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**West Bolivar School District**

Audited Financial Statements  
For the Year Ended June 30, 2014

**Fortenberry & Ballard, PC**  
Certified Public Accountants

**West Bolivar School District  
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## FINANCIAL AUDIT REPORT

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL  
STATEMENTS AND SUPPLEMENTARY INFORMATION

Superintendent and School Board  
West Bolivar School District

**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 West Bolivar School District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the West Bolivar 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 West Bolivar 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 8 to 18 and 50 to 56 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Bolivar 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 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 June 30, 2015, on our consideration of the West Bolivar 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 West Bolivar School District's internal control over financial reporting and compliance.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC  
June 30, 2015

Certified Public Accountants

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**West Bolivar School District**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014

The following discussion and analysis of West Bolivar 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 \$11,499, including a prior period adjustment of (\$23,238), which represents a .5% decrease from fiscal year 2013. Total net position for 2013 increased \$149,987, including a prior period adjustment of \$206, which represents a 7% increase from fiscal year 2012.
- General revenues amounted to \$5,432,852 and \$5,563,694, or 65% and 62% 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 \$2,974,319, or 35% of total revenues for 2014, and \$3,391,298, or 38% of total revenues for 2013.
- The District had \$8,395,432 and \$8,805,211 in expenses for fiscal years 2014 and 2013; only \$2,974,319 for 2014 and \$3,391,298 for 2013 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$5,432,852 for 2014 and \$5,563,694 for 2013 were adequate to provide for these programs.
- Among the major funds, the General Fund had \$4,931,244 in revenues and \$5,200,833 in expenditures for 2014, and \$4,898,834 in revenues and \$5,211,070 in expenditures for 2013. The General Fund's fund balance increased by \$29,682, including a prior period adjustment of (\$2,272), from 2013 to 2014 and decreased by \$107,251, including a prior period adjustment of (\$694), from 2012 to 2013.
- Capital assets, net of accumulated depreciation, decreased by \$101,036 for 2014 and increased by \$3,735 for 2013. The decrease for 2014 was primarily due to the disposal of furniture and equipment coupled with the increase in accumulated depreciation.
- Long-term debt decreased by \$258,188 for 2014 and decreased by \$299,444 for 2013. This decrease for 2014 was due primarily to principal payments on long-term debt. The liability for compensated absences decreased by \$5,516 for 2014 and decreased by \$1,269 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.

**West Bolivar School District**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014

**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 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.

**West Bolivar School District**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014

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.

### **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.

**West Bolivar School District**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014

**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 additional major special revenue fund as required by the Governmental Accounting Standards Board.

**Supplementary Information**

Additionally, a Schedule of Expenditures of Federal Awards as required by 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 \$2,292,625 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.

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

**West Bolivar School District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Percentage Change</u>
Current assets	\$ 1,471,097	1,973,796	(25)%
Restricted assets	116,585	115,796	1%
Capital assets, net	<u>2,083,045</u>	<u>2,184,081</u>	(5)%
<b>Total assets</b>	<u>3,670,727</u>	<u>4,273,673</u>	(14)%
Current liabilities	37,980	365,723	(90)%
Long-term debt	<u>1,340,122</u>	<u>1,603,826</u>	(16)%
<b>Total liabilities</b>	<u>1,378,102</u>	<u>1,969,549</u>	(30)%
<b>Net position:</b>			
Net investment in capital assets	1,113,045	1,214,081	(8)%
Restricted	844,978	1,030,970	(18)%
Unrestricted	<u>334,602</u>	<u>59,073</u>	466%
<b>Total net position</b>	<u>\$ 2,292,625</u>	<u>2,304,124</u>	0%

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 \$101,036.
- The principal retirement of \$279,154 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 \$8,407,171 and \$8,954,992, respectively. The total cost of all programs and services was \$8,395,432 for 2014 and \$8,805,211 for 2013.

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

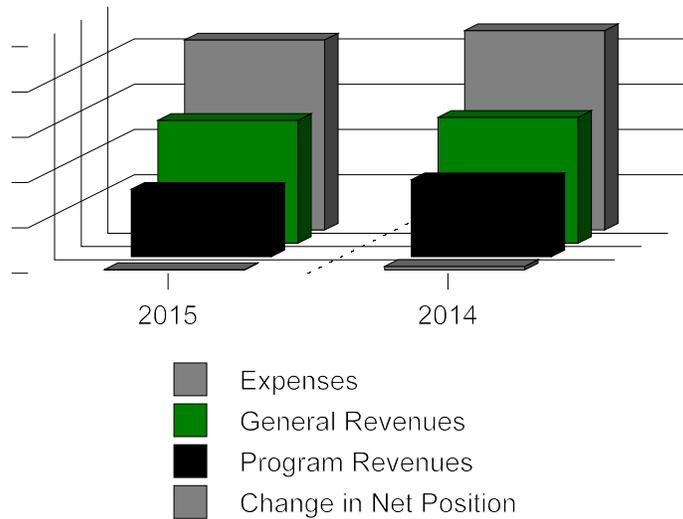
**West Bolivar School District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

**Table 2**  
**Changes in Net Position**

	<u>Year Ended June 30, 2014</u>	<u>Year Ended June 30, 2013</u>	<u>Percentage Change</u>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 424,327	163,851	159%
Operating grants and contributions	2,549,992	3,227,447	(21)%
General revenues:			
Property taxes	1,176,102	1,235,008	(5)%
Grants and contributions not restricted	3,832,486	4,001,987	(4)%
Unrestricted investment earnings	1,076	1,378	(22)%
Sixteenth section sources	390,262	237,195	65%
Other	32,926	88,126	(63)%
<b>Total revenues</b>	<b><u>8,407,171</u></b>	<b><u>8,954,992</u></b>	<b>(6)%</b>
<b>Expenses:</b>			
Instruction	3,794,400	4,316,755	(12)%
Support services	3,754,043	3,790,631	(1)%
Non-instructional	670,072	609,637	10%
Sixteenth section	117,978	35,711	230%
Interest on long-term liabilities	58,939	52,477	12%
<b>Total expenses</b>	<b><u>8,395,432</u></b>	<b><u>8,805,211</u></b>	<b>(5)%</b>
<b>Increase (Decrease) in net position</b>	<b><u>11,739</u></b>	<b><u>149,781</u></b>	<b>(92)%</b>
<b>Net Position, July 1, as previously reported</b>	<b><u>2,304,124</u></b>	<b><u>2,154,137</u></b>	<b>7%</b>
<b>Prior Period Adjustment</b>	<b><u>(23,238)</u></b>	<b><u>206</u></b>	<b>(11381)%</b>
<b>Net Position, July 1, as restated</b>	<b><u>2,280,886</u></b>	<b><u>2,154,343</u></b>	<b>6%</b>
<b>Net Position, June 30</b>	<b><u>\$ 2,292,625</u></b>	<b><u>2,304,124</u></b>	<b>0%</b>

**West Bolivar School District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

**Comparative Chart of Statement of Activities**



**Governmental activities**

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

**Table 3**  
**Net Cost of Governmental Activities**

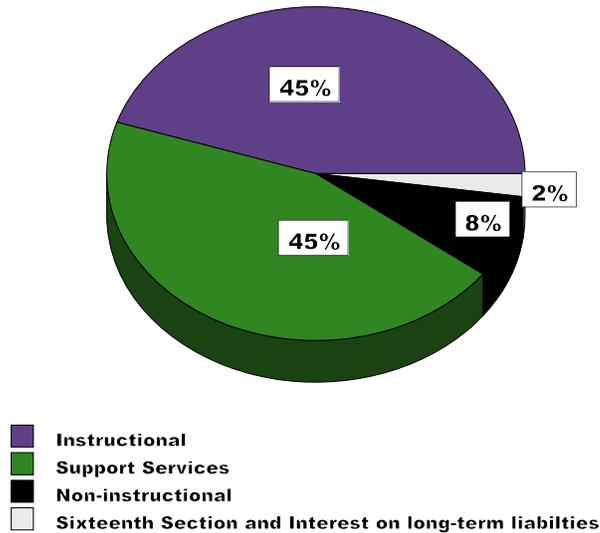
	<u>Total Expenses</u>		<b>Percentage Change</b>
	<u>2014</u>	<u>2013</u>	
Instruction	\$ 3,794,400	4,316,755	(12)%
Support services	3,754,043	3,790,631	(1)%
Non-instructional	670,072	609,637	10%
Sixteenth section	117,978	35,711	230%
Interest on long-term liabilities	58,939	52,477	12%
<b>Total expenses</b>	<u>\$ 8,395,432</u>	<u>8,805,211</u>	<u>(5)%</u>

**West Bolivar School District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

**Net (Expense) Revenue**

	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>Percentage Change</b></u>
Instruction	\$ (2,451,016)	(2,773,092)	(12)%
Support services	(2,669,537)	(2,481,917)	8%
Non-instructional	(123,643)	(70,716)	75%
Sixteenth section	(117,978)	(35,711)	230%
Interest on long-term liabilities	(58,939)	(52,477)	12%
<b>Total net (expense) revenue</b>	<u><u>\$ (5,421,113)</u></u>	<u><u>(5,413,913)</u></u>	<u><u>0%</u></u>

**Chart of Expenses per Statement of Activities**



- Net cost of governmental activities (\$5,421,113 for 2014 and \$5,413,913 for 2013) was financed by general revenue, which is primarily made up of property taxes (\$1,176,102 for 2014 and \$1,235,008 for 2013) and state and federal revenues (\$3,832,486 for 2014 and \$4,001,987 for 2013). In addition, there was \$390,262 and \$237,195 in Sixteenth Section sources for 2014 and 2013, respectively.
- Investment earnings amounted to \$1,076 for 2014 and \$1,378 for 2013.

**West Bolivar School District**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014

**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 \$1,586,463, a decrease of \$161,369, which includes a prior period adjustment of (\$2,272) and an increase in inventory of \$2,302. \$665,459 or 42% of the fund balance is unassigned, which represents the residual classification for the general fund's fund balance that has not been assigned to other funds and that has not been restricted, or assigned to specific purposes within the general fund. The remaining fund balance of \$921,004 or 58% is either nonspendable, restricted or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted or assigned.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$29,682, which includes a prior period adjustment of (\$2,272). The fund balance of Other Governmental Funds showed a decrease in the amount of \$60,670, which includes an increase in inventory of \$2,302. The increase (decrease) in the fund balances for the other major funds were as follows:

Major Fund	Increase (Decrease)
Title I Fund	no increase or decrease
IDEA Fund	no increase or decrease
Unemployment Compensation Revolving Fund	\$ (3,408)
Sixteenth Section Interest Fund	(127,723)
MAEP Retirement Fund	750

**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 finding for the School District.

**West Bolivar School District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2014**

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 \$5,235,295, including school buildings, building improvements, improvements other than buildings, mobile equipment, buses, other school vehicles and furniture and equipment. This amount represents an increase of \$8,250 from 2013. Total accumulated depreciation as of June 30, 2014, was \$3,152,250, and total depreciation expense for the year was \$126,036, resulting in total net capital assets of \$2,083,045.

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

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Percentage Change</u>
Construction in progress	\$ 0	60,030	(100)%
Buildings	1,503,134	1,462,982	3%
Building improvements	146,768	156,669	(6)%
Improvements other than buildings	108,489	113,478	(4)%
Mobile equipment	251,292	298,207	(16)%
Furniture and equipment	73,362	92,715	(21)%
<b>Total</b>	<u>\$ 2,083,045</u>	<u>2,184,081</u>	<u>(5)%</u>

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

**Debt Administration.** At June 30, 2014, the District had \$1,340,122 in outstanding long-term debt, of which \$219,223 is due within one year. The liability for compensated absences decreased \$5,516 from the prior year.

**West Bolivar School District**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2014

**Table 5**  
**Outstanding Long-Term Debt**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Percentage Change</u>
Limited obligation bonds payable	\$ 970,000	1,155,000	(16)%
Obligations under energy efficient leases	330,592	342,120	(3)%
Shortfall note payables	0	61,660	(100)%
Compensated absences payable	39,530	45,046	(12)%
<b>Total</b>	<u>\$ 1,340,122</u>	<u>1,603,826</u>	<u>(16)%</u>

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

**CURRENT ISSUES**

The West Bolivar School District is financially stable. The District is proud of its community support of the public schools.

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

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

Enrollment for the 2013 - 2014 year decreased by 8% to 770 students.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

If you have questions about this report, contact the Superintendent's Office of the West Bolivar School District, PO Box 189, Rosedale, MS 38769.

## FINANCIAL STATEMENTS

**WEST BOLIVAR SCHOOL DISTRICT**

## STATEMENT OF NET POSITION

JUNE 30, 2014

	Governmental Activities
<b>Assets</b>	
<i>Cash and cash equivalents</i>	\$ 1,252,295
<i>Due from other governments</i>	210,939
<i>Other receivables, net</i>	100
<i>Inventories</i>	7,763
<i>Restricted assets</i>	116,585
<i>Capital assets, net of accumulated depreciation:</i>	
<i>Buildings</i>	1,503,134
<i>Building improvements</i>	146,768
<i>Improvements other than buildings</i>	108,489
<i>Mobile equipment</i>	251,292
<i>Furniture and equipment</i>	73,362
Total Assets	<u>3,670,727</u>
<b>Liabilities</b>	
<i>Unearned revenue</i>	1,219
<i>Unamortized premiums</i>	10,249
<i>Interest payable on long-term liabilities</i>	26,512
Long-term liabilities (due within one year):	
<i>Capital related liabilities</i>	185,000
<i>Non-capital related liabilities</i>	34,223
Long-term liabilities (due beyond one year):	
<i>Capital related liabilities</i>	785,000
<i>Non-capital related liabilities</i>	335,899
Total Liabilities	<u>1,378,102</u>
<b>Net Position</b>	
Net investment in capital assets	1,113,045
Restricted for:	
Expendable:	
School-based activities	630,656
Debt service	182,658
Unemployment benefits	15,999
Forestry improvements	256
Non-expendable:	
Sixteenth section	15,409
Unrestricted	334,602
Total Net Position	<u>\$ 2,292,625</u>

The accompanying notes are an integral part of this statement.

**WEST BOLIVAR SCHOOL DISTRICT**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

**EXHIBIT B**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental Activities:				
<i>Instruction</i>	3,794,400	401,625	941,759	(2,451,016)
<i>Support services</i>	3,754,043	--	1,084,506	(2,669,537)
<i>Noninstructional services</i>	670,072	22,702	523,727	(123,643)
<i>Sixteenth section</i>	117,978	--	--	(117,978)
<i>Interest on long-term liabilities</i>	58,939	--	--	(58,939)
Total Governmental Activities	<u>\$ 8,395,432</u>	<u>\$ 424,327</u>	<u>\$ 2,549,992</u>	<u>(5,421,113)</u>
General Revenues:				
Taxes:				
<i>General purpose levies</i>				1,173,706
<i>Debt purpose levies</i>				2,396
<i>Unrestricted grants and contributions:</i>				
<i>State</i>				3,767,857
<i>Federal</i>				64,629
<i>Unrestricted investment earnings</i>				1,076
<i>Sixteenth section sources</i>				390,262
<i>Other</i>				32,926
Total General Revenues				<u>5,432,852</u>
Change in Net Position				<u>11,739</u>
Net Position - Beginning, as previously reported				2,304,124
Prior Period Adjustments				<u>(23,238)</u>
Net Position - Beginning, as restated				2,280,886
Net Position - Ending				<u>\$ 2,292,625</u>

The accompanying notes are an integral part of this statement.

**WEST BOLIVAR SCHOOL DISTRICT**  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 JUNE 30, 2014

**EXHIBIT C**

	General Fund	Title I Fund	IDEA Fund
<b>Assets</b>			
<i>Cash and cash equivalents</i>	\$ 610,383	\$ --	\$ --
<i>Cash with fiscal agents</i>	--	--	--
<i>Due from other governments</i>	85,941	9,579	3,992
<i>Other receivables, net</i>	--	--	--
<i>Due from other funds</i>	18,649	--	--
<i>Inventories</i>	--	--	--
Total Assets	<u>\$ 714,973</u>	<u>\$ 9,579</u>	<u>\$ 3,992</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
<i>Due to other funds</i>	\$ --	\$ 9,579	\$ 3,992
<i>Unearned revenue</i>	--	--	--
Total Liabilities	<u>--</u>	<u>9,579</u>	<u>3,992</u>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
<i>Permanent fund principal</i>	--	--	--
<i>Inventory</i>	--	--	--
<b>Restricted:</b>			
<i>Unemployment benefits</i>	--	--	--
<i>Forestry improvements</i>	--	--	--
<i>Debt service</i>	--	--	--
<i>Grant activities</i>	--	--	--
<i>Food service</i>	--	--	--
Sixteenth section	--	--	--
<b>Assigned:</b>			
Activity fund	49,514	--	--
<b>Unassigned</b>			
	665,459	--	--
Total Fund Balances	<u>714,973</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 714,973</u>	<u>\$ 9,579</u>	<u>\$ 3,992</u>

The accompanying notes are an integral part of this statement.

Unemployment Compensation Revolving Fund	Sixteenth Section Interest Fund	MAEP Retirement Fund	Other Governmental Funds	Total Governmental Funds
\$ 19,578	\$ 459,282	\$ --	\$ 178,461	\$ 1,267,704
--	--	101,176	--	101,176
--	--	107,975	3,452	210,939
--	100	--	--	100
--	--	--	--	18,649
--	--	--	7,763	7,763
<u>\$ 19,578</u>	<u>\$ 459,382</u>	<u>\$ 209,151</u>	<u>\$ 189,676</u>	<u>\$ 1,606,331</u>
\$ 3,579	\$ --	\$ --	\$ 1,499	\$ 18,649
--	--	--	1,219	1,219
<u>3,579</u>	<u>--</u>	<u>--</u>	<u>2,718</u>	<u>19,868</u>
--	--	--	15,409	15,409
--	--	--	7,763	7,763
15,999	--	--	--	15,999
--	--	--	256	256
--	--	209,151	19	209,170
--	--	--	21,176	21,176
--	--	--	142,335	142,335
--	459,382	--	--	459,382
--	--	--	--	49,514
--	--	--	--	665,459
<u>15,999</u>	<u>459,382</u>	<u>209,151</u>	<u>186,958</u>	<u>1,586,463</u>
<u>\$ 19,578</u>	<u>\$ 459,382</u>	<u>\$ 209,151</u>	<u>\$ 189,676</u>	<u>\$ 1,606,331</u>

**WEST BOLIVAR SCHOOL DISTRICT**

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2014*

Total fund balances for governmental funds	\$ 1,586,463
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	2,083,045
Liabilities due in one year are not reported in the funds.	(219,223)
Payables for bond principal which are not due in the current period are not reported in the funds.	(785,000)
Payables for energy efficient leases which are not due in the current period are not reported in the funds.	(296,369)
Payables for bond interest which are not due in the current period are not reported in the funds.	(26,512)
Payables for compensated absences not due in the current period are not reported in the funds.	(39,530)
Unamortized premiums are recognized in the funds.	<u>(10,249)</u>
Net position of governmental activities	<u>\$ 2,292,625</u>

The accompanying notes are an integral part of this statement.

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**WEST BOLIVAR SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**EXHIBIT D**

	General Fund	Title I Fund	IDEA Fund
<b>Revenues:</b>			
Local sources	\$ 1,594,418	\$ 344	\$ --
State sources	3,272,197	--	--
Federal sources	64,629	1,019,222	218,907
Sixteenth section sources	--	--	--
Total Revenues	<u>4,931,244</u>	<u>1,019,566</u>	<u>218,907</u>
<b>Expenditures:</b>			
Instruction	2,781,466	477,486	79,963
Support services	2,320,403	373,886	135,685
Noninstructional services	32,132	42,108	--
Sixteenth section	--	--	--
Facilities acquisition and construction	15,013	--	--
Debt service:			
Principal	32,494	--	--
Interest	19,325	--	--
Other	--	--	--
Total Expenditures	<u>5,200,833</u>	<u>893,480</u>	<u>215,648</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(269,589)</u>	<u>126,086</u>	<u>3,259</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	306,259	--	--
Other financing sources	5,852	--	--
Transfers out	(10,568)	(126,086)	(3,259)
Total Other Financing Sources (Uses)	<u>301,543</u>	<u>(126,086)</u>	<u>(3,259)</u>
Net Change in Fund Balances	<u>31,954</u>	<u>--</u>	<u>--</u>
<b>Fund Balances:</b>			
July 1, 2013, as previously reported	685,291	--	--
Prior period adjustments	(2,272)	--	--
July 1, 2013, as restated	<u>683,019</u>	<u>--</u>	<u>--</u>
Increase (decrease) in inventory	--	--	--
June 30, 2014	<u>\$ 714,973</u>	<u>\$ --</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

Unemployment Compensation Revolving Fund	Sixteenth Section Interest Fund	MAEP Retirement Fund	Other Governmental Funds	Total Governmental Funds
\$ 41	\$ 32	\$ 2	\$ 33,742	\$ 1,628,579
--	--	210,098	517,267	3,999,562
--	--	--	1,080,158	2,382,916
--	390,223	--	39	390,262
<u>41</u>	<u>390,255</u>	<u>210,100</u>	<u>1,631,206</u>	<u>8,401,319</u>
10,292	--	--	403,293	3,752,500
1,353	--	--	865,486	3,696,813
57	100,000	--	486,674	660,971
--	117,978	--	--	117,978
--	--	--	--	15,013
--	--	185,000	61,660	279,154
--	--	23,250	2,466	45,041
--	--	1,100	--	1,100
<u>11,702</u>	<u>217,978</u>	<u>209,350</u>	<u>1,819,579</u>	<u>8,568,570</u>
<u>(11,661)</u>	<u>172,277</u>	<u>750</u>	<u>(188,373)</u>	<u>(167,251)</u>
8,253	--	--	131,830	446,342
--	--	--	--	5,852
--	(300,000)	--	(6,429)	(446,342)
<u>8,253</u>	<u>(300,000)</u>	<u>--</u>	<u>125,401</u>	<u>5,852</u>
<u>(3,408)</u>	<u>(127,723)</u>	<u>750</u>	<u>(62,972)</u>	<u>(161,399)</u>
19,407	587,105	208,401	247,628	1,747,832
--	--	--	--	(2,272)
<u>19,407</u>	<u>587,105</u>	<u>208,401</u>	<u>247,628</u>	<u>1,745,560</u>
--	--	--	2,302	2,302
<u>\$ 15,999</u>	<u>\$ 459,382</u>	<u>\$ 209,151</u>	<u>\$ 186,958</u>	<u>\$ 1,586,463</u>

**WEST BOLIVAR SCHOOL DISTRICT**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014*

Net change in fund balances - total governmental funds	\$ (161,399)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	25,169
The depreciation of capital assets used in governmental activities is not reported in the funds.	(126,036)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(169)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	185,000
Repayment of energy efficient lease principal is an expenditure in the funds but is not an expense in the SOA.	32,494
Repayment of note principal is an expenditure in the funds but is not an expense in the SOA.	61,660
Bond issuance costs were expensed based on new GASB 65 implementation.	(20,717)
(Increase) decrease in accrued interest from beginning of period to end of period.	5,059
Change in inventory is an adjustment to fund balance in the funds but affects expense in the SOA.	2,302
Compensated absences are reported as amount earned in SOA but as amount paid in the funds.	5,516
Unamortized premiums and similar items are amortized in the SOA but not in the funds.	<u>2,860</u>
Change in net position of governmental activities	<u>\$ 11,739</u>

The accompanying notes are an integral part of this statement.

**WEST BOLIVAR SCHOOL DISTRICT**  
*STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES*  
*FIDUCIARY FUNDS*  
*JUNE 30, 2014*

**EXHIBIT E**

	Agency Funds
<b>Assets</b>	
<i>Cash and cash equivalents</i>	\$ 337,735
Total Assets	<u>\$ 337,735</u>
<b>Liabilities</b>	
<i>Accounts payable &amp; accrued liabilities</i>	\$ 327,057
<i>Due to student clubs</i>	10,678
Total Liabilities	<u>\$ 337,735</u>

The accompanying notes are an integral part of this statement.

**West Bolivar School District**

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

## **West Bolivar School District**

Notes to the Financial Statements  
For the 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 a "primary government". The school district is governed by a five member board to which each member is elected by the citizens of each defined county district.

For financial reporting purposes, West Bolivar 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.

## West Bolivar School District

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

2. Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
3. Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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.

Title I Fund - This is a special revenue fund that accounts for federal sources received and expenditures incurred under the Title I grants to local educational agencies program.

IDEA Fund - This fund accounts for the resources from the grants to states to assist them in providing a free appropriate public education to all children with disabilities.

Unemployment Compensation Revolving Fund - School districts which maintain an unemployment compensation revolving fund shall make all payments to the Mississippi Employment Security Commission from this fund. The unemployment compensation revolving fund shall be replenished before June 30 of each year. Replenishment takes place when the balance in the fund falls below the required 2% of the first \$6,000 of covered wages for an individual calendar year and shall be

## West Bolivar School District

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

accomplished by an operating transfer between funds. Expenditures to the Mississippi Employment Security Commission from the revolving fund shall be coded to the appropriate expenditure function as it related to the individual for which the payment has been made.

Sixteenth Section Interest Fund - This fund is used to account for the generation of revenues and expenditures associated with sixteenth section lands that are legally required to be accounted for in the Sixteenth Section Interest Fund. Those revenues and expenditures include, but are not limited to, timber sales, interest on investments, leases, land improvements, purchase of investments and transfers to District Maintenance.

MAEP Retirement Fund - This is a debt service fund that accounts for the payment of MAEP debt.

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

The District's fiduciary funds include the following:

Accounts Payable Clearing Fund - This fund serves as a clearing fund for payroll type transactions.

Student Club Funds - These various funds account for the monies raised through school club activities and fund raisers and club related expenditures approved by the individual clubs.

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

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.

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.

## West Bolivar School District

Notes to the Financial Statements  
For the 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

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.

## West Bolivar School District

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

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

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

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there 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 maintained to account for commitments or assignments resulting from approved purchase orders, work orders and contracts. However, the school district attempts to liquidate all encumbrances at year-end. Encumbrances outstanding at year-end are not reported within committed or assigned fund balances.

### **E. Assets, liabilities, and net position/fund balances**

#### 1. Cash, Cash equivalents and Investments

Cash and cash equivalents

## West Bolivar School District

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

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.

#### 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

## West Bolivar School District

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

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. Also, the nonexpendable portion of the Permanent Fund, if applicable, is classified as restricted assets because the 16<sup>th</sup> Section Principal fund is not available for use by the district except as provided for under state statute for loans from this fund.

### 6. Capital Assets

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

## West Bolivar School District

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

The following schedule details the capitalization thresholds:

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

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

### 7. Compensated Absences

Employees of the school district accumulate sick leave at a minimum amount as required by state law. A greater amount may be provided by school district policy provided that it does not exceed the provisions for leave as 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.

### 8. 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.

## West Bolivar School District

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

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

### 9. Fund Balances

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

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

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

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

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

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

*Unassigned fund balance* is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the

## West Bolivar School District

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

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

It is the goal of the District to achieve and maintain an unassigned fund balance in the general fund at fiscal year end of not less than 10% 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 and Cash with Fiscal Agents**

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 deposits 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

## West Bolivar School District

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

repurchase agreements of any federal book entry of only those securities enumerated in (b) and (c) above; (e) direct obligations issued by the United States of America that are deemed to include securities of, or other interests in, any open-end or closed-end management type investment company or investment trust approved by the State Treasurer and the Executive Director of the Department of Finance and Administration, not to exceed twenty percent of invested excess funds. Investment income on bond funds (Capital Projects), bond sinking funds (Debt Service Funds) and sixteenth section principal funds (Permanent Funds) must be credited to those funds. Investment income of \$100 or more of any fund must be credited to that fund. Investment income of less than \$100 can be credited to the General Fund.

#### Cash and Cash Equivalents

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds and fiduciary funds was \$1,267,704 and \$337,735, respectively.

*Custodial Credit Risk - Deposits.* Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the district. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the district. As of June 30, 2014, none of the district's bank balance of \$2,030,757 was exposed to custodial credit risk.

#### Cash with Fiscal Agents

The carrying amount of school district's cash with fiscal agents held by financial institutions was \$101,176.

### 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	Title I Fund	\$ 9,579
	IDEA Fund	3,992
	Unemployment Compensation Revolving Fund	3,579
	Other Governmental Funds	<u>1,499</u>
Total		\$ <u><u>18,649</u></u>

## West Bolivar School District

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

The primary purpose of the inter-fund receivables and payables are to cover the initial payments of reimbursable expenditures of federal and state programs. All inter-fund receivables and payables are expected to be repaid within one year.

### B. Inter-fund Transfers

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Title I Fund	\$ 3,000
	IDEA Fund	3,259
	Sixteenth Section Interest Fund	300,000
Unemployment Compensation Revolving Fund	General Fund	8,253
Other Governmental Funds	General Fund	2,315
	Title I Fund	123,086
	Other Governmental Funds	6,429
Total		\$ <u><u>446,342</u></u>

The primary purpose of the inter-fund 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.

### Note 4 - Restricted Assets

The restricted assets represent the cash balance totaling \$15,409, 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 \$101,176, MAEP Retirement Fund.

## West Bolivar School District

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

### Note 5- Capital Assets

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

	Balance 7-1-2013	Additions	Retirements	Completed Construction	Balance 6-30-2014
<u>Non-depreciable capital assets:</u>					
Construction in progress	60,030	15,013		(75,043)	0
Total non-depreciable capital assets	60,030	15,013	0	(75,043)	0
<u>Depreciable capital assets:</u>					
Buildings	3,144,168			75,043	3,219,211
Building improvements	247,513				247,513
Improvements other than buildings	189,255				189,255
Mobile equipment	886,217				886,217
Furniture and equipment	699,862	10,156	16,919		693,099
Total depreciable capital assets	5,167,015	10,156	16,919	75,043	5,235,295
<u>Less accumulated depreciation for:</u>					
Buildings	1,681,186	34,891			1,716,077
Building improvements	90,844	9,901			100,745
Improvements other than buildings	75,777	4,989			80,766
Mobile equipment	588,010	46,915			634,925
Furniture and equipment	607,147	29,340	16,750		619,737
Total accumulated depreciation	3,042,964	126,036	16,750	0	3,152,250
Total depreciable capital assets, net	2,124,051	(115,880)	169	75,043	2,083,045
Governmental activities capital assets, net	\$ 2,184,081	(100,867)	169	0	2,083,045

Depreciation expense was charged to the following governmental functions:

	Amount
Instruction	\$ 57,403
Support services	57,230
Non-instructional	11,403
Total depreciation expense	\$ 126,036

**West Bolivar School District**

Notes to the Financial Statements  
For the 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 07-01-2013	Adjustments	Reductions	Balance 06-30-2014	Amounts due within one year
A. Limited obligation bonds payable	\$ 1,155,000		185,000	970,000	185,000
B. Obligations under energy efficient leases	342,120	20,966	32,494	330,592	34,223
C. Shortfall note payable	61,660		61,660	0	
D. Compensated absences payable	45,046		5,516	39,530	
Total	\$ 1,603,826	20,966	284,670	1,340,122	219,223

**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
State aid capital improvement bonds, Series 2010	2.0-2.5%	12-01-10	02-01-18	\$ <u>1,425,000</u>	<u>970,000</u>

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 185,000	19,550	204,550
2016	190,000	15,800	205,800
2017	195,000	11,950	206,950
2018	400,000	7,563	407,563
Total	\$ <u>970,000</u>	<u>54,863</u>	<u>1,024,863</u>

This debt will be retired from the Debt Service Fund.

## West Bolivar School District

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

### B. Obligations under energy efficient leases

Debt currently outstanding is as follows:

<u>Description</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Energy lease	5.0%	11-09-06	07-01-21	\$ <u>535,804</u>	<u>330,592</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 34,223	17,595	51,818
2016	36,045	15,773	51,818
2017	37,963	13,855	51,818
2018	39,984	11,834	51,818
2019	42,112	9,706	51,818
2020-2022	<u>140,265</u>	<u>15,189</u>	<u>155,454</u>
Total	\$ <u>330,592</u>	<u>83,952</u>	<u>414,544</u>

An energy efficient lease agreement dated November 9, 2006, was executed by and between the district, the lessee, and Government Capital Corporation, the lessor.

The agreement authorized the borrowing of \$535,804 for the purposes of energy efficient equipment, machinery, supplies, building modifications and other energy saving items. Payments of the lease shall be made from the district maintenance fund and not to exceed fifteen years.

The district entered into the energy efficient lease agreement under the authority of Section 31-7-14, Miss. Code Ann. (1972).

Upon written notice to the lessor, the lessee has the option of repaying the total amount due as set forth by the agreement.

### C. Shortfall notes payable

This debt was paid off and retired from the District Maintenance Fund.

### D. Compensated absences payable

As more fully explained in Note 1(E)(7), compensated absences payable is adjusted on an annual basis as required by Section 37-7-307(5), Miss. Code Ann. (1972). Compensated

## West Bolivar School District

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

absences will be paid from the fund from which the employees' salaries were paid.

### Note 7 - 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 \$656,194, \$626,071, and \$548,502, respectively, which equaled the required contributions for each year.

### Note 8 - Risk Management

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

#### Participation in Public Entity Risk Pool

The school district is a member of the Mississippi School Boards Association Workers' Compensation Trust (MSBAWCT). The trust is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. The trust consists of approximately 94 school districts and covers risks of loss arising from injuries to the members' employees. The Mississippi Workers' Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member. Each member of MSBAWCT contributes quarterly to a fund held in trust by Wells Fargo in Portland, Oregon. The funds in the trust account are used to pay any claim up to \$750,000. For a claim exceeding \$750,000, MSBAWCT has insurance which will pay the excess up to the statutory amount required by the Mississippi Workers' Compensation Commission Act. If total claims during a year were to deplete the trust account, then the member school

## West Bolivar School District

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

districts would be required to pay for the deficiencies. The district has not had an additional assessment for excess losses incurred by the pool.

### 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 users of the trust lands, except for uses by the public schools. The following are the future rental payments to be made to the school district for the use of school trust lands. These future rental payments are from existing leases and do not anticipate renewals or new leases.

Year Ending June 30		Amount
2015	\$	363,715
2016		368,064
2017		154,557
2018		110,807
2019		110,107
2020 - 2024		142,849
2025 - 2029		87,944
2030 - 2034		44,631
2035 - 2039		21,470
2040 - 2044		15,115
2045 - 2048		10,980
Total	\$	<u>1,430,239</u>

## West Bolivar School District

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

### Note 10 - Prior Period Adjustment

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

#### Exhibit B - Statement of Activities

Explanation	Amount
1. Adjustments were made to properly present long-term liabilities.	\$ (20,966)
2. See explanation below.	(2,272)
Total	<u>\$ (23,238)</u>

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

Fund	Explanation	Amount
General Fund	To correctly present account receivables from fiscal year 2013.	<u>\$ (2,272)</u>

### Note 11 - Contingencies

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

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

### Note 12 - Subsequent events

Events that occur after the Statement 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 West Bolivar School District evaluated the activity of the district through the date the financial statements were available to be issued, and determined that the following subsequent

## **West Bolivar School District**

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

events has occurred requiring disclosure in the notes to the financial statements:

By action of the Mississippi State Legislature, Miss. Code Section 37-7-104.1, effective July 1, 2014, the West Bolivar School District, Shaw School District and the Benoit School District will cease to exist and a new school district will be formed. The new school district will be West Bolivar Consolidated School District. This will be reported in the financial statements for the year ended June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

**WEST BOLIVAR SCHOOL DISTRICT**

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2014

**Exhibit 1**

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Local sources	\$ 1,346,843	1,594,419	1,594,418	247,576	(1)
State sources	3,328,684	3,272,196	3,272,197	(56,488)	1
Federal sources	64,000	64,629	64,629	629	-
Total Revenues	<u>4,739,527</u>	<u>4,931,244</u>	<u>4,931,244</u>	<u>191,717</u>	<u>-</u>
<b>Expenditures:</b>					
Instruction	2,861,139	2,796,482	2,781,466	64,657	15,016
Support services	2,266,043	2,320,402	2,320,403	(54,359)	(1)
Noninstructional services	38,126	32,132	32,132	5,994	-
Facilities acquisition and construction	-	-	15,013	-	(15,013)
Debt service:					
Principal	32,494	32,494	32,494	-	-
Interest	19,325	19,325	19,325	-	-
Other	1,000	-	-	1,000	-
Total Expenditures	<u>5,218,127</u>	<u>5,200,835</u>	<u>5,200,833</u>	<u>17,292</u>	<u>2</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(478,600)</u>	<u>(269,591)</u>	<u>(269,589)</u>	<u>209,009</u>	<u>2</u>
<b>Other Financing Sources (Uses):</b>					
Insurance loss recoveries	200	-	-	(200)	-
Operating transfers in	552,081	306,259	306,259	(245,822)	-
Other financing sources	-	5,852	5,852	5,852	-
Operating transfers out	(15,000)	(10,568)	(10,568)	4,432	-
Operating financing uses	(624)	-	-	624	-
Total Other Financing Sources (Uses)	<u>536,657</u>	<u>301,543</u>	<u>301,543</u>	<u>(235,114)</u>	<u>-</u>
Net Change in Fund Balances	<u>58,057</u>	<u>31,952</u>	<u>31,954</u>	<u>(26,105)</u>	<u>2</u>
<b>Fund Balances:</b>					
July 1, 2013, as previously reported	685,291	685,291	685,291	-	-
Prior period adjustments	-	(2,272)	(2,272)	(2,272)	-
July 1, 2013, as restated	<u>685,291</u>	<u>683,019</u>	<u>683,019</u>	<u>(2,272)</u>	<u>-</u>
June 30, 2014	<u>\$ 743,348</u>	<u>714,971</u>	<u>714,973</u>	<u>(28,377)</u>	<u>2</u>

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

**WEST BOLIVAR SCHOOL DISTRICT**

Budgetary Comparison Schedule

Title I Fund

For the Year Ended June 30, 2014

**Exhibit 2**

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Local sources	\$ -	344	344	344	-
Federal sources	849,943	1,019,222	1,019,222	169,279	-
Total Revenues	<u>849,943</u>	<u>1,019,566</u>	<u>1,019,566</u>	<u>169,623</u>	<u>-</u>
<b>Expenditures:</b>					
Instruction	289,999	477,486	477,486	(187,487)	-
Support services	512,257	373,886	373,886	138,371	-
Noninstructional services	44,687	42,108	42,108	2,579	-
Total Expenditures	<u>846,943</u>	<u>893,480</u>	<u>893,480</u>	<u>(46,537)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,000</u>	<u>126,086</u>	<u>126,086</u>	<u>123,086</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Operating transfers out	-	(126,086)	(126,086)	(126,086)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(126,086)</u>	<u>(126,086)</u>	<u>(126,086)</u>	<u>-</u>
Net Change in Fund Balances	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>
Fund Balances:					
July 1, 2013	-	-	-	-	-
June 30, 2014	<u>\$ 3,000</u>	<u>-</u>	<u>-</u>	<u>(3,000)</u>	<u>-</u>

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

**WEST BOLIVAR SCHOOL DISTRICT**

Budgetary Comparison Schedule

IDEA Fund

For the Year Ended June 30, 2014

**Exhibit 3**

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Federal sources	\$ 203,682	218,907	218,907	15,225	-
Total Revenues	<u>203,682</u>	<u>218,907</u>	<u>218,907</u>	<u>15,225</u>	<u>-</u>
<b>Expenditures:</b>					
Instructional	69,158	79,964	79,963	(10,806)	1
Support services	132,024	135,684	135,685	(3,660)	(1)
Total Expenditures	<u>201,182</u>	<u>215,648</u>	<u>215,648</u>	<u>(14,466)</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>2,500</u>	<u>3,259</u>	<u>3,259</u>	<u>759</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Operating transfers out	(2,500)	(3,259)	(3,259)	(759)	-
Total Other Financing Sources (Uses)	<u>(2,500)</u>	<u>(3,259)</u>	<u>(3,259)</u>	<u>(759)</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
July 1, 2013	-	-	-	-	-
June 30, 2014	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

**WEST BOLIVAR SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 Unemployment Compensation Revolving Fund  
 For the Year Ended June 30, 2014

**Exhibit 4**

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Local sources	\$ 100	41	41	(59)	-
Total Revenues	100	41	41	(59)	-
<b>Expenditures:</b>					
Instruction	-	10,292	10,292	(10,292)	-
Support services	-	1,353	1,353	(1,353)	-
Noninstructional services	-	57	57	(57)	-
Total Expenditures	-	11,702	11,702	(11,702)	-
Net Change in Fund Balances	100	(11,661)	(11,661)	(11,761)	-
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	15,000	8,253	8,253	(6,747)	-
Total Other Financing Sources (Uses)	15,000	8,253	8,253	(6,747)	-
Net Change in Fund Balances	15,100	(3,408)	(3,408)	(18,508)	-
<b>Fund Balances:</b>					
July 1, 2013	19,407	19,407	19,407	-	-
June 30, 2014	\$ 34,507	15,999	15,999	(18,508)	-

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

**WEST BOLIVAR SCHOOL DISTRICT**

Budgetary Comparison Schedule  
 Sixteenth Section Interest Fund  
 For the Year Ended June 30, 2014

**Exhibit 5**

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Local sources	\$ -	32	32	32	-
Sixteenth section sources	258,574	390,223	390,223	131,649	-
Total Revenues	258,574	390,255	390,255	131,681	-
<b>Expenditures:</b>					
Noninstructional services	-	100,000	100,000	(100,000)	-
Sixteenth section	36,100	117,978	117,978	(81,878)	-
Total Expenditures	36,100	217,978	217,978	(181,878)	-
Excess (Deficiency) of Revenues over (under) Expenditures	222,474	172,277	172,277	(50,197)	-
<b>Other Financing Sources (Uses):</b>					
Operating transfers out	(546,381)	(300,000)	(300,000)	246,381	-
Total Other Financing Sources (Uses)	(546,381)	(300,000)	(300,000)	246,381	-
Net Change in Fund Balances	(323,907)	(127,723)	(127,723)	196,184	-
<b>Fund Balances:</b>					
July 1, 2013	587,105	587,105	587,105	-	-
June 30, 2014	\$ 263,198	459,382	459,382	196,184	-

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

## West Bolivar School District

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

### Budgetary Comparison Schedules

(1) Basis of Presentation

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

(2) Budget Amendments and Revisions

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

SUPPLEMENTARY INFORMATION

**WEST BOLIVAR SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

<u>Federal Grantor/ Pass-through Grantor/ Program Title/</u>	<u>Catalog of Federal Domestic Assistance No.</u>	<u>Federal Expenditures</u>
<b><u>U. S. Department of Agriculture</u></b>		
Passed-through the Mississippi Department of Education:		
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 145,842
National School Lunch Program	10.555	427,360
Total Child Nutrition Cluster		<u>573,202</u>
Total passed-through the Mississippi Department of Education		<u>573,202</u>
<b>Total U.S. Department of Agriculture</b>		<u><u>573,202</u></u>
 <b><u>Federal Communications Commission</u></b>		
Administered through Universal Service Administrative Company:		
The School and Libraries Program of The Universal Service Fund	32.xxx	60,735
<b>Total Federal Communications Commission</b>		<u>60,735</u>
 <b><u>U. S. Department of Education</u></b>		
Passed-through the Mississippi Department of Education:		
Title I Grants to Local Educational Agencies	84.010	1,019,222
Career and Technical Education - Basic Grants to States	84.048	18,756
Improving Teacher Quality State Grants	84.367	108,200
School Improvement Grants	84.377	347,960
Subtotal		<u>1,494,138</u>
Special Education Cluster:		
Special Education - Grants to States	84.027	218,907
Special Education - Preschool Grants	84.173	10,887
Total Special Education Cluster		<u>229,794</u>
Total passed-through the Mississippi Department of Education		<u>1,723,932</u>
<b>Total U.S. Department of Education</b>		<u><u>1,723,932</u></u>
 <b><u>U. S. Department of Health and Human Services</u></b>		
Passed-through the Mississippi Department of Education:		
National Family Caregiver Support Title VI - Part C	93.054	21,152
Total passed-through the Mississippi Department of Education		<u>21,152</u>
<b>Total U.S. Department of Health and Human Services</b>		<u>21,152</u>
 Total for All Federal Awards		 \$ <u><u>2,379,021</u></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.

**WEST BOLIVAR SCHOOL DISTRICT**

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

<b>Expenditures</b>	<b>Total</b>	<b>Instruction and Other Student Instructional Expenditures</b>	<b>General Administration</b>	<b>School Administration</b>	<b>Other</b>
Salaries and fringe benefits	\$ 5,787,013	4,226,458	565,172	466,652	528,731
Other	2,781,557	918,353	148,622	4,424	1,710,158
<b>Total</b>	<b>\$ 8,568,570</b>	<b>5,144,811</b>	<b>713,794</b>	<b>471,076</b>	<b>2,238,889</b>
Total number of students *	<u>770</u>				
Cost per student	\$ <u>11,128</u>	<u>6,681</u>	<u>927</u>	<u>612</u>	<u>2,908</u>

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

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

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

School Administration - includes expenditures for the following functions: 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

**WEST BOLIVAR SCHOOL DISTRICT**

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

"UNAUDITED"

## General Fund

## Last Four Years

	2014	2013*	2012*	2011*
<b>Revenues:</b>				
Local sources	\$ 1,594,418	1,381,386	1,356,464	1,318,984
Intermediate sources	-	-	-	10,090
State sources	3,272,197	3,440,411	3,561,557	3,637,347
Federal sources	64,629	77,037	87,322	131,243
Total Revenues	<u>4,931,244</u>	<u>4,898,834</u>	<u>5,005,343</u>	<u>5,097,664</u>
<b>Expenditures:</b>				
Instruction	2,781,466	2,753,575	2,732,520	2,318,051
Support services	2,320,403	2,310,654	2,076,180	2,087,930
Noninstructional services	32,132	31,500	30,246	27,959
Facilities acquisition and construction	15,013	60,030	-	-
Debt service:				
Principal	32,494	34,344	29,293	31,304
Interest	19,325	20,967	22,827	24,006
Other	-	-	-	1,000
Total Expenditures	<u>5,200,833</u>	<u>5,211,070</u>	<u>4,891,066</u>	<u>4,490,250</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(269,589)</u>	<u>(312,236)</u>	<u>114,277</u>	<u>607,414</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from notes issued	-	-	-	187,975
Operating transfers in	306,259	205,879	4,760	158,564
Other financing sources	5,852	-	-	-
Operating transfers out	(10,568)	(200)	(175,820)	(222,145)
Total Other Financing Sources (Uses)	<u>301,543</u>	<u>205,679</u>	<u>(171,060)</u>	<u>124,394</u>
Net Change in Fund Balances	<u>31,954</u>	<u>(106,557)</u>	<u>(56,783)</u>	<u>731,808</u>
<b>Fund Balances:</b>				
July 1, as previously reported	685,291	792,542	1,050,360	320,593
Prior period adjustments	(2,272)	(694)	(201,035)	(2,041)
July 1, as restated	<u>683,019</u>	<u>791,848</u>	<u>849,325</u>	<u>318,552</u>
June 30,	<u>\$ 714,973</u>	<u>685,291</u>	<u>792,542</u>	<u>1,050,360</u>

\*SOURCE - PRIOR YEAR AUDIT REPORTS

**WEST BOLIVAR SCHOOL DISTRICT**

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

"UNAUDITED"

	2014	2013*	2012*	2011*
<b>Revenues:</b>				
Local sources	\$ 1,628,579	1,488,364	1,459,568	1,367,349
Intermediate sources	-	-	-	10,090
State sources	3,999,562	4,160,035	4,101,341	4,266,305
Federal sources	2,382,916	3,069,399	3,337,687	3,439,963
Sixteenth section sources	390,262	237,195	219,737	211,518
Total Revenues	<u>8,401,319</u>	<u>8,954,993</u>	<u>9,118,333</u>	<u>9,295,225</u>
<b>Expenditures:</b>				
Instruction	3,752,500	4,236,757	4,397,444	4,365,968
Support services	3,696,813	3,828,446	3,660,877	3,464,628
Noninstructional services	660,971	589,053	560,799	567,502
Sixteenth section	117,978	35,711	30,569	31,447
Facilities acquisition and construction	15,013	60,030	-	-
Debt service:				
Principal	279,154	299,444	174,490	171,304
Interest	45,041	32,943	59,166	66,042
Other	1,100	-	1,550	15,835
Total Expenditures	<u>8,568,570</u>	<u>9,082,384</u>	<u>8,884,895</u>	<u>8,682,726</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>(167,251)</u>	<u>(127,391)</u>	<u>233,438</u>	<u>612,499</u>
<b>Other Financing Sources (Uses):</b>				
Refunding bonds issues	-	-	-	1,425,000
Proceeds from bonds issued	-	-	-	187,975
Premium of debt	-	-	-	20,497
Payment to refunding bond escrow agent	-	-	-	(1,385,000)
Operating transfers in	446,342	216,315	180,580	380,709
Other financing sources	5,852	-	-	-
Operating transfers out	(446,342)	(216,315)	(180,580)	(380,709)
Total Other Financing Sources (Uses)	<u>5,852</u>	<u>-</u>	<u>-</u>	<u>248,472</u>
Net Change in Fund Balances	<u>(161,399)</u>	<u>(127,391)</u>	<u>233,438</u>	<u>860,971</u>
<b>Fund Balances:</b>				
July 1, as previously reported	1,747,832	1,882,759	1,587,018	723,173
Prior period adjustments	(2,272)	(694)	63,815	(2,041)
July 1, as restated	<u>1,745,560</u>	<u>1,882,065</u>	<u>1,650,833</u>	<u>721,132</u>
Increase (decrease) in inventory	2,302	(6,842)	(1,512)	4,915
June 30,	<u>\$ 1,586,463</u>	<u>1,747,832</u>	<u>1,882,759</u>	<u>1,587,018</u>

\*SOURCE - PRIOR YEAR AUDIT REPORTS

## REPORTS ON INTERNAL CONTROL AND COMPLIANCE

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

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  
West Bolivar School District

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

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the school district's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 the West Bolivar 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.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC  
June 30, 2015

Certified Public Accountants

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board  
West Bolivar School District

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

We have audited West Bolivar 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 West Bolivar School District's major federal programs for the year ended June 30, 2014. The West Bolivar's School District's major federal programs are identified in the summary of the 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 each of its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of West Bolivar 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 the school district's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the school district's compliance.

## Opinion on Each Major Federal Program

In our opinion, the West Bolivar 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 West Bolivar 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 West Bolivar 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 the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC  
June 30, 2015

Certified Public Accountants

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

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

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

Superintendent and School Board  
West Bolivar School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Bolivar School District as of and for the year ended June 30, 2014, which collectively comprise West Bolivar School District's basic financial statements and have issued our report thereon dated June 30, 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 ensure that the school district is complying with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), relating to classroom supply funds." As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain other state laws and regulations. However, providing an opinion on compliance with all state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our procedures performed to test compliance with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), disclosed no instances of noncompliance. The district reported \$0 of 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 ensure correct and appropriate coding at the function level. The audit must include a report showing the correct and appropriate functional level expenditure codes in expenditures by the school district."

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

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

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

1929 SPILLWAY ROAD  
BRANDON, MISSISSIPPI 39047  
TELEPHONE 601-992-5292 FAX 601-992-2033

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.

*FORTENBERRY & BALLARD, PC*

Fortenberry & Ballard, PC  
June 30, 2015

Certified Public Accountants

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**West Bolivar School District**

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

Section I: Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

4. Internal control over major programs:
  - a. Material weakness(es) identified? No.
  - b. Significant deficiency(ies) identified? None reported.
5. Type of auditor's report issued on compliance for major programs: Unmodified.
6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? No.
7. Identification of major programs:

<u>CFDA Numbers:</u>	<u>Name of Federal Program or Cluster</u>
10.553 & 10.559	Child Nutrition Cluster
84.010	Title I Grants to Local Educational Agencies
84.027 & 84.173	Special Education Cluster

8. Dollar threshold used to distinguish between type A and type B programs: \$300,000.
9. Auditee qualified as low-risk auditee? No.

Section II: Financial Statements Findings

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

Section III: Federal Awards Findings and Questioned Costs

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