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**WEST BOLIVAR SCHOOL DISTRICT**  
**Audited Financial Statements**  
**For the Year Ended June 30, 2011**

**Bridgers & Company, P.C.**  
**Certified Public Accountants**  
**Vicksburg, Mississippi**

WEST BOLIVAR SCHOOL DISTRICT

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WEST BOLIVAR SCHOOL DISTRICT

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**WEST BOLIVAR SCHOOL DISTRICT**

**Financial Audit Report**

**BRIDGERS & COMPANY, P.C.**  
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DAVID I. BRIDGERS, JR., CPA

**INDEPENDENT AUDITOR'S REPORT**

**MEMBERS OF**  
**MISSISSIPPI SOCIETY OF CPA'S**  
**AMERICAN INSTITUTE OF CPA'S**

Superintendent and School Board  
West Bolivar School District

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the West Bolivar School District as of and for the year ended June 30, 2011, which collectively comprise the West Bolivar School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the West Bolivar School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the West Bolivar School District, as of June 30, 2011, 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 February 21, 2012, on our consideration of the West Bolivar 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 financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 supplemental 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 an assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Bolivar School District's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the West Bolivar School District's basic financial statements. The 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, is presented for purposes of additional analysis as required by the Mississippi Department of Education and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Bridgers & Company, P.C.*

Bridgers & Company, P.C.

Vicksburg, Mississippi

February 21, 2012

WEST BOLIVAR SCHOOL DISTRICT

MANAGEMENT DISCUSSION AND ANALYSIS

WEST BOLIVAR SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

The following discussion and analysis of the West Bolivar School District's financial performance provides an overview of the School District's financial activities for the year ended June 30, 2011. 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 assets for 2011 increased by \$767,516, including a prior period adjustment of \$(3759), which represents a 77% increase from fiscal year 2010. Total net assets for 2010 decreased \$229,326, including a prior period adjustment of \$(130,831), which represents a 19% decrease from fiscal year 2009.

General revenues amounted to \$5,491,128 and \$5,824,043, or 59% and 66% of all revenues for the fiscal years 2011 and 2010 respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,810,680, or 41% of total revenues for 2011, and \$2,983,084, or 34% of total revenues for 2010.

The District had \$8,530,533 and \$8,905,622 in expenses for fiscal years 2011 and 2010; only \$3,810,680 for 2011 and \$2,983,084 for 2010 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$5,491,128 for 2011 were adequate to provide for these programs. However, general revenues of \$5,824,043 for 2010 were not adequate.

Among major funds, the General Fund had \$5,097,664 in revenues and \$4,490,250 in expenditures for 2011, and \$5,185,020 in revenues and \$5,262,600 in expenditures for 2010. The General Fund's fund balance increased by \$729,767 from 2010 to 2011, and increased by \$96,696 from 2009 to 2010.

Capital assets, net of accumulated depreciation, decreased by \$100,856 for 2011 and decreased by \$110,178 for 2010. The increase for 2011 was due primarily to the acquisition of furniture and equipment and property under capital lease coupled with the increase in accumulated depreciation.

Long-term debt increased by \$56,671 for 2011 and decreased by \$161,407 for 2010. The increase for 2011 was due primarily to the issuance of long-term debt. The liability for compensated absences decreased by \$9,007 for 2011 and increased by \$9,187 for 2010.

**OVERVIEW OF 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 supplemental 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 Assets 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 Assets presents information on all the District's nonfiduciary assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the District's net assets 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 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.

WEST BOLIVAR SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

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

**Fund financial statements.**

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

**Governmental funds** - Most of the District's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current 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 government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Assets, and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance 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 the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the District's own programs. 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.

WEST BOLIVAR SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

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

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

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

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

#### Notes to the financial statements

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

#### Required Supplemental Information

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

#### Supplemental 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 assets

Net assets may serve over time as a useful indicator of government's financial position. Assets exceeded liabilities by \$1,761,862 as of June 30, 2011.

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.

WEST BOLIVAR SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

Table 1 presents a summary of the District's net assets at June 30, 2011 and June 30, 2010.

Table 1  
Condensed Statement of Net Assets

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	Percentage <u>Change</u>
Current assets	\$ 1,952,419	1,080,031	80.77%
Restricted assets	20,513	15,253	34.49%
Capital assets, net	<u>2,268,125</u>	<u>2,368,981</u>	-4.26%
Total assets	<u>4,241,057</u>	<u>3,464,265</u>	22.42%
Current liabilities	391,023	429,411	-8.94%
Long-term debt outstanding	<u>2,088,172</u>	<u>2,040,508</u>	2.34%
Total liabilities	<u>2,479,195</u>	<u>2,469,919</u>	0.38%
<b>Net assets:</b>			
Invested in capital assets, net of related debt	836,597	843,981	-0.87%
Restricted	208,723	345,280	-39.55%
Unrestricted	<u>716,542</u>	<u>(194,915)</u>	-467.62%
Total net assets	<u>\$ 1,761,862</u>	<u>994,346</u>	77.19%

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

Decrease in net capital assets in the amount of \$100,856.

The principal retirement of \$1,806,304 of long-term debt and \$1,862,975 in acquisitions of long-term debt.

**Change in net assets**

The District's total revenues for the fiscal year ended June 30, 2011 and June 30, 2010, were \$9,301,808 and \$8,807,127, respectively. The total cost of all programs and services was \$8,530,533 for 2011 and \$8,905,622 for 2010.

WEST BOLIVAR SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

Table 2 presents a summary of the changes in net assets for the fiscal year ended June 30, 2011 and June 30, 2010.

Table 2  
Changes in Net Assets

	Year Ended <u>June 30, 2011</u>	Year Ended <u>June 30, 2010</u>	Percentage <u>Change</u>
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ 188,691	306,944	-38.53%
Operating grants and contributions	3,621,989	2,676,140	35.34%
<b>General revenues:</b>			
Property taxes	1,245,684	1,188,171	4.84%
Grants and contributions not restricted	3,894,242	4,299,187	-9.42%
Investment earnings	1,336	1,694	-21.13%
Sixteenth section sources	211,478	198,402	6.59%
Other	138,388	136,589	1.32%
Total revenues	<u>9,301,808</u>	<u>8,807,127</u>	5.62%
<b>Expenses:</b>			
Instruction	4,438,772	4,668,375	-4.92%
Support services	3,460,631	3,555,582	-2.67%
Non-instructional	573,904	544,554	5.39%
Sixteenth section	31,447	33,515	-6.17%
Interest on long-term liabilities	25,779	103,596	-75.12%
Total expenses	<u>8,530,533</u>	<u>8,905,622</u>	-4.21%
Increase (Decrease) in net assets	<u>771,275</u>	<u>(98,495)</u>	883.06%
Net Assets, July 1	<u>994,346</u>	<u>1,223,672</u>	-18.74%
Prior Period Adjustment	<u>(3,759)</u>	<u>(130,831)</u>	-97.13%
Net Assets Restated, July 1	990,587	1,092,841	-9.36%
Net Assets, June 30	<u>\$ 1,761,862</u>	<u>994,346</u>	77.19%

**Governmental activities**

The following table presents the cost of five major District function activities: instruction, support services, non-instructional, sixteenth section and interest on long-term debt. 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.

WEST BOLIVAR SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

Table 3  
Net Cost of Governmental Activities

	<u>Total Expenses</u>		Percentage Change
	2011	2010	
Instruction	\$ 4,438,772	4,668,375	-4.92%
Support services	3,460,631	3,555,582	-2.67%
Non-instructional	573,904	544,554	5.39%
Sixteenth section	31,447	33,515	-6.17%
Interest on long-term liabilities	25,779	103,596	-75.12%
Total expenses	<u>\$ 8,530,533</u>	<u>\$8,905,622</u>	-4.21%
	<u>Net (Expense) Revenue</u>		Change
	2011	2010	
Instruction	\$ (2,439,327)	(3,530,829)	-30.91%
Support services	(2,201,301)	(2,253,322)	-2.31%
Non-Instructional	(21,999)	(1,276)	1624.06%
Sixteenth section	(31,447)	(33,515)	-6.17%
Interest on long-term liabilities	(25,779)	(103,596)	-75.12%
Total net (expense) revenue	<u>\$ (4,719,853)</u>	<u>(5,922,538)</u>	-20.31%

The net cost of governmental activities, (\$4,719,853 for 2011 and \$5,922,538 for 2010), was financed by general revenue, which is made up of primarily property taxes of (\$1,245,684 for 2011 and \$1,118,171 for 2010) and state and federal revenues of (\$3,894,242 for 2011 and \$4,299,187 for 2010). In addition, there was \$211,478 and \$198,402, in Sixteenth Section sources for 2011 and 2010, respectively.

Investment earnings amounted to \$1,336 for 2011 and \$1,694 for 2010.

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$1,587,018, an increase of \$863,845, which includes a prior period adjustment of \$(2,041) and a increase in reserve for inventory of \$4,915. \$1,050,360, or 66%, 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 \$536,658, or 34%, 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.

WEST BOLIVAR SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011

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 \$729,767, which includes a prior period adjustment of \$(2,041). The fund balance of Other Governmental Funds showed a decrease in the amount of \$(45,954), which includes a increase in reserve for inventory of \$4,915. The increase (decrease) in the fund balances for the other major funds were as follows:

<u>Major Fund</u>	<u>Increase (Decrease)</u>
Title I Basic Fund	no increase or decrease
Title I Low ARRA Fund	no increase or decrease
Sixteenth Section Interest Fund	\$ 180,032

**BUDGETARY HIGHLIGHTS**

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

- Budgeted amounts for revenue from local, state and federal sources in the General Fund were increased during the fiscal year. Amounts originally budgeted were understated.
- Budgeted amounts for instruction expenditures in the General Fund were decreased to accurately reflect the expenditures during the fiscal year. The amounts originally budgeted were overstated. However, budgeted amounts for support services and noninstructional services were increased as original budgeted amounts were understated.
- Budgeted amounts for revenue from federal sources and expenditures in the Title I Basic Fund and Title I Low ARRA Fund were revised during the fiscal year to reflect actual revenue received and expenditures incurred during the year.
- Budgeted amounts for revenues and expenditures in the Sixteenth Section Interest Fund were decreased to more accurately reflect revenues generated and expenditures incurred during the fiscal year.
- Budgeted amounts for revenues and expenditures in various special revenue funds receiving federal funds were revised during the fiscal year to reflect actual revenue received and expenditures incurred during the fiscal year.

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, 2011, the District's total capital assets were \$5,226,900, including land, school buildings, building improvements, other improvements, buses, other school vehicles and furniture and equipment. This amount represents a gross increase of \$30,456 from 2010. Total accumulated depreciation as of June 30, 2011 was \$2,958,775, and total depreciation expense for the year was \$129,594, resulting in total net capital assets of \$2,268,125.

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

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Percentage</u> <u>Change</u>
Buildings	\$ 1,529,762	1,564,611	-2.23%
Building improvements	176,470	186,370	-5.31%
Improvements other than buildings	123,456	128,445	-3.88%
Mobile equipment	322,199	371,457	-13.26%
Furniture and equipment	107,138	118,098	-9.28%
Property under capital lease	9,100		N/A
Total	<u>\$ 2,268,125</u>	<u>2,368,981</u>	-4.26%

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Debt Administration.** At June 30, 2011, the District had \$2,088,172 in outstanding long-term debt of which \$174,490 is due within one year. During the fiscal year, the District made principal payments in the amount of \$1,806,304 on existing long-term debt. The liability for compensated absences decreased \$9,007 from the prior year.

**Table 5  
Outstanding Long-Term Debt**

	June 30, 2011	June 30, 2010	Percentage Change
Limited obligation bonds payable	1,425,000	1,525,000	-6.56%
Obligations under energy efficient leases	423,231	451,043	-6.17%
Shortfall Note	177,955	0	N/A
Obligations under capital lease	6,528	0	N/A
Compensated absences payable	55,458	64,465	-13.97%
<b>Total</b>	<b>\$ 2,088,172</b>	<b>2,040,508</b>	<b>2.34%</b>

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

**CURRENT ISSUES**

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

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

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

WEST BOLIVAR SCHOOL DISTRICT

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WEST BOLIVAR SCHOOL DISTRICT

FINANCIAL STATEMENTS

West Bolivar School District  
Statement of Net Assets  
June 30, 2011

Exhibit A

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 1,439,568
Due from other governments	467,049
Lease receivables	2,230
Restricted assets	20,513
Deferred debt issuance cost	29,757
Inventories	13,815
Capital assets, net of accumulated depreciation:	
Buildings	1,529,762
Building improvements	176,470
Improvements other than buildings	123,456
Mobile equipment	322,199
Furniture and equipment	107,138
Property under capital leases	9,100
<b>Total Assets</b>	<u><u>4,241,057</u></u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	41,696
Due to other funds	288,787
Unearned revenue	25,674
Unamortized premiums	18,829
Interest payable on long-term liabilities	16,037
Long-term liabilities, due within one year:	
Capital related liabilities	88,190
Non-capital related liabilities	86,300
Long-term liabilities, due beyond one year:	
Capital related liabilities	1,343,338
Non-capital related liabilities	570,344
<b>Total Liabilities</b>	<u><u>2,479,195</u></u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	836,597
Restricted for:	
Expendable:	
School based activities	13,815
Debt service	158,599
Forestry improvements	256
Unemployment benefits	20,761
Non-expendable:	
Sixteenth section	15,292
Unrestricted	716,542
<b>Total Net Assets</b>	<u><u>\$ 1,761,862</u></u>

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

West Bolivar School District  
Statement of Activities  
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Exhibit B
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental Activities:					Governmental Activities
					Total
Instruction	\$ 4,438,772	153,743	1,845,702		(2,439,327)
Support services	3,460,631		1,259,330		(2,201,301)
Noninstructional services	573,904	34,948	516,957		(21,999)
Sixteenth section	31,447				(31,447)
Interest on long-term liabilities	25,779				(25,779)
Total governmental activities	\$ 8,530,533	188,691	3,621,989		(4,719,853)
General Revenues:					
Taxes:					
Property taxes - general purposes levies				\$ 1,184,245	
Debt purpose levies				61,439	
Unrestricted grants and contributions:					
State				3,762,999	
Federal				131,243	
Unrestricted investment earnings				1,336	
Sixteenth section sources				211,478	
Other				138,388	
Total General Revenues				5,491,128	
Change in Net Assets					771,275
Net Assets - Beginning as originally reported					994,346
Prior Period Adjustments					(3,759)
Net Assets - Beginning - Restated					990,587
Net Assets - Ending					\$ 1,761,862

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

West Bolivar School District  
 Balance Sheet - Governmental Funds  
 June 30, 2012

	Major Funds					
	General Fund	Title I Basic Fund	Title I Low ARRA Fund	16th Section Interest Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 871,652	36,684	20,263	202,276	323,985	1,454,860
Investments					5,221	5,221
Due from other governments	248,569	37,865	36,440	2,261	141,914	467,049
Lease receivable				2,230		2,230
Due from other funds	156,047					156,047
Inventories					13,815	13,815
<b>Total Assets</b>	<b>1,276,268</b>	<b>74,549</b>	<b>56,703</b>	<b>206,767</b>	<b>484,935</b>	<b>2,099,222</b>
<b>LIABILITIES &amp; FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	26,099	5,627	4,200		5,770	41,696
Due to other funds	199,809	67,237	50,003		127,785	444,834
Unearned revenue		1,685	2,500		21,489	25,674
<b>Total Liabilities</b>	<b>225,908</b>	<b>74,549</b>	<b>56,703</b>		<b>155,044</b>	<b>512,204</b>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Inventory					13,815	13,815
Permanent fund principal					15,292	15,292
<b>Restricted:</b>						
Debt service					174,636	174,636
Forestry improvement purposes					256	256
Unemployment benefits					20,761	20,761
<b>Committed:</b>						
Other commitments - program operations				206,767	105,131	311,898
Unassigned	1,050,360					1,050,360
<b>Total Fund Balances</b>	<b>1,050,360</b>		0	206,767	329,891	1,587,018
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,276,268</b>	<b>74,549</b>	<b>56,703</b>	<b>206,767</b>	<b>484,935</b>	<b>2,099,222</b>

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

West Bolivar School District  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Assets  
 June 30, 2011

Exhibit C-1

	<u>Amount</u>	
Total fund balances - governmental funds	\$ 1,587,018	
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
1. Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Buildings	\$ 3,144,168	
Building improvements	247,513	
Improvements other than buildings	189,255	
Mobile equipment	934,439	
Furniture and equipment	701,525	
Property under capital leases	10,000	
Accumulated depreciation	<u>(2,958,775)</u>	2,268,125
2. Long-term liabilities and related accrued interest are not due and payable in the current period and therefore are not reported in the current period and therefore are not reported in the funds:		
Limited obligation refunding bonds	1,425,000	
2010 Ad-valorem short fall note	177,955	
Obligations under energy efficient lease	423,231	
Obligations under capital lease	6,528	
Compensated absences	55,458	
Unamortized debt issuance cost	(29,757)	
Unamortized premiums	18,829	
Interest payable on long-term debt	<u>16,037</u>	(2,093,281)
Net Assets of Governmental Activities	 <u>\$ 1,761,862</u>	

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

West Bolivar School District  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
 For the Year Ended June 30, 2011

Exhibit D

	Major Funds				Other Govern- mental Funds	Total Governmental Funds
	General Fund	Title I Basic Fund	Title I Low ARRA Fund	16th Section Interest Fund		
<b>REVENUES</b>						
Local sources	\$ 1,318,984	37			48,328	1,367,349
Intermediate sources	10,090					10,090
State sources	3,637,347				628,958	4,266,305
Federal sources	131,243	885,035	546,097		1,877,588	3,439,963
Sixteenth section sources				211,479	39	211,518
<b>Total Revenues</b>	<u>5,097,664</u>	<u>885,072</u>	<u>546,097</u>	<u>211,479</u>	<u>2,554,913</u>	<u>9,295,225</u>
<b>EXPENDITURES</b>						
Instruction	2,318,051	374,789	394,048		1,279,080	4,365,968
Support services	2,087,930	461,802	151,079		763,817	3,464,628
Noninstructional services	27,959	44,981	970		493,592	567,502
Sixteenth section				31,447		31,447
Debt Service:						
Principal	31,304				140,000	171,304
Interest	24,006				42,036	66,042
Other	1,000				14,835	15,835
<b>Total Expenditures</b>	<u>4,490,250</u>	<u>881,572</u>	<u>546,097</u>	<u>31,447</u>	<u>2,733,360</u>	<u>8,682,726</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>607,414</u>	<u>3,500</u>	<u>0</u>	<u>180,032</u>	<u>(178,447)</u>	<u>612,499</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Refunding bonds issued					1,425,000	1,425,000
Proceeds from notes issued	187,975					187,975
Premium on debt					20,497	20,497
Payment to refunding bond escrow agent					(1,385,000)	(1,385,000)
Transfers in	158,564				222,145	380,709
Transfers out	(222,145)	(3,500)			(155,064)	(380,709)
<b>Total Other Financing Sources (Uses)</b>	<u>124,394</u>	<u>(3,500)</u>	<u>0</u>	<u>0</u>	<u>127,578</u>	<u>248,472</u>
<b>Net Change in Fund Balances</b>	<u>731,808</u>	<u>0</u>	<u>0</u>	<u>180,032</u>	<u>(50,869)</u>	<u>860,971</u>
<b>Fund Balances</b>						
July 1, 2010, as originally reported	320,593			26,735	375,845	723,173
Prior period adjustments	(2,041)					(2,041)
July 1, 2010, as restated	<u>318,552</u>	<u>0</u>	<u>0</u>	<u>26,735</u>	<u>375,845</u>	<u>721,132</u>
Increase (decrease) in reserve for inventory					4,915	4,915
June 30, 2011	\$ <u>1,050,360</u>	<u>0</u>	<u>0</u>	<u>206,767</u>	<u>329,891</u>	<u>1,587,018</u>

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

West Bolivar 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, 2011

Exhibit D-1

	<u>Amount</u>
Net change in fund balances - governmental funds	\$ 860,971

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

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

Capital outlay	\$ 30,456	
Depreciation expense	<u>(129,594)</u>	(99,138)

2. 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and the difference between the carrying value of refunded debt when debt is first issued. These amounts are deferred and amortized in the Statement of Activities:

Refunding bonds issued	(1,425,000)	
Premiums on refunding bonds issued	(18,829)	
2010 Ad-valorem Shortfall note issued	(177,955)	
Capital leases issued	(10,020)	
Payments of debt principal	171,304	
Payments to refunded bond escrow agent	1,385,000	
Accrued interest payable	41,263	
Deferred issue cost	<u>29,757</u>	(4,480)

3. 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 on compensated absences	9,007	
Change in inventory reserve	<u>4,915</u>	13,922

Change In net assets of governmental activities	\$ <u><u>771,275</u></u>
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The notes to the financial statements are an integral part of this statement.

West Bolivar School District  
Statement of Fiduciary Assets and Liabilities  
June 30, 2011

Exhibit E

	<u>Agency Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 8,038
Due from other funds	288,787
	<hr/>
Total Assets	<u>296,825</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	288,787
Due to student clubs	8,038
	<hr/>
Total Liabilities	<u>\$ 296,825</u>

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

WEST BOLIVAR SCHOOL DISTRICT

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West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

(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. Basis of Presentation**

In February 2009, the GASB issued GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement enhances the usefulness of fund balance information by providing clear fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The fund balance amounts for governmental funds have been reclassified in accordance with GASB Statement No. 54. As a result, amounts previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned or unassigned.

**B. 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 5 member board to which each member was elected by the citizens of each defined county district.

For financial reporting purposes, the West Bolivar School District has included all funds and organizations. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standard's 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.

**C. Government-wide and Fund Financial Statements**

*Government - Wide Financial Statements :*

The Statement of Net Assets and Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support

West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

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

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

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

Fund Financial Statements :

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

The school district reports the following major governmental funds:

**General Fund** - This is the school district's primary operating fund. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support, and other costs.

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

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

**16th Section Interest Fund** - This fund is a special revenue fund used to account for the expendable revenues associated with earnings on sixteenth section lands and the expenditures incurred for maintaining and improving sixteenth section lands.

West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

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

The District's fiduciary funds include (6) agency funds which are used to report resources held by the District in a purely custodial capacity.

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 Project Funds - Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures 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 principle and interest.

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

**FIDUCIARY FUNDS**

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

- D. In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting as are the Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability or economic asset used, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as 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

West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

within 60 days after the year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and judgments, are recorded only when payment is due.

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

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

Ad valorem property taxes are levied by the governing authority of the 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 are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

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

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

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

E. Encumbrances

An encumbrance system is maintained to account for commitments or assignments resulting from approved purchase orders, work orders and contracts. However, the school district attempts to

West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

liquidate all encumbrances at year-end. Encumbrances outstanding at year-end are not reported within committed or assigned fund balances.

**F. Assets, liabilities, and net assets / fund balances**

**1. Cash, Cash equivalents and Investments**

Cash and cash equivalents.

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

Investments.

The school district can invest its excess funds, as permitted by Section 29-3-113, Miss. Code Ann. (1972), in interest-bearing deposits or other obligations of the types described in Section 27-105-33, Miss. Code Ann. (1972), or 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.**

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

**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.

West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

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

6. Capital Assets.

Capital assets include land, improvements to land, easements, water rights, timber rights, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Capital assets are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost or estimated 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 those thresholds:

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

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

West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

7. Compensated Absences.

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

The liability for these compensated absences is recorded as 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 liability for compensated absences from expendable available financial resources only if the payable has matured, for example, an employee retires.

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

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

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

9. Fund Balances

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

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The 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, such as, inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed, or 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.

**West Bolivar School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2011**

*Committed fund balance* includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the School Board, the District's highest level of decision-making authority. This formal action is a resolution approved by the School Board.

*Assigned fund balance* includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the Superintendent and the Business Manager pursuant to authorization established by the District's approved fund balance policy. There are currently no assigned fund balances.

*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.

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

West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

investments. Section 29-3-113 and 37-59-43, Miss. Code Ann. (1972), authorizes the school board to invest excess funds in the types of investments authorized by Section 27-105-33(d) and (e), Miss. Code Ann. (1972). This section permits the following types of investments: (a) certificates of deposit or interest bearing accounts with qualified state depositories; (b) direct United States Treasury obligations; (c) United States Government agency, United States Government instrumentality or United States Government sponsored enterprise obligations, not to exceed fifty percent of all monies invested with maturities of thirty days or longer; (d) direct security repurchase agreements and reverse direct security repurchase agreements of any federal book of 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 interest in, any open-ended or closed-ended 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 thirty percent of invested excess funds. Investment income on bond funds (Capital Projects), bond sinking funds (Debt Service Funds) and sixteenth section principal funds (Permanent Funds) must be credited to those funds. Investment income of \$100 or more of any fund must be credited to that fund. Investment income of less than \$100 can be credited to the General Fund.

Cash and Cash Equivalents

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds and fiduciary funds was \$1,454,860 and \$8,038, respectively. The carrying amount of deposits reported in the government-wide financial statements was \$1,439,568 reported as cash and cash equivalents and \$20,513 reported as restricted assets (see Note 4).

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, 2011, none of the District's bank balance of \$1,864,415 was exposed to custodial credit risk.

Investments

As of June 30, 2011, the district had the following investments.

<u>Investment Type</u>	<u>Maturities (in years)</u>	<u>Fair Value</u>
Hancock Horizon Treasury Securities		
Money Market C1 A	N/A	\$ 5,221
Total Investments		<u>\$ 5,221</u>

West Bolivar School District  
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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 addressed 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 investment 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 Mutual Funds are uninsured and unregistered and are not backed by the full faith and credit of the federal government.

Concentration of Credit Risk. Disclosure of investments by amount and issuer for any issue that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of June 30, 2011, the district had the following investments:

<u>Issuer</u>	<u>Fair Value</u>	<u>% of Total Investments</u>
Hancock Horizon Treasury Securities Money Market C1 A	\$ 5,221	100%
	<u>\$ 5,221</u>	

**(3) Inter-fund Receivables, Payables and Transfers**

The following is a summary of interfund transactions and balances.

**A. Due From / To Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Title I Basic Fund	\$ 37,865
	Title I Low ARRA	36,440
	Other Governmental Funds	81,742
		29,372
Fiduciary Funds	Title I Basic Fund	29,372
	Title I Low ARRA	13,563
	General Fund	199,809
	Other Governmental Funds	46,043
		<u>\$ 444,834</u>

West Bolivar School District  
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The interfund loans were made mainly to cover the initial payments of reimbursable expenditures of federal and state programs. All inter-fund receivables and payables are expected to be repaid within one year.

**B. Inter-fund Transfers**

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 222,145
Title I Basic Fund	General Fund	3,500
Other Governmental Funds	General Fund	155,064
Total		\$ 380,709

The transfers were primarily for the following: indirect cost transfers, textbooks and transportation transfers into Educational Enhancement Funds, vocational and special education expenditure transfers, debt service transfers and the transfer of expendable resources to the sixteenth section interest funds.

**(4) Restricted Assets**

The restricted assets represent the cash balance in the amount of \$15,292 of the Sixteenth Section Principal Fund (Permanent Fund) which is legally restricted and may not be used for purposes that support the district's programs. In addition, the restricted assets include the investment balance in the amount of \$5,221 of the MAEP Retirement Fund (Debt Service Fund).

West Bollvar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

(5) Capital Assets.

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

	Balance				Balance
	<u>7-1-2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>6-30-2011</u>
<b>Governmental Activities:</b>					
<u>Non-depreciable capital assets:</u>					
Land					0
Construction in progress					0
	0	0		0	0
<u>Depreciable Capital Assets</u>					
Buildings	3,144,168				3,144,168
Building improvements	247,513				247,513
Improvements other than buildings	189,255				189,255
Mobile equipment	934,439				934,439
Furniture and equipment	681,069	20,456			701,525
Leased property under capital leases		10,000			10,000
Total depreciable capital Assets	5,196,444	30,456	0	0	5,226,900
<u>Less accumulated depreciation:</u>					
Buildings	1,579,557	34,849			1,614,406
Building improvements	61,143	9,900			71,043
Improve other than buildings	60,810	4,989			65,799
Mobile equipment	562,982	49,258			612,240
Furniture & equipment	562,971	29,698		1,718	594,387
Leased property under capital leases		900			900
Total accumulated depreciation	2,827,463	129,594	0	1,718	2,958,775
Total depreciable capital assets, net	2,368,981	-99,138	0	-1,718	2,268,125
Governmental activities capital assets, net	2,368,981	-99,138	0	-1,718	2,268,125

\* Adjustments were made to correct prior year depreciation.

Depreciation expense was charged to the following governmental functions:

Governmental activities:	Amount
Instruction	\$ 90,716
Support services	25,919
Non-instructional services	12,959
Total depreciation expense - Governmental	\$ 129,594

**West Bolivar School District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2011**

(6) Long - term liabilities.

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

	Balance 07-01-2010	Additions	Reductions	Balance 06-30-2011	Amount due within one Year
A. Limited obligation bonds payable	\$	1,425,000		1,425,000	85,000
B. Limited obligation bonds payable	1,525,000		1,525,000	0	
C. Obligations under energy efficient leases	451,043		27,812	423,231	29,293
D. Shortfall Note Payable		177,955		177,955	57,007
E. Obligations under capital leases		10,020	3,492	6,528	3,190
F. Tax Anticipation Note		250,000	250,000	0	
G. Compensated absences payable	64,465		9,007	55,458	
<b>Total</b>	<b>\$ 2,040,508</b>	<b>1,862,975</b>	<b>1,815,311</b>	<b>2,088,172</b>	<b>174,490</b>

**A. Limited obligation bonds payable.**

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

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
State aid capital improvement bonds, Series 2010	2.0-2.5%	12/01/10	02/01/18	1,425,000	1,425,000
<b>Total</b>				<b>\$ 1,425,000</b>	<b>1,425,000</b>

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

Year ending June 30	Principal	Interest	Total
2012	\$ 85,000	29,650	114,650
2013	185,000	26,950	211,950
2014	185,000	23,250	208,250
2015	185,000	19,550	204,550
2016	190,000	15,800	205,800
2017-2018	595,000	19,513	614,513
<b>Total</b>	<b>\$ 1,425,000</b>	<b>134,713</b>	<b>1,559,713</b>

This debt will be retired from the Debt Service Fund.

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

West Bolivar School District  
Notes to the Financial Statements  
For the Year Ended June 30, 2011

On December 1, 2010, the district issued \$1,425,000 in limited obligation bonds with an average interest rate of 2.25% to advance refund \$1,525,000 of outstanding limited obligations bonds with an average interest rate of 4.80%. The net proceeds of \$1,385,000, after issuance costs of \$38,055, interest payment on bond call of \$22,442 and a bond premium of \$20,497, were deposited in an irrevocable trust with an escrow agent to provide for all future debt payment requirements on the limited obligation bonds.

As a result, the State Aid Improvement Bonds, Series 1998 are considered to be defeased and the liability for those bonds has been removed from long-term liabilities.

The district advance refunded the State Aid Improvement Bonds, Series 1998 to reduce its total debt service payments over the remaining eight years of the debt by approximately \$132,752 and to realize an economic gain of \$133,557.

**B. Limited obligation bonds payable.**

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

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
State aid capital improvement bonds, Series 1998	4.5-6.0%	04/01/1998	02/01/2018	2,595,000	0
<b>Total</b>				<b>\$ 2,595,000</b>	<b>0</b>

**C. Obligations under Energy Efficient Leases**

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Energy lease	5.00%	11/9/2006	07/1/2021	535,804	423,231
<b>Total</b>				<b>\$ 535,804</b>	<b>423,231</b>

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

Year ending June 30	Principal	Interest	Total
2012	\$ 29,293	22,525	51,818
2013	30,852	20,966	51,818
2014	32,494	19,324	51,818
2015	34,223	17,595	51,818
2016	36,045	15,774	51,819
2017-2021	211,124	47,967	259,091
2022	49,200	2,619	51,819
<b>Total</b>	<b>\$ 423,231</b>	<b>146,770</b>	<b>570,001</b>

West Bolivar School District  
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For the Year Ended June 30, 2011

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

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

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

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

**D. Shortfall notes payable**

Debt currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Shortfall Note 2010	4.0%	10/22/2010	10/22/2013	177,955	177,955
Total				\$ 177,955	177,955

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

Year ending June 30	Principal	Interest	Total
2012	\$ 57,007	7,118	64,125
2013	59,288	4,838	64,126
2014	61,660	2,466	64,126
Total	\$ 177,955	14,422	192,377

This debt will be retired from the District Maintenance Fund.

**E. Obligations under capital lease**

The school district has entered into a lease agreement as lessee for financing the acquisition of mobile equipment at a cost of \$10,020. This lease qualifies as a capital lease for accounting purposes.

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
John Deere lease	4.55%	04/11/11	04/11/13	10,020	6,528
Total				\$ 10,020	6,528

West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

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

Year ending June 30	Principal	Interest	Total
2012	\$ 3,190	302	3,492
2013	3,338	1,555	4,893
Total	6,528	1,857	8,385

**F. Tax Anticipation Note**

Debt currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Tax Anticipation Note					
2010	1.95%	09/14/10	05/01/11	250,000	0
Total				\$ 250,000	0

**G. Compensated absences payable**

As more fully explained in Note 1(f)(7), compensated absences payable is adjusted on an annual basis as required by Section 37-7-305(5), Miss. Code Ann. (1972). Compensated absences will be paid from the fund which the employees' salaries were paid.

**(7) Defined Benefit Pension Plan.**

**Plan Description.** The school district contributes to the Public Employee's 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 for fiscal year ended June 30, 2011 was 12.00% 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 contribution to PERS for the fiscal years ending June 30, 2011, 2010, and 2009 were \$505,417, \$595,875 and \$608,403, respectively, which equaled the required contributions for each year.

West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011

(8) Sixteenth Section Lands

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

Year Ending June 30	Amount
2012	\$ 170,736
2013	170,736
2014	92,201
2015	73,851
2016	24,344
Thereafter	<u>262,967</u>
Total	<u>\$ 794,835</u>

(9) Prior Period Adjustments

A summary of significant fund balance adjustments is as follows:

Exhibit B - Statement of Activities

Explanation	Amount
1. To correct prior year accruals.	\$ (2,041)
2. To correct depreciation on capital assets.	(1,718)
Total	<u>\$ (3,759)</u>

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

Fund	Explanation	Amount
General Fund	To correct prior year accruals.	\$ (2,041)
Total		<u>\$ (2,041)</u>

**West Bolivar School District  
Notes to Financial Statements  
For the Year Ended June 30, 2011**

**(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 disallowance resulting from the grantor audit may become a liability of the school district.

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

**(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. Except as described below, the district carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Participation in Public Entity Risk Pool

The school district is a member of the Mississippi School Boards Association Workers' Compensation Trust (MSBAWCT). The trust is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. The trust consists of approximately 72 school districts and covers risks of loss arising from injuries to the members' employees. The Mississippi Workers' Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member. Each member of MSBAWCT contributes quarterly to a fund held in trust by Wells Fargo in Portland, Oregon. The funds in the trust account are used to pay any claim up to \$750,000. For a claim exceeding \$750,000, MSBAWCT has insurance which will pay the excess to the statutory amount required by the Mississippi Workers' Compensation Commission Act. If total claims during a year were to deplete the trust account, then the member school districts would be required to pay for the deficiencies. The district has not had an additional assessment for excess losses incurred by the pool.

**WEST BOLIVAR SCHOOL DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION**

West Bollivar School District  
 Budgetary Comparison Schedule for the General Fund  
 For the Year Ended June 30, 2011

	Budget Original	Amounts Final	Actual GAAP Basis	Variances Positive ( Negative)	
				Original to Final	Final to Actual
<b>REVENUES</b>					
Local sources	\$ 1,306,625	1,339,196	1,318,984	32,571	(20,212)
Intermediate sources		10,090	10,090	10,090	0
State sources	3,617,682	3,637,347	3,637,347	19,665	0
Federal sources	42,500	131,243	131,243	88,743	0
Total revenues	<u>4,966,807</u>	<u>5,117,876</u>	<u>5,097,664</u>	<u>151,069</u>	<u>(20,212)</u>
<b>EXPENDITURES</b>					
Instruction	3,127,262	2,318,051	2,318,051	809,211	0
Support services	2,016,482	2,087,930	2,087,930	(71,448)	0
Noninstructional services	17,913	17,982	27,959	(69)	(9,977)
Debt Service					
Principal	27,813	27,812	31,304	1	(3,492)
Interest	24,007	24,006	24,006	1	0
Other cost		4,492	1,000	(4,492)	3,492
Total expenditures	<u>5,213,477</u>	<u>4,480,273</u>	<u>4,490,250</u>	<u>733,204</u>	<u>(9,977)</u>
Excess (deficiency) of revenues over expenditures	<u>(246,670)</u>	<u>637,603</u>	<u>607,414</u>	<u>884,273</u>	<u>(30,189)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Insurance loss recoveries	2,500			(2,500)	0
Proceeds of refunding bonds		148,943		148,943	(148,943)
Proceeds from notes issued		177,955	187,975	177,955	10,020
Operating transfers in	655,221	106,581	158,564	(548,640)	51,983
Operating transfers out	(317,669)	(319,105)	(222,145)	(1,436)	96,960
Other uses	(624)			624	0
Total other financing sources and uses	<u>339,428</u>	<u>114,374</u>	<u>124,394</u>	<u>(225,054)</u>	<u>10,020</u>
Net change in fund balances	<u>92,758</u>	<u>751,977</u>	<u>731,808</u>	<u>659,219</u>	<u>(20,169)</u>
Fund balances:					
July 1, 2010, as originally reported	84,767	142,639	320,593	57,872	177,954
Prior period adjustments		(2,041)	(2,041)	(2,041)	0
July 1, 2010, as restated	<u>84,767</u>	<u>140,598</u>	<u>318,552</u>	<u>55,831</u>	<u>177,954</u>
June 30, 2011	<u>\$ 177,525</u>	<u>892,575</u>	<u>1,050,360</u>	<u>715,050</u>	<u>157,785</u>

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

West Bolivar School District  
 Budgetary Comparison Schedule for the Title I Basic Fund  
 For the Year Ended June 30, 2011

	Budget		Actual GAAP Basis	Variances	
	Original	Amounts Final		Positive ( Negative ) Original to Final	Final to Actual
<b>REVENUES</b>					
Local sources	\$	37	37	37	0
Federal sources	987,371	886,720	885,035	(100,651)	(1,685)
Total revenues	<u>987,371</u>	<u>886,757</u>	<u>885,072</u>	<u>(100,614)</u>	<u>(1,685)</u>
<b>EXPENDITURES</b>					
Instruction	333,240	374,789	374,789	(41,549)	0
Support services	588,247	461,802	461,802	126,445	0
Noninstructional services	59,884	44,981	44,981	14,903	0
Total expenditures	<u>981,371</u>	<u>881,572</u>	<u>881,572</u>	<u>99,799</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>6,000</u>	<u>5,185</u>	<u>3,500</u>	<u>(815)</u>	<u>(1,685)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer out	(6,000)	(3,500)	(3,500)	2,500	0
Total financing sources (uses)	<u>(6,000)</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>2,500</u>	<u>0</u>
Net change in fund balances	<u>0</u>	<u>1,685</u>	<u>0</u>	<u>1,685</u>	<u>(1,685)</u>
Fund balances:					
July 1, 2010	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30, 2011	<u>\$ 0</u>	<u>1,685</u>	<u>0</u>	<u>1,685</u>	<u>(1,685)</u>

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

West Bolivar School District  
 Budgetary Comparison Schedule for the Title I Low ARRA Fund  
 For the Year Ended June 30, 2011

	Budget		Actual GAAP Basis	Variances	
	Original	Amounts Final		Original to Final	Final to Actual
<b>REVENUES</b>					
Federal sources	\$ 934,038	548,597	546,097	(385,441)	(2,500)
Total revenues	<u>934,038</u>	<u>548,597</u>	<u>546,097</u>	<u>(385,441)</u>	<u>(2,500)</u>
<b>EXPENDITURES</b>					
Instruction	737,220	394,048	394,048	343,172	0
Support services	196,818	151,079	151,079	45,739	0
Noninstructional services		970	970	(970)	0
Total expenditures	<u>934,038</u>	<u>546,097</u>	<u>546,097</u>	<u>387,941</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>0</u>	<u>2,500</u>	<u>0</u>	<u>2,500</u>	<u>(2,500)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer out				0	0
Total financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	<u>0</u>	<u>2,500</u>	<u>0</u>	<u>2,500</u>	<u>(2,500)</u>
Fund balances:					
July 1, 2010,	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
June 30, 2011	<u>\$ 0</u>	<u>2,500</u>	<u>0</u>	<u>2,500</u>	<u>(2,500)</u>

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

West Bolivar School District  
 Budgetary Comparison Schedule for the 16th Section Interest Fund  
 For the Year Ended June 30, 2011

	Budget		Actual GAAP Basis	Variances	
	Original	Amounts Final		Original to Final	Final to Actual
<b>REVENUES</b>					
Sixteenth section sources	\$ 233,000	211,479	211,479	(21,521)	0
Total revenues	<u>233,000</u>	<u>211,479</u>	<u>211,479</u>	<u>(21,521)</u>	<u>0</u>
<b>EXPENDITURES</b>					
Sixteenth section	33,657	31,447	31,447	2,210	0
Total expenditures	<u>33,657</u>	<u>31,447</u>	<u>31,447</u>	<u>2,210</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	<u>199,343</u>	<u>180,032</u>	<u>180,032</u>	<u>(19,311)</u>	<u>0</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfer in					
Operating transfer out	<u>(326,608)</u>			326,608	0
Total financing sources (uses)	<u>(326,608)</u>	<u>0</u>	<u>0</u>	<u>326,608</u>	<u>0</u>
Net change in fund balances	<u>(127,265)</u>	<u>180,032</u>	<u>180,032</u>	<u>307,297</u>	<u>0</u>
Fund balances:					
July 1, 2010,	<u>26,037</u>	<u>26,735</u>	<u>26,735</u>	<u>698</u>	<u>0</u>
June 30, 2011	<u>\$ (101,228)</u>	<u>206,767</u>	<u>206,767</u>	<u>307,995</u>	<u>0</u>

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

West Bolivar School District  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2011

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.

WEST BOLIVAR SCHOOL DISTRICT

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WEST BOLIVAR SCHOOL DISTRICT

SUPPLEMENTAL INFORMATION

West Bollvar School District  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2011

Schedule 1

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Passed-through Mississippi Department of Education		
<b>Child Nutrition Cluster:</b>		
National School Lunch Program	10.555	\$ 388,967
National School Breakfast Program	10.553	126,232
Summer Food Service Program for Children	10.559	17,890
Fresh Fruit and Vegetable Program	10.582	23,481
Total U.S. Department of Agriculture Pass-Through Programs		<u>556,570</u>
<u>Federal Communications Commission</u>		
Direct Program:		
School Libraries of the Universal Service Fund	32.xxx	<u>106,574</u>
Total Federal Communications Commission		<u>106,574</u>
<u>U.S. Department of Education</u>		
Passed-through Mississippi Department of Education:		
<b>Title I, Part A Cluster</b>		
Title I - Grants to Local Educational Agencies	84.010	909,354
ARRA - Title I - Grants to Local Educational Agencies Recovery Act	84.389	<u>546,097</u>
Total Title I, Part A Cluster		<u>1,455,451</u>
<b>Special Education Cluster (IDEA):</b>		
Special Education Grants to States	84.027	272,615
Special Education Preschool Grants	84.173	10,323
ARRA - Special Education Grants to States, Recovery Act	84.391	<u>95,352</u>
Total Special Education Cluster (IDEA)		<u>378,290</u>
<b>Education Technology State Grants Cluster</b>		
ARRA - Education Technology State Grants, Recovery Act	84.386	19,739
Educational Technology Grants	84.318	<u>117,782</u>
Total Education Technology Grants Cluster		<u>137,521</u>
Total Department of Education - Other Programs		
Career and Technical Education - Basic Grant to States	84.048	34,800
Safe and Drug-Free Schools and Communities _ State Grants	84.186	5,082

West Bolivar School District  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2011

Schedule 1  
Page 2

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Federal Expenditures</u>
Rural Education	84.358	32,069
Improving Teacher Quality State Grants	84.367	167,325
Reading First State Grants	84.357	104,451
School Improvement Grants	84.377	1890
ARRA-State Fiscal Stabilization Fund (SFSF)- Education State Grants, Recovery Act	84.394	249,287
Education Jobs Fund	84.410	186,152
Total Other Programs		<u>781,056</u>
Total Department of Education Pass-Through Programs		<u>2,752,318</u>
<u>U.S. Department of Health and Human Services</u>		
Direct Program:		
Medical Assistance Program	93.778	24,501
Total U.S. Department of Health and Human Services - Direct Program		<u>24,501</u>
<b>Total Expenditures of Federal Awards</b>		<b>\$ <u>3,439,963</u></b>

Notes to Schedule

1. This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the financial statements.
2. The expenditure amounts include transfers out.
3. The pass-through entities did not assign identifying numbers to the school district.

West Bolivar School District  
 Schedule of Instructional, Administrative and Other Expenditures - Governmental Funds  
 For the Year Ended June 30, 2011

Schedule 2

<u>Expenditures</u>	<u>Total</u>	<u>Instruction and Other Student Instructional Expenditures</u>	<u>General Administration</u>	<u>School Administration</u>	<u>Other</u>
Salaries and fringe benefits	\$ 5,755,232	4,294,346	510,741	406,026	544,119
Other	<u>2,927,494</u>	<u>1,436,448</u>	<u>205,513</u>	<u>1,693</u>	<u>1,283,840</u>
Total	\$ <u>8,682,726</u>	<u>5,730,794</u>	<u>716,254</u>	<u>407,719</u>	<u>1,827,959</u>
Total number of students	865				
Cost per student	\$ <u>10,038</u>	<u>6,625</u>	<u>828</u>	<u>471</u>	<u>2,113</u>

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

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

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

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

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.

**WEST BOLIVAR SCHOOL DISTRICT**

**OTHER INFORMATION**

West Bolivar School District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund - Last Four Years

	<u>Unaudited</u>			
	<u>2011</u>	<u>2010*</u>	<u>2009*</u>	<u>2008*</u>
<b>Revenues:</b>				
Local sources	\$ 1,318,984	1,363,615	1,219,093	1,239,546
Intermediate sources	10,090		43,343	
State sources	3,637,347	3,685,055	4,271,094	4,704,053
Federal sources	131,243	136,350	22,346	238,356
<b>Total Revenue</b>	<b><u>5,097,664</u></b>	<b><u>5,185,020</u></b>	<b><u>5,555,876</u></b>	<b><u>6,181,955</u></b>
<b>Expenditures:</b>				
Instruction	2,318,051	3,032,280	3,554,746	3,693,156
Support services	2,087,930	2,161,194	2,207,721	2,384,420
Noninstructional services	27,959	17,308	56,811	551,857
Facilities acquisition and construction				58,005
Debt service:				
Principal	31,304	26,407	35,324	43,537
Interest	24,006	25,411	26,749	18,536
Other	1,000			
<b>Total Expenditures</b>	<b><u>4,490,250</u></b>	<b><u>5,262,600</u></b>	<b><u>5,881,351</u></b>	<b><u>6,749,511</u></b>
Excess (deficiency) of revenues over expenditures	<u>607,414</u>	<u>(77,580)</u>	<u>(325,475)</u>	<u>(567,556)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from notes issued	187,975			
Inception of leases				535,804
Sale of other property				9,400
Operating transfers in	158,564	497,570	536,374	
Operating transfers out	(222,145)	(323,976)	(261,108)	(178,301)
<b>Total Other Financing Sources (Uses)</b>	<b><u>124,394</u></b>	<b><u>173,594</u></b>	<b><u>275,266</u></b>	<b><u>366,903</u></b>
<b>Net Change in Fund Balances</b>	<b><u>731,808</u></b>	<b><u>96,014</u></b>	<b><u>(50,209)</u></b>	<b><u>(200,653)</u></b>
<b>Fund Balance:</b>				
July 1, as originally reported	320,593	223,897	274,106	482,668
Prior period adjustments	(2,041)	682		(7,909)
July 1, as restated	<u>318,552</u>	<u>224,579</u>	<u>274,106</u>	<u>474,759</u>
June 30,	<u>\$ 1,050,360</u>	<u>320,593</u>	<u>223,897</u>	<u>274,106</u>

\* SOURCE - PRIOR YEAR AUDIT REPORTS

West Bolivar School District  
Statement of Revenues, Expenditures and Changes in Fund Balance  
All Governmental Funds - Last Four Years

Unaudited

	2011	2010*	2009*	2008*
<b>Revenues:</b>				
Local sources	\$ 1,367,349	1,496,809	1,383,095	1,383,212
Intermediate sources	10,090		44,343	
State sources	4,266,305	4,322,002	5,016,312	5,380,424
Federal sources	3,439,963	2,863,369	2,261,782	2,710,937
Sixteenth section sources	211,518	198,402	224,927	216,794
<b>Total Revenue</b>	<b>9,295,225</b>	<b>8,880,582</b>	<b>8,930,459</b>	<b>9,691,367</b>
<b>Expenditures:</b>				
Instruction	4,365,968	4,688,701	4,826,203	5,034,310
Support services	3,464,628	3,616,552	3,552,194	3,914,844
Noninstructional services	567,502	544,104	650,881	1,212,263
Sixteenth section	31,447	33,515	30,131	27,752
Facilities acquisition and construction			17,252	78,143
<b>Debt service:</b>				
Principal	171,304	161,407	165,324	163,537
Interest	66,042	102,421	109,789	107,141
Other	15,835	550	585	561
<b>Total Expenditures</b>	<b>8,682,726</b>	<b>9,147,250</b>	<b>9,352,359</b>	<b>10,538,551</b>
Excess (deficiency) of revenues over expenditures	612,499	(266,668)	(421,900)	(847,184)
<b>Other Financing Sources (Uses)</b>				
Refunding bonds issued	1,425,000			
Proceeds from notes issued	187,975			
Premium on debt	20,497			
Payment to refunding bond escrow agent	(1,385,000)			
Inception of leases				535,804
Sale of other property				9,400
Transfers in	380,709	821,546	797,482	386,163
Transfers out	(380,709)	(821,546)	(797,482)	(386,163)
<b>Total Other Financing Sources (Uses)</b>	<b>248,472</b>	<b>0</b>	<b>0</b>	<b>545,204</b>
<b>Net Change in Fund Balances</b>	<b>860,971</b>	<b>(266,668)</b>	<b>(421,900)</b>	<b>(301,980)</b>
<b>Fund Balance:</b>				
July 1, as originally reported	723,173	993,916	1,417,549	1,726,876
Prior period adjustments	(2,041)	682	0	(7,909)
July 1, as restated	721,132	994,598	1,417,549	1,718,967
Increase (decrease) in reserve for inventory	4,915	(4,757)	(1,733)	562
<b>June 30,</b>	<b>\$ 1,587,018</b>	<b>723,173</b>	<b>993,916</b>	<b>1,417,549</b>

\* SOURCE - PRIOR YEAR AUDIT REPORTS

**WEST BOLIVAR SCHOOL DISTRICT**

**REPORTS ON INTERNAL CONTROL AND COMPLIANCE**

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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  
West Bolivar School District

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the West Bolivar School District as of and for the year ended June 30, 2011, which collectively comprise the West Bolivar School District's financial statements and have issued our report thereon dated February 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the West Bolivar School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the West Bolivar School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Bolivar School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the West Bolivar School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the school board and management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be used by anyone other than these specified parties.

*Bridgers & Company, P.C.*

Bridgers & Company, P.C.

Vicksburg, Mississippi

February 21, 2012

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AUDITOR'S REPORT  
ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Superintendent and School Board  
West Bolivar School District

Compliance

We have audited the compliance of the West Bolivar 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The West Bolivar 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 programs is the responsibility of the school district's management. Our responsibility is to express an opinion on the school district's compliance based on our audit.

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

In our opinion, the West Bolivar School District complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

The management of the West Bolivar 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 West Bolivar 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, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the school district's internal control over compliance.

A deficiency in an entity's 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.

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

This report is intended solely for the information and use of the school board and management, others within the entity, 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.

*Bridgers & Company, P.C.*  
Bridgers & Company, P.C.  
Vicksburg, Mississippi  
February 21, 2012

WEST BOLIVAR SCHOOL DISTRICT

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

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

Superintendent and School Board  
West Bolivar School District

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the West Bolivar School District as of and for the year ended June 30, 2011, which collectively comprise the West Bolivar School District's basic financial statements and have issued our report thereon dated February 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

The results of our procedures performed to test compliance with the requirements of Section 37-61-33 (3)(a)(iii), Miss. Code Ann. (1972), disclosed no instances of noncompliance. The district reported \$ 3,171, 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 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 and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Bridgers & Company, P.C.*  
Bridgers & Company, P.C.  
Vicksburg, Mississippi  
February 21, 2012

WEST BOLIVAR SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**West Bolivar School District  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011**

**Section 1: Summary of Auditor's Results**

Financial Statements

- |   |               |
|---|---------------|
| 1. Type of auditor's report issued on the financial statements:                         | Unqualified   |
| 2. Internal control over financial reporting:   |               |
| a. Material weaknesses identified?  | No            |
| b. Significant deficiency identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted?                                | No            |

**Federal Awards:**

- |   |               |
|---|---------------|
| 4. Internal control over major programs:  |               |
| a. Material weakness(es) identified?  | No            |
| b. Significant deficiency identified that are not considered to be material weaknesses? | None reported |
| 5. Type of auditor's report issued on compliance for major programs:                    | Unqualified   |
| 6. Any audit finding(s) reported as required by Section ____.510 of Circular A-133?     | No            |
| 7. Federal programs identified as major programs:                                       |               |
| a. State Fiscal Stabilization Cluster<br>CFDA # 84.394                                  |               |
| b. Title I, Part A Cluster<br>CFDA # 84.010<br>CFDA # 84.389                            |               |
| c. Special Education Cluster (IDEA)<br>CFDA # 84.027<br>CFDA # 84.173<br>CFDA # 84.391  |               |
| 8. The dollar threshold to distinguish between type A and type B programs:              | \$300,000     |
| 9. Auditee qualified as a low-risk auditee?   | No            |

**Section 2: Financial Statement Findings**

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

**Section 3: Federal Award Findings and Questioned Costs**

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