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PRETISS COUNTY SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2014



**PRENTISS COUNTY SCHOOL DISTRICT
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INDEPENDENT AUDITOR'S REPORT

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SUZANNE E. SMITH, CPA, PLLC

AUDITING AND ACCOUNTING SERVICES

ssmithcpa@gmail.com

INDEPENDENT AUDITOR'S REPORT

Superintendent and School Board
Prentiss County 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 Prentiss County School District as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Prentiss County 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 Prentiss County 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.

POST OFFICE BOX 103
BRANDON, MISSISSIPPI 39043
PHONE: 601-828-5717

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 11-17 and 53-63 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

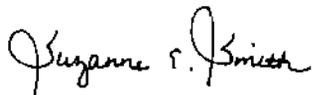
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Prentiss County School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular 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 August 5, 2016, on our consideration of the Prentiss County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 Prentiss County School District's internal control over financial reporting and compliance.



Suzanne E. Smith, CPA, PLLC

Brandon, MS
August 5, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The following discussion and analysis of Prentiss County 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 increased \$318,050, including a prior period adjustment of \$40,086, which represents a 2.84% increase from fiscal year 2013. Total net position for 2013 increased \$1,226,657, including a prior period adjustment of \$65,497, which represents a 12.31% increase from fiscal year 2012.
- General revenues amounted to \$15,650,253 and \$15,874,271, or 75.37% and 77.93% 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 \$5,115,355, or 24.63% of total revenues for 2014, and \$4,494,677, or 22.07% of total revenues for 2013.
- The District had \$20,487,644 and \$19,207,788 in expenses for fiscal years 2014 and 2013; only \$5,115,355 for 2014 and \$4,494,677 for 2013 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$15,650,253 for 2014 and \$15,874,271 for 2013 were adequate to provide for these programs.
- Among major funds, the General Fund had \$15,228,182 in revenues and \$15,450,267 in expenditures for 2014, and \$15,136,528 in revenues and \$14,590,606 in expenditures in 2013. The General Fund's fund balance decreased by \$191,669 from 2013 to 2014, including a prior period adjustment of (\$3,548), and increased by \$595,048 from 2012 to 2013.
- Capital assets, net of accumulated depreciation, decreased by \$288,342, including a prior period adjustment of \$43,220, for 2014 and decreased by \$165,637, including a prior period adjustment of \$5,922, for 2013. The decrease for 2014 was due primarily to the annual depreciation of depreciable capital assets.
- Long-term debt, including the liability for compensated absences, decreased by \$615,442, including a prior period adjustment of \$146, for 2014 and decreased by \$543,975, including a prior period adjustment of \$74,544, for 2013. This decrease for 2014 was due primarily to principal payments on long term debt of \$610,923. The liability for compensated absences decreased by \$53 for 2014 and decreased by \$2,988 for 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The Statement of Net Position presents information on all the District's nonfiduciary assets and deferred outflows of resources and liabilities, with the differences 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.

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

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 and interest on long-term liabilities.

Fund Financial Statements

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

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

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

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

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

Reconciliation of Government-wide and Fund Financial Statements

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

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

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

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

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

Notes to the financial statements

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

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

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 and deferred outflows of resources exceeded liabilities by \$11,509,754 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.

**Table 1
Condensed Statement of Net Position**

	June 30, 2014	June 30, 2013	Percentage Change
Current assets	\$ 5,522,196	\$ 5,427,229	1.75 %
Restricted assets	68,776	61,346	12.11 %
Capital assets, net	9,178,098	9,466,440	-3.05 %
Total assets	14,769,070	14,955,015	-1.24 %
Deferred outflow on advanced refunding of debt	56,243	64,278	-12.50 %
Total deferred outflows of resources	56,243	64,278	-12.50 %
Current liabilities	190,087	86,675	119.31 %
Long-term debt outstanding	3,125,472	3,740,914	-16.45 %
Total liabilities	3,315,559	3,827,589	-13.38 %
Net position:			
Net investment in capital assets	6,380,276	6,148,026	3.78 %
Restricted	1,367,176	1,994,094	-31.44 %
Unrestricted	3,762,302	3,049,584	23.37 %
Total net position	\$ 11,509,754	\$ 11,191,704	2.84 %

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

- Net decrease in net capital assets in the amount of \$288,342, including a prior period adjustment of \$43,220.
- The principal retirement of \$610,923 of long-term debt.

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

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2014 and June 30, 2013 were \$20,765,608 and \$20,368,948, respectively. The total cost of all programs and services was \$20,487,644 for 2014 and \$19,207,788 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.

**Table 2
Changes in Net Position**

	<u>Year Ended June 30, 2014</u>	<u>Year Ended June 30, 2013</u>	<u>Percentage Change</u>
Revenues:			
Program revenues:			
Charges for services	\$ 1,191,073	\$ 896,636	32.84 %
Operating grants and contributions	3,924,282	3,598,041	9.07 %
General revenues:			
Property taxes	3,236,135	3,306,005	(2.11) %
Grants and contributions not restricted	12,349,308	12,189,222	1.31 %
Investment earnings	1,447	1,357	6.63 %
Other	63,363	377,687	(83.22) %
Total revenues	<u>20,765,608</u>	<u>20,368,948</u>	1.95 %
Expenses:			
Instruction	12,930,190	12,095,722	6.90 %
Support services	5,716,637	5,239,294	9.11 %
Non-instructional	1,727,030	1,652,517	4.51 %
Interest on long-term liabilities	113,787	220,255	(48.34) %
Total expenses	<u>20,487,644</u>	<u>19,207,788</u>	6.66 %
Increase (Decrease) in net position	<u>277,964</u>	<u>1,161,160</u>	(76.06) %
Net Position, July 1, as previously reported	11,191,704	9,965,047	12.31 %
Prior Period Adjustment	40,086	65,497	(38.80) %
Net Position, July 1, as restated	<u>11,231,790</u>	<u>10,030,544</u>	11.98 %
Net Position, June 30	<u>\$ 11,509,754</u>	<u>\$ 11,191,704</u>	2.84 %

Governmental activities

The following table presents the cost of four major District functional activities: instruction, support services, non-instructional, and interest on long-term liabilities. 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.

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

Table 3
Net Cost of Governmental Activities

	<u>Total Expenses</u>		<u>Percentage Change</u>
	<u>2014</u>	<u>2013</u>	
Instruction	\$ 12,930,190	\$ 12,095,722	6.90 %
Support services	5,716,637	5,239,294	9.11 %
Non-instructional	1,727,030	1,652,517	4.51 %
Interest on long-term liabilities	113,787	220,255	(48.34) %
Total expenses	\$ 20,487,644	\$ 19,207,788	6.66 %
	<u>Net (Expense) Revenue</u>		<u>Percentage Change</u>
	<u>2014</u>	<u>2013</u>	
Instruction	\$ (10,186,820)	\$ (9,452,572)	7.77 %
Support services	(4,925,210)	(4,470,399)	10.17 %
Non-instructional	(219,826)	(569,885)	(61.43) %
Interest on long-term liabilities	(40,433)	(220,255)	(81.64) %
Total net (expense) revenue	\$ (15,372,289)	\$ (14,713,111)	4.48 %

- Net cost of governmental activities [(\$15,372,289) for 2014 and (\$14,713,111) for 2013] was financed by general revenue, which is primarily made up of property taxes (\$3,236,135 for 2014 and \$3,306,005 for 2013) and state and federal revenues (\$12,349,308 for 2014 and \$12,189,222 for 2013).
- Investment earnings amounted to \$1,447 for 2014 and \$1,357 for 2013.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$5,417,952, an increase of \$3,960, which includes an increase in inventory of \$5,741 and a prior period adjustment of (\$2,988). \$3,216,462 or 59.37% of the fund balance is unassigned, which represents the residual classification for the General Fund's fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The remaining fund balance of \$2,201,490 or 40.63% is either nonspendable, restricted, committed or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

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

The General Fund is the principal operating fund of the District. The decrease in fund balance in the General Fund for the fiscal year was \$191,669, which includes a prior period adjustment of (\$3,548). The fund balance of Other Governmental Funds showed an increase in the amount of \$104,285, which includes a prior period adjustment of \$1,340. The increase (decrease) in the fund balances for the other major funds was as follows:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
Child Nutrition Fund	\$ 91,344
Title VI Fund	No change
IDEA Part B Fund	No change
21st Century Grant Fund	No change

BUDGETARY HIGHLIGHTS

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

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund and major special revenue funds 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 \$15,011,436 including land, school buildings, building improvements, other improvements, buses and other school vehicles, furniture and equipment and leased property under capital lease. This amount represents a decrease of \$94,771 from 2013. Total accumulated depreciation as of June 30, 2014, was \$5,833,338, and total depreciation expense for the year was \$345,162, resulting in total net capital assets of \$9,178,098.

Table 4
Capital Assets, Net of Accumulated Depreciation

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 252,754	252,754	0.00 %
Construction-in-progress	-	7,862	(100.00) %
Buildings	7,805,876	8,027,588	(2.76) %
Building improvements	327,242	348,628	(6.13) %
Improvements other than buildings	250,831	263,949	(4.97) %
Mobile equipment	460,516	514,040	(10.41) %
Furniture and equipment	64,609	27,883	131.71 %
Leased property under capital leases	16,270	23,736	(31.45) %
Total	\$ 9,178,098	\$ 9,466,440	(3.05) %

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

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

Debt Administration. At June 30, 2014, the District had \$3,125,472 in outstanding long-term debt, of which \$601,987 is due within one year. The liability for compensated absences decreased \$53 from the prior year.

**Table 5
Outstanding Long-Term Debt**

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Percentage Change</u>
Limited obligation refunding bonds payable	\$ 1,375,000	1,695,000	(18.88) %
Addition: Bond premium	8,787	11,717	(25.01) %
Three mill notes payable	1,445,000	1,610,000	(10.25) %
Addition: Bond premium	13,461	14,997	(10.24) %
Shortfall notes payable	89,305	176,067	(49.28) %
Obligations under capital lease	11,817	15,468	(23.60) %
Obligations under energy efficiency lease	-	35,510	(100.00) %
Compensated absences payable	182,102	182,155	(0.03) %
Total	\$ 3,125,472	3,740,914	(16.45) %

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

CURRENT ISSUES

Prentiss County 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. The district plans to continue its sound fiscal management to meet the challenges of the future.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have any questions about this report or need additional financial information, contact the Superintendent's Office of the Prentiss County School District, 105 North College Street, Booneville, MS 38829.

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

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FINANCIAL STATEMENTS

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PRENTISS COUNTY SCHOOL DISTRICT

Statement of Net Position
June 30, 2014

Exhibit A

	<u>Governmental Activities</u>	
Assets		
Cash and cash equivalents	\$	4,429,519
Due from other governments		983,717
Other receivables, net		76,223
Inventories		32,737
Restricted assets		68,776
Capital assets, net of accumulated depreciation:		9,178,098
Total Assets		<u>14,769,070</u>
Deferred Outflows of Resources		
Deferred outflow on advance refunding of debt		56,243
Total deferred inflows of resources		<u>56,243</u>
Liabilities		
Accounts payable and accrued liabilities		173,020
Interest payable on long-term liabilities		17,067
Long-term liabilities, due within one year:		
Capital related liabilities		512,682
Non-capital related liabilities		89,305
Long-term liabilities, due beyond one year:		
Capital related liabilities		2,341,383
Non-capital related liabilities		182,102
Total Liabilities		<u>3,315,559</u>
Net Position		
Net investment in capital assets		6,380,276
Restricted for:		
Expendable:		
School-based activities		809,659
Debt service		529,197
Unemployment benefits		28,320
Unrestricted		3,762,302
Total Net Position	\$	<u>11,509,754</u>

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

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PRENTISS COUNTY SCHOOL DISTRICT

Statement of Activities

For the Year Ended June 30, 2014

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 12,930,190	857,850	1,885,520		(10,186,820)
Support services	5,716,637		791,427		(4,925,210)
Non-instructional	1,727,030	333,223	1,173,981		(219,826)
Interest on long-term liabilities	113,787		73,354		(40,433)
Total Governmental Activities	\$ 20,487,644	1,191,073	3,924,282	0	(15,372,289)
General Revenues:					
Taxes:					
					3,015,926
					220,209
Unrestricted grants and contributions:					
					12,217,630
					131,678
					1,447
					63,363
					<u>15,650,253</u>
					277,964
					11,191,704
					<u>40,086</u>
					11,231,790
					<u>\$ 11,509,754</u>

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

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PRENTISS COUNTY SCHOOL DISTRICT

Governmental Funds

Exhibit C

Balance Sheet
June 30, 2014

	Major Funds						Total Governmental Funds
	General Fund	Child Nutrition Fund	Title VI Fund	IDEA Part B Fund	21st Century Grant Fund	Other Governmental Funds	
Assets							
Cash and cash equivalents	\$ 3,303,192	777,537				348,790	4,429,519
Investments						68,776	68,776
Due from other governments	315,357		62,020	89,065	213,928	303,347	983,717
Other receivables, net						76,140	76,140
Due from other funds	353,922	32,737					353,922
Inventories							32,737
Total assets	3,972,471	810,274	62,020	89,065	213,928	797,053	5,944,811
Liabilities and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	63,203	615		7,153	93,059	8,990	173,020
Due to other funds			62,020	81,912	120,869	89,038	353,839
Total Liabilities	63,203	615	62,020	89,065	213,928	98,028	526,859
Fund Balances:							
Nonspendable:							
Inventory		32,737					32,737
Restricted:							
Debt service						546,264	546,264
Grant activities							
Unemployment benefits		776,922				28,320	776,922
Assigned:							
Student activities	234,242						234,242
Special projects	363,442						363,442
Transportation	95,122						95,122
Vocational						96,120	96,120
Unemployment benefits						28,321	28,321
Unassigned	3,216,462						3,216,462
Total Fund Balances	3,909,268	809,659	0	0	0	699,025	5,417,952
Total Liabilities and Fund Balances	\$ 3,972,471	810,274	62,020	89,065	213,928	797,053	5,944,811

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

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PRENTISS COUNTY SCHOOL DISTRICT

Governmental Funds

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Exhibit C-1

June 30, 2014

Total fund balances for governmental funds **\$ 5,417,952**

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

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

Land	\$ 252,754
Buildings	11,891,427
Building improvements	534,586
Improvements other than buildings	327,956
Mobile equipment	1,320,988
Furniture and equipment	661,823
Leased property under capital leases	21,902
Accumulated depreciation	<u>(5,833,338)</u>
	9,178,098

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

Limited obligation bonds	(1,375,000)
Three mill notes payable	(1,445,000)
Shortfall notes payable	(89,305)
Obligations under capital lease	(11,817)
Compensated absences payable	(182,102)
Unamortized premiums	(22,248)
Accrued interest payable	(17,067)
Unamortized charges	56,243
	<u>(3,086,296)</u>

Net Position of governmental activities **\$ 11,509,754**

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

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PRENTISS COUNTY SCHOOL DISTRICT

Governmental Funds

Exhibit D

**Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2014**

	Major Funds						Total Governmental Funds
	General Fund	Child Nutrition Fund	Title VI Fund	IDEA Part B Fund	21st Century Grant Fund	Other Governmental Funds	
Revenues:							
Local sources	\$ 3,844,382	333,410				296,409	4,474,201
State sources	11,252,122	14,015				1,786,405	13,052,542
Federal sources	131,678	1,211,139	79,135	563,375	478,971	758,417	3,222,715
Total Revenues	15,228,182	1,558,564	79,135	563,375	478,971	2,841,231	20,749,458
Expenditures:							
Instruction	10,618,690		79,135	323,799	437,526	1,467,796	12,926,946
Support services	4,443,313	74,555		238,296	41,445	611,046	5,408,655
Noninstructional services	349,624	1,362,456				8,099	1,720,179
Debt service:							
Principal	38,211	950				571,762	610,923
Interest	429					104,960	105,389
Other						3,190	3,190
Total Expenditures	15,450,267	1,437,961	79,135	562,095	478,971	2,766,853	20,775,282
Excess (Deficiency) of Revenues over (under) Expenditures	(222,085)	120,603	0	1,280	0	74,378	(25,824)
Other Financing Sources (Uses):							
Insurance recovery	16,150						16,150
Sale of transportation equipment	10,881						10,881
Operating transfers in	35,500					28,567	64,067
Operating transfers out	(28,567)	(35,000)		(500)			(64,067)
Total Other Financing Sources (Uses)	33,964	(35,000)	0	(500)	0	28,567	27,031
Net Change in Fund Balances	(188,121)	85,603	0	780	0	102,945	1,207
Fund Balances:							
July 1, 2013, as previously reported	4,100,937	718,315	0	0	0	594,740	5,413,992
Prior period adjustments	(3,548)			(780)		1,340	(2,988)
July 1, 2013, as restated	4,097,389	718,315	0	(780)	0	596,080	5,411,004
Increase (Decrease) in reserve for inventory		5,741					5,741
June 30, 2014	\$ 3,909,268	809,659	0	0	0	699,025	5,417,952

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

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PRENTISS COUNTY SCHOOL DISTRICT

Governmental Funds

Exhibit D-1

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

Net change in fund balances - total governmental funds \$ 1,207

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

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

Capital outlay	\$ 24,800
Depreciation expense	<u>(345,162)</u>
	(320,362)

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

(11,200)

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

Payments of debt principal	610,923
Amortization of deferred charges, premiums and discounts	<u>(3,423)</u>
Accrued interest payable	602,525

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

Change in compensated absences	53
Change in inventory reserve	<u>5,741</u>
	5,794
Change in Net Position of governmental activities	<u>\$ 277,964</u>

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

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PRENTISS COUNTY SCHOOL DISTRICT

Fiduciary Funds

Exhibit E

Statement of Fiduciary Assets and Liabilities

June 30, 2014

	Agency Funds
Assets	
Cash and cash equivalents	\$ 991,769
Total Assets	<u>991,769</u>
Liabilities	
Accounts payable and accrued liabilities	890,790
Due to other funds	83
Due to student clubs	100,639
Other payables	257
Total Liabilities	<u>\$ 991,769</u>

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

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PRENTISS COUNTY SCHOOL DISTRICT

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

Note 1 – Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Government-wide and Fund Financial Statements

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

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

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

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

PRENTISS COUNTY SCHOOL DISTRICT

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

are reported in separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other governmental funds.

The school district reports the following major governmental funds:

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

Child Nutrition Fund – This is a special revenue fund that accounts for the revenues and related expenditures of the Child Nutrition Cluster of awards for school lunches and breakfasts for the district's students.

Title VI Fund – This is a special revenue fund that accounts for the revenues and related expenditures of the Federal Rural education grant flowing through the Mississippi Department of Education.

Idea Part B Fund – This is a special revenue fund that accounts for the revenues and related expenditures of the federal special education grant flowing through the Mississippi Department of Education.

21st Century Grant Fund – This is a special revenue fund that accounts for the revenues and related expenditures associated with the 21st Century community learning centers grant, a federal grant flowing through the Mississippi Department of Education.

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

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

The District's fiduciary funds include the following:

Payroll Clearing Fund – This is a fiduciary fund that accounts for the assets and liabilities associated with the imprest clearing activities of the payroll expenditure control cycle.

Accounts Payable Clearing Fund – This is a fiduciary fund that accounts for the assets and liabilities associated with the imprest clearing activities of the non-payroll expenditure control cycle.

Student Club Account Funds – These funds are fiduciary funds that account for the assets and liabilities associated with student club activities.

Additionally, the school district reports the following fund types:

GOVERNMENTAL FUNDS

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

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

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

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.

PRENTISS COUNTY SCHOOL DISTRICT

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

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

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

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

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

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

Ad valorem property taxes are levied by the governing authority of the 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, deferred outflows/inflows, and net position/fund balances

1. Cash, Cash equivalents and Investments

PRENTISS COUNTY SCHOOL DISTRICT

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

Cash and cash equivalents

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

Investments

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

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

Investments for the district are reported at fair market value.

2. Receivables and payables

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

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

3. Due from Other Governments

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

4. Inventories and Prepaid Items

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

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

5. Restricted Assets

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

6. Capital Assets

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

PRENTISS COUNTY SCHOOL DISTRICT

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

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

Capital acquisition and construction are reflected as expenditures in the Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements. Depreciation is calculated on the straight-line basis for all assets, except land. The following schedule details the capitalization thresholds:

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

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

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

8. Compensated Absences

Employees of the school district accumulate sick leave at a minimum amount as required by state law. A greater amount may be provided by school district policy provided that it does not exceed the provisions for leave as provided in Sections 25-3-93 and 25-3-95. Some employees are allowed personal leave and/or vacation leave in accordance with school district policy. The district pays for unused leave for employees as required by Section 37-7-307(5), Miss. Code Ann. (1972). The liability for these compensated absences is recorded as a long-term liability in the government-wide statements. The current portion of this liability is estimated based on historical trends. In the fund financial statements, governmental funds report the liability for compensated absences from expendable available financial resources only if the payable has matured, for example, an employee retires

9. Long-term Liabilities and Bond Discounts/Premiums

In the government-wide financial statements, outstanding debt is reported as liabilities. Bond discounts or

PRENTISS COUNTY SCHOOL DISTRICT

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

premiums and the difference between reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

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

10. Fund Balances

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

Governmental fund balance is classified as nonspendable, restricted, 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 the formal order of the School Board to approve certain committed fund balances. There are no committed fund balances at June 30, 2014.

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 business manager pursuant to authorization established by school board policy.

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

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

Note 2 – Cash and Cash Equivalents and Investments.

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

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

PRENTISS COUNTY SCHOOL DISTRICT

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

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 invest excess funds in the types of investments authorized by Section 27-105-33(d) and (e), Miss. Code Ann. (1972). This section permits the following types of investments: (a) certificates of deposit or interest bearing accounts with qualified state depositories; (b) direct United States Treasury obligations; (c) United States Government agency, United States Government instrumentality or United States Government sponsored enterprise obligations, not to exceed fifty percent of all monies invested with maturities of thirty days or longer; (d) direct security repurchase agreements and reverse direct security repurchase agreements of any federal book entry of only those securities enumerated in (b) and (c) above; (e) direct obligations issued by the United States of America that are deemed to include securities of, or other interests in, any open-end or closed-end management type investment company or investment trust approved by the State Treasurer and the Executive Director of the Department of Finance and 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 \$4,429,519 and \$991,769, 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 \$6,401,504 was exposed to custodial credit risk.

Investments

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

<u>Investment Type</u>	<u>Rating</u>	<u>Maturities (in years)</u>	<u>Fair Value</u>
Hancock Horizon Treasury Securities Money Market Mutual Funds	AAA	Less than 1 year	\$ 68,776
Total			\$ <u>68,776</u>

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

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

Custodial Credit Risk – Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The district does not have a formal investment policy that addresses custodial credit risk. The investments in the Hancock Horizon Treasury Securities Money Market Funds are uninsured and unregistered and are not backed by the full faith and credit of the federal government.

PRENTISS COUNTY SCHOOL DISTRICT

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

Concentration of Credit Risk. Disclosure of investments by amount and issuer for any issuer that represents a five percent or more of total investments is required. The requirement does not apply to investments issued or explicitly guaranteed by the U. S. Government, investments in mutual funds and external investment pools, and other pooled investments. As of June 30, 2014, the district had no investments requiring such disclosure.

Note 3 – Inter-fund Receivables, Payables and Transfers

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

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Title VI Fund	\$ 62,020
	IDEA Part B Fund	81,912
	21st Century Grant Fund	120,869
	Other governmental funds	89,038
	Fiduciary funds	83
Total		<u>\$ 353,922</u>

The interfund balances primarily represent loans created by negative individual fund cash in a pooled bank account caused by the time lag between expending federal funds and receiving reimbursement for those expenditures.

B. Inter-fund Transfers

Transfers Out	Transfers In	Amount
General Fund	Other governmental funds	\$ 28,567
Child Nutrition Fund	General Fund	35,000
Idea Part B Fund	General Fund	500
Total		<u>\$ 64,067</u>

The transfers constitute transfers of indirect costs from special revenue funds to the General Fund and operating transfers between governmental funds.

Note 4 – Restricted Assets

The restricted assets represent the investment balance, totaling \$68,776, of the MAEP Debt Retirement Fund, which is legally restricted for debt service and may not be used for purposes that support the district's programs.

Note 5 – Capital Assets

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

PRENTISS COUNTY SCHOOL DISTRICT

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

	Balance 7/1/2013	Increases	Decreases	Adjustments	Balance 6/30/2014
Governmental Activities:					
<u>Non-depreciable capital assets:</u>					
Land	\$ 252,754				252,754
Construction-in-progress	7,862			(7,862)	-
Total non-depreciable capital assets	260,616	-	-	(7,862)	252,754
<u>Depreciable capital assets:</u>					
Buildings	11,891,427				11,891,427
Building improvements	534,586				534,586
Improvements other than buildings	327,956				327,956
Mobile equipment	1,408,188	24,800	112,000		1,320,988
Furniture and equipment	501,484			160,339	661,823
Leased property under capital leases	181,950			(160,048)	21,902
Total depreciable capital assets	14,845,591	24,800	112,000	291	14,758,682
<u>Less accumulated depreciation for:</u>					
Buildings	3,863,839	221,711		1	4,085,551
Building improvements	185,958	21,383		3	207,344
Improvements other than buildings	64,007	13,118			77,125
Mobile equipment	894,148	68,929	100,800	(1,805)	860,472
Furniture and equipment	473,601	17,205		106,408	597,214
Leased property under capital leases	158,214	2,816		(155,398)	5,632
Total accumulated depreciation	5,639,767	345,162	100,800	(50,791)	5,833,338
Total depreciable capital assets, net	9,205,824	(320,362)	11,200	51,082	8,925,344
Governmental activities capital assets, net	\$ 9,466,440	(320,362)	11,200	43,220	9,178,098

The adjustments were necessary to remove construction-in-progress that did not represent an established project and to correctly classify furniture and equipment being carried as leased property under capital leases. Minor corrections to accumulated depreciation amounts were necessary to reconcile the schedule with the district's subsidiary records.

Depreciation expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	\$ 3,281
Support services	329,284
Non-instructional	12,597
Total depreciation expense - Governmental activities	\$ 345,162

Note 6 – Long-term Liabilities

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

PRENTISS COUNTY SCHOOL DISTRICT

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

	Balance 7/1/2013	Additions	Reductions	Adjustments	Balance 6/30/2014	Amounts due within one year
A. Limited obligation refunding bonds payable	\$ 1,695,000		320,000		1,375,000	335,000
Add: premium	11,717		2,930		8,787	2,930
B. Three mill notes payable	1,610,000		165,000		1,445,000	170,000
Add: premium	14,997		1,682	146	13,461	1,682
C. Shortfall notes payable	176,067		86,782		89,305	89,305
D. Obligations under capital leases	15,468		3,651		11,817	3,070
E. Obligations under energy efficiency leases	35,510		35,510		-	
F. Compensated absences payable	162,155		53		162,102	
Subtotal	\$ 3,740,914	-	615,588	146	3,125,472	601,987

A. Limited obligation refunding bonds payable

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

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
State aid improvement refunding, Series 2007	4.00%	11-Sep-07	1-Apr-18	\$ 3,200,000	1,375,000

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 335,000	55,000	390,000
2016	345,000	41,600	386,600
2017	365,000	27,800	392,800
2018	330,000	13,200	343,200
Total	\$ 1,375,000	137,600	1,512,600

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

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

B. Three mill notes payable

Debt currently outstanding is as follows:

PRENTISS COUNTY SCHOOL DISTRICT

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

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Limited tax refunding, Series 2012	1.0-2.5%	20-Jun-12	30-Jun-22	\$ 1,640,000	1,445,000

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 170,000	30,350	200,350
2016	170,000	26,950	196,950
2017	175,000	23,550	198,550
2018	180,000	20,050	200,050
2019	180,000	16,450	196,450
2020-2022	570,000	26,875	596,875
Total	\$ 1,445,000	144,225	1,589,225

The debt will be retired from the Note Retirement Fund (Fund 4021).

The three mill notes payable are secured by an irrevocable pledge of certain revenues the district receives from the State of Mississippi in the form of sales tax revenues for buildings and buses from the Education Enhancement Fund ("EEF") created under Section 37-61-33 Mississippi Code Ann. (1972). The amount of the annual pledge is \$73,354, which is 100% of such expected revenues. The pledge will continue through June 30, 2022.

C. Shortfall notes payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Shortfall Note	2.89%	20-Dec-11	19-Dec-14	\$ 260,360	89,305

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

Year Ending June 30	Principal	Interest and Maintenance Charges	Total
2015	\$ 89,305	2,617	91,922
Total	\$ 89,305	2,617	91,922

The debt will be retired from the Shortfall Note Debt Service Fund.

PRENTISS COUNTY SCHOOL DISTRICT

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

D. Obligations under capital leases

The school district has entered into a lease agreement as lessee for financing the acquisition of mower at a cost of \$15,218 with a down payment of \$4,000. This lease qualifies as a capital lease for accounting purposes.

The school district has entered into a lease agreement as lessee for financing the acquisition of mower at a cost of \$7,202 with a down payment of \$3,000. This lease qualifies as a capital lease for accounting purposes.

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. John Deere Mower	2.00%	5-Apr-13	5-May-18	\$ 11,218	8,456
2. John Deere Mower	0.00%	15-Apr-13	15-May-18	4,202	3,361
				<u>\$ 15,420</u>	<u>11,817</u>

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

1. John Deere Mower lease dated April 5, 2013

Year Ending June 30	Principal	Interest	Total
2015	\$ 2,230	59	2,289
2016	2,248	51	2,299
2017	2,265	24	2,289
2018	1,713	6	1,719
Total	<u>\$ 8,456</u>	<u>140</u>	<u>8,596</u>

The school district uses the straight-line method of amortization for the lease payments, which is not in accordance with accounting principles generally accepted in the United States of America. However, the difference between the effective interest method and the straight-line method is not considered material.

This debt will be retired from the General Fund.

2. John Deere Mower lease dated April 15, 2013

Year Ending June 30	Principal	Interest	Total
2015	\$ 840	-	840
2016	840	-	840
2017	840	-	840
2018	841	-	841
Total	<u>\$ 3,361</u>	<u>-</u>	<u>3,361</u>

The school district uses the straight-line method of amortization for the lease payments, which is not in accordance with accounting principles generally accepted in the United States of America. However, the difference between the effective interest method and the straight-line method is not considered material.

This debt will be retired from the General Fund.

The following is a schedule of total obligation under capital leases for all issues:

PRENTISS COUNTY SCHOOL DISTRICT

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 3,070	59	3,129
2016	3,088	51	3,139
2017	3,105	24	3,129
2018	2,554	6	2,560
Total	\$ 11,817	140	11,957

E. Obligations under energy efficiency lease

This debt was repaid in full during the 2014-2015 year.

F. Compensated absences payable

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

Note 7 – Prior Year Defeasance of Debt

In prior years, the Prentiss County School District defeased certain limited obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the district's financial statements. On June 30, 2014, \$1,400,000 of bonds outstanding were defeased.

Note 8 – Defined Benefit Pension Plan

Plan Description. The school district contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy. PERS members are required to contribute 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2014 was 15.75% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The school district's contributions to PERS for the fiscal years ending June 30, 2014, 2013 and 2012 were \$1,815,490, \$1,586,783 and \$1,401,940, respectively, which equaled the required contributions for each year.

Note 9 – Prior Period Adjustments

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

Exhibit B - Statement of Activities

PRENTISS COUNTY SCHOOL DISTRICT

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

Explanation	Amount
1. Adjustments to capital assets	\$ 43,220
2. Adjustments to long term debt	(146)
3. Adjustment to a prior period asset or liability	(2,988)
Total	<u>\$ 40,086</u>

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

Fund	Explanation	Amount
General Fund	Correction of a prior period asset or liability	\$ (3,548)
IDEA Part B Fund	Correction of a prior period asset or liability	(780)
Other governmental funds	Correction of a prior period asset or liability	1,340
	Total	<u>\$ (2,988)</u>

Note 10 – Contingencies

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

Note 11 – Risk Management

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

Note 12 – Alternative School Consortium

The school district entered into an Alternative School Agreement dated August 19, 1994, creating the East Central Alternative School Consortium. This consortium was created pursuant to the provisions of Section 37-13-92(6), Miss. Code Ann. (1972), and approved by the Mississippi Department of Education. The consortium includes Booneville School District, Baldwin School District, and Prentiss County School District.

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

The Booneville School District has been designated as the lead school district for the East Central Alternative School Consortium, and the operations of the consortium are included in its financial statements.

Note 13 – Vocational School Consortium

PRENTISS COUNTY SCHOOL DISTRICT

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

The school district entered into a Vocational Education Agreement dated August 20, 1980, creating the Prentiss County Career and Technology Center. This consortium was created pursuant to the provisions of Section 37-31-73, Miss. Code Ann. (1972), and approved by the Mississippi Department of Education. The consortium includes the Prentiss County School District and the Booneville School District.

Section 37-31-73, Miss. Code Ann. (1972), authorizes the above noted entities to enter into an agreement that would provide for the construction or operation of a regional vocational education center. Any such agreement should provide for a designated fiscal agent, providing the method of financing the construction and operation of such facilities, the manner in which such facilities are to be controlled and staffed and detailed procedures for student admission and transportation services for students attending the center.

The Prentiss County School District has been designated as the fiscal agent for the Prentiss County Career and Technology Center, and the operations of the consortium are included in its financial statements.

The following Statement of Revenues, Expenditures and Changes in Fund Balances is presented to detail the financial activity of the Prentiss County Career and Technology Center.

Prentiss County Career and Technology Center
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2014

Revenues

Local sources:	
Tuition from other LEAs within the state	\$ 76,140
Total local sources	<u>76,140</u>
State sources	1,289,268
Federal sources	52,539
Total Revenues	<u>1,417,947</u>

Expenditures

Salaries	1,001,180
Employee benefits	230,630
Purchased property services	42,205
Supplies	28,714
Property	14,583
Other	5,096
Total Expenditures	<u>1,322,408</u>
Net Change in Fund Balance	<u>95,539</u>

Fund Balance

July 1, 2013	581
June 30, 2014	\$ <u>96,120</u>

Note 14 – Effect of Deferred Amounts on Net Position

The \$6,380,276 in the net investment in capital assets component of net position includes the effect of the deferred outflow on advance refunding of debt. The remaining \$56,243 balance of the deferred outflow on advance refunding of debt at June 30, 2014, will be expensed and decrease the net investment in capital assets component of net position over the remaining eight (8) years of the remaining debt service requirements of the Limited Tax Refunding bonds, Series 2012.

Note 15 - Subsequent Events

PRENTISS COUNTY SCHOOL DISTRICT

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

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the Prentiss County School District evaluated the activity of the district through August 5, 2016, and determined that no events occurred that require disclosure

REQUIRED SUPPLEMENTARY INFORMATION

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PRENTISS COUNTY SCHOOL DISTRICT

Required Supplementary Information

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

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local sources	\$ 3,871,810	3,844,382	3,844,382	(27,428)	0
State sources	11,216,504	11,252,122	11,252,122	35,618	0
Federal sources	84,000	131,678	131,678	47,678	0
Total Revenues	15,172,314	15,228,182	15,228,182	55,868	0
Expenditures:					
Instruction	10,677,620	10,618,690	10,618,690	58,930	0
Support services	4,453,062	4,446,014	4,443,313	7,048	2,701
Noninstructional services	280,150	349,624	349,624	(69,474)	0
Facilities acquisition and construction	10,000	0	0	10,000	0
Debt service:					
Principal	41,357	35,510	38,211	5,847	(2,701)
Interest	571	429	429	142	0
Total Expenditures	15,462,760	15,450,267	15,450,267	12,493	0
Excess (Deficiency) of Revenues over (under) Expenditures	(290,446)	(222,085)	(222,085)	68,361	0
Other Financing Sources (Uses):					
Insurance recovery	0	16,150	16,150	16,150	0
Sale of transportation equipment	0	10,881	10,881	10,881	0
Operating transfers in	35,000	65,423	35,500	30,423	(29,923)
Operating transfers out	(11,253)	(58,489)	(28,567)	(47,236)	29,922
Total Other Financing Sources (Uses)	23,747	33,965	33,964	10,218	(1)
Net Change in Fund Balances	(266,699)	(188,120)	(188,121)	78,579	(1)
Fund Balances:					
July 1, 2013, as previously reported	4,957,709	4,101,026	4,100,937	(856,683)	(89)
Prior period adjustments		(3,637)	(3,548)	(3,637)	89
July 1, 2013, as restated	4,957,709	4,097,389	4,097,389	(860,320)	0
June 30, 2014	\$ 4,691,010	3,909,269	3,909,268	(781,741)	(1)

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

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PRENTISS COUNTY SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

Child Nutrition Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local sources	\$ 382,878	357,849	333,410	(25,029)	(24,439)
State sources	0	14,015	14,015	14,015	0
Federal sources	1,048,000	1,211,139	1,211,139	163,139	0
Total Revenues	1,430,878	1,583,003	1,558,564	152,125	(24,439)
Expenditures:					
Support services	76,671	74,555	74,555	2,116	0
Non-instructional services	1,355,613	1,387,844	1,362,456	(32,231)	25,388
Debt service:					
Principal	0	0	950	0	(950)
Total Expenditures	1,432,284	1,462,399	1,437,961	(30,115)	24,438
Excess (Deficiency) of Revenues over (under) Expenditures	(1,406)	120,604	120,603	122,010	(1)
Other Financing Sources (Uses):					
Operating transfers out	(35,000)	(35,000)	(35,000)	0	0
Total Other Financing Sources (Uses)	(35,000)	(35,000)	(35,000)	0	0
Net Change in Fund Balances	(36,406)	85,604	85,603	122,010	(1)
Fund Balances:					
July 1, 2013	589,761	718,314	718,315	128,553	1
Increase (Decrease) in reserve for inventory	0	5,741	5,741	5,741	0
June 30, 2014	\$ 553,355	809,659	809,659	256,304	0

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

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PRETISS COUNTY SCHOOL DISTRICT

Required Supplementary Information

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

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
	Revenues:				
Federal sources	\$ 55,626	79,135	79,135	23,509	0
Total Revenues	55,626	79,135	79,135	23,509	0
Expenditures:					
Instruction	55,626	79,135	79,135	(23,509)	0
Total Expenditures	55,626	79,135	79,135	(23,509)	0
Net Change in Fund Balances	0	0	0	0	0
Fund Balances:					
July 1, 2013	0	0	0	0	0
June 30, 2014	\$ 0	0	0	0	0

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

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PRETISS COUNTY SCHOOL DISTRICT

Required Supplementary Information

**Budgetary Comparison Schedule
IDEA Part B Fund
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
	Revenues:				
Federal sources	\$ 649,363	563,375	563,375	(85,988)	0
Total Revenues	649,363	563,375	563,375	(85,988)	0
Expenditures:					
Instruction	360,119	323,799	323,799	36,320	0
Support services	289,244	238,296	238,296	50,948	0
Total Expenditures	649,363	562,095	562,095	87,268	0
Excess (Deficiency) of Revenues over (under) Expenditures	0	1,280	1,280	1,280	0
Other Financing Sources (Uses):					
Operating transfers out		(500)	(500)	(500)	0
Total Other Financing Sources (Uses)	0	(500)	(500)	(500)	0
Net Change in Fund Balances	0	780	780	780	0
Fund Balances:					
July 1, 2013, as previously reported	0	0	0	0	0
Prior period adjustments	0	(780)	(780)	(780)	0
July 1, 2013, as restated	0	(780)	(780)	(780)	0
June 30, 2014	\$ 0	0	0	0	0

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

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PRETISS COUNTY SCHOOL DISTRICT

Required Supplementary Information

**Budgetary Comparison Schedule
21st Century Grant Fund
For the Year Ended June 30, 2014**

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
	Revenues:				
Federal sources	\$ 0	478,971	478,971	478,971	0
Total Revenues	0	478,971	478,971	478,971	0
Expenditures:					
Instruction	0	437,526	437,526	(437,526)	0
Support services	0	41,445	41,445	(41,445)	0
Total Expenditures	0	478,971	478,971	(478,971)	0
Net Change in Fund Balances	0	0	0	0	0
Fund Balances:					
July 1, 2013	0	0	0	0	0
June 30, 2014	\$ 0	0	0	0	0

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

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PRENTISS COUNTY SCHOOL DISTRICT

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

Budgetary Comparison Schedule

(1) Basis of Presentation

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

(2) Budget Amendments and Revisions

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

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SUPPLEMENTARY INFORMATION

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PRENTISS COUNTY SCHOOL DISTRICT

Supplementary Information

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

Federal Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic Assistance No.	Federal Expenditures
<u>U.S. Department of Agriculture</u>		
Passed-through Mississippi Department of Education:		
Child nutrition cluster:		
School breakfast program	10.553	\$ 367,565
National school lunch program	10.555	843,574
Total child nutrition cluster		<u>1,211,139</u>
Total passed-through Mississippi Department of Education		<u>1,211,139</u>
Total U.S. Department of Agriculture		<u><u>1,211,139</u></u>
<u>Federal Communications Commission</u>		
Administered through the Universal Service Administrative Company:		
The schools and libraries program of the universal service fund	32.xxx	73,608
Total Federal Communications Commission		<u><u>73,608</u></u>
<u>U.S. Department of Education</u>		
Passed-through Mississippi Department of Education:		
Title I grants to local educational agencies	84.010	504,266
Career and technical education - basic grants to states	84.048	52,539
Education for homeless children and youth	84.196	21,758
Twenty-first century community learning centers	84.287	478,971
Rural education	84.358	79,135
Improving teacher quality-State Grants	84.367	163,755
Subtotal		<u>1,300,424</u>
Title I Part A cluster:		
Special education cluster:		
Special education - grants to states	84.027	563,375
Special education - preschool grants	84.173	16,100
Total special education cluster		<u>579,475</u>
Total passed-through Mississippi Department of Education		<u>1,879,899</u>
Total U.S. Department of Education		<u><u>1,879,899</u></u>
		<u><u>\$ 3,164,646</u></u>
Total for All Federal Awards		

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.

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PRENTISS COUNTY SCHOOL DISTRICT

Supplementary Information

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

Expenditures	Total	Instruction and Other Student Expenditures			
		General Administration	School Administration	Other	
Salaries and fringe benefits	\$ 15,819,013	579,208	831,909	1,669,548	
Other	4,956,269	163,686	15,821	3,309,557	
Total	\$ 20,775,282	742,894	847,730	4,979,105	
Total number of students *	2,380				
Cost per student	\$ 8,729	312	356	2,092	

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

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

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

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

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

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

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OTHER INFORMATION

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PRENTISS COUNTY SCHOOL DISTRICT

Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

Last Four Years

UNAUDITED

	2014	2013*	2012*	2011*
Revenues:				
Local sources	\$ 3,844,382	3,853,431	3,613,170	3,322,903
State sources	11,252,122	11,091,655	11,326,969	10,318,585
Federal sources	131,678	191,442	154,731	140,564
Total Revenues	15,228,182	15,136,528	15,094,870	13,782,052
Expenditures:				
Instruction	10,618,690	10,092,567	9,920,571	8,365,180
Support services	4,443,313	4,110,147	4,267,832	4,443,361
Noninstructional services	349,624	315,091	231,248	222,147
Debt service:				
Principal	38,211	69,766	66,086	298,588
Interest	429	3,035	5,791	12,787
Total Expenditures	15,450,267	14,590,606	14,491,528	13,342,063
Excess (Deficiency) of Revenues over (under) Expenditures	(222,085)	545,922	603,342	439,989
Other Financing Sources (Uses):				
Proceeds of loans		15,420	260,360	
Insurance recovery	16,150		11,479	4,983
Sale of transportation equipment	10,881			
Operating transfers in	35,500	46,078	42,017	39,435
Operating transfers out	(28,567)	(12,372)	(36,351)	(28,457)
Total Other Financing Sources (Uses)	33,964	49,126	277,505	15,961
Net Change in Fund Balances	(188,121)	595,048	880,847	455,950
Fund Balances:				
Beginning of period, as previously reported	4,100,937	3,505,889	2,625,042	2,180,472
Prior period adjustments	(3,548)			(11,380)
Beginning of period, as restated	4,097,389	3,505,889	2,625,042	2,169,092
End of Period	\$ 3,909,268	4,100,937	3,505,889	2,625,042

*SOURCE - PRIOR YEAR AUDIT REPORTS

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PRENTISS COUNTY SCHOOL DISTRICT

Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances

All Governmental Funds

Last Four Years

UNAUDITED

	2014	2013*	2012*	2011*
Revenues:				
Local sources	\$ 4,474,201	4,581,685	4,305,664	3,930,155
State sources	13,052,542	12,774,567	12,927,334	12,214,274
Federal sources	3,222,715	3,012,696	3,185,915	4,202,817
Total Revenues	20,749,458	20,368,948	20,418,913	20,347,246
Expenditures:				
Instruction	12,926,946	12,095,433	12,125,167	11,971,656
Support services	5,408,655	4,933,708	5,268,638	5,294,733
Noninstructional services	1,720,179	1,659,829	1,597,850	1,487,699
Facilities acquisition and construction		140,650		1,495
Debt service:				
Principal	610,923	626,339	518,366	737,543
Interest	105,389	127,633	185,694	212,015
Other	3,190	2,440	1,000	
Total Expenditures	20,775,282	19,586,032	19,696,715	19,705,141
Excess (Deficiency) of Revenues over (under) Expenditures	(25,824)	782,916	722,198	642,105
Other Financing Sources (Uses):				
Proceeds of refunding bonds			1,640,000	
Premium on bond refunding			16,819	
Proceeds of loans		15,420	260,360	
Insurance recovery	16,150		11,479	4,983
Payment to refunded bond escrow agent			(1,596,420)	
Sale of transportation equipment	10,881			
Operating transfers in	64,067	58,450	78,368	67,892
Operating transfers out	(64,067)	(58,450)	(78,368)	(67,892)
Other financing uses			(60,399)	
Total Other Financing Sources (Uses)	27,031	15,420	271,839	4,983
Net Change in Fund Balances	1,207	798,336	994,037	647,088
Fund Balances:				
Beginning of period, as previously reported	5,413,992	4,616,843	3,620,070	3,042,963
Prior period adjustments	(2,988)			(69,088)
Beginning of period, as restated	5,411,004	4,616,843	3,620,070	2,973,875
Increase (Decrease) in reserve for inventory	5,741	(1,187)	2,736	(893)
End of Period	\$ 5,417,952	5,413,992	4,616,843	3,620,070

*SOURCE - PRIOR YEAR AUDIT REPORTS

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REPORTS ON INTERNAL CONTROL AND COMPLIANCE

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SUZANNE E. SMITH, CPA, PLLC

AUDITING AND ACCOUNTING SERVICES

ssmithcpa@gmail.com

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*

To the School Board
Prentiss County School District

We have audited, in accordance with the auditing standards 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 Prentiss County School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Prentiss County School District's basic financial statements, and have issued our report thereon dated August 5, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Prentiss County 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 Prentiss County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Prentiss County School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies (Finding 2014-001).

Compliance and Other Matters

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

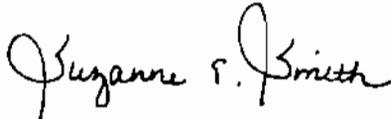
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PHONE: 601-556-5717

School District's Response to Findings

Prentiss County School District's response to the finding identified in our audit is described in the accompanying Auditee's Corrective Action Plan. Prentiss County School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



Suzanne E. Smith, CPA, PLLC
Brandon, MS

August 5, 2016

SUZANNE E. SMITH, CPA, PLLC

AUDITING AND ACCOUNTING SERVICES

sosmithcpa@smc.com

Independent Auditor's Report on Compliance for Each Major Federal Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To the School Board
Prentiss County School District

Report on Compliance for Each Major Federal Program

We have audited Prentiss County 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 Prentiss County School District's major federal programs for the year ended June 30, 2014. Prentiss County School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Prentiss County 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 Prentiss County 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 Prentiss County School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Prentiss County 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 Prentiss County 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 Prentiss County 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

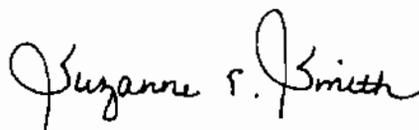
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BRANDON, MISSISSIPPI 39043
PHONE: 601-338-8717

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 Prentiss County 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.



Suzanne E Smith, CPA, PLLC
Brandon, MS

August 5, 2016

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

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SUZANNE E. SMITH, CPA, PLLC

AUDITING AND ACCOUNTING SERVICES

sesmithcpa@smm.com

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

Superintendent and School Board
Prentiss County School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Prentiss County School District as of and for the year ended June 30, 2014, which collectively comprise Prentiss County School District's basic financial statements and have issued our report thereon dated August 5, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section 37-9-18(3)(a), Miss. Code Ann. (1972), states in part, "the auditor shall test to insure that the school district is complying with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), relating to classroom supply funds."

The results of our procedures performed to test compliance with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), disclosed no instances of noncompliance. The district reported no classroom supply funds carried over from previous years.

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

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

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

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

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



Suzanne E. Smith, CPA, PLLC

Brandon, MS
August 5, 2016

POST OFFICE BOX 103
BRANDON, MISSISSIPPI 39043
PHONE: 601-838-6717

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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? (Yes/No) | No |
| b. Significant deficiency(ies) identified? (Yes/None reported) | Yes |
| 3. Noncompliance material to financial statements noted? (Yes/No) | No |

Federal Awards:

- | | |
|--|---------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? (Yes/No) | No |
| b. Significant deficiency(ies) identified? (Yes/None reported) | 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? (Yes/No) | No |

7. Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
84.010	Title I grants to local educational agencies
84.287	21 st Century Community Learning Centers

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

Section II: Financial Statement Findings

Significant deficiencies not considered to be Material Weaknesses:

Finding 2014-001: Control deficiencies surrounding student activity fund receipts/deposits/revenues and activity fund expenditures.

Criteria: The school district is charged with the responsibility of designing and implementing an effective system of internal control that will minimize misappropriation of district assets and that will protect the integrity of the district's financial information. The area of student activity fund receipts is an especially

vulnerable area because of the amount of cash and coins handled at locations remote to the central administrative offices. Student activity fund expenditures also pose a higher risk area because the receipt of goods and/or services occurs in remote locations, and the actual disbursements for such goods and/or services also occurs in remote locations at each school site. The need for solid controls in both areas is important to protect the misappropriation of district assets and to protect the integrity of the district's financial information.

Condition: Our control testing of student activity fund receipts/deposits/revenues revealed thirteen (13) instances where deposits of revenues were not made on a timely basis. Our test sample included forty-two (42) receipts. A timely deposit is considered a deposit made the same day as the receipt warrant is written but no later than the business day subsequent to the day the receipt warrant is written. Many receipts in the area of student activity funds are made up of cash and coin deposits. A delay between receipting the money and making a bank deposit provides opportunity for the receipt to be misappropriated or converted to personal use. Such delays in making deposits constitute a control deficiency. Our control testing further revealed fifteen (15) instances out of the sample of forty-two (42) receipts where student activity revenues were coded to other local sources. All receipts generated from student activities should be recorded in accordance with the accounting codes established by the Mississippi Department of Education. An adjusted journal entry was proposed and accepted to correct these coding errors.

Our control testing of ninety-two (92) student activity fund expenditures revealed fifteen (15) instances where no receiving documentation existed to document the actual receipt of goods/services prior to payment being made; Two (2) instances of incorrect coding; Six (6) instances where the purchase order was dated after the date of the invoice; and twelve (12) instances where the purchase order was not signed by a bonded purchasing agent.

Effect: Controls surrounding student activity fund transactions are not functioning to bring control risk to a low level in order to prevent asset misappropriation and financial statement errors.

Cause: The cause is likely a deviation from district procedures designed to safeguard assets and financial information in this area.

Recommendation: We recommend that the district review its procedures in the area of student activity fund transactions, including established controls, and refine and reinforce the procedures through training and transaction review.

Section III: Federal Award Findings and Questioned Costs

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

AUDITEE'S CORRECTIVE ACTION PLAN

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Prentiss County School District
PRENTISS COUNTY

Auditee Corrective Action Plan

Finding 2014-001. Deficiencies in Controls Surrounding student activity fund receipts/ deposits/ revenues and activity fund expenditures.

Corrective Action Plan Details: Prentiss County School District addressed the named deficiencies in controls surrounding student activity funds during the annual in-service training. The district stressed the importance of daily deposits and proper coding of these receipts. Each bookkeeper, at the local level, was given updated coding information that included function codes along with the description and/or example. Also during the annual in-service training, the district discussed proper purchasing procedures including proper signatures, coding and documentation required for payment. The district will review a sample each month to ensure that all policies and procedures are being implemented.

Who is Responsible for implementotion: Bookkeepers,Administrators

When Implementation wii lbegin: August 10, 2016

SUMMARY OF PRIOR YEAR FEDERAL AUDIT FINDINGS

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Prentiss County School District
PRENTISS COUNTY

SUMMARY OF PRIOR YEAR FEDERAL AUDIT FINDINGS

As required by Section 316(b) of OMB Circular A-133, the Prentiss County School District has prepared and hereby submits the following status of prior year findings as of June 30, 2014.

FINDING	STATUS
Finding 2013-001	Corrected
Finding 2013-002	Corrected
Finding 2013-003	Corrected

P.O. Box 178 - 106 North College • BOONEVILLE, MISSISSIPPI 38829
Phone (662) 728-4911 • Fax (662) 728-2000

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