,869,235	7,549,557	43.97 %
Error correction	(449,168)	-	N/A %
Net Position, July 1, as restated	<u>10,420,067</u>	<u>7,549,557</u>	38.02 %
Net Position, June 30	<u>\$ 14,549,250</u>	<u>\$ 10,869,235</u>	33.86 %

Error corrections that impacted prior fiscal years were made during the fiscal year ending June 30, 2024. Additional information and further explanation can be found in Note 13 of this report. Due to the immateriality of the result upon the affected funds, restatement to the individual impacted line items of the prior periods were not made to this schedule.

TUNICA COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

Governmental activities

The following table presents the cost of six major District functional activities: instruction, support services, non-instructional, 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**

	<u>Total Expenses</u>		<u>Percentage Change</u>
	<u>2024</u>	<u>2023</u>	
Instruction	\$ 12,759,636	\$ 13,026,441	(2.05) %
Support services	12,395,442	12,769,281	(2.93) %
Non-instructional	2,272,364	1,908,313	19.08 %
Pension Expense	6,634,060	2,980,929	122.55 %
OPEB Expense	(106,156)	(187,479)	43.38 %
Interest on long-term liabilities	339,850	45,577	645.66 %
Total expenses	\$ 34,295,196	\$ 30,543,062	12.28 %
	<u>Net (Expense) Revenue</u>		<u>Percentage Change</u>
	<u>2024</u>	<u>2023</u>	
Instruction	\$ (5,399,955)	\$ (9,144,683)	40.95 %
Support services	(6,340,630)	(8,902,472)	28.78 %
Non-instructional	20,885	260,206	(91.97) %
Pension Expense	(6,634,060)	(2,980,929)	(122.55) %
OPEB Expense	106,156	187,479	(43.38) %
Interest on long-term liabilities	(339,850)	(45,577)	(645.66) %
Total net (expense) revenue	\$ (18,587,454)	\$ (20,625,976)	9.88 %

- Net cost of governmental activities (\$18,587,454) for 2024 and (\$20,625,976) for 2023 was financed by general revenue, which is primarily made up of property and gaming taxes (\$10,760,529 for 2024 and \$12,225,207 for 2023) and state and federal revenues (\$9,065,908 for 2024 and \$9,062,314 for 2023).
- Investment earnings amounted to \$63,165 for 2024 and \$66,092 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 \$30,372,219, an increase of \$925,475, which includes an increase in inventory of \$1,322. \$25,141,036 or 83% 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

TUNICA COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

within the general fund. The remaining fund balance of \$5,231,183 or 17% is either non-spendable, restricted, committed or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

The General Fund is the principal operating fund of the district. The increase in fund balance in the General Fund for the fiscal year was \$1,356,832, which includes an error correction of (\$28,708). The fund balance of Other Governmental Funds showed a decrease in the amount of \$431,357, which includes an error correction of \$28,708 and an increase in inventory of \$1,322. The increase (decrease) in the fund balances for the other major funds was as follows:

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

BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2024, the district's total capital assets were \$53,928,095, including land, construction in progress, school buildings, building improvements, improvements other than buildings, buses, other school vehicles, furniture and equipment and right to use subscription IT assets. This amount represents an increase of \$7,838,680 from 2023. Total accumulated depreciation/amortization as of June 30, 2024, was \$22,192,430, and total depreciation/amortization expense for the year was \$2,509,596, resulting in total net capital assets of \$31,735,665.

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percentage Change</u>
Land	\$ 160,050	\$ 160,050	0.00 %
Construction in Progress	3,849,996	2,114,391	82.09 %
Buildings	12,753,532	13,109,361	(2.71) %
Building improvements	5,262,289	149,055	3,430.43 %
Improvements other than buildings	542,804	10,726	4,960.64 %
Mobile equipment	3,397,809	3,796,595	(10.50) %
Furniture and equipment	452,934	374,519	20.94 %
Subscription IT assets	5,316,251	6,697,160	(20.62) %
Total	\$ 31,735,665	\$ 26,411,857	20.16 %

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

Error corrections that impacted prior fiscal years were made during the fiscal year ending June 30, 2024. Additional information and further explanation can be found in Note 13 of this report. Due to the immateriality of the result upon the affected funds, restatement to the individual impacted line items of the prior periods

TUNICA COUNTY SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2024

were not made to this schedule.

Debt Administration. At June 30, 2024, the District had \$7,490,322 in outstanding long-term debt, including SBITA obligations and compensated absences, of which \$2,199,609 is due within one year. The liability for compensated absences increased \$2,035 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	\$ 163,000	\$ -	N/A
Shortfall notes payable	1,698,565	1,911,138	(11.12) %
Subscription IT liabilities	5,519,385	6,866,795	(19.62) %
Compensated absences payable	109,372	107,337	1.90 %
Total	\$ 7,490,322	\$ 8,885,270	(15.70) %

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

CURRENT ISSUES

The school district was under conservatorship by the Mississippi Department of Education (MDE) due to accreditation issues. The MDE appointed a conservator (Interim Superintendent) to govern the district. The Tunica County School District has improved its financial condition over the last few years and plans to continue its sound fiscal management to meet the challenges and needs of the District. The District is proud of its community support of the public schools.

The improvements shown by the school district have returned to local control, after nearly a decade. State law gives MDE the authority to return a state-run district to local control when the district has corrected all its deficiencies and has improved its academic performance.

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 Tunica County School District, P.O. Box 758, Tunica, MS 38676.

FINANCIAL STATEMENTS

TUNICA COUNTY SCHOOL DISTRICT

**Statement of Net Position
June 30, 2024**

Exhibit A

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 21,900,224
Due from other governments	8,366,014
Other receivables, net	1,096
Inventories	13,643
Restricted assets	1,369,112
Capital assets, non-depreciable:	
Land	160,050
Construction in progress	3,849,996
Capital assets, net of accumulated depreciation:	
Buildings	12,753,532
Building improvements	5,262,289
Improvements other than buildings	542,804
Mobile equipment	3,397,809
Furniture and equipment	452,934
Subscription IT assets	5,316,251
Total Assets	63,385,754
 Deferred Outflows of Resources	
Deferred outflows - pensions	12,348,789
Deferred outflows - OPEB	463,895
Total Deferred Outflows of Resources	12,812,684
 Liabilities	
Accounts payable and accrued liabilities	1,277,870
Interest payable on long-term liabilities	57,464
Long-term liabilities, due within one year:	
Capital related liabilities	52,000
Non-capital related liabilities	766,143
SBITA liabilities	1,381,466
Net OPEB liability	58,629
Long-term liabilities, due beyond one year:	
Capital related liabilities	111,000
Non-capital related liabilities	1,041,794
SBITA liabilities	4,137,919
Net pension liability	50,518,187
Net OPEB liability	1,388,671
Total Liabilities	60,791,143
 Deferred Inflows of Resources	
Deferred inflows - pensions	335,463
Deferred inflows - OPEB	522,582
Total Deferred Inflows of Resources	858,045
 Net Position	
Net investment in capital assets	26,053,280
Restricted for:	
Expendable:	
School-based activities	1,620,924
Debt service	1,264,503
Unemployment benefits	44,659
Unrestricted	(14,434,116)
Total Net Position (deficit)	\$ 14,549,250

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

TUNICA COUNTY SCHOOL DISTRICT

**Statement of Activities
For the Year Ended June 30, 2024**

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 12,759,636	\$ 77,857	\$ 7,281,824	-	\$ (5,399,955)
Support services	12,395,442	-	6,054,812	-	(6,340,630)
Non-instructional	2,272,364	161,510	2,131,739	-	20,885
Pension expense	6,634,060	-	-	-	(6,634,060)
OPEB expense	(106,156)	-	-	-	106,156
Interest on long-term liabilities	339,850	-	-	-	(339,850)
Total Governmental Activities	<u>\$ 34,295,196</u>	<u>\$ 239,367</u>	<u>\$ 15,468,375</u>	<u>-</u>	<u>\$ (18,587,454)</u>

General Revenues:

Taxes:

General purpose levies 9,896,598

Debt purpose levies 863,931

Unrestricted grants and contributions:

State 9,064,908

Federal 1,000

Unrestricted investment earnings 63,165

Other 2,827,035

Total General Revenues 22,716,637

Change in Net Position 4,129,183

Net Position - Beginning, as previously reported 10,869,235

Adjustment or restatement (449,168)

Net Position - Beginning, as restated 10,420,067

Net Position (deficit) - Ending \$ 14,549,250

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

**TUNICA COUNTY SCHOOL DISTRICT
Governmental Funds**

**Balance Sheet
June 30, 2024**

Exhibit C

	Major Funds			Total Governmental Funds
	General Fund	ESSER III ARP Fund	Other Governmental Funds	
Assets				
Cash and cash equivalents	\$ 20,106,103	\$ -	\$ 3,163,233	\$ 23,269,336
Due from other governments	3,069,775	3,527,002	1,769,237	8,366,014
Other receivables, net	1,096	-	-	1,096
Due from other funds	5,435,801	-	68,578	5,504,379
Inventories	-	-	13,643	13,643
Total Assets	\$ 28,612,775	\$ 3,527,002	\$ 5,014,691	\$ 37,154,468
 <u>Liabilities and Fund Balances:</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,228,106	1,405	\$ 48,359	\$ 1,277,870
Due to other funds	-	3,525,597	1,978,782	5,504,379
Total Liabilities	1,228,106	3,527,002	2,027,141	6,782,249
Fund Balances:				
Nonspendable:				
Inventory	-	-	13,643	13,643
Restricted:				
Debt service	-	-	1,321,967	1,321,967
Grant activities	-	-	319,665	319,665
Unemployment benefits	-	-	44,659	44,659
Food service	-	-	1,287,616	1,287,616
Assigned:				
Capital improvements	2,183,887	-	-	2,183,887
School activities	59,746	-	-	59,746
Unassigned	25,141,036	-	-	25,141,036
Total Fund Balances	27,384,669	-	2,987,550	30,372,219
Total Liabilities and Fund Balances	\$ 28,612,775	\$ 3,527,002	\$ 5,014,691	\$ 37,154,468

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

**TUNICA COUNTY SCHOOL DISTRICT
Governmental Funds**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024**

Exhibit C-1

Total fund balances for governmental funds \$ 30,372,219

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

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

Land	\$	160,050	
Construction in progress		3,849,996	
Buildings		27,108,504	
Building improvements		5,973,225	
Improvements other than buildings		600,802	
Mobile equipment		5,880,094	
Furniture and equipment		2,400,353	
Accumulated depreciation		(19,553,610)	
Subscription IT assets		7,955,071	
Accumulated amortization		<u>(2,638,820)</u>	31,735,665

2. Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

Net pension liability (50,518,187)

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		12,348,789	
Deferred inflows of resources related to pensions		<u>(335,463)</u>	(38,504,861)

3. Some liabilities, including net OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

Net OPEB liability (1,447,300)

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		463,895	
Deferred inflows of resources related to OPEB		<u>(522,582)</u>	(1,505,987)

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

Notes payable		(1,861,565)	
SBITA liabilities		(5,519,385)	
Compensated absences		(109,372)	
Accrued interest payable		<u>(57,464)</u>	(7,547,786)

Net Position of governmental activities \$ 14,549,250

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

TUNICA COUNTY SCHOOL DISTRICT
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

Exhibit D

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	ESSER III ARP Fund		
Revenues:				
Local sources	\$ 12,855,710	\$ -	\$ 1,031,489	\$ 13,887,199
State sources	10,512,051	-	369,202	10,881,253
Federal sources	1,001	6,660,270	6,994,656	13,655,927
Total Revenues	23,368,762	6,660,270	8,395,347	38,424,379
Expenditures:				
Instruction	9,889,231	1,293,391	2,105,400	13,288,022
Support services	11,016,243	294,854	760,568	12,071,665
Noninstructional services	1,615	21,521	2,405,254	2,428,390
Facilities acquisition and construction	838,465	4,645,973	2,325,566	7,810,004
Debt service:				
Principal	463,426	106,166	1,724,972	2,294,564
Interest	46,855	13,780	250,893	311,528
Total Expenditures	22,255,835	6,375,685	9,572,653	38,204,173
Excess (Deficiency) of Revenues over (under) Expenditures	1,112,927	284,585	(1,177,306)	220,206
Other Financing Sources (Uses):				
Proceeds of loans	685,581	-	-	685,581
Sale of transportation equipment	18,366	-	-	18,366
Operating transfers in	481,783	-	913,117	1,394,900
Operating transfers out	(913,117)	(284,585)	(197,198)	(1,394,900)
Total Other Financing Sources (Uses)	272,613	(284,585)	715,919	703,947
Net Change in Fund Balances	1,385,540	-	(461,387)	924,153
Fund Balances:				
July 1, 2023, as previously reported	26,027,837	-	3,418,907	29,446,744
Adjustment or restatement	(28,708)	-	28,708	-
July 1, 2023, as restated	25,999,129	-	3,447,615	29,446,744
Increase (Decrease) in inventory	-	-	1,322	1,322
June 30, 2024	\$ 27,384,669	\$ -	\$ 2,987,550	\$ 30,372,219

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

**TUNICA COUNTY SCHOOL DISTRICT
Governmental Funds**

**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2024**

Exhibit D-1

Net change in fund balances - total governmental funds	\$	924,153
Amounts reported for governmental activities in the statement of activities are different because:		
1. Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	\$ 8,092,586	
Depreciation expense	(1,128,687)	
Amortization expense	<u>(1,380,909)</u>	5,582,990
2. In the statement of activities, only the gain/loss on the sale of assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.		
		(22,014)
3. 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	(685,581)	
Payments of debt principal	947,154	
Payments of SBITAs principal	1,347,410	
Accrued interest payable	<u>(28,322)</u>	1,580,661
4. Some items relating to pensions and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. The activities include:		
Pension expense	(6,634,060)	
Contributions subsequent to the measurement date	<u>2,531,405</u>	(4,102,655)
5. Some items relating to OPEB and reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in the governmental funds. The activities include:		
OPEB expense	106,156	
Contributions subsequent to the measurement date	<u>60,605</u>	166,761
6. Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in governmental funds. These activities include:		
Change in compensated absences	(2,035)	
Change in inventory	1,322	(713)
Change in Net Position of governmental activities	\$	<u>4,129,183</u>

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

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the 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 a "primary government." The school district is governed by a five (5) member board to which each member is elected by the citizens of each defined county district.

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

B. Government-wide and Fund Financial Statements

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

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

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

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

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

The school district reports the following major governmental funds:

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

ESSER III ARP Fund – This is a special revenue fund that accounts for the expenditures and revenues of the American Rescue Plan Elementary and Secondary School Emergency Relief (**ARP ESSER**) Fund under the American Rescue Plan (**ARP**) Act of 2021, Public Law 117-2, enacted on March 11, 2021. The ARP ESSER III funding from the ARP Act provides support for K-12 schools to help safely open and sustain the safe operations of schools and address the impacts of the coronavirus pandemic on the nation's students.

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.

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

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

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

Federal grants and assistance awards made on the basis of entitlement periods are recorded as receivables and revenues when entitlement occurs. Federal reimbursement type grants are

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

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

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

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

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

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

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

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

D. Encumbrances

An encumbrance system is not maintained to account for commitments resulting from approved purchase orders, work orders, and contracts.

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

1. Cash, Cash equivalents and Investments

Cash and cash equivalents

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

Investments

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

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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.

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.

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

The following schedule details the capitalization thresholds:

	<u>Capitalization Policy</u>	<u>Estimated Useful Life</u>
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
Subscription IT asset	**	**

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

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

7. Deferred outflows/inflows of resources

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

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

See Notes 9, 10, and 14 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

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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 lessee, the school district uses the Federal prime borrowing rate in effect at the date of the lease inception to calculate the present value of lease payments when the rate implicit in the lease is not known.

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. See Note 6 for details.

11. Long-term Liabilities and Bond Discounts/Premiums

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

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures. See Note 7 for details.

12. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 9 for details.

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. See Note 10 for details.

14. Fund Balances

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as non-spendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the district:

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

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

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the School Board, the District's highest level of decision-making authority. This formal action is the official action of the school board to approve committed fund balances and to detail the action in its official minutes. 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 district management pursuant to authorization established by school board policy.

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

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

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 and investments are imposed by statutes as follows:

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

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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 \$23,269,336.

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 of \$24,493,690 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:

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	ESSER III ARP Fund	\$ 3,525,597
	Other Governmental Funds	1,910,204
Other Governmental Funds	Other Governmental Funds	68,578
Total		<u>\$ 5,504,379</u>

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

B. Inter-fund Transfers

Transfers Out	Transfers In	Amount
General Fund	Other Governmental Funds	\$ 913,117
ESSER III ARP Fund	General Fund	284,585
Other Governmental Funds	General Fund	197,198
Total		<u>\$ 1,394,900</u>

The primary reason for the interfund transfers was for debt service requirements, federal grant allocations and the funding of various programs within the district.

Note 4 – Restricted Assets

The restricted assets represent the cash balances totaling \$1,369,112 of all debt service funds which are restricted for future debt service requirements.

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 5 – Capital Assets

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

	<u>Balance</u> 7/1/2023	<u>Increases</u>	<u>Decreases</u>	<u>Completed</u> Construction	<u>Adjustments</u>	<u>Balance</u> 6/30/2024
Governmental Activities:						
<u>Non-depreciable capital assets:</u>						
Land	\$ 160,050	-	-	-	-	\$ 160,050
Construction in progress	2,114,391	7,810,004		(6,074,399)	-	3,849,996
Total non-depreciable capital assets	<u>2,274,441</u>	<u>7,810,004</u>	<u>-</u>	<u>(6,074,399)</u>	<u>-</u>	<u>4,010,046</u>
<u>Depreciable capital assets:</u>						
Buildings	26,942,379	-	-	166,125	-	27,108,504
Building improvements	621,061	-	-	5,352,164	-	5,973,225
Improvements other than buildings	44,692	-	-	556,110	-	600,802
Mobile equipment	5,982,150	61,990	164,046	-	-	5,880,094
Furniture and equipment	2,269,621	220,592	89,860	-	-	2,400,353
Total depreciable capital assets	<u>35,859,903</u>	<u>282,582</u>	<u>253,906</u>	<u>6,074,399</u>	<u>-</u>	<u>41,962,978</u>
<u>Less accumulated depreciation for:</u>						
Buildings	13,833,018	518,631	-	-	3,323	14,354,972
Building improvements	472,006	24,842	-	-	214,088	710,936
Improvements other than buildings	33,966	1,788	-	-	22,244	57,998
Mobile equipment	2,185,555	444,372	147,641	-	(1)	2,482,285
Furniture and equipment	1,895,102	139,054	84,251	-	(2,486)	1,947,419
Total accumulated depreciation	<u>18,419,647</u>	<u>1,128,687</u>	<u>231,892</u>	<u>-</u>	<u>237,168</u>	<u>19,553,610</u>
Total depreciable capital assets, net	<u>17,440,256</u>	<u>(846,105)</u>	<u>22,014</u>	<u>6,074,399</u>	<u>(237,168)</u>	<u>22,409,368</u>
Governmental activities capital assets, net	<u>\$ 19,714,697</u>	<u>6,963,899</u>	<u>22,014</u>	<u>-</u>	<u>(237,168)</u>	<u>\$ 26,419,414</u>
Subscription IT assets, net (Note 6)	<u>6,697,160</u>					<u>5,316,251</u>
Total capital assets, net as reported in the Statement of Net Position	<u>\$ 26,411,857</u>					<u>\$ 31,735,665</u>

Depreciation expense was charged to the following governmental functions:

Governmental Activities:	<u>Amount</u>
Instruction	\$ 592,445
Support services	522,417
Non-instructional	13,825
Total depreciation expense - governmental activities	<u>\$ 1,128,687</u>

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

	Spent to June 30, 2024	Remaining Commitment
Governmental Activities:		
Bus shop	\$ -	\$ 166,125
TCSD ESSER II Upgrades, Bid Pky#4 Tunica Elementary	836,062	274,228
TCSD ESSER II Upgrades, Bid Pkg#3 Robinsonville Elementary	1,229,952	3,367
ESSER III Rebid Tunica Middle School package 1C	92,273	-
ESSER III Rebid Dundee package 2	94,485	-
ESSER III Improvements Tunica Elementary. Bid pkg #5	1,597,224	129,738
Total construction in progress	\$ 3,849,996	\$ 573,458

Construction projects included in governmental activities are funded by the General Fund, ESSER II Fund and ESSER III Federal grant funding and other local unrestricted funds.

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

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

	Balance 7/1/2023	Deductions	Balance 6/30/2024
Subscription IT assets	\$ 7,955,071	-	7,955,071
Less Accumulated Amortization	1,257,911	(1,380,909)	2,638,820
Total Lease Assets, Net	\$ 6,697,160	1,380,909	5,316,251

Amortization expense was charged to the following governmental functions:

Governmental Activities:	Amount
Instructional	\$ 471,766
Support services	909,143
Total amortization expense	\$ 1,380,909

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

	Balance 7/1/2023	Deductions	Balance 6/30/2024	Amounts due within one year
Subscription IT Liabilities	\$ 6,866,795	1,347,410	5,519,385	1,381,466

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Subscription Based IT Arrangements

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

At commencement, the school district initially measures the liability at the present value of payments expected to be made 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 of the subscription term, and capitalizable 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 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 amounts 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.

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

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,381,466	122,968	1,504,434
2026	1,402,265	88,037	1,490,302
2027	1,313,187	54,417	1,367,604
2028	1,327,582	22,162	1,349,744
2029	94,885	299	95,184
Total	\$ 5,519,385	287,883	5,807,268

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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	Adjustments	Balance 6/30/2024	Amounts due within one year
A. Three mill notes payable	\$ -	-	49,000	212,000	163,000	52,000
B. Shortfall notes payable	1,911,138	685,581	898,154	-	1,698,565	760,674
C. Compensated absences payable	107,337	2,035	-	-	109,372	5,469
Total	\$ 2,018,475	687,616	947,154	212,000	1,970,937	818,143

A. Three mill notes payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Three Mill Note, Series 2023	5.00%	12/15/2023	12/15/2026	\$ 212,000	\$ 163,000

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

1. Three mill notes payable issue of December 15, 2023:

Year Ending June 30	Principal	Interest	Total
2025	\$ 52,000	7,710	59,710
2026	54,000	5,250	59,250
2027	57,000	2,696	59,696
Total	\$ 163,000	15,656	178,656

This debt will be retired from the Three Mill Note Fund (debt service fund).

B. Shortfall notes payable

Debt currently outstanding is as follows:

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Shortfall note - Series 2020	1.85%	02-12-21	02-12-24	\$ 1,106,938	\$ -
Shortfall note - Series 2021	2.75%	10-22-21	10-22-24	310,141	106,197
Shortfall note - Series 2022	5.37%	12-20-22	12-20-25	1,325,823	906,787
Shortfall note - Series 2024	7.15%	12-19-23	12-23-26	685,581	685,581
Total				\$ 3,428,483	\$ 1,698,565

The amount outstanding is included in due from other governments on the Statement of Net Position.

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

1. Shortfall note – Series 2020:

This debt was paid off during the year and retired from the Shortfall Debt Service Fund.

2. Shortfall note – Series 2021:

Year Ending June 30	Principal	Interest	Total
2025	\$ 106,197	2,920	109,117

This debt will be retired from the Shortfall Debt Service Fund.

3. Shortfall note – Series 2022:

Year Ending June 30	Principal	Interest	Total
2025	\$ 441,538	48,695	490,233
2026	465,249	24,984	490,233
Total	\$ 906,787	73,679	980,466

This debt will be retired from the Shortfall Debt Service Fund.

4. Shortfall note – Series 2024:

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Year Ending June 30	Principal	Interest	Total
2025	\$ 212,939	49,019	261,958
2026	228,164	33,794	261,958
2027	244,478	17,480	261,958
Total	\$ 685,581	100,293	785,874

Total shortfall notes payable payments for all issues:

Year Ending June 30	Principal	Interest	Total
2025	\$ 760,674	100,634	861,308
2026	693,413	58,778	752,191
2027	244,478	17,480	261,958
Total	\$ 1,698,565	176,892	1,875,457

C. Compensated absences payable

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

Note 8 – Other Commitments

Commitments under construction contracts are described in Note 5.

Note 9 – 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,

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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 \$2,531,405, \$2,590,693 and \$2,375,089, 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 \$50,518,187 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 0.200857 percent, which was based on a measurement date of June 30, 2023. This was an increase of 0.002581 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 \$6,634,060. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 285,071	\$
Net difference between projected and actual earnings on pension plan investments	1,994,899	
Changes of assumptions	649,062	
Changes in proportion and differences between District contributions and proportionate share of contributions	6,888,352	335,463
District contributions subsequent to the measurement date	2,531,405	
Total	<u>\$ 12,348,789</u>	<u>\$ 335,463</u>

\$2,531,405 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	\$ 3,356,630
2026	2,377,070
2027	3,733,203

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

2028 15,021

Actuarial assumptions. The total pension liability as of June 30, 2023 was determined by actuarial valuation prepared as of June 30, 2022, and 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	7.55 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The experience report is dated April 20, 2023.

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

<u>Asset Class</u>	<u>Target Allocation</u>	%	<u>Long-Term Expected Real Rate of Return</u>	%
Domestic Equity	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

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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	\$ 65,144,483	\$ 50,518,187	\$ 38,515,686

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 10 – Other Postemployment Benefits (OPEB)

General Information about the OPEB Plan.

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

Benefits provided.

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

Contributions.

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. Contributions to the OPEB plan from the District were \$60,605 for the year ended June 30, 2024.

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
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 \$1,447,300 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 0.26154049 percent. This was an increase of 0.00344266 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 (\$106,156). At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 237,241	\$ 408,610
Changes of assumptions	129,295	108,879
Net difference between projected and actual earnings on OPEB plan investments	89	
Changes in proportion and differences between District contributions and proportionate share of contributions	36,665	5,093
District contributions subsequent to the measurement date	60,605	
Total	\$ <u>463,895</u>	\$ <u>522,582</u>

\$60,605 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	\$	(52,924)
2026		(65,654)
2027		(41,925)
2028		(517)
2029		24,952
Thereafter		16,776

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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 rate of 4.50% by 2029 FYE
Pre-Medicare	

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

The demographic actuarial assumptions used in the June 30, 2023 valuation were based on the results of the last actuarial experience study, dated April 20, 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.

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

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	\$ 1,585,294	\$ 1,447,300	\$ 1,327,658

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	\$ 1,348,568	\$ 1,447,300	\$ 1,557,879

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

Note 11 – Risk Management

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

The school district is a member of the Mississippi School Boards Association Workers' Compensation Trust (MSBAWCT). The trust is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. The trust consists of approximately 56 school districts and covers risks of loss arising from injuries to the members' employees. The Mississippi Workers' Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member. Each member of MSBAWCT contributes quarterly to a fund held in trust by Wells Fargo in Portland, Oregon. The funds in the trust account are used to pay any claim up to \$750,000. For a claim exceeding \$750,000, MSBAWCT has insurance which will pay the excess to the statutory amount required by the Mississippi Workers' Compensation Commission Act. If total claims during a year were to deplete the trust account, then the member school districts would be required to pay for the deficiencies.

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 12 – 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 13 – Adjustments or Restatements of Beginning Balance

Correction of an Error in Previously Issued Financial Statements

The error correction was related to an asset or liability that was reclassified from the General Fund for (\$28,708) to the correct fund presently reading under Other Governmental Funds for \$28,708. Additionally, there was an adjustment made to capital assets at the beginning of the fiscal year for (\$237,168) and the correction of long-term debt for (\$212,000).

Adjustment to and Restatements of Beginning Balances

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

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances			
		Governmental Funds	Government Wide
		General Fund	Other Governmental Funds
			Governmental Activities
July 1, 2023, as previously reported	\$	26,027,837	\$
		3,418,907	\$
Error correction		(28,708)	10,869,235
		28,708	(449,168)
July 1, 2023, as restated	\$	25,999,129	10,420,067

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note 14 – Effect of Deferred Amounts on Net Position

The unrestricted net position amount of (\$14,434,116) 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 \$2,531,405 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 \$9,817,384 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 (\$14,434,116) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions. The \$335,463 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 (\$14,434,116) 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 \$60,605 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 \$403,290 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 (\$14,434,116) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from OPEB. The \$522,582 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.

Note 15 – Juvenile Detention Center Education Program

The Tunica County School District entered into an Alternative School Agreement dated August 6, 2018 creating the Leflore County Juvenile Detention Center. This program was in accordance with Section 43-21-321, Miss. Code Ann. (1972) which states a sponsoring school district must provide educational services to youths detained in juvenile detention centers. It was approved by the Mississippi Department of Education and includes the Attala County School District, Carroll County School District, Coffeeville School District, Clarksdale Municipal School District, Coahoma Agricultural High School, Coahoma County School District, East Tallahatchie School District, Greenwood-Leflore Consolidated School District, Holmes County Consolidated School District, Humphreys County School District, Kosciusko School District, North Panola School District, Senatobia Municipal School District, South Panola School District, Sunflower County Consolidated School District, Tate County School District, Tunica County School District, Water Valley School District, West Tallahatchie Consolidated School District and Winona-Montgomery Consolidated School District. The 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. The Greenwood-Leflore Consolidated School District has been designated as the lead school district for the Leflore County Juvenile Detention Center and the operations of the program are included in its financial statements.

Note 16 - 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 Tunica County School District evaluated the activity of the district through March 31, 2026, (the date the financial statements were available to be issued), and determined that there were no subsequent events that have occurred requiring disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TUNICA COUNTY SCHOOL DISTRICT
Required Supplementary Information

Budgetary Comparison Schedule
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	\$ 14,416,596	14,451,256	\$ 12,855,710	\$ 34,660	\$ (1,595,546)
State sources	10,359,459	10,359,459	10,512,051	-	152,592
Federal sources	1,502	1,502	1,001	-	(501)
Total Revenues	24,777,557	24,812,217	23,368,762	34,660	(1,443,455)
Expenditures:					
Instruction	12,879,942	11,792,309	9,889,231	1,087,633	1,903,078
Support services	11,529,228	14,266,725	11,016,243	(2,737,497)	3,250,482
Noninstructional services	3,036	3,627	1,615	(591)	2,012
Facilities acquisition and construction	34,255	1,526,262	838,465	(1,492,007)	687,797
Debt service:					
Principal	-	-	463,426	-	(463,426)
Interest	-	-	46,855	-	(46,855)
Total Expenditures	24,446,461	27,588,923	22,255,835	(3,142,462)	5,333,088
Excess (Deficiency) of Revenues over (under) Expenditures	331,096	(2,776,706)	1,112,927	(3,107,802)	3,889,633
Other Financing Sources (Uses):					
Bonds and notes issued	-	-	685,581	-	685,581
Sale of transportation equipment	-	-	18,366	-	18,366
Operating transfers in	2,754,479	2,754,479	481,783	-	(2,272,696)
Other financing sources	15,000	15,000	-	-	(15,000)
Operating transfers out	(2,423,932)	(2,536,508)	(913,117)	(112,576)	1,623,391
Total Other Financing Sources (Uses)	345,547	232,971	272,613	(112,576)	39,642
Net Change in Fund Balances	676,643	(2,543,735)	1,385,540	(3,220,378)	3,929,275
Fund Balances:					
July 1, 2023, as previously reported	24,077,528	24,077,528	26,027,837	-	1,950,309
Accounting changes or error corrections	-	-	(28,708)	-	(28,708)
July 1, 2023, as restated	24,077,528	24,077,528	25,999,129	-	1,921,601
June 30, 2024	\$ 24,754,171	\$ 21,533,793	\$ 27,384,669	\$ (3,220,378)	\$ 5,850,876

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

**TUNICA COUNTY SCHOOL DISTRICT
Required Supplementary Information**

**Budgetary Comparison Schedule
ESSER III ARP 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	\$ 9,317,849	\$ 8,274,510	\$ 6,660,270	\$ (1,043,339)	\$ (1,614,240)
Total Revenues	9,317,849	8,274,510	6,660,270	(1,043,339)	(1,614,240)
Expenditures:					
Instruction	2,706,571	1,916,201	1,293,391	790,370	622,810
Support services	1,370,787	931,133	294,854	439,654	636,279
Noninstructional services	20,000	21,555	21,521	(1,555)	34
Facilities acquisition and construction	4,278,765	4,848,870	4,645,973	(570,105)	202,897
Debt service:					
Principal	-	-	106,166	-	(106,166)
Interest	-	-	13,780	-	(13,780)
Total Expenditures	8,376,123	7,717,759	6,375,685	658,364	1,342,074
Excess (Deficiency) of Revenues over (under) Expenditures	941,726	556,751	284,585	(384,975)	(272,166)
Other Financing Sources (Uses):					
Operating transfers out	(941,726)	(556,751)	(284,585)	384,975	272,166
Total Other Financing Sources (Uses)	(941,726)	(556,751)	(284,585)	384,975	272,166
Net Change in Fund Balances	-	-	-	-	-
Fund Balances:					
July 1, 2023	-	-	-	-	-
June 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -

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

**Tunica County School District
Required Supplementary Information**

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.200857%	0.198276%	0.194777%	0.202289%	0.205142%	0.215041%	0.204207%	0.217119%	0.236608%	0.228279%
District's proportionate share of the net pension liability \$	50,518,187	40,812,416	28,788,892	39,160,800	36,088,525	35,767,707	33,946,134	38,782,874	36,574,930	27,708,890
District's covered payroll	14,889,040	13,649,937	12,950,724	13,469,925	13,360,400	13,732,432	13,100,019	13,889,625	14,781,943	13,949,035
District's proportionate share of the net pension liability as a percentage of its covered payroll	339.30%	298.99%	222.30%	290.73%	270.12%	260.46%	259.13%	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

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

**TUNICA COUNTY SCHOOL DISTRICT
Required Supplementary Information**

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,531,405	2,590,693	2,375,089	2,253,426	2,343,767	2,104,263	2,162,858	2,063,253	2,187,616	2,328,156
Contributions in relation to the contractually required contribution	2,531,405	2,590,693	2,375,089	2,253,426	2,343,767	2,104,263	2,162,858	2,063,253	2,187,616	2,328,156
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 14,548,305	14,889,040	13,649,937	12,950,724	13,469,925	13,360,400	13,732,432	13,100,019	13,889,625	14,781,943
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

**TUNICA COUNTY SCHOOL DISTRICT
Required Supplementary Information**

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

OPEB

Last 10 Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.26154049%	0.25809783%	0.25571704%	0.25648549%	0.25580600%	0.25689916%	0.25164641%
District's proportionate share of the net OPEB liability	\$ 1,447,300	1,271,607	1,646,005	1,995,991	2,170,619	1,987,243	1,974,439
District's covered - employee payroll	13,919,316	12,682,814	12,950,724	13,469,925	13,360,400	11,619,374	11,305,781
District's proportionate share of the net OPEB liability as a percentage of its covered - employee payroll	10.40%	10.03%	12.71%	14.82%	16.25%	17.10%	17.46%
Plan fiduciary net position as a percentage of the total OPEB liability	0.19%	0.21%	0.16%	0.13%	0.12%	0.13%	0.00%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented in FYE 06/30/2018, and, until a full 10-year trend is compiled, the District has only presented information for the years in which information is available.

**Tunica County School District
Required Supplementary Information**

Schedule of District Contributions
OPEB
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 60,605	63,462	51,821	66,159	79,600	87,005	84,173
Contributions in relation to the actuarially determined contribution	60,605	63,462	51,821	66,159	79,600	87,005	84,173
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
District's covered - employee payroll	\$ 14,548,305	14,889,040	13,649,937	12,950,724	13,469,925	11,642,256	13,732,432
Contributions as a percentage of covered - employee payroll	0.42%	0.43%	0.38%	0.51%	0.59%	0.75%	0.61%

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 06/30/2018, 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).

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

Budgetary Comparison Schedules

(1) Basis of Presentation

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

(2) Budget Amendments and Revisions

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

Pension Schedules

(1) *Changes of assumptions*

2015:

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

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

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

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

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

2016:

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

2017:

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

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

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%.

TUNICA COUNTY 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%.

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

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

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.

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.

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

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
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75%

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2024

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%

SUPPLEMENTARY INFORMATION

TUNICA COUNTY SCHOOL DISTRICT
Supplementary Information

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	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	\$ 535,326
National school lunch program	10.555	245MS326N1099	1,709,322
Summer food service program for children	10.559	245MS326N1099	40,098
Total child nutrition cluster			<u>2,284,746</u>
Total passed-through Mississippi Department of Education			<u>2,284,746</u>
Total U.S. Department of Agriculture			<u>2,284,746</u>
<u>U.S. Department of Education</u>			
Passed-through Mississippi Department of Education:			
Title I grants to local educational agencies	84.010	S010A230024	1,459,840
Career and technical education - basic grants to states	84.048	V048A230024	30,296
Rural education	84.358	S358B230024	47,987
Supporting Effective Instruction State Grants	84.367	S367A230025	132,905
Student Support and Academic Enrichment Program	84.424	S424A230025	93,341
Subtotal			<u>1,764,369</u>
Special education cluster:			
Special education - grants to states	84.027	H027A220108	539,833
IDEA, Part B ARP Grant	84.027X	H027X210108	12,141
Subtotal			<u>551,974</u>
Special education - preschool grants	84.173	H173A220113	14,415
Subtotal			<u>14,415</u>
Total special education cluster			<u>566,389</u>
Elementary & Secondary School Emergency Relief Fund ARP Homeless	84.425W	S425W200031	17,307
Elementary & Secondary School Emergency Relief Fund II	84.425D	S425D210031	2,649,582
Elementary & Secondary School Emergency Relief Fund ARP III	84.425U	S425U210031	6,660,271
COVID-19 - Education Stabilization Fund (ESSER) Subtotal			<u>9,327,160</u>
Total passed-through Mississippi Department of Education			<u>11,657,918</u>
Total U.S. Department of Education			<u>11,657,918</u>
<u>U.S. Department of Health and Human Services</u>			
Passed-through Mississippi Department of Education:			
Medicaid cluster:			
Medical assistance program	93.778	N/A	612
Total Medicaid cluster			<u>612</u>
Total passed-through Mississippi Department of Education			<u>612</u>
Total U.S. Department of Health and Human Services			<u>612</u>
<u>U.S. Department of Social Security Administration</u>			
Passed-through Mississippi Department of Rehabilitation Services:			
Disability Insurance/SSI Cluster:			
Social Security Disability Insurance	96.001	N/A	308
Total Disability Insurance/SSI Cluster			<u>308</u>
Total passed-through Mississippi Department of Rehabilitation Services			<u>308</u>
Total U.S. Department of Social Security Administration			<u>308</u>
Total for All Federal Awards			<u>\$ 13,943,584</u>

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

TUNICA COUNTY SCHOOL DISTRICT
Notes to the Supplementary Information
For the Year Ended June 30, 2024

Schedule of Expenditures of Federal Awards

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Tunica County 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 Tunica County School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Tunica County School District.

(2) Summary of Significant Accounting Policies

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

(3) Indirect Cost Rate

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

(4) Other Items

Donated commodities are included in the National School Lunch Program.

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

Schedule of Instructional, Administrative and Other Expenditures – Governmental Funds

(1) Basis of Accounting

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

**TUNICA COUNTY SCHOOL DISTRICT
Supplementary Information**

**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	\$ 19,871,821	13,387,840	1,124,483	1,612,548	3,746,950
Other	<u>18,332,352</u>	<u>3,653,873</u>	<u>383,875</u>	<u>27,272</u>	<u>14,267,332</u>
Total	<u>\$ 38,204,173</u>	<u>17,041,713</u>	<u>1,508,358</u>	<u>1,639,820</u>	<u>18,014,282</u>
Total number of students *	<u>2,183</u>				
Cost per student	<u>\$ 17,501</u>	<u>7,807</u>	<u>691</u>	<u>751</u>	<u>8,252</u>

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

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

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

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

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

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

OTHER INFORMATION

TUNICA COUNTY SCHOOL DISTRICT
Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

Last Four Years

UNAUDITED

	2024	2023*	2022*	2021*
Revenues:				
Local sources	\$ 12,855,710	\$ 13,923,599	\$ 14,314,675	\$ 13,269,109
State sources	10,512,051	9,873,865	9,204,315	8,738,580
Federal sources	1,001	44,616	45,024	51,997
Total Revenues	23,368,762	23,842,080	23,564,014	22,059,686
Expenditures:				
Instruction	9,889,231	10,895,413	9,776,687	9,178,754
Support services	11,016,243	13,908,352	10,017,675	9,478,106
Noninstructional services	1,615	1,223	-	891
Sixteenth section	-	-	128,250	-
Facilities acquisition and construction	838,465	-	-	-
Debt service:				
Principal	463,426	376,837	-	-
Interest	46,855	-	-	-
Total Expenditures	22,255,835	25,181,825	19,922,612	18,657,751
Excess (Deficiency) of Revenues over (under) Expenditures	1,112,927	(1,339,745)	3,641,402	3,401,935
Other Financing Sources (Uses):				
Bonds and notes issued	685,581	1,325,823	310,141	1,106,938
SBITA issued	-	531,736	-	-
Insurance recovery	-	37,810	54,522	136,334
Sale of transportation equipment	18,366	7	-	-
Operating transfers in	481,783	357,704	213,293	74,766
Other financing sources	-	4,093	21,384	-
Operating transfers out	(913,117)	(656,641)	(1,889,852)	(2,104,177)
Total Other Financing Sources (Uses)	272,613	1,600,532	(1,290,512)	(786,139)
Net Change in Fund Balances	1,385,540	260,787	2,350,890	2,615,796
Fund Balances:				
Beginning of period, as previously reported	26,027,837	25,767,050	23,416,160	20,800,364
Accounting changes or error corrections	(28,708)	-	-	-
Beginning of period, as restated	25,999,129	25,767,050	23,416,160	20,800,364
End of Period	\$ 27,384,669	\$ 26,027,837	\$ 25,767,050	\$ 23,416,160

*SOURCE - PRIOR YEAR AUDIT REPORTS

TUNICA COUNTY SCHOOL DISTRICT
Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Funds
Last Four Years
UNAUDITED

	2024	2023*	2022*	2021*
Revenues:				
Local sources	\$ 13,887,199	\$ 15,120,437	14,461,915	\$ 13,281,068
State sources	10,881,253	10,517,064	9,887,074	9,520,626
Federal sources	13,655,927	8,183,336	6,049,222	5,359,237
Total Revenues	<u>38,424,379</u>	<u>33,820,837</u>	<u>30,398,211</u>	<u>28,160,931</u>
Expenditures:				
Instruction	13,288,022	16,518,053	12,269,152	12,457,762
Support services	12,071,665	15,867,448	11,865,077	10,748,730
Noninstructional services	2,428,390	2,160,670	2,183,722	1,663,971
Facilities acquisition and construction	7,810,004	1,868,922	245,469	-
Debt service:				
Principal	2,294,564	1,929,075	1,410,570	1,617,480
Interest	311,528	29,501	56,009	80,870
Total Expenditures	<u>38,204,173</u>	<u>38,373,669</u>	<u>28,029,999</u>	<u>26,568,813</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>220,206</u>	<u>(4,552,832)</u>	<u>2,368,212</u>	<u>1,592,118</u>
Other Financing Sources (Uses):				
Bonds and notes issued	685,581	1,325,823	310,141	1,106,938
SBITA issued	-	3,761,451	-	-
Insurance recovery	-	37,810	54,522	136,334
Sale of transportation equipment	18,366	7	-	-
Operating transfers in	1,394,900	1,059,600	2,220,870	2,260,244
Other financing sources	-	4,093	21,384	-
Operating transfers out	(1,394,900)	(1,059,600)	(2,220,870)	(2,260,244)
Other financing uses	-	-	-	(6,370)
Total Other Financing Sources (Uses)	<u>703,947</u>	<u>5,129,184</u>	<u>386,047</u>	<u>1,236,902</u>
Net Change in Fund Balances	<u>924,153</u>	<u>576,352</u>	<u>2,754,259</u>	<u>2,829,020</u>
Fund Balances:				
Beginning of period, as previously reported	29,446,744	28,860,247	26,105,950	23,281,043
Increase (Decrease) in inventory	1,322	10,145	38	(4,113)
End of Period	<u>\$ 30,372,219</u>	<u>\$ 29,446,744</u>	<u>\$ 28,860,247</u>	<u>\$ 26,105,950</u>

*SOURCE - PRIOR YEAR AUDIT REPORTS

REPORTS ON INTERNAL CONTROL AND COMPLIANCE



McKENZIE CPA, PLLC

346 Sundial Rd
Madison, MS 39110
(Phone) 601-670-5282 (Email) barrymckenzie@mckenziecpapllc.com

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

Superintendent and School Board
Tunica County School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tunica County School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Tunica County School District's basic financial statements, and have issued our report thereon dated March 31, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

McKenzie CPA, PLLC
Madison, Mississippi
March 31, 2026

A handwritten signature in blue ink that reads "McKenzie CPA, PLLC". The signature is written in a cursive, flowing style.



McKENZIE CPA, PLLC

346 Sundial Rd
Madison, MS 39110
(Phone) 601-670-5282 (Email) barrymckenzie@mckenziecpapllc.com

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

Superintendent and School Board
Tunica County School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tunica County School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tunica County School District's major federal programs for the year ended June 30, 2024. The Tunica County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Tunica County School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Tunica County School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Tunica County School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Tunica County School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Tunica County School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Tunica County School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

McKenzie CPA, PLLC
Madison, Mississippi
March 31, 2026



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



McKENZIE CPA, PLLC

346 Sundial Rd
Madison, MS 39110
(Phone) 601-670-5282 (Email) barrymckenzie@mckenziecpallc.com

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

Superintendent and School Board
Tunica County School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tunica County School District as of and for the year ended June 30, 2024, which collectively comprise Tunica County School District's basic financial statements and have issued our report thereon dated March 31, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

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

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

The results of procedures performed to test compliance with certain other state laws and regulations and our audit of the financial statements did not disclose any instances of noncompliance with other state laws and regulations.

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

McKenzie CPA, PLLC
Madison, Mississippi
March 31, 2026

McKenzie CPA, PLLC

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

TUNICA COUNTY 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 on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified? | None Reported |
| 3. | Noncompliance material to financial statements noted? | No |

Federal Awards:

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

7. Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553; 10.555; 10.559	Child Nutrition Cluster
84.425W	Elementary & Secondary School Emergency Relief Fund ARP Homeless
84.425D	Elementary & Secondary School Emergency Relief Fund II
84.425U	Elementary & Secondary School Emergency Relief Fund ARP III

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

TUNICA COUNTY SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section II: Financial Statement Findings

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

Section III: Federal Award Findings and Questioned Costs

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

SUMMARY OF PRIOR YEAR AUDIT FINDINGS



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 Tunica County School District has prepared and hereby submits the following summary of prior year audit findings follow up as of June 30, 2024:

Finding Status

2023-001	Corrected
2023-002	Corrected