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GREENWOOD PUBLIC SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2014

GREENWOOD PUBLIC SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board
Greenwood Public School District
Greenwood, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greenwood Public School District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Greenwood Public School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Greenwood Public School District, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7-15 and 39-43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greenwood Public School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133), the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds, and the other 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information section, which includes the accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133) and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information mentioned above is fairly stated in all material respects in relation to the basic financial statements as a whole.

The other 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 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 13,

2015, on our consideration of the Greenwood Public School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greenwood Public School District's internal control over financial reporting and compliance.



Cunningham CPAs, PLLC

Belzoni, Mississippi

August 13, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

GREENWOOD PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

The following discussion and analysis of Greenwood Public School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- Total net position for 2014 decreased \$1,992,791, including a prior period adjustment of (\$3,204), and which represents a 12% decrease from fiscal year 2013. Total net position for 2013 decreased \$335,695, including a prior period adjustment of \$132,539, which represents a 2% decrease from fiscal year 2012.
- General revenues amounted to \$17,243,282 and \$17,429,280, or 71% and 70% of all revenues for fiscal years 2014 and 2013, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,956,942, or 29% of total revenues for 2014, and \$7,533,421, or 30% of total revenues for 2013.
- The District had \$26,189,811 and \$25,430,935 in expenses for fiscal years 2014 and 2013; only \$6,956,942 for 2014 and \$7,533,421 for 2013 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$17,243,282 for 2014 and \$17,429,280 for 2013 were not adequate to provide for these programs.
- Among major funds, the General Fund had \$16,527,850 in revenues and \$18,351,942 in expenditures for 2014, and \$16,859,167 in revenues and \$16,974,166 in expenditures in 2013. The General Fund's fund balance decreased by \$2,086,725, including a prior period adjustment of \$25,910, from 2013 to 2014, and decreased by \$835,779, from 2012 to 2013.
- Capital assets, net of accumulated depreciation, decreased by \$329,644, including a prior period adjustment of (\$37,214) for 2014 and decreased by \$14,792, including a prior period adjustment of \$150,641 for 2013. The decrease for 2014 was due primarily to prior period adjustments and to the increase in accumulated depreciation.
- Long-term debt decreased by \$408,025 for 2014 and decreased by \$417,148, including a reclassing adjustment of \$27,514 to change presentation according to GASB 63 for 2013. This decrease for 2014 was due primarily to the principal payments on outstanding long-term debt. The liability for compensated absences increased by \$51,637 for 2014 and decreased by \$8,805 for 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The Statement of Net Position presents information on all the District's nonfiduciary assets and liabilities, with the differences between the two reported as "net position." Over time, increases or decreases in the

GREENWOOD PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

District's net position may serve as a useful indicator of whether its financial position is improving or deteriorating.

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

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

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

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

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. These funds are reported using the accrual basis of accounting. The school district is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

GREENWOOD PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Reconciliation of Government-wide and Fund Financial Statements

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

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

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

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

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

Notes to the financial statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules as required supplementary information. The District adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund and each major special revenue fund as required by the Governmental Accounting Standards Board.

Supplementary Information

Additionally, a Schedule of Expenditures of Federal Awards as required by OMB Circular A-133 and a Schedule of Instructional, Administrative and Other Expenditures for governmental funds can be found in this report.

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of the District's financial position. Assets exceeded liabilities by \$14,311,464 as of June 30, 2014.

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.

GREENWOOD PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Table 1 presents a summary of the District's net position at June 30, 2014 and June 30, 2013.

**Table 1
Condensed Statement of Net Position**

	June 30, 2014	June 30, 2013	Percentage Change
Current assets	\$ 6,865,784	\$ 9,489,905	-27.65 %
Restricted assets	382,969	370,790	3.28 %
Capital assets, net	10,273,178	10,602,822	-3.11 %
Total assets	17,521,931	20,463,517	-14.37 %
Deferred outflows of resources	18,342	22,928	-20.00 %
Current liabilities	442,017	987,373	-55.23 %
Long-term debt outstanding	2,786,792	3,194,817	-12.77 %
Total liabilities	3,228,809	4,182,190	-22.80 %
Net position:			
Net investment in capital assets	7,727,871	7,602,439	1.65 %
Restricted	895,406	4,598,955	-80.53 %
Unrestricted	5,688,187	4,102,861	38.64 %
Total net position	\$ 14,311,464	\$ 16,304,255	-12.22 %

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

- Decrease in net capital assets in the amount of \$329,644.
- The principal retirement of \$465,000 of long-term debt.

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2014 and June 30, 2013 were \$24,200,224 and \$24,962,701, respectively. The total cost of all programs and services was \$26,189,811 for 2014 and \$25,430,935 for 2013.

GREENWOOD PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Table 2 presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and June 30, 2013.

**Table 2
Changes in Net Position**

	Year Ended June 30, 2014	Year Ended June 30, 2013	Percentage Change
Revenues:			
Program revenues:			
Charges for services	\$ 383,315	\$ 393,674	(2.63) %
Operating grants and contributions	6,573,627	7,139,747	(7.93) %
General revenues:			
Property taxes	5,039,597	4,996,257	0.87 %
Grants and contributions not restricted	11,904,916	11,949,400	(0.37) %
Investment earnings	18,923	17,115	10.56 %
Sixteenth section sources	14,850	7,200	106.25 %
Other	264,996	459,308	(42.31) %
Total revenues	24,200,224	24,962,701	(3.05) %
Expenses:			
Instruction	13,931,541	13,488,744	3.28 %
Support services	9,920,934	9,796,121	1.27 %
Non-instructional	2,227,763	2,019,588	10.31 %
Interest on long-term liabilities and other debt service costs	109,573	126,482	(13.37) %
Total expenses	26,189,811	25,430,935	2.98 %
Increase (Decrease) in net position	(1,989,587)	(468,234)	324.91 %
Net Position, July 1, as originally reported	16,304,255	16,639,950	(2.02) %
Prior period adjustment	(3,204)	132,539	(102.42) %
Net Position, July 1, as restated	16,301,051	16,772,489	(2.81) %
Net Position, June 30	\$ 14,311,464	\$ 16,304,255	(12.22) %

Governmental activities

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

GREENWOOD PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

**Table 3
Net Cost of Governmental Activities**

	Total Expenses		Percentage Change
	2014	2013	
Instruction	\$ 13,931,541	\$ 13,488,744	3.28 %
Support services	9,920,934	9,796,121	1.27 %
Non-instructional	2,227,763	2,019,588	10.31 %
Interest on long-term liabilities and other debt service costs	109,573	126,482	(13.37) %
Total expenses	\$ 26,189,811	\$ 25,430,935	2.98 %

	Net (Expense) Revenue		Percentage Change
	2014	2013	
Instruction	\$ (10,656,032)	\$ (9,762,378)	9.15 %
Support services	(8,469,063)	(8,114,979)	4.36 %
Non-instructional	1,799	106,325	(98.31) %
Interest on long-term liabilities and other debt service costs	(109,573)	(126,482)	(13.37) %
Total net (expense) revenue	\$ (19,232,869)	\$ (17,897,514)	7.46 %

- Net cost of governmental activities (\$19,232,869 for 2014 and \$17,897,514 for 2013) was financed by general revenue, which is primarily made up of property taxes (\$5,039,597 for 2014 and \$4,996,257 for 2013) and state and federal revenues (\$11,904,916 for 2014 and \$11,949,400 for 2013). In addition, there was \$14,850 and \$7,200 in Sixteenth Section sources for 2014 and 2013, respectively.
- Investment earnings amounted to \$18,923 for 2014 and \$17,115 for 2013.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$6,669,619, a decrease of \$2,031,078, including a prior period adjustment of \$34,010, and which includes a decrease in inventory of \$14,528. \$5,277,242 or 79% of the fund balance is unassigned, which represents the residual classification for the General Fund's fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The remaining fund balance of \$1,392,377 or 21% is either nonspendable, restricted, committed or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

GREENWOOD PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

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 \$2,086,725, including a prior period adjustment of \$25,910. The fund balance of Other Governmental Funds showed an increase in the amount of \$77,242, including a prior period adjustment of \$8,100, due primarily to normal operations. The increase (decrease) in the fund balances for the other major funds were as follows:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
Child Nutrition Fund	\$ (21,595)
Title I Fund	No increase (decrease)

BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2014, the District's total capital assets were \$21,079,614, including land, school buildings, building improvements, buses, other school vehicles, furniture and equipment, and any intangible assets. This amount represents an increase of \$55,864 from 2013. Total accumulated depreciation as of June 30, 2014, was \$10,806,436, and total depreciation expense for the year was \$480,071, resulting in total net capital assets of \$10,273,178.

Table 4
Capital Assets, Net of Accumulated Depreciation

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Percentage Change</u>
Land	\$ 496,738	\$ 476,738	4.20 %
Buildings	8,615,884	8,977,107	(4.02) %
Improvements other than buildings	178,929	57,329	212.11 %
Mobile equipment	516,498	619,739	(16.66) %
Furniture and equipment	465,129	471,909	(1.44) %
Total	\$ 10,273,178	\$ 10,602,822	(3.11) %

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

GREENWOOD PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

Debt Administration. At June 30, 2014, the District had \$2,786,792 in outstanding long-term debt, of which \$479,662 is due within one year. The liability for compensated absences increased \$51,637 from the prior year.

**Table 5
Outstanding Long-Term Debt**

	June 30, 2014	June 30, 2013
Limited obligation bonds payable	\$ 2,585,000	\$ 3,050,000
Discount on debt issuance	(21,351)	(26,689)
Compensated absences payable	223,143	171,506
Total	\$ 2,786,792	\$ 3,194,817

Additional information on the District's long-term debt can be found in Note 6 included in this report.

CURRENT ISSUES

The Greenwood 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 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 revenues.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have any questions about this report or need additional financial information, contact the Superintendent's Office of the Greenwood Public School District, 401 Howard Street, Greenwood, Mississippi 38935.

FINANCIAL STATEMENTS

GREENWOOD PUBLIC SCHOOL DISTRICT

Statement of Net Position
June 30, 2014

Exhibit A

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 4,985,010
Investments	3,313
Due from other governments	1,838,888
Other receivables, net	16,200
Inventories	22,373
Restricted assets	382,969
Capital assets, non-depreciable:	
Land	496,738
Capital assets, net of accumulated depreciation:	
Buildings	8,615,884
Improvements other than buildings	178,929
Mobile equipment	516,498
Furniture and equipment	465,129
Total Assets	17,521,931
Deferred Outflows of Resources	
Deferred amount on refunding	18,342
Total deferred outflows of resources	18,342
Liabilities	
Accounts payable and accrued liabilities	372,140
Unearned income	29,466
Interest payable on long-term liabilities	40,411
Long-term liabilities, due within one year:	
Capital related liabilities	479,662
Long-term liabilities, due beyond one year:	
Capital related liabilities	2,083,987
Non-capital related liabilities	223,143
Total Liabilities	3,228,809
Net Position	
Net investment in capital assets	7,727,871
Restricted for:	
Expendable:	
School-based activities	192,782
Debt service	516,247
Unemployment benefits	67,569
Non-expendable:	
Sixteenth section	118,808
Unrestricted	5,688,187
Total Net Position	\$ 14,311,464

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Statement of Activities
For the Year Ended June 30, 2014

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 13,931,541	\$ 174,837	\$ 3,100,672	\$ -	\$ (10,656,032)
Support services	9,920,934	-	1,451,871	-	(8,469,063)
Non-instructional	2,227,763	208,478	2,021,084	-	1,799
Interest on long-term liabilities and other debt service costs	109,573	-	-	-	(109,573)
Total Governmental Activities	\$ 26,189,811	\$ 383,315	\$ 6,573,627	\$ -	\$ (19,232,869)
		General Revenues:			
		Taxes:			
					5,039,597
		Unrestricted grants and contributions:			
					11,748,799
					156,117
					18,923
					14,850
					264,996
					<u>17,243,282</u>
					<u>(1,989,587)</u>
					16,304,255
					<u>(3,204)</u>
					<u>16,301,051</u>
					<u>\$ 14,311,464</u>

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Governmental Funds

Balance Sheet
June 30, 2014

Exhibit C

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Child Nutrition Fund	Title I Fund		
Assets					
Cash and cash equivalents	\$ 4,130,662	\$ 491,051	\$ -	\$ 482,105	\$ 5,103,818
Cash with fiscal agents	-	-	-	264,161	264,161
Investments	3,313	-	-	-	3,313
Due from other governments	343,079	-	537,273	633,336	1,513,688
Other receivables, net	-	-	-	16,200	16,200
Due from other funds	1,038,186	34,243	-	-	1,072,429
Advances	325,200	-	-	-	325,200
Inventories	-	22,373	-	-	22,373
Total assets	5,840,440	547,667	537,273	1,395,802	8,321,182
Liabilities:					
Accounts payable and accrued liabilities	\$ 94,894	\$ 20,918	\$ 216,462	\$ 39,866	\$ 372,140
Due to other funds	-	442,998	320,811	308,620	1,072,429
Unearned income	-	-	-	29,466	29,466
Total Liabilities	94,894	463,916	537,273	377,952	1,474,035
Deferred Inflows of Resources					
Deferred revenue	54,684	-	-	122,844	177,528
Total Deferred Inflows of Resources	54,684	-	-	122,844	177,528
Fund Balances:					
Nonspendable:					
Inventory	-	22,373	-	-	22,373
Permanent fund principal	-	-	-	118,808	118,808
Advances	325,200	-	-	-	325,200
Restricted:					
Debt service	-	-	-	556,658	556,658
Grant activities	-	61,378	-	20,611	81,989
Unemployment benefits	-	-	-	67,569	67,569
Assigned:					
Activity funds	88,420	-	-	-	88,420
Sixteenth section interest	-	-	-	131,360	131,360
Unassigned	5,277,242	-	-	-	5,277,242
Total Fund Balances	5,690,862	83,751	-	895,006	6,669,619
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,840,440	\$ 547,667	\$ 537,273	\$ 1,395,802	\$ 8,321,182

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Governmental Funds

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2014**

Exhibit C-1

Total fund balances for governmental funds \$ 6,669,619

Amounts reported for governmental activities in the statement of net position are different because:

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

Land	\$ 496,738	
Buildings	16,341,433	
Improvements other than buildings	408,244	
Mobile equipment	2,076,321	
Furniture and equipment	1,756,878	
Accumulated depreciation	<u>(10,806,436)</u>	10,273,178

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

Limited obligation bonds payable	(2,585,000)	
Discount on bonds payable	21,351	
Compensated absences payable	(223,143)	
Accrued interest payable	<u>(40,411)</u>	(2,827,203)

3. In situations where current and advance refunding result in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources.

18,342

4. Revenues that are not available within 60 days are deferred in the governmental funds. However, those revenues are recognized when earned in the government-wide financial statements.

177,528

Net position of governmental activities

\$ 14,311,464

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Exhibit D

For the Year Ended June 30, 2014

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Child Nutrition Fund	Title I Fund		
Revenues:					
Local sources	\$ 5,261,498	\$ 207,159	\$ -	\$ 93,792	\$ 5,562,449
Intermediate sources	206,378	-	-	11,623	218,001
State sources	10,906,074	19,106	-	1,384,432	12,309,612
Federal sources	153,900	1,928,404	2,723,929	1,331,007	6,137,240
Sixteenth section sources	-	-	-	14,850	14,850
Total Revenues	16,527,850	2,154,669	2,723,929	2,835,704	24,242,152
Expenditures:					
Instruction	10,256,486	-	1,721,263	1,757,722	13,735,471
Support services	7,995,537	168,375	899,310	710,898	9,774,120
Noninstructional services	99,919	1,882,061	59,298	171,428	2,212,706
Debt service:					
Principal	-	-	-	465,000	465,000
Interest	-	-	-	105,471	105,471
Other	-	-	-	1,250	1,250
Total Expenditures	18,351,942	2,050,436	2,679,871	3,211,769	26,294,018
Excess (Deficiency) of Revenues over (under) Expenditures	(1,824,092)	104,233	44,058	(376,065)	(2,051,866)
Other Financing Sources (Uses):					
Insurance loss recoveries	3,501	-	-	-	3,501
Operating transfers in	177,502	-	-	475,853	653,355
Operating transfers out	(468,336)	(111,300)	(44,058)	(29,661)	(653,355)
Other financing uses	(1,210)	-	-	(985)	(2,195)
Total Other Financing Sources (Uses)	(288,543)	(111,300)	(44,058)	445,207	1,306
Net Change in Fund Balances	(2,112,635)	(7,067)	-	69,142	(2,050,560)
Fund Balances:					
July 1, 2013, as originally reported	7,777,587	105,346	-	817,764	8,700,697
Prior period adjustments	25,910	-	-	8,100	34,010
July 1, 2013, as restated	7,803,497	105,346	-	825,864	8,734,707
Decrease in reserve for inventory	-	(14,528)	-	-	(14,528)
June 30, 2014	\$ 5,690,862	\$ 83,751	\$ -	\$ 895,006	\$ 6,669,619

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

GREENWOOD PUBLIC SCHOOL DISTRICT
Governmental Funds

Exhibit D-1

**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2014**

Net change in fund balances - total governmental funds \$ (2,050,560)

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

1. Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 188,295	
Depreciation expense	(480,071)	(291,776)

2. In the statement of activities, only the gain/loss on the sale of assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold. (654)

3. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the statement of activities:

Payments of debt principal	465,000	
Amortization of the deferred amount on refunding	(4,586)	
Accrued interest payable	7,072	467,486

4. Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in governmental funds. These activities include:

Change in compensated absences	(51,637)	
Amortization of discount	(5,338)	
Change in inventory reserve	(14,528)	(71,503)

5. Revenues that are not available within 60 days are deferred in the governmental funds. However, those revenues are recognized when earned in the government-wide financial statements. (42,580)

Change in net position of governmental activities \$ (1,989,587)

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Fiduciary Funds

Statement of Fiduciary Net Position
June 30, 2014

Exhibit E

	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets		
Cash and cash equivalents	\$ 11,898	\$ 1,478,921
Investments	11,000	-
Total Assets	<u>22,898</u>	<u>\$ 1,478,921</u>
Liabilities		
Accounts payable and accrued liabilities	-	\$ 1,136,798
Advances	-	325,200
Due to student clubs	-	16,923
Total Liabilities	<u>-</u>	<u>\$ 1,478,921</u>
Net Position		
Reserved for endowments	22,898	
Total Net Position	<u>\$ 22,898</u>	

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

GREENWOOD PUBLIC SCHOOL DISTRICT
Fiduciary Funds

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014

Exhibit F

	<u>Private-Purpose Trust Funds</u>
Additions	
Interest earned	\$ 57
Total Additions	<u>57</u>
Deductions	
Scholarships awarded	<u>1,000</u>
Total Deductions	<u>1,000</u>
Change in Net Position	<u>(943)</u>
Net Position	
July 1, 2013	<u>23,841</u>
June 30, 2014	<u>\$ 22,898</u>

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

Note 1 – Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America, the school district is considered an "other stand-alone government." The school district is a related organization of, but not a component unit of, the city of Greenwood 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, Greenwood 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.

B. Government-wide and Fund Financial Statements

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements For Year Ended June 30, 2014

capital requirements of a particular function. Property taxes and other items not included among program revenues are reported instead as general revenues.

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

The school district reports the following major governmental funds:

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

Child Nutrition Fund – This fund accounts for the funds received related to the food service provided to eligible children.

Title I Fund – This is the school district's federal reimbursable fund that serves to fund remedial mathematics and reading services to low-income, program eligible students.

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

The school district also reports fiduciary funds which focus on net position and changes in net position.

The District's fiduciary funds include the following:

Accounts Payable Clearing Fund – This fund is used to report the accounts payable resources held by the district in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

Payroll Clearing Fund - This fund is used to report the payroll resources held by the district in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

Student Club Fund Agency Funds – These funds are used to report student club resources held by the district in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

Scholarship Funds – These funds are used to account for the contributions to and scholarships awarded from the district's scholarship funds.

Additionally, the school district reports the following fund types:

GOVERNMENTAL FUNDS

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

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

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

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

FIDUCIARY FUNDS

Private-purpose Trust Funds - Private-purpose trust funds are used to report all trust arrangements, other than those properly reported elsewhere, in which the principal and income benefit individuals, private organizations or other governments.

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, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

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

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

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

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing, and Financial Reporting*, issued in 2012 by the Government Finance Officers Association and are consistent with the broad classifications recommended in *Financial Accounting for Local and State School Systems, 2003*, issued by the U.S. Department of Education.

D. Encumbrances

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

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

1. Cash, Cash equivalents and Investments

Cash and cash equivalents

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

Investments

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

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

Investments for the district are reported at fair market value.

2. Receivables and payables

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

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

3. Due from Other Governments

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

4. Inventories and Prepaid Items

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

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

5. Restricted Assets

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

6. Capital Assets

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

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

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

The following schedule details the capitalization thresholds:

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

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. Deferred Inflows of Resources

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows on Exhibit C are made up of deferred revenues in the amount of \$177,528, whose cash receipts did not occur within 60 days of year-end.

See Note 12 for further details.

8. Compensated Absences

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

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

9. Long-term Liabilities and Bond Discounts/Premiums

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

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures. See Note 6 for details.

10. Fund Balances

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

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

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

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

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

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

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

It is the goal of the District to achieve and maintain an unassigned fund balance in the general fund at fiscal year-end of not less than 7% of revenues. If the unassigned fund balance at fiscal year-end falls below the goal, the District shall develop a restoration plan to achieve and maintain the minimum fund balance.

Note 2 – Cash and Cash Equivalents, Cash With Fiscal Agents and Investments

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

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

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

Administration, not to exceed twenty percent of invested excess funds. Investment income on bond funds (Capital Projects), bond sinking funds (Debt Service Funds) and sixteenth section principal funds (Permanent Funds) must be credited to those funds. Investment income of \$100 or more of any fund must be credited to that fund. Investment income of less than \$100 can be credited to the General Fund.

Cash and Cash Equivalents

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds and fiduciary funds was \$5,103,818 and \$1,490,819, respectively. The bank balance was \$7,747,919.

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.

Cash with Fiscal Agents

The carrying amount of school district's cash with fiscal agents held by financial institutions was \$264,161.

Investments

As of June 30, 2014, the district had the following investments.

<u>Investment Type</u>	<u>Rating</u>	<u>Maturities (in years)</u>	<u>Fair Value</u>
Certificate of deposit - Governmental funds		1 to 5	\$ 3,313
Certificate of deposit - Fiduciary funds		1 to 5	11,000
Total			\$ <u>14,313</u>

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

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

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The district does not have a formal investment policy that addresses custodial credit risk. As of June 30, 2014, the district did not have any investments to which this would apply.

Concentration of Credit Risk. Disclosure of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of June 30, 2014, the district had the following investments:

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Certificates of deposit - Governmental funds	\$ 3,313	23%
Certificates of deposit - Fiduciary funds	11,000	77%
Total	<u>\$ 14,313</u>	<u>100%</u>

Note 3 – Inter-fund Receivables, Payables and Transfers

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

A. Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Child nutrition fund	\$ 442,998
	Title I fund	320,811
	Other governmental funds	274,377
	Other governmental funds	34,243
Child nutrition fund	Other governmental funds	<u>34,243</u>
Total		<u>\$ 1,072,429</u>

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

B. Advances To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Fiduciary funds	\$ 325,200
Total		<u>\$ 325,200</u>

Advances were for cash flow purposes.

C. Inter-fund Transfers

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General fund	Other governmental funds	\$ 468,336
Child nutrition fund	General fund	111,300
Title I fund	General fund	44,058
Other governmental funds	General fund	22,144
	Other governmental funds	7,517
Total		<u>\$ 653,355</u>

The primary purpose of the interfund transfers out of the general fund and into the other governmental funds was to finance basic operations of the district that are not directly funded.

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

Note 4 – Restricted Assets

The restricted assets represents the cash balance, totaling \$118,808, 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 cash with fiscal agents balance, totaling \$264,161, of the MAEP limited obligation bonds debt service fund

Note 5 – Capital Assets

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

	Balance 7/1/2013	Increases	Decreases	Adjustments	Balance 6/30/2014
Governmental Activities:					
<u>Non-depreciable capital assets:</u>					
Land	\$ 476,738	\$ -	\$ -	\$ 20,000	\$ 496,738
Total non-depreciable capital assets	476,738	-	-	20,000	496,738
<u>Depreciable capital assets:</u>					
Buildings	16,463,033	-	-	(121,600)	16,341,433
Improvements other than buildings	286,644	-	-	121,600	408,244
Mobile equipment	2,076,321	83,198	-	(83,198)	2,076,321
Furniture and equipment	1,721,014	105,097	(65,383)	(3,850)	1,756,878
Total depreciable capital assets	20,547,012	188,295	(65,383)	(87,048)	20,582,876
<u>Less accumulated depreciation for:</u>					
Buildings	7,485,926	239,623	-	-	7,725,549
Improvements other than buildings	229,315	-	-	-	229,315
Mobile equipment	1,456,582	110,729	-	(7,488)	1,559,823
Furniture and equipment	1,249,105	129,719	(64,729)	(22,346)	1,291,749
Total accumulated depreciation	10,420,928	480,071	(64,729)	(29,834)	10,806,436
Total depreciable capital assets, net	10,126,084	(291,776)	(654)	(57,214)	9,776,440
Governmental activities capital assets, net	\$ 10,602,822	\$ (291,776)	\$ (654)	\$ (37,214)	\$ 10,273,178

Adjustments were made in order to balance to the subsidiary ledger for items not correctly recorded in prior periods.

Depreciation expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	\$ 249,530
Support services	230,012
Non-instructional	529
Total depreciation expense - Governmental activities	\$ 480,071

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

Note 6 – Long-term Liabilities

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

	Balance 7/1/2013	Additions	Reductions	Balance 6/30/2014	Amounts due within one year
A. Limited obligation bonds payable	\$ 3,050,000	\$ -	\$ (465,000)	\$ 2,585,000	\$ 485,000
Discount on debt issuance	(26,689)	-	5,338	(21,351)	(5,338)
B. Compensated absences payable	171,506	51,637	-	223,143	-
Total	\$ 3,194,817	\$ 51,637	\$ (459,662)	\$ 2,786,792	\$ 479,662

A. 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:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. State aid capital improvement refunding bonds, Series 2007	3.6-3.85%	4/30/2007	2/1/2018	\$ 4,760,000	\$ 2,585,000
Total				\$ 4,760,000	\$ 2,585,000

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 485,000	\$ 88,013	\$ 573,013
2016	500,000	69,790	569,790
2017	520,000	50,790	570,790
2018	1,080,000	30,912	1,110,912
Total	\$ 2,585,000	\$ 239,505	\$ 2,824,505

This debt will be retired from the MAEP Debt Retirement Fund.

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.

B. Compensated absences payable

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

Note 7 – Prior Year Defeasance of Debt

In prior years, the Greenwood Public School District defeased certain limited obligation bonds payable by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and liabilities for the defeased bonds and notes are not included in the district's financial statements. On June 30, 2014, \$2,070,000 of limited obligation bonds payable is defeased.

Note 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 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2014 was 15.75% 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, 2014, 2013 and 2012 were \$2,269,312, \$2,041,724 and \$1,768,554, respectively, which equaled the required contributions for each year.

Note 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.

<u>Year Ending</u> <u>June 30</u>	<u>Amount</u>
2015	\$ 31,050
2016	6,750
2017	6,750
2018	6,750
Total	<u>\$ 51,300</u>

Note 10 – Contingencies

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

become a liability of the school district.

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

Note 11 – Risk Management

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

Note 12 – Effect of Deferred Amounts on Net Position

The net of investment in capital assets component of net position amount of \$7,727,871 includes the effect of the deferred amount on refunding. The \$18,342 balance of the deferred amount on refunding at June 30, 2014 will be expensed and decrease the net of investment in capital assets component of net position over the remaining 4 years of the debt service requirement of the limited obligation bonds payable. The amount expensed in 2014 was \$4,586.

Note 13 - Prior Period Adjustments

A summary of significant net position/fund balance adjustments is as follows:

Exhibit B - Statement of Activities

Explanations	Amount
1. To correct beginning balance sheet accounts.	\$ 34,010
2. To adjust capital assets to subsidiary ledger.	(37,214)
	<u>\$ (3,204)</u>

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

Fund	Explanations	Amount
General Fund	To correct beginning balance sheet accounts	\$ 25,910
Other governmental funds	To correct beginning balance sheet accounts	8,100
	Total	<u>\$ 34,010</u>

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Financial Statements
For Year Ended June 30, 2014

Note 14 - Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the Greenwood Public School District evaluated the activity of the district through August 13, 2015, (the date the financial statements were available to be issued), and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

GREENWOOD PUBLIC SCHOOL DISTRICT
Required Supplementary Information

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local sources	\$ 5,360,161	\$ 5,341,638	\$ 5,261,498	\$ (18,523)	\$ (80,140)
Intermediate sources	200,000	206,378	206,378	6,378	-
State sources	10,832,780	10,906,074	10,906,074	73,294	-
Federal sources	219,760	54,000	153,900	(165,760)	99,900
Total Revenues	16,612,701	16,508,090	16,527,850	(104,611)	19,760
Expenditures:					
Instruction	9,494,469	10,093,436	10,256,486	(598,967)	(163,050)
Support services	8,146,592	8,141,783	7,995,537	4,809	146,246
Noninstructional services	22,800	100,019	99,919	(77,219)	100
Total Expenditures	17,663,861	18,335,238	18,351,942	(671,377)	(16,704)
Excess (Deficiency) of Revenues over (under) Expenditures	(1,051,160)	(1,827,148)	(1,824,092)	(775,988)	3,056
Other Financing Sources (Uses):					
Insurance loss recoveries	-	3,501	3,501	3,501	-
Operating transfers in	1,138,859	634,321	177,502	(504,538)	(456,819)
Operating transfers out	(1,481,099)	(996,018)	(468,336)	485,081	527,682
Other financing uses	-	(59,336)	(1,210)	(59,336)	58,126
Total Other Financing Sources (Uses)	(342,240)	(417,532)	(288,543)	(75,292)	128,989
Net Change in Fund Balances	(1,393,400)	(2,244,680)	(2,112,635)	(851,280)	132,045
Fund Balances:					
July 1, 2013, as originally reported	7,777,587	7,777,587	7,777,587	-	-
Prior period adjustments	-	4,242	25,910	4,242	21,668
July 1, 2013, as restated	7,777,587	7,781,829	7,803,497	4,242	21,668
June 30, 2014	\$ 6,384,187	\$ 5,537,149	\$ 5,690,862	\$ (847,038)	\$ 153,713

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

GREENWOOD PUBLIC SCHOOL DISTRICT
Required Supplementary Information

Budgetary Comparison Schedule
Child Nutrition Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (GAAP Basis)	Variances	
				Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local sources	\$ 232,500	\$ 207,159	\$ 207,159	\$ (25,341)	\$ -
State sources	35,000	19,106	19,106	(15,894)	-
Federal sources	1,735,300	2,126,156	1,928,404	390,856	(197,752)
Total Revenues	2,002,800	2,352,421	2,154,669	349,621	(197,752)
Expenditures:					
Support services	155,726	177,968	168,375	(22,242)	9,593
Noninstructional services	1,724,774	2,153,970	1,882,061	(429,196)	271,909
Total Expenditures	1,880,500	2,331,938	2,050,436	(451,438)	281,502
Excess (Deficiency) of Revenues over (under) Expenditures	122,300	20,483	104,233	(101,817)	83,750
Other Financing Sources (Uses):					
Operating transfers out	(122,300)	(111,300)	(111,300)	11,000	-
Total Other Financing Sources (Uses)	(122,300)	(111,300)	(111,300)	11,000	-
Net Change in Fund Balances	-	(90,817)	(7,067)	(90,817)	83,750
Fund Balances:					
July 1, 2013	105,346	105,346	105,346	-	-
Decrease in reserve for inventory	-	(14,528)	(14,528)	(14,528)	-
June 30, 2014	\$ 105,346	\$ 1	\$ 83,751	\$ (105,345)	\$ 83,750

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

GREENWOOD PUBLIC SCHOOL DISTRICT
Required Supplementary Information

Budgetary Comparison Schedule
Title I Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (GAAP Basis)	Variances	
				Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal sources	\$ 4,294,665	\$ 4,294,665	\$ 2,723,929	\$ -	\$ (1,570,736)
Total Revenues	4,294,665	4,294,665	2,723,929	-	(1,570,736)
Expenditures:					
Instruction	2,755,925	2,755,925	1,721,263	-	1,034,662
Support services	1,355,499	1,355,499	899,310	-	456,189
Noninstructional services	126,372	126,372	59,298	-	67,074
Total Expenditures	4,237,796	4,237,796	2,679,871	-	1,557,925
Excess (Deficiency) of Revenues over (under) Expenditures	56,869	56,869	44,058	-	(12,811)
Other Financing Sources (Uses):					
Operating transfers out	(56,869)	(56,869)	(44,058)	-	12,811
Total Other Financing Sources (Uses)	(56,869)	(56,869)	(44,058)	-	12,811
Net Change in Fund Balances	-	-	-	-	-
Fund Balances:					
July 1, 2013	-	-	-	-	-
June 30, 2014	\$ -	\$ -	\$ -	\$ -	\$ -

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

GREENWOOD PUBLIC SCHOOL DISTRICT

Notes to the Required Supplementary Information
For the Year Ended June 30, 2014

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.

SUPPLEMENTARY INFORMATION

GREENWOOD PUBLIC SCHOOL DISTRICT

Supplementary Information

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

Federal Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic Assistance No.	Federal Expenditures
<u>U.S. Department of Agriculture</u>		
Passed-through Mississippi Department of Education:		
Child nutrition cluster:		
School breakfast program	10.553	\$ 523,192
National school lunch program	10.555	1,405,212
Summer food service program for children	10.589	72,872
Total child nutrition cluster		<u>2,001,276</u>
Fresh fruit and vegetable program	10.582	99,813
Total passed-through Mississippi Department of Education		<u>2,101,089</u>
Total U.S. Department of Agriculture		<u>2,101,089</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	152,067
Total Federal Communications Commission		<u>152,067</u>
<u>U.S. Department of Defense</u>		
Direct program:		
Reserve officers' training corps	12.xxx	26,799
Total U.S. Department of Defense		<u>26,799</u>
<u>U.S. Department of Education</u>		
Passed-through Mississippi Department of Education:		
Title I grants to local educational agencies	84.010	2,760,141
Career and technical education - grants to states	84.048	56,526
Twenty-first century community learning centers	84.287	182,579
Rural education	84.358	18,127
Improving teacher quality-State Grants	84.367	178,048
Subtotal		<u>3,195,421</u>
Special education cluster:		
Special education - grants to states	84.027	650,390
Special education - preschool grants	84.173	15,558
Total special education cluster		<u>665,948</u>
Total passed-through Mississippi Department of Education		<u>3,861,369</u>
Total U.S. Department of Education		<u>3,861,369</u>
 Total for All Federal Awards		 <u>\$ 6,141,324</u>

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. Donated commodities of \$113,580 are included in the National School Lunch Program.

GREENWOOD PUBLIC SCHOOL DISTRICT

Supplementary Information

**Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds
For the Year Ended June 30, 2014**

<u>Expenditures</u>	<u>Total</u>	<u>Instruction and Other Student Instructional Expenditures</u>	<u>General Administration</u>	<u>School Administration</u>	<u>Other</u>
Salaries and fringe benefits	\$ 19,666,615	14,061,827	1,252,197	1,883,614	2,468,977
Other	6,627,403	2,314,276	298,769	14,400	3,999,958
Total	\$ 26,294,018	16,376,103	1,550,966	1,898,014	6,468,935
Total number of students *	2,645				
Cost per student	\$ 9,941	6,191	586	718	2,446

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

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

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

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

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

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

OTHER INFORMATION

GREENWOOD PUBLIC SCHOOL DISTRICT

Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

Last Four Years

UNAUDITED

	2014	2013*	2012*	2011*
Revenues:				
Local sources	\$ 5,261,498	\$ 5,264,158	\$ 5,322,738	\$ 5,133,707
Intermediate sources	206,378	207,640	187,474	187,503
State sources	10,906,074	11,260,469	10,702,933	10,407,958
Federal sources	153,900	126,900	662,176	265,035
Total Revenues	16,527,850	16,859,167	16,875,321	15,994,203
Expenditures:				
Instruction	10,256,486	9,123,417	8,270,799	7,365,675
Support services	7,995,537	7,782,836	7,623,895	7,153,166
Noninstructional services	99,919	67,913	17,515	13,259
Total Expenditures	18,351,942	16,974,166	15,912,209	14,532,100
Excess (Deficiency) of Revenues over (under) Expenditures	(1,824,092)	(114,999)	963,112	1,462,103
Other Financing Sources (Uses):				
Insurance recovery	3,501	-	23,123	199,816
Sale of transportation equipment	-	-	1,000	-
Sale of other property	-	1,375	3,000	-
Operating transfers in	177,502	127,190	189,492	442,524
Operating transfers out	(468,336)	(833,938)	(449,088)	(443,744)
Other financing uses	(1,210)	(15,407)	(7,000)	(39,963)
Total Other Financing Sources (Uses)	(288,543)	(720,780)	(239,473)	158,633
Net Change in Fund Balances	(2,112,635)	(835,779)	723,639	1,620,736
Fund Balances:				
Beginning of period, as previously reported	7,777,587	8,613,366	7,889,727	6,268,991
Prior period adjustments	25,910	-	-	-
Beginning of period, as restated	<u>7,803,497</u>	<u>8,613,366</u>	<u>7,889,727</u>	<u>6,268,991</u>
End of Period	\$ 5,690,862	\$ 7,777,587	\$ 8,613,366	\$ 7,889,727

*SOURCE - PRIOR YEAR AUDIT REPORTS

GREENWOOD PUBLIC SCHOOL DISTRICT

Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Funds

Last Four Years

UNAUDITED

	2014	2013*	2012*	2011*
Revenues:				
Local sources	\$ 5,562,449	\$ 5,559,472	\$ 5,657,676	\$ 5,487,150
Intermediate sources	218,001	219,085	200,003	200,000
State sources	12,309,612	12,263,896	12,104,991	11,773,106
Federal sources	6,137,240	6,707,100	7,585,239	9,977,349
Sixteenth section sources	14,850	7,200	13,951	13,950
Total Revenues	24,242,152	24,756,753	25,561,860	27,451,555
Expenditures:				
Instruction	13,735,471	13,247,516	12,752,363	13,459,828
Support services	9,774,120	9,721,645	9,534,893	10,189,512
Noninstructional services	2,212,706	2,081,927	1,993,102	1,911,652
Facilities acquisition and construction	-	121,600	8,000	-
Debt service:				
Principal	465,000	450,000	435,000	420,000
Interest	105,471	122,058	137,987	153,378
Other	1,250	1,250	1,000	1,035
Total Expenditures	26,294,018	25,745,996	24,862,345	26,135,405
Excess (Deficiency) of Revenues over (under) Expenditures	(2,051,866)	(989,243)	699,515	1,316,150
Other Financing Sources (Uses):				
Insurance recovery	3,501	-	23,123	199,816
Sale of transportation equipment	-	-	1,000	-
Sale of other property	-	1,375	3,000	-
Operating transfers in	653,355	961,442	647,183	886,627
Operating transfers out	(653,355)	(961,442)	(647,183)	(886,627)
Other financing uses	(2,195)	(15,407)	(7,000)	(40,012)
Total Other Financing Sources (Uses)	1,306	(14,032)	20,123	159,804
Net Change in Fund Balances	(2,050,560)	(1,003,275)	719,638	1,475,954
Fund Balances:				
Beginning of period, as previously reported	8,700,697	9,679,237	8,970,682	7,486,487
Prior period adjustments	34,010	-	-	-
Beginning of period, as restated	8,734,707	9,679,237	8,970,682	7,486,487
Increase (Decrease) in reserve for inventory	(14,528)	24,735	(11,083)	8,241
End of Period	\$ 6,669,619	\$ 8,700,697	\$ 9,679,237	\$ 8,970,682

*SOURCE - PRIOR YEAR AUDIT REPORTS

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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

Superintendent and School Board
Greenwood Public School District
Greenwood, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greenwood Public School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Greenwood Public School District's basic financial statements, and have issued our report thereon dated August 13, 2015.

Internal Control over Financial Reporting

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

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

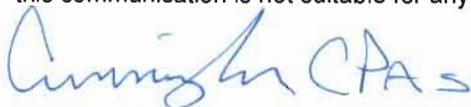
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in blue ink that reads "Cunningham CPAs". The signature is written in a cursive style.

Cunningham CPAs, PLLC

Belzoni, Mississippi

August 13, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Superintendent and School Board
Greenwood Public School District
Greenwood, Mississippi

Report on Compliance for Each Major Federal Program

We have audited Greenwood Public School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Greenwood Public School District's major federal programs for the year ended June 30, 2014. Greenwood Public 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Greenwood Public School District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Greenwood Public 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Greenwood Public School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Greenwood Public School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the Greenwood Public School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Greenwood Public School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 effectiveness of Greenwood Public School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item Finding 2014-1 that we consider to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose

Cunningham CPAs, PLLC

Belzoni, Mississippi

August 13, 2015

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

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

Superintendent and School Board
Greenwood Public School District
Greenwood, Mississippi

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greenwood Public School District as of and for the year ended June 30, 2014, which collectively comprise Greenwood Public School District's basic financial statements and have issued our report thereon dated August 13, 2015. 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 results of our procedures performed to test compliance with the requirements of Section 37-9-18(3)(b), Miss. Code Ann. (1972), disclosed no instances of noncompliance related to incorrect or inappropriate functional level expenditure coding.

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

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

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



Cunningham CPAs, PLLC

Belzoni, Mississippi

August 13, 2015

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GREENWOOD PUBLIC SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Section I: Summary of Auditor's Results

Section I: Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

- | | | |
|----|----------------------------------------------------------------------------------------------------------------------|------------|
| 4. | Internal control over major programs: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | Yes |
| 5. | Type of auditor's report issued on compliance for major programs: | Unmodified |
| 6. | Any audit finding(s) disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | Yes |
| 7. | Identification of major programs: | |
| | A. Title I - Grants to local educational agencies: | |
| | CFDA # | 84.010 |
| | B. The School and Libraries Program of the Universal Service Fund | |
| | CFDA # | 32.xxx |
| | B. Special Education Cluster: | |
| | CFDA # | 84.027 |
| | CFDA # | 84.173 |
| 8. | Dollar threshold used to distinguish between type A and type B programs: | \$ 300,000 |
| 9. | Auditee qualified as a low-risk auditee? | No |

GREENWOOD PUBLIC SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

Section II: Financial Statement Findings

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

Section III: Federal Award Findings and Questioned Costs

The results of our tests disclosed the following finding and questioned cost related to the federal awards:

Significant Deficiency:

Finding 2014-1:

Program: The School and Libraries Program of the Universal Service Fund CFDA #32.xxx

Compliance Requirement: Reporting

Finding

A critical aspect of effective financial management is the maintenance of accurate accounting records which follow generally accepted accounting principles.

The school district did not properly report discounts provided from the Federal Communications Commission grants as administered through the Universal Service Administrative Company for the Schools and Libraries Program of the Universal Service Fund (E-Rate) on the district's Schedule of Expenditures of Federal Awards for the year ended June 30, 2014. This oversight caused the Schedule of Expenditures of Federal Awards to be understated by \$99,900. An audit adjustment was proposed and made by management to properly record the expenditures.

Lack of adequate controls could result in the district's Schedule of Expenditures of Federal Awards being materially misstated.

Recommendation

We recommend that all expenditures related to federal awards be properly tracked and reported on the Schedule of Expenditures of Federal Awards.

GREENWOOD PUBLIC SCHOOL DISTRICT

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

As required by Section .315(c) of OMB Circular A-133, the Greenwood 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, 2014:

<u>Finding</u>	<u>Correction Action Plan Details</u>
2014-01	<p>a. Name of Contact Person Responsible for Corrective Action: Madalyn Johnson, Business Manager, 662-453-4231</p> <p>b. Corrective Action Planned: We will put procedures in place to ensure the expenditures from federal awards by the district are properly reflected within its Schedule of Expenditures of Federal Awards.</p> <p>c. Anticipated Completion Date: Immediately.</p>

As required by Section ____ .315(b) of OMB Circular A-133, the Greenwood Public School District has prepared and hereby submits the following summary schedule of prior audit findings as of June 30, 2014:

<u>Finding</u>	<u>Status</u>
2013-2	Not corrected