

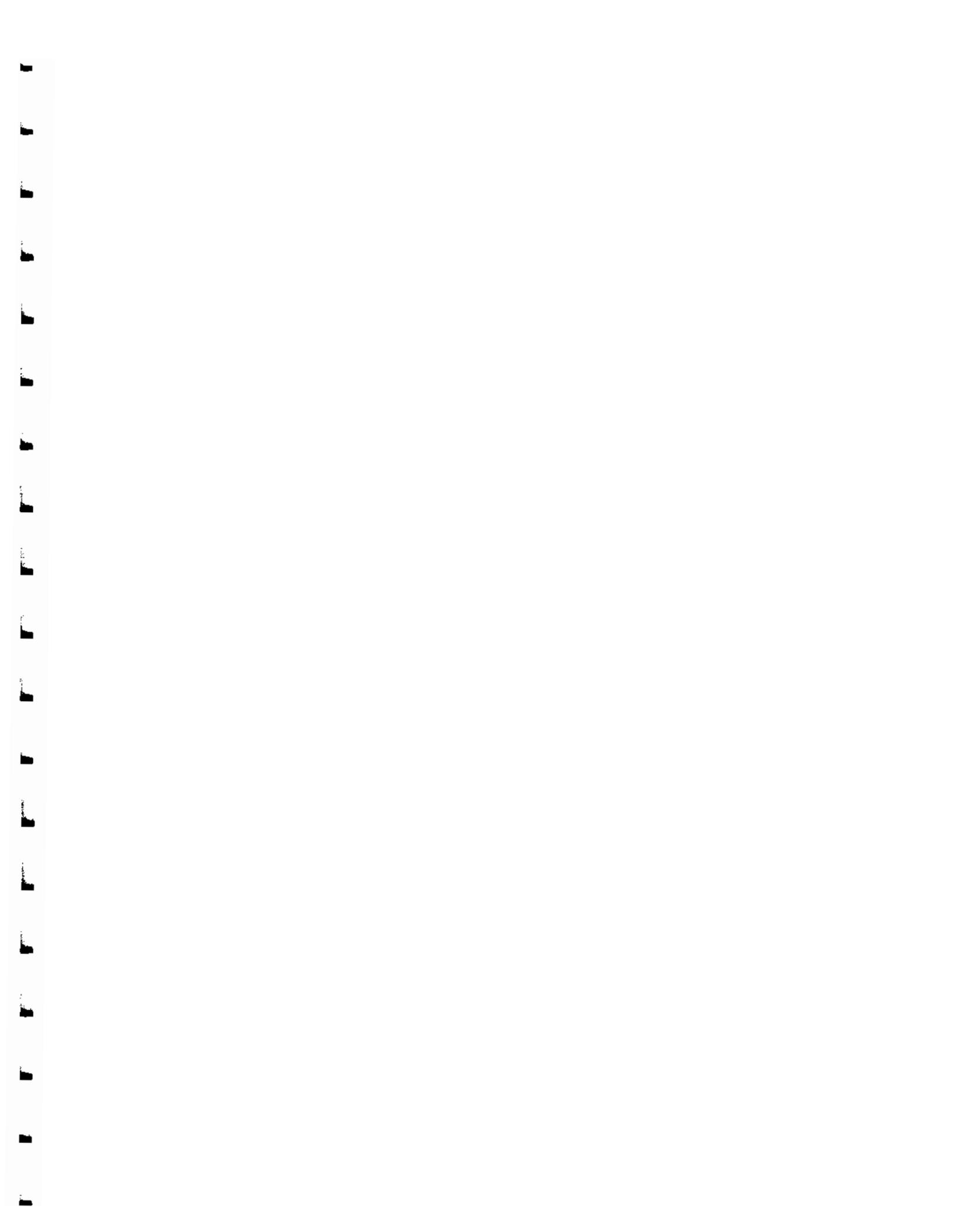


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Greenville Public School District
Financial Statements
June 30, 2008

Ellis & Hirsberg
Certified Public Accountants, PLLC
Clarksdale, Mississippi







GREENVILLE PUBLIC SCHOOL DISTRICT

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GREENVILLE PUBLIC SCHOOL DISTRICT

FINANCIAL AUDIT REPORT

GREENVILLE PUBLIC SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT
ON
THE BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Superintendent and School Board
Greenville Public School District

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Greenville Public School District as of and for the year ended June 30, 2008, which collectively comprise the Greenville Public School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Greenville Public School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the 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 Greenville Public School District, as of June 30, 2008, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2010, on our consideration of the Greenville Public School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 5 through 12 and the Budgetary Comparison Schedule and corresponding notes on pages 39 through 43 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greenville Public School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. In addition, the Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The other supplemental information section, which includes 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 and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

May 19, 2010

Ellis Henberg CPA PLLC

GREENVILLE PUBLIC SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

GREENVILLE PUBLIC SCHOOL DISTRICT

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GREENVILLE PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2008

The discussion and analysis of Greenville Public School District's financial performance provides an overall narrative review of the School District's financial activities for the year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance. Information contained in this section is qualified by the more detailed information contained elsewhere in this district's financial statements, notes to the financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the district's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

Total net assets for 2008 decreased \$998,697, which includes (\$364,847) in prior period adjustments and represents a 145.53% decrease from fiscal year 2007. Total net assets for 2007 increased \$1,009,939, which includes \$1,337,268 in prior period adjustments and represents a 312% increase from fiscal year 2006.

General revenues account for \$44,069,592 and \$40,860,568 in revenue, or 75% and 74% of all revenues for fiscal years 2008 and 2007, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$14,580,729 or 25% of total revenues for 2008 and \$14,296,408 or 26% of total revenues for 2007.

The District had \$59,284,171 and \$55,484,305 in expenses for fiscal years 2008 and 2007; only \$14,580,729 for 2008 and \$14,296,408 for 2007 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$44,069,592 for 2008 and \$40,860,568 for 2007 were not adequate to provide for these programs.

Among major funds, the General Fund had \$43,497,116 in revenues and \$43,190,747 in expenditures for 2008 and \$40,258,568 in revenues and \$39,379,960 in expenditures in 2007. The General Fund's fund balance decreased by \$1,262,705, including a prior period adjustment in the amount of (\$363,460) and an increase in reserve for inventory in the amount of \$5,822, from 2007 to 2008 and decreased by \$677,750 including a prior period adjustment in the amount of \$303,126 and an increase in reserve for inventory in the amount of \$12,098 from 2006 to 2007.

Capital assets, net of accumulated depreciation, decreased by \$296,549 for 2008 and increased by \$691,333 for 2007. The decrease for 2008 was due to the disposal of assets as well as an increase in accumulated depreciation from the previous year.

Long-term debt decreased by \$932,047 for 2008 and decreased by \$1,009,746 for 2007.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The statement of net assets presents information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets 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 years.

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional, sixteenth section and interest and other expenses 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 can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's current financing requirements. Governmental Funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The Governmental Funds statements provide a detailed short-term view of the school district's operations.

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, readers may better understand the long-term impact of the District's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation 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 fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds. The school district is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Notes to the financial statements. The notes provide additional information that is essential to have 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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process.

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 special revenue major fund.

Additionally, a schedule of expenditures of federal awards is required by OMB Circular A-133 and a schedule of instructional, administrative and other expenditures for government funds can be found in this report.

Also, included in the other supplemental information section are 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets. Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$312,455 as of June 30, 2008.

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

Table 1 presents a summary of the District's net assets for the fiscal year ended June 30, 2008 and June 30, 2007.

**Table 1
Condensed Statement of Net Assets**

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Percentage Change</u>
Current assets	\$ 5,851,299	8,533,933	(31.44)%
Restricted assets	1,966,003	37,612	5,127.06%
Capital assets, net	<u>6,379,019</u>	<u>6,675,567</u>	(4.44)%
Total assets	<u>14,196,321</u>	<u>15,247,112</u>	(6.89)%
Current liabilities	5,315,189	4,655,236	14.19%
Long-term debt outstanding	<u>9,193,587</u>	<u>9,905,634</u>	(7.19)%
Total liabilities	<u>14,508,776</u>	<u>14,560,870</u>	(.36)%
Net assets:			
Invested in capital assets, net of related debt	(3,227,696)	(3,830,291)	(15.73)%
Restricted	3,032,461	3,403,954	(10.91)%
Unrestricted	<u>(117,220)</u>	<u>1,112,579</u>	(110.54)%
Total net assets	\$ <u>(312,455)</u>	<u>686,242</u>	(145.53)%

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

Decrease in current assets in the amount of \$2,682,634 due mainly to the reclassification of current to restricted assets.

Increase in restricted assets in the amount of \$1,928,391 due to the same as above.

Expenses increased at a greater rate than revenues during the current year which contributed to the decrease in total assets.

Changes in net assets. The District's total revenues for the fiscal years ended June 30, 2008 and June 30, 2007 were \$58,650,321 and \$55,156,976, respectively. The total cost of all programs and services for 2008 was \$59,284,171 and \$55,484,305 for 2007. Table 2 presents a summary of the changes in net assets for the fiscal years ended June 30, 2008 and June 30, 2007.

**Table 2
Changes in Net Assets**

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Percentage Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 509,690	515,556	(1.14)%
Operating grants and contributions	14,071,039	13,780,852	2.11%

General revenues:			
Property taxes	9,847,300	8,531,535	15.42%
Gaming	301,112	440,990	(31.72)%
Grants and contributions not restricted	33,384,268	31,210,665	6.96%
Investment earnings	306,682	409,141	(25.04)%
Sixteenth section sources	68,461	47,493	44.15%
Other	161,769	220,744	(26.72)%
Total revenues	<u>58,650,321</u>	<u>55,156,976</u>	6.33%
Expenses:			
Instruction	33,819,248	31,632,437	6.91%
Support services	21,073,133	19,259,520	9.42%
Non-instructional	3,948,491	4,103,280	(3.77)%
Sixteenth Section	881	595	48.09%
Interest and other expenses on long-term liabilities	442,418	488,473	(9.43)%
Total expenses	<u>59,284,171</u>	<u>55,484,305</u>	6.85%
Increase (Decrease) in net assets	<u>(633,850)</u>	<u>(327,329)</u>	93.64%
Net Assets, July 1	686,242	(323,697)	
Prior Period Adjustments	<u>(364,847)</u>	<u>1,337,268</u>	
Net Assets, as restated, July 1	<u>321,395</u>	<u>1,013,571</u>	
Net Assets, June 30	<u>\$ (312,455)</u>	<u>686,242</u>	

Governmental activities. The following table presents the cost of the five major District functional activities: instruction, support services, non-instructional, sixteenth section and interest and other expenses on long-term liabilities. The table also shows each functional activity net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows 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>		Percentage Change
	<u>2008</u>	<u>2007</u>	
Instruction	\$ 33,819,248	31,632,437	6.91%
Support services	21,073,133	19,259,520	9.42%
Non-instructional	3,948,491	4,103,280	(3.77)%
Sixteenth Section	881	595	48.09%
Interest and other expenses on long-term liabilities	442,418	488,473	(9.43)%
Total expenses	<u>\$ 59,284,171</u>	<u>55,484,305</u>	6.85%
	<u>Net (Expense) Revenue</u>		Percentage Change
	<u>2008</u>	<u>2007</u>	
Instruction	\$ (27,500,089)	(17,518,764)	56.98%
Support services	(16,757,675)	(19,259,520)	(12.99)%
Non-instructional	(2,379)	(3,920,545)	(99.94)%
Sixteenth Section	(881)	(595)	48.09%
Interest and other expenses on long-term liabilities	(442,418)	(488,473)	(9.43)%
Total Net (Expense) Revenue	<u>\$ (44,703,442)</u>	<u>(41,187,897)</u>	8.54%

Net cost of governmental activities (\$44,703,442 for 2008 and \$41,187,897 for 2007) was financed in part by general revenue, which is made up primarily of property taxes of \$9,847,300 for 2008 and \$8,531,535 for 2007, gaming revenues of \$301,112 for 2008 and \$440,990 for 2007, unrestricted state and federal revenues of \$33,384,268 for 2008 and \$31,210,665 for 2007, Sixteenth section revenues of \$68,461 for 2008 and \$47,493 for 2007 and other sources of \$161,769 for 2008 and \$220,744 for 2007.

Investment earnings accounted for \$306,682 for 2008 and \$409,141 for 2007.

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, unreserved 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 \$3,282,276, a decrease of \$1,715,139 from the prior year, including application of a prior period adjustment in the amount of (\$363,460) and a decrease in the reserve for inventory in the amount of \$11,964. \$221,803 or approximately 7% of the fund balance constitutes unreserved and undesignated fund balance, which is available for spending at the District's discretion. The remaining fund balance of \$3,060,473 or less than 93% is reserved or designated to indicate that it is not available for spending because it has already been committed.

The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was \$1,262,705 including a prior period adjustment in the amount of (\$363,460) and an increase in reserve for inventory in the amount of \$5,822. The fund balance of Other Governmental Funds showed a decrease in the amount of \$863,268, including a decrease in reserve for inventory in the amount of \$17,786. The increases and/or decreases in the other major funds were as follows:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
Title 1-A Basic	No increase or decrease
QZAB Debt Service	\$410,834

BUDGETARY HIGHLIGHTS

Over the course of 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 other major special revenue funds is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. As of June 30, 2008, the District's total capital assets were \$21,666,631, including land, school buildings, improvements other than buildings, buses, other school vehicles, and furniture and equipment. This amount represents a decrease in total assets before depreciation of \$46,684 from 2007 to 2008 and an increase of \$1,651,116 from 2006 to 2007. Total accumulated depreciation as of June 30, 2008, was \$15,287,612 and total depreciation expense for the year was \$554,029, resulting in total net assets of \$6,379,019.

Table 4
Capital Assets

	<u>Capital Assets, Net of Depreciation</u>		<u>Percentage Change</u>
	<u>June 30, 2008</u>	<u>June 30, 2007</u>	
Land	\$ 42,480	42,480	0%
Buildings	5,215,450	5,316,664	(2)%
Improvements other than buildings	39,057	39,057	0%
Mobile equipment	936,367	853,891	10%
Furniture and equipment	145,665	423,476	(66)%
Total	\$ 6,379,019	6,675,568	(4)%

Additional information about the District's capital assets can be found in the Notes to the Financial Statements found in this report.

Debt Administration. At June 30, 2008, the District had \$9,872,729 in general obligation bonds and other long-term debt outstanding, of which \$679,142 is due within one year. Included in this amount is the liability for compensated absences, which decreased \$32,905 from the prior year.

**Table 5
Outstanding Long-Term Debt**

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Percentage Change</u>
General obligation bonds payable	\$ 1,980,000	2,415,000	(18)%
Limited obligation bonds payable	5,020,000	5,450,000	(8)%
Qualified zone academy bonds payable	2,500,000	2,500,000	0%
Other loans payable	106,716	140,858	(24)%
Compensated absences payable	<u>266,013</u>	<u>298,918</u>	(11)%
Total	\$ <u>9,872,729</u>	<u>10,804,776</u>	(9)%

Additional information of the District's long-term debt can be found in the Notes to the Financial Statements found in this report.

CURRENT ISSUES

The Greenville Public School District is financially stable. The District is proud of its community support of the public schools.

The District has committed itself to financial excellence for many years. The millage has remained fairly constant over the last few years and no major increase is expected in the near future. The District's system of financial planning, budgeting and internal financial controls are well regarded. The District plans to continue its sound fiscal management to meet the challenges of the future.

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

Latest enrollment figures indicate that student enrollment in the District has remained virtually unchanged. The budget for next year has taken this into account in both funding and staffing needs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have questions about this report, contact the Superintendent's Office of the Greenville Public School District, P. O. Box 1619, Greenville, MS 38702.

GREENVILLE PUBLIC SCHOOL DISTRICT

FINANCIAL STATEMENTS

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GREENVILLE PUBLIC SCHOOL DISTRICT
Statement of Net Assets
June 30, 2008

Exhibit A

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,520,220
Investments	695,743
Due from other governments	2,217,134
Other receivables, net	343,182
Inventories	75,020
Restricted assets	1,966,003
Capital assets, non-depreciable:	
Land	42,480
Capital assets, net of accumulated depreciation	
Buildings	5,215,450
Improvements other than buildings	39,057
Mobile equipment	936,367
Furniture and equipment	<u>145,665</u>
Total assets	<u>14,196,321</u>
LIABILITIES	
Accounts payable and accrued liabilities	3,313,181
Unearned revenue	1,221,844
Interest payable on long-term liabilities	101,022
Long-term liabilities (due within one year)	
Capital related liabilities	679,142
Long-term liabilities (due beyond one year)	
Capital related liabilities	8,927,574
Non-capital related liabilities	<u>266,013</u>
Total liabilities	<u>14,508,776</u>
NET ASSETS	
Invested in capital assets (net of related debt)	(3,227,696)
Restricted net assets:	
Expendable:	
School based activities	147,732
Debt service	2,759,940
Capital improvements	298
Unemployment benefits	85,260
Non-expendable:	
Sixteenth section	39,231
Unrestricted	<u>(117,220)</u>
Total net assets	<u>\$ (312,455)</u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT
 Statement of Activities
 For the Year Ended June 30, 2008

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 33,819,248	302,905	6,016,254		(27,500,089)
Support services	21,073,133		4,315,458		(16,757,675)
Non-instructional services	3,948,491	206,785	3,739,327		(2,379)
Sixteenth section	881				(881)
Interest on long-term liabilities	442,418				(442,418)
Total governmental activities	\$ 59,284,171	509,690	14,071,039		(44,703,442)
General Revenues:					
Taxes:					
					9,250,060
					597,240
					301,112
Unrestricted grants and contributions:					
					32,373,454
					1,010,814
					306,682
					68,461
					161,769
					44,069,592
					(633,850)
					686,242
					(364,847)
					321,395
					\$ (312,455)

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

GREENVILLE PUBLIC SCHOOL DISTRICT
 Balance Sheet - Governmental Funds
 June 30, 2008

Exhibit C

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Title I-A Basic	QZAB Fund		
ASSETS					
Cash and cash equivalents	\$ 855,890	154,696		1,548,866	2,559,452
Cash with fiscal agents			1,926,772		1,926,772
Investments				695,743	695,743
Due from other governments	1,048,328			1,168,805	2,217,133
Due from other funds	3,116,171	1,228,686	1,000	1,861,318	6,207,175
Inventories	17,851			57,168	75,019
Total Assets	\$ 5,038,240	1,383,382	1,927,772	5,331,900	13,681,294
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,304,455	329,715		679,011	3,313,181
Due to other funds	2,584,993	813,957	1,000	2,464,043	5,863,993
Unearned revenue		239,710		982,134	1,221,844
Total Liabilities	4,889,448	1,383,382	1,000	4,125,188	10,399,018
Fund balances:					
Reserved for:					
Inventories	17,851			57,168	75,019
Unemployment benefits				85,260	85,260
Debt service funds			1,926,772	934,191	2,860,963
Permanent funds				39,231	39,231
Unreserved:					
Undesignated, reported in:					
General fund	130,941				130,941
Special revenue funds				90,564	90,564
Capital projects fund				298	298
Total Fund Balances	148,792	0	1,926,772	1,206,712	3,282,276
Total Liabilities & Fund Balances	\$ 5,038,240	1,383,382	1,927,772	5,331,900	13,681,294

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

GRIENVILLE PUBLIC SCHOOL DISTRICT
 Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets
 For the year ended June 30, 2008

Exhibit C-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 3,282,276
Amounts reported for governmental activities in the statement of net assets are different because:	
1. Capital assets are used in governmental activities and are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$15,287,612.	6,379,019
2. Governmental funds recognize interest on long-term debt when it becomes due, however the Statement of Net Assets recognizes interest as it accrues.	(101,022)
3. Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(9,872,729)
4. Miscellaneous rounding adjustments	<u>1</u>
Total Net Assets - Governmental Activities	\$ <u><u>(312,455)</u></u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT

Exhibit D

Statement of Revenues, Expenditures, and Changes in Fund Balances For Governmental Funds
For the Year Ended June 30, 2008

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Title 1-A Basic	QZAB Fund		
REVENUES					
Local source	\$ 10,049,171		110,834	943,423	11,103,428
Intermediate sources	4,062				4,062
State sources	32,139,919			1,608,228	33,748,147
Federal sources	1,303,964	4,403,825		7,999,373	13,707,162
Sixteenth section sources				68,461	68,461
Total revenues	<u>43,497,116</u>	<u>4,403,825</u>	<u>110,834</u>	<u>10,619,485</u>	<u>58,631,260</u>
EXPENDITURES					
Instruction	26,863,843	1,933,797		4,917,691	33,715,331
Support services	16,232,660	2,393,476		2,145,753	20,771,889
Non-instructional services		76,552		3,851,632	3,928,184
Sixteenth section				881	881
Debt Service					
Principal	34,142			865,000	899,142
Interest	60,102			462,168	522,270
Other			1,000	88	1,088
Total expenditures	<u>43,190,747</u>	<u>4,403,825</u>	<u>1,000</u>	<u>12,243,213</u>	<u>59,838,785</u>
Excess (deficiency) of revenues over expenditures	<u>306,369</u>	<u>0</u>	<u>109,834</u>	<u>(1,623,728)</u>	<u>(1,207,525)</u>
Other Financing Sources (Uses)					
Insurance loss recoveries	19,061				19,061
Operating transfers in	5,609,420		301,000	2,052,712	7,963,132
Other finance uses				(151,251)	(151,251)
Operating transfers out	(6,839,917)			(1,123,215)	(7,963,132)
Total other financing sources and uses	<u>(1,211,436)</u>	<u>0</u>	<u>301,000</u>	<u>778,246</u>	<u>(132,190)</u>
Net change in fund balances	<u>(905,067)</u>	<u>0</u>	<u>410,834</u>	<u>(845,482)</u>	<u>(1,339,715)</u>
Fund balances:					
July 1, 2007	1,411,497		1,515,938	2,069,980	4,997,415
Prior period adjustment	(363,460)				(363,460)
July 1, 2007, as restated	1,048,037	0	1,515,938	2,069,980	4,633,955
Increase (decrease) in reserve for inventory	5,822			(17,786)	(11,964)
June 30, 2008	<u>\$ 148,792</u>	<u>0</u>	<u>1,926,772</u>	<u>1,206,712</u>	<u>3,282,276</u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT
 Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures and Changes in Fund Balances to the Statement of Activities
 For the Year Ended June 30, 2008

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ (1,339,715)
Amounts reported for governmental activities in the statement of activities are different because:	
1. Governmental funds report capital outlays as expenditures while governmental activities report depreciation to allocate those expenditures over the life of the assets. Capital assets purchased amounted to \$302,008 and the depreciation expense amounted to \$554,029	(252,021)
2. Payment of principal on long-term liabilities is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Activities.	899,142
3. Expenses in Statement of Activities not normally paid with expendable available financial resources are not reported as expenditures in the governmental funds: Compensated absences	32,905
4. Governmental funds recognize interest on long-term debt when it becomes due, however, the Statement of Activities recognizes interest as it accrues regardless of when it becomes due.	80,941
5. Gains and losses on sale or disposals of assets are not reported in the governmental funds, but are reported in the Statement of Activities.	(43,142)
6. Increases or decreases in reserve for inventory directly affects fund balance in the fund statements, but is adjusted through expenses in the Statement of Activities	(11,964)
7. Rounding adjustment	<u>4</u>
Change in Net Assets of Governmental Activities	\$ <u><u>(633,850)</u></u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT
 Statement of Fiduciary Assets and Liabilities
 June 30, 2008

		Agency Funds
Assets		
Cash and cash equivalents	\$	444,660
Due from other funds		<u>1,757,758</u>
Total Assets	\$	<u><u>2,202,418</u></u>
Liabilities		
Accounts payable and accrued liabilities	\$	5,273
Due to other funds		2,100,940
Due to student clubs		<u>96,205</u>
Total Liabilities	\$	<u><u>2,202,418</u></u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

(1) Summary of Significant Accounting Policies.

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

A. Financial Reporting Entity.

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

For financial reporting purposes, Greenville Public 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.

The Greenville School Leasing Authority ("the Authority") as explained in the following paragraph is considered to be a blended component unit as determined by Section 2100 of the *Codification of Governmental Accounting and Financial Reporting Standards* and is included in the district's reporting entity.

The Authority is governed by a five member board which was appointed by the school district's governing board. Although it is legally separate from the school district, it is reported as if it is part of the primary government because its sole purpose is to provide financing for the renovation, improvement, construction, and equipping of certain school facilities. Therefore, all of the Authority's assets, liabilities, equity, revenues, expenditures and other financing sources and uses have been included in the government-wide financial statements of the school district.

B. Basis of Presentation.

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund 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 Assets presents the District's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

1. Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.
2. *Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

3. *Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have 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 is 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 tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as 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. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support, and other costs.

Title I-A Basic - This is a federal program to supplement classroom teaching efforts.

QZAB Debt Service - This is a debt service fund.

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

The District's fiduciary funds include the following:

Club Funds - Represent amounts collected by student clubs to be used for student activities.

Student Activity Funds - Represent amounts held, collected or set aside for these approved activities.

Additionally, the school district reports the following fund types:

GOVERNMENTAL FUNDS

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific expenditure purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

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

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to report resources held by the district in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting.

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

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

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

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

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

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

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets 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 interfund 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.

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting*, as issued in 2005 by the Government Finance Officers Association and are consistent with the broad classifications recommended in *Financial Accounting for Local and State School Systems, 2003* issued by the U.S. Department of Education.

E. Encumbrances.

An encumbrance system is maintained to account for commitments resulting from purchase orders, work orders and contracts during the fiscal year. However, the school district attempts to liquidate all encumbrances at year-end. Encumbrances outstanding at year-end are not reported as reservations of fund balances since they do not constitute expenditures or liabilities.

F. Assets, liabilities, and net assets or equity

1. Cash, Cash equivalents and Investments

Cash and cash equivalents.

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

Investments.

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

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

Investments for the district are reported at fair market value.

2. Receivables and payable

Activity 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 interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund 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.

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

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 cost 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 assets because their use is limited by applicable debt statutes. Also, the nonexpendable portion of the Permanent Fund, if applicable, is classified as restricted assets because the 16th Section Principal fund is not available for use by the district except as provided for under state statute for loans from this account.

6. Capital Assets.

Capital assets, which include property, plant, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Assets. 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 following table and estimated useful lives in excess of two years.

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

Depreciation is calculated on the straight-line basis for all assets, except land. The following schedule details those 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
Leased property under capital leases	*	*

(*) The threshold amount will correspond with the amounts for the asset classifications, as listed. See Note 5 for details.

7. 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

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements For the Year Ended June 30, 2008

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 long-term liabilities 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 compensated absence liability payable from expendable available financial resources only if the payable has matured, for example, an employee retires.

8. Long-term Liabilities, Deferred Debt Expense, and Bond Discounts/Premiums.

In the government-wide financial statements, outstanding debt is reported as liabilities. Bond issue cost, 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 6 for details.

9. Fund equity.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved classified as designated and undesignated.

Fund reserves are portions of fund equity that are legally segregated for a specific future use or are not available for current operations. Following is a description of fund reserves used by the district:

Reserved for inventory - An account that represents a portion of the fund balance which indicates that inventories do not represent available spendable resources even though they are a component of net current assets.

Reserved for debt service - An account that represents a portion of fund balance in the Debt Service Fund which was legally restricted and not available for spending for any other purpose than that for which it is restricted.

Reserved for unemployment benefits - An account that represents a portion of the fund balance that is legally restricted for the payment of unemployment benefits.

Reserved for permanent fund purposes - An account that represents a portion of the fund balance that is legally restricted for investment purposes or borrowing by the school board for capital purposes.

Unreserved, undesignated - An account that represents the portion of fund balance that is expendable available financial resources.

(2) Cash and Cash Equivalents, Cash with Fiscal Agents and Investments.

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

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

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 districts' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

Investments. Section 29-3-113 and 37-59-43, Miss. Code Ann. (1972), authorizes the school board to invest surplus funds in the types of investments authorized by Section 27-105-33(d) and (e) Miss. Code Ann. (1972). This section permits the following types of investments: (a) certificates of deposits and interest bearing accounts with qualified state depositories; (b) direct United States Treasury obligations; (c) United States Government agency, United States Government instrumentality or United States Government sponsored enterprise obligations, the principal and interest of which are fully guaranteed by the government or enumerated agency of the United States; (d) direct security repurchase agreements and reverse direct security repurchase agreements of any federal book entry of only those securities enumerated in (b) and (c) above; (e) direct obligations issued by the United States of America that are deemed to include securities of, or interest in, and open-end or closed-end any management type investment company or investment trust approved by the State Treasurer and the Executive Director of the Department of Finance and Administration. Investment income on bond funds (Capital Projects), bonds sinking funds (Debt Service Funds) and sixteenth section principal funds (Permanent Funds) must be credited to those funds. Investment income of \$100 or more of any fund must be credited to that fund. Amounts less than \$100 can be credited to the General Fund.

Cash and Cash Equivalents.

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds and fiduciary funds was \$2,559,452 and \$444,660, respectively. The bank balance was \$5,306,434.

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. However, the Mississippi State Treasurer manages that risk on behalf of the district. 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, 2008, none of the district's bank balance of \$5,306,434 was exposed to custodial credit risk.

Cash with Fiscal Agents.

The carrying amount of school district's cash with fiscal agents held by financial institutions was \$1,926,772.

Investments.

As of June 30, 2008, the district had the following investment in Hancock Bank's Trust Department investment pool.

<u>Investment Type</u>	<u>Maturities (in years)</u>	<u>Fair Value</u>	<u>Rating</u>
Hancock Horizon Treasury Securities			
Money Market Mutual Fund	N/A	\$ 695,743	A

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

Interest Rate Risk.

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

Credit Risk.

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

Custodial Credit Risk - Investments.

Custodial credit risk is defined as the risk that, in the event of the failure of the counter party, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The district does not have a formal investment policy that addresses custodial credit risk. Of the district's investments in Treasury Securities Money Market Fund, \$695,743 of underlying securities are held by the investment's counter party, not in the name of the district.

Concentration of Credit Risk.

Disclosures of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U. S. government, investments in mutual funds and external investment pools, and other pooled investments. As of June 30, 2008, the district had the following investments:

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Hancock Horizon Treasury Security Money Market Mutual Fund	\$ 695,743	100%

(3) Interfund Receivables, Payables and Transfers.

The following is a summary of interfund transactions and balances:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Title 1-A Basic	\$ 813,957
	QZAB Debt Service	1,000
	Other Governmental Funds	200,274
	Fiduciary Funds	2,100,940
Title 1-A Basic	General Fund	1,228,686
QZAB Debt Service	Other Governmental Funds	1,000

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	General Fund	1,356,307
	Other Governmental Funds	505,011
Fiduciary Funds	Other Governmental Funds	1,757,758
Total Funds		\$ 7,964,933

The purpose of the interfund transactions was to provide funds for operating purposes. All balances are expected to be repaid within one year from the date of the financial statements.

B. Interfund Transfers.

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	General Fund	\$ 4,486,205
	QZAB Debt Service	301,000
	Other Governmental Funds	2,052,712
Other Governmental Funds	General Fund	1,123,215
Total		\$ 7,963,132

All interfund transfers were routine and consistent with the activities of the fund making the transfer. The purpose of the transfers was to provide funds for operating activities.

(4) Restricted Assets.

The restricted assets represent the cash balance of \$39,231 of the Sixteenth Section Principal Fund (Permanent Fund) which is legally restricted and may not be used for purposes that support the district's programs. In addition, the restricted assets represent the investment balance of \$1,926,772 of the QZAB Bond Retirement Fund.

(5) Capital Assets.

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

	Balance 7-1-2007	Additions	Deletions	Adjustments	Balance 6-30-2008
Governmental Activities:					
Non-depreciable capital assets:					
Land	\$ 42,480				42,480
Total non-depreciable capital assets	42,480	0	0	0	42,480
Depreciable capital assets:					
Buildings	15,452,284				15,452,284
Improvements other than buildings	195,284				195,284
Mobile equipment	2,923,278	230,047	(136,813)		3,016,512
Furniture and equipment	3,099,989	71,961	(211,879)		2,960,071
Total depreciable capital assets	21,670,835	302,008	(348,692)	0	21,624,151

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

	Balance 7-1-2007	Additions	Deletions	Adjustments	Balance 6-30-2008
<u>Less accumulated depreciation for:</u>					
Buildings	10,135,620	101,214			10,236,834
Improvements other than buildings	156,227				156,227
Mobile equipment	2,069,387	133,889	(123,131)		2,080,145
Furniture and equipment	2,676,513	318,926	(182,419)	1,386	2,814,406
Total accumulated depreciation	<u>15,037,747</u>	<u>554,029</u>	<u>(305,550)</u>	<u>1,386</u>	<u>15,287,612</u>
Total depreciable capital assets, net	<u>6,633,088</u>	<u>(252,021)</u>	<u>(43,142)</u>	<u>(1,386)</u>	<u>6,336,539</u>
Governmental activities capital assets, net	<u>\$ 6,675,568</u>	<u>(252,021)</u>	<u>(43,142)</u>	<u>(1,386)</u>	<u>6,379,019</u>

Adjustments of \$1,386 represent prior year correction not posted to the District's records.

Depreciation expense was charged to the following governmental functions:

	Amount
Instruction	\$ 46,016
Support services	502,202
Non-instructional	<u>5,811</u>
Total depreciation expense	<u>\$ 554,029</u>

(6) Long-term liabilities.

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

	Balance 7-1-2007	Additions	Reductions	Balance 6-30-2008	Amounts due within one year
A. General obligation bonds payable	\$ 2,415,000		435,000	1,980,000	190,000
B. Limited obligation bonds payable	5,450,000		430,000	5,020,000	455,000
C. Qualified zone academy bonds payable	2,500,000			2,500,000	
D. Other loans payable	140,858		34,142	106,716	34,142
E. Compensated absences payable	298,918		32,905	266,013	
Total	<u>\$ 10,804,776</u>	<u>0</u>	<u>932,047</u>	<u>9,872,729</u>	<u>679,142</u>

The school district has pledged revenues from the Mississippi Accountability and Adequate Education Act (MAEA) Sections 37-151-1 through 37-151-7. The amount of the pledge is sufficient to retire the \$5,020,000 balance of \$8,900,000 limited obligation bonds issued in 1998. The bonds were issued for school improvements and will mature on 04-01-16. During the current period revenues from MAEA were \$726,000 and principal and interest payments were \$666,650 for the limited obligation bonds. The amount of funds pledged in the current year was approximately 92% of the MAEA funds received. See Note B for more detail.

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

A. General obligation bonds payable.

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

<u>Description</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General obligation bonds, Series 2004	2.5%-3.9%	12-1-04	12-1-17	\$ <u>2,375,000</u>	<u>1,980,000</u>
Total				\$ <u>2,375,000</u>	<u>1,980,000</u>

Details of the District's June 30, 2008 general obligation bonded indebtedness are as follows:

	<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$	190,000	62,960	252,960
2010		195,000	57,808	252,808
2011		200,000	52,028	252,028
2012		205,000	45,646	250,646
2013		210,000	38,850	248,850
2014 - 2018		<u>980,000</u>	<u>79,194</u>	<u>1,059,194</u>
Total	\$	<u>1,980,000</u>	<u>336,486</u>	<u>2,316,486</u>

The amount of bonded indebtedness that can be incurred by the school district is limited by state statute. Total outstanding bonded indebtedness during a year can be no greater than 15% of the assessed value of the taxable property within such district, according to the then last completed assessment for taxation, unless certain conditions, as set forth in state statutes, have been met. As of June 30, 2008, the amount of outstanding bonded indebtedness was equal to 1% of property assessments as of October 1, 2007. This debt will be retired from the 1987 bond refunding fund.

B. Limited obligation bonds payable.

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

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
State aid capital improvement Bonds, Series 1998	4.6%	04-01-98	04-01-16	\$ 8,900,000	5,020,000
Total				\$ 8,900,000	5,020,000

Details of the district's June 30, 2008 limited obligation bonds indebtedness are as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 455,000	215,673	670,673
2010	475,000	194,738	669,738
2011	500,000	161,550	661,550
2012	525,000	147,678	672,678
2013	555,000	125,438	680,438
2014 - 2016	2,510,000	246,448	2,756,448
Total	\$ 5,020,000	1,091,525	6,111,525

The state aid capital improvement bonds are secured by an irrevocable pledge of certain revenues the district receives from the state of Mississippi pursuant to the Mississippi Accountability and Adequate Education Program Act, Sections 37-151-1 through 37-151-7, Miss. Code Ann. (1972). The state aid capital improvement bonds are not included in the computation of the debt limit percentage. The debt will be retired from the state aid bond fund.

C. Qualified zone academy bonds payable.

As more fully explained in Note 14, debt has been issued by the school district that qualifies as Qualified Zone Academy bonds. Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
QZAB Limited - tax school note, Series 2000	None	7/01/02	7/20/10	\$ 2,500,000	2,500,000
Total				\$ 2,500,000	2,500,000

D. Other loans payable.

The school district has issued debt instruments granted under the authority of Asbestos School Hazard Abatement Reauthorization Act of 1990, 20 U.S.C. 4011.

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Asbestos School Hazard Abatement Note	None	04-06-93	11-06-11	\$ 614,561	106,716
Total				\$ 614,561	106,716

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

Year Ending June 30	Principal	Interest	Total
2009	\$ 34,142		34,142
2010	34,142		34,142
2011	34,142		34,142
2012	4,290		4,290
Total	\$ 106,716	0	106,716

This debt will be retired from the general fund.

E. Compensated absences payable.

As more fully explained in Note 1(F-7), 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.

(7) Short-term Financing.

During the fiscal year ended June 30, 2008, the school district participated in the following short-term financing for the purpose of tax anticipation.

A. Mississippi School Boards Association (MSBA) cash flow management program.

Under this program, the school district issues a revenue anticipation note payable and the proceeds from such issuance are held by the financial institution serving as trustee under the program. The school district makes withdrawals from the trustee throughout the fiscal year based on its cash flow needs. The school district earns a fixed rate of return on its investable note proceeds held by the trustee, and such earnings are used to cover the interest and related issuance costs of the note. Depending upon whether the earnings are more or less than the interest and related issuance costs, the school district receives a distribution from or makes a payment to the trustee.

All transactions related to participation in this program are accounted for as part of the school district's General Fund.

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

B. Changes in short-term debt activity recorded in the governmental activities during fiscal year 2008 are as follows:

	Balance 7/1/07	Additions	Reductions	Balance 6/30/08
Tax Anticipation Note	\$ 0	2,509,290	2,509,290	0

(8) Defined Benefit 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. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate for fiscal year ended June 30, 2008 was 11.85% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The school district's contributions to PERS for the fiscal years ending June 30, 2008, 2007 and 2006 were \$3,886,343, \$3,655,564, and \$3,258,027, respectively, which equaled the required contributions for each year.

(9) Sixteenth Section Lands.

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

Year Ending June 30	Amount
2009	\$ 77,763
2010	77,763
2011	77,763
2012	77,763
2013	77,763
2014 - 2018	388,814
2019	77,763
Total	\$ 855,392

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

(10) Prior Period Adjustments/Exhibits.

A summary of significant fund equity adjustments is as follows:

Exhibit B - Statement of Activities

<u>Explanations(s)</u>	<u>Amount</u>
1. The District recorded an account receivable in two funds in 2007. Only one amount was due.	\$ (363,460)
2. Adjustment to fixed assets	<u>(1,387)</u>
Total	\$ <u><u>(364,847)</u></u>

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

<u>Major Funds</u>	<u>Explanation(s)</u>	<u>Amount</u>
General fund	Accounts Receivable recorded in Error in 2007	\$ <u>(363,460)</u>
Total		\$ <u><u>(363,460)</u></u>

(11) Contingencies.

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

Litigation.

The school district is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate the outcome or liability, if any, of the school district with respect to the various proceedings.

(12) Subsequent Events.

- A. Dr. Harvey A. Franklin, Sr. became superintendent on July 1, 2009.
- B. In the 2009 - 2010 school year, two schools were elosed.
- C. The Board of Education voted to issue a three mill note in the amount of \$435,000. The funds will be used to purchase a new school bus and make repairs to the school. This note will bear interest at 2.98 percent.
- D. The Board of Education voted to issue \$4,705,000 in new bonds to redeem outstanding MAEP funds.
- E. A new agreement was reached with the City of Greenville to allow the district to receive 14% of the gaming revenue from the two casinos inside the city limits and none from the one in the county. The previous arrangement gave the district seven percent of all easino revenue.

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

F. In prior years the county distributed too much tax money to county schools and not enough to the city schools. The district is examining options to recover those funds.

(13) Risk Management.

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

Participation in Public Entity Risk Pool.

The school district is a member of the Mississippi School Boards Association Workers' Compensation Trust (MSBAWCT). The trust is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. The trust consists of approximately 95 school districts and one community college and covers risks of loss arising from injuries to the member's 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.

On September 30, 2005, some of the members were assessed an additional assessment of \$82,833, depending upon their years of membership in the MSBAWCT. The balance of the additional assessment as of June 30, 2008 was \$82,833. This assessment is allowed to be repaid at a rate of 5% of their current premium per year until the total assessment is fully paid as long as they continue as members. If a member leaves the pool, they must repay the complete balance of the assessment within two years in equal installments.

(14) Qualified Zone Academy Bonds.

Section 226 of the Taxpayer Relief Act of 1997 (Public Law 105-34) provides for a source of capital at no or nominal interest rates for costs incurred by certain public schools in connection with the establishment of special academic programs from kindergarten through secondary school, in partnership with the business community. The school district, in agreement with Duncan-Williams, Inc. has entered into such an arrangement dated July 20, 2000. The school district has twenty-six partners that will make contributions of at least ten percent of the sum generated by the issuance of bonds. The bonds will enhance public education by establishing math/science and technology academics at three schools.

This agreement establishes a method of repayment for a qualified interest-free debt instrument. The agreement requires the school district to deposit funds annually into a sinking fund account on or before June 15. The amount accumulated in the sinking fund at the end of the ten-year period will be sufficient to retire the debt. The following schedule reports the yearly deposits to be made by the general fund to the sinking fund by the school district.

Year Ending June 30	Amount
2009	\$ 150,000
2010	300,000
Total	\$ <u>450,000</u>

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to Financial Statements
For the Year Ended June 30, 2008

(15) School Consortiums.

A. 21st Century Learning Center.

The school district entered into a 21st Century Learning Center Agreement dated May 7, 2000 creating the Delta Horizon 21st Century Community Learning Center consortium. This consortium was created pursuant to the provisions of Section 37-7-301(dd), Miss. Code Ann. (1972).

The following other school districts are in this consortium:

Hollandale School District

The Greenville Public School District was the lead district in this group and the operations of the consortium are included in its financial statements. The following Statement of Revenues, Expenditures and Changes in Fund Balance is presented to detail the financial activity of the 21st Century Learning Center.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
21ST CENTURY LEARNING CENTERS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Total</u>
Revenues	
Federal sources	\$ <u>383,474</u>
Total Revenues	<u>383,474</u>
Expenditures	
Salaries	184,482
Employee benefits	36,933
Purchased professional and technical services	33,293
Supplies	9,436
Other	<u>13,962</u>
Total Expenditures	<u>278,106</u>
Excess (Deficiency) of Revenues Over Expenditures	105,368
Other Financing Sources/Uses	
Transfers in	3,309
Transfers out	<u>(116,861)</u>
Net Change in Fund Balance	(8,184)
Fund Balance	
July 1, 2007	<u>8,184</u>
June 30, 2008	\$ <u><u>0</u></u>

GREENVILLE PUBLIC SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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GREENVILLE PUBLIC SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original To Final	Final To Actual
Revenues:					
Local sources	\$ 9,908,829	10,049,170	10,049,171	140,341	1
Intermediate		4,062	4,062	4,062	0
State sources	33,314,894	32,139,919	32,139,919	(1,174,975)	0
Federal sources	600,000	1,164,158	1,303,964	564,158	139,806
Total Revenues	<u>43,823,723</u>	<u>43,357,309</u>	<u>43,497,116</u>	<u>(466,414)</u>	<u>139,807</u>
Expenditures:					
Instruction	27,189,371	26,407,321	26,863,843	782,050	(456,522)
Support services	15,922,519	16,186,221	16,232,660	(263,702)	(46,439)
Debt service:					
Principal	2,621,200	2,603,534	34,142	17,666	2,569,392
Interest			60,102	0	(60,102)
Total Expenditures	<u>45,733,090</u>	<u>45,197,076</u>	<u>43,190,747</u>	<u>536,014</u>	<u>2,006,329</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,909,367)</u>	<u>(1,839,767)</u>	<u>306,369</u>	<u>69,600</u>	<u>2,146,136</u>
Other Financing Sources (Uses):					
Proceeds of loans	2,400,000	2,509,290		109,290	(2,509,290)
Insurance loss recoveries	15,000	19,060	19,061	4,060	1
Operating transfers in	4,456,516	4,698,002	5,609,420	241,486	911,418
Operating transfers out	(5,117,597)	(5,825,053)	(6,839,917)	(707,456)	(1,014,864)
Total Other Financing Sources (Uses)	<u>1,753,919</u>	<u>1,401,299</u>	<u>(1,211,436)</u>	<u>(352,620)</u>	<u>(2,612,735)</u>
Net Change in Fund Balances	<u>(155,448)</u>	<u>(438,468)</u>	<u>(905,067)</u>	<u>(283,020)</u>	<u>(466,599)</u>
Fund Balances:					
July 1, 2007	1,411,498	1,411,498	1,411,497	0	(1)
Prior period adjustments	(363,460)	(363,460)	(363,460)	0	0
July 1, 2007 as restated	<u>1,048,038</u>	<u>1,048,038</u>	<u>1,048,037</u>	<u>0</u>	<u>(1)</u>
Increase in reserve for inventory			5,822	0	5,822
June 30, 2008	<u>\$ 892,590</u>	<u>609,570</u>	<u>148,792</u>	<u>(283,020)</u>	<u>(466,778)</u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Title I-A Basic Fund
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original To Final	Final To Actual
Revenues:					
Federal sources	\$ 4,315,715	4,643,535	4,403,825	327,820	(239,710)
Total Revenues	<u>4,315,715</u>	<u>4,643,535</u>	<u>4,403,825</u>	<u>327,820</u>	<u>(239,710)</u>
Expenditures:					
Instruction	2,152,031	1,846,951	1,933,797	305,080	(86,846)
Support services	2,873,873	2,393,476	2,393,476	480,397	0
Noninstructional services	110,970	76,552	76,552	34,418	0
Total Expenditures	<u>5,136,874</u>	<u>4,316,979</u>	<u>4,403,825</u>	<u>819,895</u>	<u>(86,846)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(821,159)</u>	<u>326,556</u>	<u>0</u>	<u>1,147,715</u>	<u>(326,556)</u>
Net Change in Fund Balances	(821,159)	326,556	0	1,147,715	(326,556)
Fund Balances:					
July 1, 2007	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30, 2008	<u>\$ (821,159)</u>	<u>326,556</u>	<u>0</u>	<u>1,147,715</u>	<u>(326,556)</u>

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

GREENVILLE PUBLIC SCHOOL DISTRICT

Notes to the Required Supplementary Information
For the Year Ended June 30, 2008

Budgetary Comparison Schedule

(1) Basis of Presentation.

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

(2) Budget amendments and revisions.

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

(3) Other Individual Fund Disclosures.

A. A listing of the individual funds that have an excess of expenditures over budget, including amounts in excess, is as follows:

<u>Fund type/Fund</u>	<u>Amount</u>
Title 1-A fund	\$ 86,846

The funds are in violation of state law. However, the school district has no liability associated with these violations.

B. There were no unbudgeted funds.

GREENVILLE PUBLIC SCHOOL DISTRICT

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GREENVILLE PUBLIC SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

GREENVILLE PUBLIC SCHOOL DISTRICT

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GREENVILLE PUBLIC SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2008

Federal Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic Assistance Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>		
Passed-through Mississippi Department of Education:		
Child nutrition cluster:		
School breakfast program	10.553	\$ 854,768
National school lunch program	10.555	2,696,593
Summer food service program for children	10.559	263,559
Total child nutrition cluster		<u>3,814,920</u>
Total U.S. Department of Agriculture		<u>3,814,920</u>
<u>Federal Communications Commission</u>		
Administered through the Universal Service Administrative Company:		
The schools and libraries program of the universal service fund	32.XXX	1,010,814
Total Federal Communications Commission		<u>1,010,814</u>
<u>U.S. Department of Education</u>		
Passed-through Mississippi Department of Education:		
Title I - grants to local educational agencies	84.010	4,720,724
Career and technical education - basic grants to states	84.048	107,335
Safe and drug-free schools and communities - state grants	84.186	36,746
Twenty-first Century Community Learning Centers	84.287	391,658
State grants for innovative programs	84.298	12,188
Education technology state grant	84.318	24,882
Improving teacher quality - state grants	84.367	793,213
Hurricane Education Recovery Act Programs	84.938	11,085
Total		<u>6,097,831</u>
Special education cluster:		
Special education - grants to states	84.027	2,291,205
Special education - preschool grants	84.173	35,698
Total		<u>2,326,903</u>
Total passed-through Mississippi Department of Education		<u>8,424,734</u>
Total U.S. Department of Education		<u>8,424,734</u>
<u>Other Federal Assistance</u>		
U.S. Department of Defense		
Direct program:		
Reserve Officers' Training Corps	12.XXX	54,155
Passed-through Mississippi Department of Human Services:		
Medical Assistant Program (Medicaid Title XIX)	93.778	293,149
Total Other Federal Assistance		<u>347,304</u>
Total for All Federal Awards		<u>\$ 13,597,772</u>

Federal Grantor/
Pass-through Grantor/
Program Title

Catalog of
Federal Domestic
Assistance Number

Federal
Expenditures

NOTES TO SCHEDULE

1. This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the financial statements.
2. The expenditure amounts include transfers out.
3. The pass-through entities did not assign identifying numbers to the school district.
4. The balance outstanding at June 30, 2008, of the loan received in a previous fiscal year under former CFDA #66.702 for asbestos removal was \$106,716.

GREENVILLE PUBLIC SCHOOL DISTRICT
 Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds
 For the Year ended June 30, 2008

Expenditures		Total	Instruction and Other Student Instructional Expenditures	General Administrative	School Administrative	Other
Salaries and fringe benefits	S	46,740,031	35,399,527	1,812,511	2,828,440	6,699,553
Other		<u>13,098,754</u>	<u>4,174,344</u>	<u>1,090,024</u>	<u>72,500</u>	<u>7,761,886</u>
Total	S	<u>59,838,785</u>	<u>39,573,871</u>	<u>2,902,535</u>	<u>2,900,940</u>	<u>14,461,439</u>
Total number of students		6,932				
Cost per student	S	8,632	5,709	419	418	2,086

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

Instruction and Other Student Instructional Expenditures - Includes the activities dealing with the interaction between teachers and students. Included here are the activities of teachers, teachers' aides or classroom assistants of any type - (all the 1000, 2100, and 2200 functional codes)

General Administration - Includes expenditures for the following functions: Support Services - General Administration (2300s); Support Services - Business (2500s)

School Administration - Includes expenditures for the following functions: Support Services - School Administration (2400s).

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

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GREENVILLE PUBLIC SCHOOL DISTRICT

OTHER SUPPLEMENTAL INFORMATION

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GREENVILLE PUBLIC SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Funds
For the Last Four Years

"Unaudited"

	2008	* 2007	* 2006	* 2005
Revenues				
Local sources	\$ 11,103,428	10,047,488	9,903,941	10,003,818
Intermediate sources	4,062			
State sources	33,748,147	32,239,673	31,517,454	30,474,918
Federal sources	13,707,162	12,751,844	15,683,093	14,315,715
Sixteenth section sources	68,461	47,494	57,406	55,614
Total Revenues	<u>58,631,260</u>	<u>55,086,499</u>	<u>57,161,894</u>	<u>54,850,065</u>
Expenditures:				
Instruction	33,715,331	30,818,697	30,341,430	29,261,668
Support services	20,771,889	19,692,165	20,569,617	20,443,546
Noninstructional services	3,928,184	4,043,456	4,102,492	5,010,315
Sixteenth section	881	595	1,990	
Facilities acquisition and construction		74,256		
Debt service				
Principal	899,142	1,029,142	984,142	909,142
Interest	522,270	403,774	434,559	565,921
Other	1,088	2,639	209,518	53,518
Total Expenditures	<u>59,838,785</u>	<u>56,064,724</u>	<u>56,643,748</u>	<u>56,244,110</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,207,525)</u>	<u>(978,225)</u>	518,146	<u>(1,394,045)</u>
Other Financing Sources (Uses):				
Proceeds of refunding bonds				2,375,000
Insurance loss recoveries	19,061	13,468	4,363	7,758
Operating transfers in	7,963,132	6,402,957	5,826,629	6,134,768
Operating transfers out	(7,963,132)	(6,402,957)	(5,826,629)	(6,134,768)
Payment to refunded bond escrow agent				(2,331,809)
Other financing uses	(151,251)			
Total Other Financing Sources (Uses)	<u>(132,190)</u>	<u>13,468</u>	<u>4,363</u>	<u>50,949</u>
Net Change in Fund Balances	<u>(1,339,715)</u>	<u>(964,757)</u>	522,509	<u>(1,343,096)</u>
Fund Balances:				
July 1	4,997,415	5,666,603	5,115,550	6,471,388
Prior period adjustments	(363,460)	303,126		(3,286)
July 1, as restated	<u>4,633,955</u>	<u>5,969,729</u>	5,115,550	6,468,102
Increase (Decrease) in reserve for inventory	<u>(11,964)</u>	<u>(7,557)</u>	28,544	<u>(9,456)</u>
June 30	<u>\$ 3,282,276</u>	<u>4,997,415</u>	<u>5,666,603</u>	<u>5,115,550</u>

* Source - Prior Year Audit Reports

GREENVILLE PUBLIC SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Last Four Years

"Unaudited"

	<u>2008</u>	<u>* 2007</u>	<u>* 2006</u>	<u>* 2005</u>
Revenues:				
Local sources	\$ 10,049,171	9,186,546	9,479,924	8,899,928
Intermediate sources	4,062			
State sources	32,139,919	30,486,036	29,575,435	28,443,644
Federal sources	1,303,964	585,986	547,316	192,963
Total Revenues	<u>43,497,116</u>	<u>40,258,568</u>	<u>39,602,675</u>	<u>37,536,535</u>
Expenditures:				
Instruction	26,863,843	24,747,836	24,021,652	23,599,686
Support services	16,232,660	14,551,614	13,274,074	13,175,197
Noninstructional services			130,183	
Debt service:				
Principal	34,142	34,142	34,142	34,142
Interest	60,102	46,368		8,075
Other			64,568	
Total Expenditures	<u>43,190,747</u>	<u>39,379,960</u>	<u>37,524,619</u>	<u>36,817,100</u>
Excess (Deficiency) of Revenues over Expenditures	<u>306,369</u>	<u>878,608</u>	<u>2,078,056</u>	<u>719,435</u>
Other Financing Sources (Uses):				
Insurance loss recoveries	19,061	13,468	4,363	7,758
Operating transfers in	5,609,420	4,107,700	4,031,537	3,763,557
Operating transfers out	(6,839,917)	(5,992,750)	(5,524,945)	(5,094,412)
Total Other Financing Sources (Uses)	<u>(1,211,436)</u>	<u>(1,871,582)</u>	<u>(1,489,045)</u>	<u>(1,323,097)</u>
Net Change in Fund Balances	(905,067)	(992,974)	589,011	(603,662)
Fund Balances:				
July 1	1,411,497	2,089,247	1,494,825	2,089,322
Prior period adjustments	(363,460)	303,126		
July 1, as restated	<u>1,048,037</u>	<u>2,392,373</u>	<u>1,494,825</u>	<u>2,089,322</u>
Increase (Decrease) in reserve for inventory	<u>5,822</u>	<u>12,098</u>	<u>5,411</u>	<u>9,165</u>
June 30	<u>\$ 148,792</u>	<u>1,411,497</u>	<u>2,089,247</u>	<u>1,494,825</u>

* Source - Prior Year Audit Reports

GREENVILLE PUBLIC SCHOOL DISTRICT

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

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

Superintendent and School Board
Greenville Public School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greenville Public School District as of and for the year ended June 30, 2008, which collectively comprise the Greenville Public School District's basic financial statements and have issued our report thereon dated May 19, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the school district's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the school district's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the school district's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in the internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Finding 2008-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the school district's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the school district's financial statements are free of 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 determination of financial statement amounts. 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the school district in a separate letter dated May 19, 2010, which is included in this report.

The Greenville Public School District's response to the finding identified in our audit is described in the Auditee's Corrective Action Plan. We did not audit Greenville Public School District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the school board and management, entities with accreditation overview, and federal awarding agencies 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.

May 19, 2010



INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Superintendent and School Board
Greenville Public School District

Compliance

We have audited the compliance of the Greenville Public School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the school district's management. Our responsibility is to express an opinion on the school district's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the school district's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the school district's compliance with those requirements.

In our opinion, Greenville Public School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 2008-2 and 2008-3.

Internal Control Over Compliance

The management of the Greenville Public School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the school district's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the school district's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the district's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in a district's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the district's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the district's internal control. We consider the deficiencies in the internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as Findings 2008-2 and 2008-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the district's internal control. We did not consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Greenville Public School District's responses to the findings identified in our audit are described in the accompanying Auditee's Corrective Action Plan. We did not audit Greenville Public School District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the school board and management, others with the district, entities with accreditation oversight, and federal awarding agencies 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.

May 19, 2010

Elliot Hinberg CPA PLLC

GREENVILLE PUBLIC SCHOOL DISTRICT

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
STATE LAWS AND REGULATIONS

Superintendent and School Board
Greenville Public School District

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Greenville Public School District as of and for the year ended June 30, 2008, which collectively comprise Greenville Public School District's basic financial statements and have issued our report thereon dated May 19, 2010. 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 insure that the school district is complying with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), relating to classroom supply funds". As required by the state legal compliance audit program prescribed by the Office of the State Auditor, 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. The district reported no classroom supply funds carried over from previous years.

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

The result 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 state all 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 disclosed the following immaterial instance of noncompliance with other state laws and regulations. Our finding and recommendation and your response are as follows:

Finding

Section 37-61-21(2) requires that the school district's year end financial statements be available for audit on or before October 15, 2008. These statements were not available until October 18, 2009.

Recommendation

Prepare the financial statements in a timely manner.

School District's Response

We will work harder at complying with this requirement.

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

This report is intended solely for the information and use of the school board and management, entities with accreditation overview, and federal awarding agencies 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.

May 19, 2010

Ellis & Hinberg CPA PLLC

GREENVILLE PUBLIC SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GREENVILLE PUBLIC SCHOOL DISTRICT

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GREENVILLE PUBLIC SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|-------------|
| 1. | Type of auditor's report issued on the financial statements: | Unqualified |
| 2. | Material noncompliance relating to the financial statements? | None |
| 3. | Internal control over financial reporting: | |
| a. | Material weakness identified? | No |
| b. | Significant deficiency identified that is not considered to be a material weakness? | Yes |

Federal Awards:

- | | | |
|-----|--|-------------|
| 4. | Type of auditor's report issued on compliance for major federal programs: | Unqualified |
| 5. | Internal control over major programs: | |
| a. | Material weakness identified? | No |
| b. | Significant deficiency identified that is not considered to be a material weakness? | Yes |
| 6. | Any audit findings reported as required by Section __.510(a) of Circular A-133? | Yes |
| 7. | Federal programs identified as major programs: | |
| a. | Program name: Title I - Grants to Local Education Agencies
CFDA # 84.010 | |
| b. | Program name: Special Education Cluster
CFDA # 84.027
CFDA # 84.173 | |
| c. | Twenty-first Century Community Learning Center
Direct Program
Passed-through State Department of Education
Other Federal Assistance
CFDA #84.287 | |
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$407,933 |
| 9. | Auditee qualified as a low-risk auditee? | No |
| 10. | Prior fiscal year audit finding(s) and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section __.315(b) of OMB Circular A-133? | Yes |

GREENVILLE PUBLIC SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Section 2: Financial Statement Findings

Significant Deficiency Not Considered a Material Weakness:

2008-1 Finding

Criteria

Checks are normally voided after a reasonable amount of time, usually sixty to ninety days.

Condition

The District lists as outstanding, checks some as old as 1996. The total of these items are approximately \$63,000 in the accounts payable account and \$52,000 in the payroll account.

Context

This condition puts an unnecessary strain on cash flow.

Effect

This understates cash available for use and causes an increase in the amount of short term borrowing.

Recommendation

The business office should present a list of old outstanding checks to the school board to write off and the funds added back to the bank account. If any of these old checks are presented for payment, the board can make a decision as to whether the payment should be made.

Section 3: Federal Award Findings and Questioned Costs

Immaterial Non-Compliance and Significant Deficiencies in Internal Control Condition:

2008-2 Finding

	<u>Name</u>	<u>CFDA</u>	<u>Grantor/ Pass-through Grantor</u>
Program:	Special Education Cluster	84.027	Mississippi Department of Education
	Title 1 Grants to Local Educational Agencies	84.010	Mississippi Department of Education

Compliance Requirement: Cash Management

Criteria

Federal programs should have only enough cash for its immediate needs.

GREENVILLE PUBLIC SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Condition

The Special Education Program - Grants to States had excess balances for the year. The high was in October of \$592,305.57 and a low in June of \$70,869.00.

The Title 1 Program - Grants to Local Educational Agencies also had excess cash draws at the end of March of \$38,346.00 and \$154,606.00 at the end of the year.

There was a cash management finding in the prior year.

Cause

The internal controls over this procedure were insufficient to prevent this situation.

Effect

This situation if not corrected could affect future funding.

Questioned Cost - None

Recommendation

Institute controls over cash drawn direct from the federal government to prevent requesting more cash than is required by the federal program

2008-3 Finding

Program: All Federal Programs

Compliance Requirements

Audit reports should be submitted to the proper governmental agency within nine months of year end. Extensions of time for filing audit reports will usually be granted upon formal request from the oversight or cognizant agency.

Condition

We could not determine that an extension was requested.

Effect

This condition could affect future funding.

Recommendation

The business manager should prepare an alert system as to the need for an extension as the nine month deadline approaches.

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GREENVILLE PUBLIC SCHOOL DISTRICT

AUDITEES' CORRECTIVE ACTION PLAN
AND
SUMMARY OF PRIOR AUDIT FINDINGS

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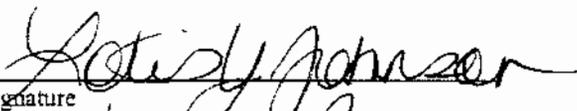


Harvey Franklin, Ed.D., Superintendent
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AUDITEE'S CORRECTIVE ACTION PLAN

As required by Section .315 of OMB Circular A-133, the Greenville Public School District has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2008.

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2008-1	A. Lotis Johnson B. We will take a list of old outstanding checks to the board for write off and will adjust our cash records accordingly. C. The controls will be implemented by June 30, 2010.
2008-2	A. Lotis Johnson B. We will change the way we request funds and will quit using estimated encumbrance accounts. We will use actual expenditures. C. This will be implemented by June 30, 2010.
2008-3	A. Lotis Johnson B. We will set up a tickler file to eliminate this. C. This will be implemented immediately.


Signature

5/20/10 Business Manager
Title

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Harvey Franklin, Ed.D., Superintendent
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SUMMARY OF PRIOR AUDIT FINDINGS

As required by Section .315(b) of OMB Circular A-133, the Greenville Public School District has prepared and hereby submits the following summary schedule of prior audit findings as of June 30, 2008.

Finding

2007-1	This finding has been corrected.
2007-2	This finding has been corrected.
2007-3	This situation is still in the process of being resolved.
2007-4	This situation has been resolved.
2007-5	This situation has been resolved.

Signature

Title

David Johnson
5/29/10 Business Manager

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