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BOONEVILLE SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007



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JUNE 30, 2007**

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

Superintendent and School Board
Booneville School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Booneville School District as of and for the year ended June 30, 2007, which collectively comprise the Booneville School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Booneville School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Booneville School District as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2009, on our consideration of the Booneville School District's internal control over financial reporting and 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 the internal control over reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 and the Budgetary Comparison Schedules and corresponding notes on pages 27 and 28 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Brawner, Vanstory & Co. P.A.

January 22, 2009
Booneville, Mississippi

BOONEVILLE SCHOOL DISTRICT

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**BOONEVILLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

The discussion and analysis of Booneville School District's financial performance provides an overall narrative review of the School District's financial activities for the year ended June 30, 2007. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance. Information contained in this selection is qualified by the more detailed information contained elsewhere in this district's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the district's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

Total net assets decreased \$580,232, which represents 5.9% decrease from fiscal year 2006.

General revenues account for \$8,275,378 in revenue, or 78.2% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,310,876 or 21.8% of total revenues.

The District had \$10,166,486 in expenses; only \$2,310,876 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$8,275,378 were adequate to provide for these programs.

Among major funds, the General Fund had \$8,436,092 in revenues and \$8,299,221 in expenditures. The General Fund's fund balance increased \$142,322 over the prior year. This was a result of increased revenue.

Capital assets, net of accumulated depreciation, decreased by \$155,297.

Long-term debt increased by \$618,224.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

The government-wide financial statements can be found on pages 8 and 9 of this report.

**BOONEVILLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 11 and 13, respectively.

The District maintains individual governmental funds in accordance with the *Financial Accounting Manual for Mississippi Public School Districts*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

The basic governmental fund financial statements can be found on pages 10 and 12 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds. The school district is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The school district's fiduciary activities are presented in separate Statements of Fiduciary Net Assets on page 14.

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 on pages 15-26 of this report.

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

The District adopts an annual operating budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund and other major funds. This required supplementary information can be found on pages 27-28 of this report.

Additionally, a schedule of expenditures of federal awards is required by OMB Circular A-133 and can be found on page 30 of this report.

**BOONEVILLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets. Net assets may serve over time as a useful indicator of government's financial position. In the case of the District, assets exceeded liabilities by \$9,274,286 as of June 30, 2007.

By far the largest portion of the District's net assets, 65.6%, reflects its investment in capital assets (e.g., land, buildings, mobile equipment, furniture and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending.

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.

The following table presents a summary of the District's net assets for the fiscal year ended June 30, 2007.

	2007	2006	% changes
Current assets	\$ 4,509,111	\$ 4,164,069	8.3%
Capital assets, net	9,453,151	9,608,448	-1.6%
Total assets	13,962,262	13,772,517	1.4%
Current liabilities	226,716	463,931	-51.1%
Long-term debt outstanding	4,461,260	3,454,068	29.2%
Total liabilities	4,687,976	3,917,999	19.9%
Net assets:			
Invested in capital assets, net of related debt	6,083,006	5,856,036	3.9%
Restricted	869,911	826,993	5.2%
Unrestricted	2,321,369	3,171,489	26.8%
Total net assets	\$ 9,274,286	\$ 9,854,518	-5.9%

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

Increase in long-term debt of \$618,224, due to settled lawsuit with Prentiss County School District for students in the annexed area of City of Booneville.

Changes in net assets. The District's total revenues for the fiscal year ended June 30, 2007, were \$10,586,254. The total cost of all programs and services was \$10,166,486. The following table presents a summary of the changes in net assets for the fiscal year ended June 30, 2007.

**BOONEVILLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

Revenues:	2007	2006	% Change
Program revenues			
Charges for Services	\$ 1,091,988	\$ 1,072,791	1.8%
Operating Grants and Contributions	1,218,888	1,053,218	15.7%
General revenues			
Tax Levies	1,577,829	1,541,646	2.3%
Unrestricted Grants and Contributions	6,231,342	6,106,549	2.0%
Other	466,207	184,214	153.1%
Total revenues	10,586,254	9,958,418	6.3%
Expenses:			
Instruction	5,878,804	6,052,054	-2.9%
Support services	3,655,575	2,637,451	38.6%
Non-instructional	469,935	482,016	-2.5%
Interest on long-term liabilities	162,172	180,111	-10.0%
Total expenses	10,166,486	9,351,632	8.7%
Extraordinary Expense	1,000,000	-	100.0%
Increase(Decrease) in Net Assets	\$ (580,232)	\$ 606,786	-195.6%

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

	Total Expenses			Net (Expense) Revenue		
	2007	2006	% change	2007	2006	% change
Instruction	\$ 5,878,804	\$ 6,052,054	-2.9%	\$ (4,775,800)	\$ (4,756,769)	0.40%
Support services	3,655,575	2,637,451	38.6%	(2,869,267)	(2,250,985)	27.46%
Non-instructional	469,935	482,016	-2.5%	(48,371)	(37,758)	28.10%
Interest on long-term liabilities	162,172	180,111	-10.0%	(162,172)	(180,111)	-9.96%
Total expenses	\$ 10,166,486	\$ 9,351,632	8.7%	\$ (7,855,610)	\$ (7,225,623)	8.7%

Net cost of governmental activities, \$7,855,610, was financed by general revenue, which is made up of primarily property taxes and state revenue, totaling \$7,756,193.

Investment earnings accounted for \$266,750 of funding.

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, outflow and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$4,266,535, an increase of \$185,239 due primarily to increased revenues. \$3,671,780 or 86.06% of the fund balance constitutes unreserved and undesignated fund balance, which is available for spending at the District's discretion. The remaining fund balance of \$594,755 or 13.94% is reserved or designated to indicate that it is not available for spending because it is already committed.

**BOONEVILLE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2007**

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$142,322, a result of increased revenue. The fund balance of Other Governmental Funds showed an increase of \$34,158 a result of increased revenue.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget.

General Fund

Revenues: The budget was amended to reflect additional local, state and federal revenues collected.

Expenditures: The expenditure budget was amended in error to reflect less expenditures. \$192,305 more was actually spent than the amended budget.

EHA Part B Fund

Actual grant amounts were not available at the time of the original budget. An amendment was made in the amount of \$32,720 to reflect additional revenues and \$32,721 to reflect expenditures.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund and EHA Part B Fund are on pages 27-28.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2007, the District's total capital assets were \$13,923,243, including school buildings, buses, other school vehicles and furniture and equipment. This amount represents a decrease of \$155,297 from the previous year. Total accumulated depreciation as of June 30, 2007, was \$4,470,092 and total depreciation expense for the year was \$280,408, resulting in total net assets of \$9,453,151.

Additional information on the District's capital assets can be found in Note 4 on page 21 of this report.

Debt Administration. At June 30, 2007, the District had \$4,461,260 in general obligation bonds and other long-term debt outstanding, of which \$813,438 is due within one year.

Additional information on the District's long-term debt can be found in Note 5 on page 22 of this report.

CURRENT ISSUES

The Booneville School District serves the community by engaging each student in an excellent education, provided by a highly qualified staff, which promotes continuous learning, and supports the development of skills required for ongoing success. The District test scores are always in the top ten in the state and the District has one of the lowest dropout rates in the state.

The Booneville School District continues to be financially stable because of the outstanding leadership at the district and school level. The District is accountable to our students, their families, and our community in the relentless pursuit of excellence.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

If you have questions about this report, contact the Superintendent's Office of the Booneville School District, P.O. Box 358, Booneville, MS 38829.

BOONEVILLE SCHOOL DISTRICT
Statement of Net Assets
June 30, 2007

Exhibit A

	Primary Government Governmental Activities
ASSETS	
Cash and Cash equivalents (Note 2)	\$ 4,269,354
Due From Other Governments	164,019
Inventories and Prepaid Items	54,771
Due From Other Funds	20,967
Capital assets, not being depreciated (Note 4)	
Land	99,996
Capital assets, net of accumulated depreciation:	
Buildings	8,528,311
Improvements other than buildings	476,449
Mobile equipment	223,917
Furniture and equipment	124,478
Total Assets	13,962,262
LIABILITIES	
Accounts Payable and Accrued Liabilities	207,460
Interest Payable on Long Term Liabilities	15,500
Deferred Revenue	3,756
Long Term Liabilities (due within one year) (Note 5)	
Capital Related Liabilities	410,182
Non-capital Liabilities	403,256
Long-Term Liabilities (due beyond one year) (Note 5)	
Capital Related Liabilities	2,959,963
Non-capital Liabilities	687,859
Total Liabilities	4,687,976
NET ASSETS	
Investment in Capital Assets, Net of Related Debt	6,083,006
Restricted Net Assets	
School based activities	318,216
Debt Service	516,396
Capital Improvements	10,903
Unemployment Benefits	24,396
Unrestricted	2,321,369
Total Net Assets	\$ 9,274,286

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

BOONEVILLE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2007

Exhibit B

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
Governmental Activities				Primary Governmental Activities
Instruction	\$ 5,878,804	645,732	457,272	(4,775,800)
Support Services	3,655,575	24,692	761,616	(2,869,267)
Noninstructional	469,935	421,564	-	(48,371)
Interest on Long-Term Liabilities	162,172	-	-	(162,172)
Total Governmental Activities	\$ 10,166,486	1,091,988	1,218,888	(7,855,610)

General Revenues:

Taxes:	
General Purpose Levies	1,235,813
Debt Purpose Levies	342,016
Unrestricted Grants and Contributions	
State	6,178,364
Federal	52,978
Unrestricted Investment Earnings	266,750
Other	199,457
Total General Revenues	8,275,378

Extraordinary Expense	(1,000,000)
Change in Net Assets	(580,232)
Net Assets - Beginning	9,854,518
Net Assets - Ending	\$ 9,274,286

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

BOONEVILLE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2007

Exhibit C

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	EHA Part B Fund		
ASSETS				
Cash and Cash equivalents (Note 2)	\$ 3,430,617	-	838,737	4,269,354
Due from other governments	91,881	46,432	25,706	164,019
Due from other funds (Note 3)	79,825	-	-	79,825
Inventory of food	-	-	23,410	23,410
Total Assets	\$ 3,602,323	46,432	887,853	4,536,608
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 205,698	-	1,762	207,460
Due to other fund (Note 3)	-	46,432	12,425	58,857
Deferred revenue	-	-	3,756	3,756
Total Liabilities	205,698	46,432	17,943	270,073
Fund Balances				
Reserved for:				
Inventory	-	-	23,410	23,410
Advalorem	19,650	-	-	19,650
Unemployment benefits	-	-	24,396	24,396
Capital projects	-	-	10,903	10,903
Debt service	-	-	516,396	516,396
Undesignated reported in:				
General funds	3,376,975	-	-	3,376,975
Special revenue funds	-	-	294,805	294,805
Total Fund Balances	3,396,625	-	869,910	4,266,535
Total Liabilities and Fund Balances	\$ 3,602,323	46,432	887,853	4,536,608

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

BOONEVILLE SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2007

	<u>Amount</u>
Total Fund Balance-Governmental Funds	\$ 4,266,535
Amounts reported for governmental activities in the statement of net assets are different because:	
1. Capital assets are used in governmental activities, are not financial resources and therefore are not reported in the funds, \$13,923,243 net of accumulated depreciation of \$4,470,092. (Note 4)	9,453,151
2. Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. (Note 5)	(4,461,260)
3. Accrued interest on debt is not due and payable in the current period and therefore are not reported in the funds.	(15,500)
4. Debt issue costs are not expenses of the current period and are not reported in the funds.	31,361
5 Rounding	<u>(1)</u>
Total Net Assets - Governmental Activities	<u>\$ 9,274,286</u>

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

BOONEVILLE SCHOOL DISTRICT
Statement of Revenue, Expenditures, and Changes in Fund Balance -
Governmental Funds
For the Year Ended June 30, 2007

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	EHA Part B Fund		
Revenues				
Local sources	\$ 2,169,065	-	661,627	2,830,692
State sources	6,214,049	7,766	301,034	6,522,849
Federal sources	52,978	277,975	901,760	1,232,713
Total Revenues	<u>8,436,092</u>	<u>285,741</u>	<u>1,864,421</u>	<u>10,586,254</u>
Expenditures				
Instruction	5,439,808	152,732	273,092	5,865,632
Support services	2,739,285	129,975	619,071	3,488,331
Noninstructional services	106,414	-	381,100	487,514
Facilities acquisition and construction	7,200	-	-	7,200
Debt Service:				
Principal	6,514	-	382,267	388,781
Interest	-	-	172,316	172,316
Total Expenditures	<u>8,299,221</u>	<u>282,707</u>	<u>1,827,846</u>	<u>10,409,774</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>136,871</u>	<u>3,034</u>	<u>36,575</u>	<u>176,480</u>
Other Financing Sources (Uses)				
Transfers In	5,451	-	-	5,451
Transfers Out	-	(3,034)	(2,417)	(5,451)
Total Other Financing Sources (Uses)	<u>5,451</u>	<u>(3,034)</u>	<u>(2,417)</u>	<u>-</u>
Net Change in Fund Balances	<u>142,322</u>	<u>-</u>	<u>34,158</u>	<u>176,480</u>
Fund Balances				
July 1, 2006	3,254,303	-	826,993	4,081,296
Increase in reserve for Inventory	-	-	8,759	8,759
June 30, 2007	<u>\$ 3,396,625</u>	<u>-</u>	<u>869,910</u>	<u>4,266,535</u>

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

BOONEVILLE SCHOOL DISTRICT
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2007

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 176,480
Amounts reported for governmental activities in the statement of activities are different because:	
1. Governmental funds report capital outlays as expenditures while governmental activities report depreciation to allocate those expenditures over the life of the assets. Capital assets purchased amounted to \$125,111 and the depreciation expense amounted to \$280,408. (Note 4)	(155,297)
2. Payment of principal on long-term liabilities is reported as an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of activity. (Note 5)	388,781
3 Long term liability awarded by court to be paid over 4 year (Note 5)	(1,000,000)
4 Decrease in accrued interest is reported as an adjustment to interest expense in the statement of activity.	10,144
5 Increase in compensated absences is reported as an adjustment to instruction, support services and noninstructional services.	(7,005)
6 Increase in inventory is reported as an adjustment to fund balance in the governmental funds, but noninstructional expenditures are decreased in the statement of activity	8,759
7 Amortization of debt issue costs capitalized in prior year	(2,093)
8 Rounding	<u>(1)</u>
Change in Net Assets of Governmental Activities	<u>\$ (580,232)</u>

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

BOONEVILLE SCHOOL DISTRICT
Statement of Fiduciary Assets and Liabilities
June 30, 2007

Exhibit E

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
ASSETS	
Cash and cash equivalents	\$ 412,700
TOTAL ASSETS	<u>412,700</u>
LIABILITIES	
Accounts payable and accrued liabilities	316,727
Other Payables	8,701
Due to student clubs	66,304
Due to other funds	<u>20,968</u>
TOTAL LIABILITIES	<u>\$ 412,700</u>

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

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(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

For financial reporting purposes, the reporting entity includes all funds that are covered by the oversight responsibility of the school district's governing board. As defined by accounting principles generally accepted in the United States of America, the school district is considered an "other stand-alone government." The school district is a related organization of, but not a component unit of, the City of Booneville since the governing authority of the city selects a majority of the school district's board but does not have financial accountability for the school district.

B. Basis of Presentation

The school district's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the school district as a whole. They include all funds of the reporting entity except for fiduciary funds, if applicable. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

The Statement of Net Assets presents the financial condition of the governmental activities of the school district at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the school district's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the school district, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the school district.

Fund Financial Statements:

Fund financial statements of the school district are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into two major categories: governmental and fiduciary. An emphasis is placed on major funds within the governmental category.

C. Measurement Focus and Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting as are the Fiduciary Fund financial statements. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flow takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Program revenues on the Statement of Activities consist primarily of state appropriations and federal awards.

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(1) Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Property taxes, state appropriations and federal awards associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which is reported when due.

The school district reports the following major governmental funds:

General Fund – This is the school district's primary operating fund. It accounts for all financial resources of the school district, except those required to be accounted for in another fund.

EHA Part B Fund – This fund is used to account for the federal revenues and expenditures of the Special Education Program.

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

Additionally, the school district reports the following fund types:

GOVERNMENTAL FUNDS

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

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

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

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.

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(1) Summary of Significant Accounting Policies (Continued)

D. Account Classifications

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

E. Encumbrances

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

F. Cash and Other Equivalents

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.

Cash and cash equivalents consist of amounts on deposit in demand accounts and certificates of deposit with maturities of three months or less. Cash and cash equivalents are valued at cost.

G. 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 a maturity greater than three months when acquired.

Investments are reported at fair value.

H. Inventories and Prepaid Items

Donated inventories 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.

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(1) Summary of Significant Accounting Policies (Continued)

I. Capital Assets

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 statement.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are reported in the government-wide statements. Depreciation is calculated on the straight-line basis for all assets, except land. The following schedule details those thresholds.

	Capitalization Policy	Estimated Useful Life
Land	\$ -	-
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 (4) for details.

J. Long-term liabilities

Long-term liabilities are the unmatured principal of bonds, warrants, notes, or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments. In the government-wide Statement of Net Assets, long term debt and other long term obligations are reported as liabilities in the governmental activities column. See Note (5) for details.

K. Interfund Transactions and Balances

Interfund transactions and balances are the result of timing differences between the date expenses/expenditures occur and the date payments are made.

Short-term (due within one year) interfund loan receivables are reported as "due from other funds" and are considered available expendable resources.

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Note (3) for details for interfund transactions, including receivables and payables at year-end.

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(1) Summary of Significant Accounting Policies (Continued)

L. Equity Classifications

Government-Wide Financial Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Financial Statements:

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

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

Reserved for Advalorem- An account used to record the advalorem taxes collected in excess of legal limitations for the current fiscal year.

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

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

Reserved for Capital Projects – An account that represents that portion of fund balance in the Capital Projects Fund which is legally restricted and not available for spending for any other purpose than that for which it is restricted.

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

M. Property Taxes

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

N. Mississippi Adequate Education Program Revenues

Revenues from the 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.

O. Compensated Absences

Employees of the school district accumulate sick leave at a minimum amount as required by state law or at a greater amount provided by school district policy. Some employees are allowed personal leave and/or vacation leave in accordance with school district policy. The district pays for unused leave for employees as required by Section 37-7-307(5), Miss. Code Ann. (1972).

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

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(2) Cash and Cash Equivalents

The district follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Restrictions on deposits 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 for public entities' deposits in financial institutions are now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds was \$4,269,354, and fiduciary funds were \$412,700. The carrying amount of deposits reported in the government wide statements was cash and cash equivalents \$4,269,354. The bank balance was \$5,562,872.

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 formal 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, 2007, none of the district's bank balance of \$5,562,872 was exposed to custodial credit risk.

(3) Interfund Transactions and Balances

The following is a summary of interfund transactions and balances:

A. Due From/To Other Funds

	Due From	Due To
Governmental Funds		
General Fund	\$ 79,825	-
EHA Part B Fund	-	46,432
Other Governmental Funds	-	12,425
Total Governmental Funds	79,825	58,857
Fiduciary Funds		20,968
	\$ 79,825	79,825

\$12,425 is for loans made until reimbursements are received.

\$20,968 is for overage in a Payroll Transfer

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(3) Interfund Transactions and Balances (continued)
B. Transfers In/Out

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ 5,451	-
EHA Part B	-	3,034
Other Governmental Funds	-	2,417
	\$ 5,451	5,451

\$5,451 is transferred for indirect cost

(4) Capital Assets

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

	<u>Balance 7/1/2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Completed Construction/ Adjustment</u>	<u>Balance 6/30/2007</u>
<u>Non-depreciable capital assets</u>					
Land	\$ 92,796	7,200	-	-	\$ 99,996
Total non-depreciable capital assets	92,796	7,200	-	-	99,996
<u>Depreciable capital assets:</u>				-	
Buildings	12,940,059	-	-	(491,729)	12,448,330
Improvements other than buildings	27,340	-	-	491,729	519,069
Mobile equipment	408,692	70,000	-	-	478,692
Furniture and equipment	329,245	47,911	-	-	377,156
Total depreciable capital assets	13,705,336	117,911	-	-	13,823,247
<u>Less accumulated depreciation</u>					
Buildings	3,709,196	210,823	-	-	3,920,019
Improvements other than buildings	21,857	20,763	-	-	42,620
Mobile equipment	242,848	11,927	-	-	254,775
Furniture and equipment	215,783	36,895	-	-	252,678
Total accumulated depreciation	4,189,684	280,408	-	-	4,470,092
Total depreciable capital assets, net	9,515,652	(162,497)	-	-	9,353,155
Governmental activities capital assets, net	\$ 9,608,448	(155,297)	-	-	9,453,151

Depreciation expense was charged to the following governmental functions:

	<u>Amount</u>
Instruction	\$ 32,009
Support services	246,044
Non-instructional	2,355
Total depreciation expense	\$ 280,408

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(5) Long-term liabilities

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

	Balance 7/1/2006	Additions	Reductions	Balance 6/30/2007	Amounts due within one year
A. General obligations bonds payable	\$ 3,130,000	-	125,000	3,005,000	140,000
B. Limited obligation notes payable	300,879	-	146,828	154,051	154,051
C. Three mill notes payable	321,533	-	110,439	211,094	116,131
D. Other loans payable	9,770	-	6,514	3,256	3,256
E. Other Long-Term Liabilities	-	1,000,000	-	1,000,000	400,000
F. Compensated absences payable	80,854	7,005	-	87,859	-
	<u>\$ 3,843,036</u>	<u>1,007,005</u>	<u>388,781</u>	<u>4,461,260</u>	<u>813,438</u>

A. General obligation bonds payable.

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

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General obligation bonds, Series 2002	4.0 - 5.5%	7/1/02	7/1/22	\$ 3,500,000	3,005,000
Total				<u>\$ 3,500,000</u>	<u>3,005,000</u>

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

Year Ending June 30,	Principal	Interest	Total
2008	\$ 140,000	134,024	274,024
2009	140,000	126,324	266,324
2010	150,000	118,624	268,624
2011	160,000	112,061	272,061
2012-2016	930,000	456,459	1,386,459
2017-2021	1,205,000	231,300	1,436,300
2022-2024	280,000	12,600	292,600
Total	<u>\$ 3,005,000</u>	<u>1,191,392</u>	<u>4,196,392</u>

The amount of bonded indebtedness that can be incurred by the school district is limited by state statute. Total outstanding bonded indebtedness during a year can be no greater than 15% of the assessed value of the taxable property within such district, according to the then last completed assessment for taxation unless certain conditions, as set forth in state statutes, have been met. As of June 30, 2007, the amount of outstanding bonded indebtedness was equal to 6.7% of property assessments as of October 1, 2006. This debt will be retired from the Bond Retirement Fund.

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(5) Long-term liabilities (Continued)

B. Limited obligation notes payable.

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

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
State Aid Capital Improvement	4.92%	1/20/98	7/15/07	\$ 1,105,544	154,051
Total				<u>\$ 1,105,544</u>	<u>154,051</u>

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

Year Ending June 30,	Principal	Interest	Total
2008	\$ 154,051	7,580	161,631
Total	<u>\$ 154,051</u>	<u>7,580</u>	<u>161,631</u>

The state aid capital improvement notes 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 notes are not included in the computation of the debt limit percentage. This debt will be retired from the MAEP Debt Retirement Fund.

C. Three mill notes payable.

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Three mill note	5.19%	9/01/97	9/01/07	\$ 579,000	72,252
Three mill note	4.64%	11/7/03	11/7/09	260,000	138,842
Total				<u>\$ 839,000</u>	<u>211,094</u>

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

Year Ending June 30,	Principal	Interest	Total
2008	\$ 116,131	10,172	126,303
2009	46,428	4,403	50,831
2010	48,535	2,109	50,644
Total	<u>\$ 211,094</u>	<u>16,684</u>	<u>227,778</u>

This debt will be retired from the Three Mill Debt Retirement Fund.

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(5) Long-term liabilities (Continued)

D. Other loans payable.

The school district has issued debt instruments granted under the authority of the Asbestos School Hazard Abatement Act of 1984.

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Asbestos Abatement Loan	0.00%	3/1/88	12/1/07	\$ 117,248	3,256

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

Year Ending June 30,	Principal	Total
2008	\$ 3,256	3,256
Total	\$ 3,256	3,256

This debt will be retired from the General Fund.

E. Other long-term liabilities -- Extraordinary expense

Other long-term liabilities are a result of a settled lawsuit with Prentiss County School District for students in the annexed area of the City of Booneville to attend Booneville School. Other long-term liabilities currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Other long-term liabilities	0%	6/26/2007	9/10/2010	\$ 1,000,000	\$ 1,000,000

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

Year ending June 30	Principal
2008	\$ 400,000
2009	300,000
2010	200,000
2011	100,000
Total	\$ 1,000,000

This debt will be retired from the General Fund.

F. Compensated absences payable.

As more fully explained in Note 1(O), 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.

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(6) 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 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 information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800 444-PERS.

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary and the school district is required to contribute at an actuarially determined rate. The current rate is 11.30% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Booneville School District's contributions to PERS for the years ending June 30, 2007, 2006, and 2005, were \$608,217, \$563,441, and \$476,621, respectively, equal to the required contributions for each year.

(7) 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.

(8) Contingencies

The school district receives Federal Grants for specific purposes that are subject to review and audit by Federal agencies. Such audits could result in a requirement for reimbursement by the Federal agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the school district, such disallowances, if any, would not be significant to the district's financial statements.

(9) Litigation

A lawsuit has been filed by a former first year teacher whose contract was not renewed. The District has filed for a dismissal of the case. The District does not anticipate an unfavorable outcome.

(10) Vocational Education Consortium

The school district entered into a Vocational Education Agreement dated January 1, 1984, creating the Prentiss County Vocational Center. This center was created pursuant to the provisions of Section 37-31-73, Mississippi Code Ann. (1972), and approved by the Mississippi Department of Education. The center includes the Booneville School District and the Prentiss County 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 detail procedures for student admission and transportation services for those students.

The Prentiss County School District has been designated as the lead school district for the Prentiss County Vocational Center, and the operations of the consortium are included in its financial statements.

**BOONEVILLE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007**

(11) Alternative School Consortium

The school district entered into an Alternative School Agreement dated July 1, 1995, creating the Northeast Mississippi Regional Alternative Education Cooperative (NEMRAEC). 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 and includes the Booneville School District and the Baldwin 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 school 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 NEMRAEC, and the operations of the consortium are included in its financial statements.

The following Statement of Revenues, Expenditures and Changes in Fund Balance is presented to detail the financial activity of NEMRAEC.

**Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2007**

Revenues	
Local Sources	
Tuition from Other LEA's Within the State:	
Baldwyn School District	\$ 261,240
Total Tuition from Other LEA's Within the State	261,240
Other Local Sources	8,899
State Sources	20,340
Total Revenues	<u>290,479</u>
Expenditures	
Salaries	197,122
Employee Benefits	53,797
Purchased Property Services	14,923
Supplies	8,554
Other Purchased Services	855
Total Expenditures	<u>275,251</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>15,228</u>
Net Change in Fund Balance	15,228
Fund Balance:	
July 1, 2006	167,284
June 30, 2007	<u>\$ 182,512</u>

BOONEVILLE SCHOOL DISTRICT
Budgetary Comparison Schedule for the General Fund
For the Year Ended June 30, 2007

Schedule 1
Schedule 1

	Budgeted Amounts		Actual (GAAP Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenue					
Local Sources	\$ 2,166,830	2,148,098	2,169,065	(18,732)	20,967
State Sources	6,143,746	6,214,049	6,214,049	70,303	-
Federal Sources	15,500	52,978	52,978	37,478	-
Total Revenues	<u>8,326,076</u>	<u>8,415,125</u>	<u>8,436,092</u>	<u>89,049</u>	<u>20,967</u>
Expenditures					
Instruction	5,634,256	5,436,662	5,439,808	197,594	(3,146)
Support Services	2,522,265	2,550,650	2,739,285	(28,385)	(188,635)
Noninstructional Services	126,035	105,890	106,414	20,145	(524)
Facilities Acquisition and Construction	10,000	7,200	7,200	2,800	-
Debt Service: Principal	13,339	6,514	6,514	6,825	-
Total Expenditures	<u>8,305,895</u>	<u>8,106,916</u>	<u>8,299,221</u>	<u>198,979</u>	<u>(192,305)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>20,181</u>	<u>308,209</u>	<u>136,871</u>	<u>288,028</u>	<u>(171,338)</u>
Other Financing Sources (Uses)					
Operating Transfers In	3,283	63,779	5,451	60,496	(58,328)
Operating Transfers Out	(23,464)	(58,328)	-	(34,864)	58,328
Other Financing Uses	-	(39,245)	-	(39,245)	39,245
Total Other Financing Sources (Uses)	<u>(20,181)</u>	<u>(33,794)</u>	<u>5,451</u>	<u>(13,613)</u>	<u>39,245</u>
Net Change in Fund Balance	<u>-</u>	<u>274,415</u>	<u>142,322</u>	<u>274,415</u>	<u>(132,093)</u>
Fund Balances					
July 1, 2006	<u>3,289,878</u>	<u>3,289,878</u>	<u>3,254,303</u>	<u>-</u>	<u>(35,575)</u>
June 30, 2007	<u>\$ 3,289,878</u>	<u>3,564,293</u>	<u>3,396,625</u>	<u>274,415</u>	<u>(167,668)</u>

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

BOONEVILLE SCHOOL DISTRICT
Budgetary Comparison Schedule for the EHA Part B Fund
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual (GAAP Basis)	Variances	
	Original	Final		Original to Final	Final to Actual
Revenue					
State Sources	\$ -	-	7,766	-	7,766
Federal Sources	253,021	285,741	277,975	32,720	(7,766)
Total Revenues	253,021	285,741	285,741	32,720	-
Expenditures					
Instruction	146,056	144,008	152,732	2,048	8,724
Support	103,930	138,699	129,975	(34,769)	(8,724)
Total Expenditures	249,986	282,707	282,707	(32,721)	-
Excess (Deficiency) of Revenues over Expenditures	3,035	3,034	3,034	(1)	-
Other Financing Sources					
Operating Transfers Out	(3,034)	(3,034)	(3,034)	-	-
Total Other Financing Sources (Uses)	(3,034)	(3,034)	(3,034)	-	-
Net Change in Fund Balance	1	-	-	(1)	-
Fund Balances					
July 1, 2006	7,766	7,766	-	-	-
June 30, 2007	\$ 7,767	7,766	-	(1)	-

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

**BOONEVILLE SCHOOL DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007**

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 by 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.

BOONEVILLE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Schedule 1

Federal Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic Assistance Number	Federal Expenditures
U.S. Department of Agriculture		
Passed-through Mississippi Department of Education:		
Non-cash Assistance:		
Food donation	10.550	\$ 32,266
Child Nutrition Cluster:		
School breakfast program	10.553	66,898
National school lunch program	10.555	193,853
Total Child Nutrition Cluster		<u>260,751</u>
Total Passed-through MDE		<u>293,017</u>
Total U.S. Department of Agriculture		<u>293,017</u>
U.S. Department of Health and Human Services		
Passed-through Mississippi Department of Health and Human Services		
Community Based Abstinence Education	93.010	235,840
Healthy Marriage Promotion and Responsible Fathers Grant	93.086	294,600
Total U.S. Department of Health and Human Services		<u>530,440</u>
Federal Communications Commission		
Passed-through the Universal Service Administrative Company		
The Schools and Libraries Program of the Universal Service Fund	32.xxx	20,049
Total Federal Communications Commission		<u>20,049</u>
U.S. Department of Education		
Passed-through Mississippi Department of Education:		
Special Education Cluster		
Special education - grants to states	84.027	277,975
Special education - preschool grants	84.173	11,651
Total Special Education Cluster		<u>289,626</u>
Title I grants to local educational agencies	84.010	158,947
Improving teacher quality - state grants	84.367	48,663
Safe and drug-free schools and communities - state grants	84.186	7,688
State grants for innovative programs	84.298	2,168
Total Passed-through MDE		<u>507,092</u>
Total U.S. Department of Education		<u>507,092</u>
Total for All Federal Awards		<u>\$ 1,350,598</u>

Notes to Schedule

- 1 This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the basic financial statements.
- 2 The expenditure amounts include transfers out.
- 3 The pass through entities did not assign identifying numbers to the school district.
- 4 The balance outstanding at June 30, 2007 of the loan received in a previous fiscal year under former CFDA# 66.702 for asbestos removal was \$3,256.

**Booneville School District
 Schedule of Instructional, Administrative and Other Expenses - Governmental Funds
 June 30, 2007**

<u>Expenditures</u>	<u>Total</u>	<u>Instructional Expenditures</u>	<u>General Administration</u>	<u>School Administration</u>	<u>Other</u>
Salaries and fringe benefits	\$ 7,299,827	5,849,548	464,882	348,248	637,149
Other	3,109,947	1,317,717	410,526	18,211	1,363,493
Total	\$ 10,409,774	7,167,265	875,408	366,459	2,000,642
Total number of students	<u>1,321</u>				
Cost per student	<u>\$ 7,880</u>	<u>5,426</u>	<u>663</u>	<u>277</u>	<u>1,514</u>

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

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

General Administration - includes expenditures for the following functions: Support services - General Administrative (2300s) and Support Services - Business (2500s).

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

Other - includes all expenditure functions not included in instruction or administrative.

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

BOONEVILLE SCHOOL DISTRICT

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

Superintendent and School Board
Booneville School District

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Booneville School District as of and for the year ended June 30, 2007, which collectively comprise the Booneville School District's basic financial statements and have issued our report thereon dated January 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies that adversely affects the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2007-1 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above in Finding 2007-1 to be a material weakness.

Compliance

As part of obtaining reasonable assurance about whether the school district's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance or other matters that we have reported to management of the school district in a separate letter dated January 22, 2009, which is included in this report.

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

Brauner, VanStey & Co. P.A.

January 22, 2009
Booneville, Mississippi



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

Superintendent and School Board
Booneville School District

Compliance

We have audited the compliance of the Booneville School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The school district's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the school district's management. Our responsibility is to express an opinion on the school district's compliance based on our audit.

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

In our opinion, Booneville School District complied, all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency*, is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Braun, VanStey & Co. P.A.

January 22, 2009
Booneville, Mississippi



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Superintendent and School Board
Booneville School District

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Booneville School District as of and for the year ended June 30, 2007, which collectively comprise Booneville School District's basic financial statements and have issued our report thereon dated September 30, 2008. We conducted our audit in accordance with auditing standards, generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

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

The results of our procedures performed to test compliance with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), disclosed no instances of noncompliance. The district reported \$67,442 of classroom supply funds carried over from previous years.

Section 37-9-18(3)(b), Miss. Code Ann. (1972), states in part, "the auditor shall test to 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 the following instance(s) of noncompliance related to incorrect or in appropriate functional level expenditure coding. The noncompliance is reported in finding number 1 below.

Finding 1.

Function 2600 in District Maintenance was incorrectly charged for \$19,200 for software/computer maintenance that should have been charged to function 2500. Function 2600 was charged \$5,838 for postage and postage equipment maintenance and \$2,949 copy machine maintenance that should have been charged to function 2300.

Finding 1, Continued

Recommendation:

We recommend that the accounting manual be consulted to insure that all expenditures are charged to the correct function.

Response:

Expenditures will be coded correctly in accordance with the State Accounting manual.

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.

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

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

Brauner, Vanstoy + Co. P.A.

January 22, 2009
Booneville, Mississippi

**BOONEVILLE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007**

Section 1: **Summary of Auditors' Results**

Financial Statements:

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued on the financial statements: | Unqualified |
| 2. | Material noncompliance relating to the financial statements? | No |
| 3. | Internal control over financial reporting: | |
| a. | Material weakness(es) identified? | Yes |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None reported |

Federal Awards:

- | | | |
|-----|--|---------------------------|
| 4. | Type of auditors' report issued on compliance for major federal programs: | Unqualified |
| 5. | Internal control over major programs: | |
| a. | Material weakness(es) identified? | No |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 6. | Any audit findings reported as required by Section __.510(a) of OMB Circular A-133? | No |
| 7. | Federal programs identified as major programs: | |
| | Child Nutrition Cluster | CFDA # 10.553
10.555 |
| | Healthy Marriage Promotion and Responsible Fathers Grant | CFDA #93.086 |
| | Special Education Cluster | CFDA # 84.027
84.173 |
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 9. | Auditee qualified as a low-risk auditee? | No |
| 10. | Prior fiscal year audit finding(s) and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section __.315(b) of OMB Circular A-133? | Yes |

**BOONEVILLE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007**

Section 2: Financial Statement Findings

Material Weakness Considered to be a Significant Deficiency - Internal Controls

FINDING 2007-1

Condition: Internal controls were not in place to prevent or detect errors in the accounting system.

1. The payroll bank account was not reconciled and the interest earned had not been transferred to District Maintenance for 2006 or 2007.
2. Capital assets and depreciation reports had not been printed or reconciled. Some depreciation was still in the totals for assets that had been disposed.
3. Activity Fund receipts were not well documented. All receipts for entrance into games did not have beginning and ending numbers, nor the price of the ticket, so that computations could be made to determine if the correct amount was collected. Additionally, five out of twenty activity fund disbursements did not have adequate documentation.
4. Activity reports were not presented to the board for approval. Additionally the financial information presented to the Board did not provide sufficient information.
5. Some revenues were not correctly posted to the proper categories, thereby requiring adjusting entries. Additional adjusting entries had to be made to correctly state the financial statements.
6. Administrative software license and postage maintenance was incorrectly charged to building and grounds maintenance.

Criteria: The District is responsible for establishing effective internal controls surrounding all of the above activities that will prevent or detect errors.

1. Reconciling bank accounts and transferring interest.
2. Printing and reconciling capital assets.
3. Receipting and documenting activity fund receipts and disbursements.
4. Providing activity fund reports and financial reports to the Board of Trustees for approval.
5. Properly posting revenues to the correct functions and accounts.
6. Properly posting expenditures to the correct functions and accounts.

Cause: The proper amount of time was not being taken to properly perform these functions.

Effect: Failure to have these controls in place could result in loss of revenues and assets. Additionally, the Board is not staying informed of financial matters timely.

Recommendations:

All bank accounts should be reconciled monthly. Interest should be transferred at least quarterly.
Capital assets should be reconciled monthly. All detail should be printed out and reconciled prior to auditors starting work.
The people in charge of activity funds should be instructed as to the required data to back up receipts and the necessary documentation to support disbursements.
Activity reports are required to be presented to the Board and should be presented monthly. Financial information was being presented to the Board; however, the information was not enough detail to keep them informed.
Posting errors occurred that if not corrected would have materially misstated the financial statements. Financial statements should be reviewed and reconciled to insure the accuracy.
Care should be taken to charge expenses to the correct categories, to insure that the annual financial statements filed with the State Department of Education is accurate.

Section 3: Federal Awards

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



**Booneville
School District**

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AUDITEE'S CORRECTIVE ACTION PLAN

As required by by Section _____,315 (c) of OMB Circular A-133 the Booneville School District has prepared and hereby submits the following corrective action plan for the finding included in the Schedule of Findings and Questioned Costs for the year ended June 30, 2007:

Finding	Corrective Action Plan Details
2007-1	<p>a. Contact Person: Rickey Neaves Superintendent 662-728-2171</p> <p>b. <ol style="list-style-type: none">1. The bank account is now reconciled and will be reconciled monthly.2. Interest will be transferred quarterly.3. All activity funds will be handled through the business office.4. All activity funds will be handled through the business office.5. Coding will be more closely monitored and will follow the State Accounting manual.6. Expenditures will be correctly coded following the State Accounting Manual.</p> <p>c. Implemented upon notification of finding.</p>



**Booneville
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Summary schedule of Prior Audit Findings

As required by Section _____, 315 (c) of OMB Circular A-133 the Booneville School District has prepared and hereby submits the following status of findings as of June 30, 2007:

<u>Finding</u>	<u>Status</u>
2006-1	Upon notification of the over claim of students the school district reimbursed the State Department of Education and this is no longer a finding.