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ABERDEEN SCHOOL DISTRICT

Audited Financial Statements
For the Year Ended June 30, 2014



ABERDEEN SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT





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INDEPENDENT AUDITOR'S REPORT

Conservator and the Mississippi Department of Education

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Aberdeen School District, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's



discussion and analysis and budgetary comparison information on pages 4-12 and 37-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Aberdeen School District's financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133), the Schedule of Instructional, Administrative and Other Expenditures for Governmental Funds, and the other information section, which includes the Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Funds, Last Four Years are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The other information section, which includes the Statement of Revenues, Expenditures and Changes in Fund Balances—General Fund, Last Four Years and the Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Funds, Last Four Years has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2015, on our consideration of the Aberdeen School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Aberdeen School District's internal control over financial reporting and compliance.

Watkins, Ward and Stafford, PLLC
Jackson, Mississippi
January 22, 2015

Watkins Ward and Stafford, PLLC



MANAGEMENT'S DISCUSSION AND ANALYSIS



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

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

FINANCIAL HIGHLIGHTS

- Total net position for 2014 increased \$1,329,564 including a prior period adjustment of \$12,484, which represents a 24% increase from fiscal year 2013. Total net position for 2013 increased \$1,225,366, including a prior period adjustment of (\$13,133), which represents a 29% increase from fiscal year 2012.
- General revenues amounted to \$11,945,363 and \$11,673,625, or 80% and 79% of all revenues for fiscal years 2014 and 2013, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,939,287 or 20% of total revenues for 2014, and \$3,017,544, or 21% of total revenues for 2013.
- The District had \$13,567,570 and \$13,452,670 in expenses for fiscal years 2014 and 2013; only \$2,939,287 for 2014 and \$3,017,544 for 2013 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$11,945,363 for 2014 and \$11,673,625 for 2013 were adequate to provide for these programs.
- Among major funds, the General Fund had \$11,740,353 in revenues and \$10,870,803 in expenditures for 2014, and \$11,596,238 in revenues and \$10,114,784 in expenditures in 2013. The General Fund's fund balance increased by \$1,166,923, from 2013 to 2014, and increased by \$1,347,173, including a prior period adjustment of (\$73,848), from 2012 to 2013.
- Capital assets, net of accumulated depreciation, decreased by \$80,167 for 2014 and increased by \$990,014 for 2013. The decrease for 2014 was due primarily to disposals of mobile equipment and furniture and equipment.
- Total long-term debt increased by \$1,593 for 2014 and decreased by \$85,451 for 2013. The increase for 2014 was due primarily to principal payments on outstanding long-term debt. The liability for compensated absences increased by \$1,706 for 2014 and decreased by \$6,927 for 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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



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

The Statement of Net Position presents information on all the District's non-fiduciary assets and liabilities, with the differences between the two reported as "net position." Over time, increases or decreases in the District's net position may serve as a useful indicator of whether its financial position is improving or deteriorating.

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

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

Fund Financial Statements

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

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

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

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

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

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial



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

statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

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

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

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

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

Notes to the financial statements

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position

Net position may serve over time as a useful indicator of the District's financial position. Assets exceeded liabilities by \$6,833,197 as of June 30, 2014.

The District's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.



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

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

Table 1
Condensed Statement of Net Position

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	Percentage Change
Current assets	\$ 4,007,932	\$ 3,778,743	6.07 %
Restricted assets	1,066,277	141,350	654.35 %
Capital assets, net	4,506,933	4,587,100	(1.75) %
Total assets	<u>9,581,142</u>	<u>8,507,193</u>	12.62 %
Current liabilities	73,427	330,635	(77.79) %
Long-term debt outstanding	2,674,518	2,672,925	0.06 %
Total liabilities	<u>2,747,945</u>	<u>3,003,560</u>	(8.51) %
Net position:			
Net investment in capital assets	1,973,799	2,101,016	(6.06) %
Restricted	1,115,518	858,139	29.99 %
Unrestricted	3,743,880	2,544,478	47.14 %
Total net position	<u>\$ 6,833,197</u>	<u>\$ 5,503,633</u>	24.16 %

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

- Decrease in net capital assets in the amount of \$80,167.
- The principal retirement of \$337,862 of long-term debt.

Changes in net position

The District's total revenues for the fiscal years ended June 30, 2014 and June 30, 2013 were \$14,884,650 and \$14,691,169 respectively. The total cost of all programs and services was \$13,567,570 for 2014 and \$13,452,670 for 2013.



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

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

**Table 2
Changes in Net Position**

	Year Ended June 30, 2014	Year Ended June 30, 2013	Percentage Change
Revenues:			
Program revenues:			
Charges for services	\$ 120,630	\$ 250,671	(51.88) %
Operating grants and contributions	2,818,657	2,766,873	1.87 %
General revenues:			
Property taxes	5,031,090	5,015,200	0.32 %
Grants and contributions not restricted	6,728,662	6,558,198	2.60 %
Investment earnings	67,765	36,733	84.48 %
Other	117,846	63,494	85.60 %
Total revenues	14,884,650	14,691,169	1.32 %
Expenses:			
Instruction	7,270,825	6,875,845	5.74 %
Support services	5,311,939	5,408,241	(1.78) %
Non-instructional	891,262	989,519	(9.93) %
Interest on long-term liabilities	93,544	179,065	(47.76) %
Total expenses	13,567,570	13,452,670	0.85 %
Increase (Decrease) in net position	1,317,080	1,238,499	6.34 %
Net Position, July 1, as previously reported	5,503,633	4,278,267	28.64 %
Prior Period Adjustment	12,484	(13,133)	(195.06) %
Net Position, July 1, as restated	5,516,117	4,265,134	29.33 %
Net Position, June 30	\$ 6,833,197	\$ 5,503,633	24.16 %

Governmental activities

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



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

Table 3
Net Cost of Governmental Activities

	Total Expenses		Percentage Change
	2014	2013	
Instruction	\$ 7,270,825	\$ 6,875,845	5.74 %
Support services	5,311,939	5,408,241	(1.78) %
Non-instructional	891,262	989,519	(9.93) %
Interest on long-term liabilities	93,544	179,065	(47.76) %
Total expenses	\$ 13,567,570	\$ 13,452,670	0.85 %

	Net (Expense) Revenue		Percentage Change
	2014	2013	
Instruction	\$ (6,099,858)	\$ (5,643,278)	8.09 %
Support services	(4,527,507)	(4,671,099)	(3.07) %
Non-instructional	92,626	58,316	58.83 %
Interest on long-term liabilities	(93,544)	(179,065)	(47.76) %
Total net (expense) revenue	\$ (10,628,283)	\$ (10,435,126)	1.85 %

- Net cost of governmental activities (\$10,628,283 for 2014 and \$10,435,126 for 2013) was financed by general revenue, which is primarily made up of property taxes (\$5,031,090 for 2014 and \$5,015,200 for 2013) and state and federal revenues (\$6,728,662 for 2014 and 6,558,198 for 2013).
- Investment earnings amounted to \$67,765 for 2014 and \$36,733 for 2013.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$5,021,157, an increase of \$1,372,369 which includes an increase in inventory of \$6,569. \$3,735,413 or 74%, of the fund balance is unassigned, which represents the residual classification for the general fund's fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The remaining fund balance of \$1,285,744, or 26%, is either non-spendable, 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.

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 \$1,166,923.



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

The fund balance of Other Governmental Funds showed a increase in the amount of \$205,446, which includes an increase in inventory of \$6,569. 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 II-A Fund	No increase or decrease
EHA Part B Fund	No increase or decrease

BUDGETARY HIGHLIGHTS

During the year, the District revised the annual operating budget. Budget revisions were made to address and correct the original budgets to reflect more accurately the sources and uses of funding for the School District. Budget revisions made during the fiscal year were routine in nature and were insignificant when compared to total revenues and expenditures of the District.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2014, the District's total capital assets were \$8,554,085, including land, school buildings, building improvements and other improvements, buses, other school vehicles, furniture and equipment, and leased property under capital leases. This amount represents a gross decrease of \$186,221, from 2013 due primarily to the disposals of mobile equipment and furniture and equipment during the fiscal year. Total accumulated depreciation as of June 30, 2014, was \$4,047,152, and total depreciation expense for the year was \$309,423, resulting in total net capital assets of \$4,506,933.

Table 4
Capital Assets, Net of Accumulated Depreciation

	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>Percentage Change</u>
Land	\$ 142,757	\$ 142,757	0.00 %
Buildings	1,531,358	1,565,478	(2.18) %
Building improvements	1,624,341	1,698,267	(4.35) %
Improvements other than buildings	690,736	729,190	(5.27) %
Mobile equipment	245,760	264,680	(7.15) %
Furniture and equipment	271,981	148,884	82.68 %
Leased property under capital leases	-	37,844	(100.00) %
Total	\$ 4,506,933	\$ 4,587,100	(1.75) %

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



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

Debt Administration. At June 30, 2014, the District had \$2,674,518 in outstanding long-term debt, of which \$352,078 is due within one year. During the fiscal year, the District issued a capital lease in the amount of \$231,358. The District made principal payments totaling \$337,862 on outstanding long-term debt. The liability for compensated absences decreased \$1,706 from the prior year.

**Table 5
Outstanding Long-Term Debt**

	June 30, 2014	June 30, 2013	Percentage Change	
Three mill notes payable	\$ 450,000	\$ 590,000	(23.73)	%
Shortfall notes payable	73,053	107,237	(31.88)	%
Obligations under capital leases	231,358	-	N/A	%
Obligations under energy efficiency leases	626,776	684,063	(8.37)	%
Qualified school construction bonds payable	1,225,000	1,225,000	0.00	%
Compensated absences payable	68,331	66,625	2.56	%
Total	\$ 2,674,518	\$ 2,672,925	0.06	%

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

CURRENT ISSUES

The Aberdeen 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 any questions about this report or need additional financial information, contact the Superintendent's Office of the Aberdeen School District, PO Drawer 607, Aberdeen, MS 39730.



FINANCIAL STATEMENTS



ABERDEEN SCHOOL DISTRICT

Statement of Net Position
June 30, 2014

Exhibit A

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 3,625,772
Due from other governments	334,410
Inventories	47,750
Restricted assets	1,066,277
Capital assets, non-depreciable:	
Land	142,757
Capital assets, net of accumulated depreciation:	
Buildings	1,531,358
Building improvements	1,624,341
Improvements other than buildings	690,736
Mobile equipment	245,760
Furniture and equipment	271,981
Total Assets	9,581,142
Liabilities	
Accounts payable and accrued liabilities	53,052
Interest payable on long-term liabilities	20,375
Long-term liabilities, due within one year:	
Capital related liabilities	311,429
Non-capital related liabilities	40,649
Long-term liabilities, due beyond one year:	
Capital related liabilities	2,221,705
Non-capital related liabilities	100,735
Total Liabilities	2,747,945
Net Position	
Net investment in capital assets	1,973,799
Restricted for:	
Expendable:	
School-based activities	658,635
Debt service	432,141
Capital Improvements	1,187
Unemployment benefits	23,555
Unrestricted	3,743,880
Total Net Position	\$ 6,833,197

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



ABERDEEN SCHOOL DISTRICT

Statement of Activities
For the Year Ended June 30, 2014

Exhibit B

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities:						
Instruction	\$ 7,270,825	\$ -	\$ 1,170,967	\$ -		\$ (6,099,858)
Support services	5,311,939	120,630	663,802	-		(4,527,507)
Non-instructional	891,262	-	983,888	-		92,626
Interest on long-term liabilities	93,544	-	-	-		(93,544)
Total Governmental Activities	\$ 13,567,570	\$ 120,630	\$ 2,818,657	\$ -		\$ (10,628,283)

General Revenues:

Taxes:	
General purpose levies	4,738,040
Debt purpose levies	293,050
Unrestricted grants and contributions:	
State	6,371,599
Federal	357,063
Unrestricted investment earnings	67,765
Other	117,846
Total General Revenues	11,945,363

Change in Net Position	1,317,080
Net Position - Beginning, as previously reported	5,503,633
Prior Period Adjustments	12,484
Net Position - Beginning, as restated	5,516,117
Net Position - Ending	\$ 6,833,197

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



ABERDEEN SCHOOL DISTRICT
Governmental Funds

Balance Sheet
 June 30, 2014

Exhibit C

	Major Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Title I Basic Fund	Title II-A Fund	EHA Part B Fund			
Assets							
Cash and cash equivalents	\$ 3,625,697	\$ -	\$ -	\$ -	\$ -	922,291	\$ 4,547,988
Investments	-	-	-	-	-	144,061	144,061
Due from other governments	136,510	80,522	23,853	31,909	-	61,616	334,410
Due from other funds	166,498	-	-	-	-	11,272	177,770
Inventories	-	-	-	-	-	38,216	38,216
Prepaid	9,534	-	-	-	-	-	9,534
Total assets	<u>\$ 3,938,239</u>	<u>\$ 80,522</u>	<u>\$ 23,853</u>	<u>\$ 31,909</u>	<u>\$ -</u>	<u>\$ 1,177,456</u>	<u>\$ 5,251,979</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 52,976	\$ -	\$ -	\$ -	\$ -	76	\$ 53,052
Due to other funds	-	80,522	23,853	31,909	-	41,486	177,770
Total Liabilities	<u>52,976</u>	<u>80,522</u>	<u>23,853</u>	<u>31,909</u>	<u>-</u>	<u>41,562</u>	<u>230,822</u>
Fund Balances:							
Nonspendable:							
Inventory	-	-	-	-	-	38,216	38,216
Restricted:							
Debt service	-	-	-	-	-	452,518	452,518
Ad Valorem	99,789	-	-	-	-	-	99,789
Capital projects	-	-	-	-	-	1,187	1,187
Unemployment benefits	-	-	-	-	-	23,555	23,555
Other commitment	-	-	-	-	-	620,418	620,418
Assigned:							
Activity/athletic funds	50,061	-	-	-	-	-	50,061
Unassigned	3,735,413	-	-	-	-	-	3,735,413
Total Fund Balances	<u>3,885,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,135,894</u>	<u>5,021,157</u>
Total Liabilities and Fund Balances	<u>\$ 3,938,239</u>	<u>\$ 80,522</u>	<u>\$ 23,853</u>	<u>\$ 31,909</u>	<u>\$ -</u>	<u>\$ 1,177,456</u>	<u>\$ 5,251,979</u>

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



ABERDEEN SCHOOL DISTRICT
Governmental Funds

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

Exhibit C-1

Total fund balances for governmental funds \$ 5,021,157

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

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

Land	\$	142,757	
Buildings		3,646,062	
Building improvements		1,848,150	
Improvements other than buildings		961,372	
Mobile equipment		1,051,051	
Furniture and equipment		904,693	
Accumulated depreciation		<u>(4,047,152)</u>	4,506,933

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

Notes payable		(523,053)	
Capital Leases		(231,358)	
Energy efficiency lease obligations		(626,776)	
Other bonds payable		(1,225,000)	
Compensated absences		(68,331)	
Accrued interest payable		<u>(20,375)</u>	(2,694,893)

Net Position of governmental activities \$ 6,833,197

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



ABERDEEN SCHOOL DISTRICT
Governmental Funds

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

Exhibit D

	Major Funds					Total Governmental Funds
	General Fund	Title I Basic Fund	Title II-A Fund	EHA Part B Fund	Other Governmental Funds	
Revenues:						
Local sources	\$ 4,901,205	\$ -	\$ -	\$ -	\$ 421,824	\$ 5,323,029
State sources	6,391,201	-	-	-	129,038	6,520,239
Federal sources	447,947	826,187	164,856	401,507	1,190,154	3,030,651
Total Revenues	11,740,353	826,187	164,856	401,507	1,741,016	14,873,919
Expenditures:						
Instruction	5,969,868	608,324	142,014	151,221	296,429	7,167,856
Support services	4,698,095	160,566	23,197	243,292	206,071	5,331,221
Noninstructional services	-	38,584	-	-	848,574	887,158
Facilities acquisition and construction	-	-	-	-	-	-
Debt service:						
Principal	163,678	-	-	-	174,184	337,862
Interest	39,162	-	-	-	92,837	131,999
Other	-	-	-	-	500	500
Total Expenditures	10,870,803	807,474	165,211	394,513	1,618,595	13,856,596
Excess (Deficiency) of Revenues over (under) Expenditures	869,550	18,713	(355)	6,994	122,421	1,017,323
Other Financing Sources (Uses):						
Bonds and notes issued	337,749	-	-	-	-	337,749
Insurance recovery	-	-	-	-	-	-
Sale of transportation equipment	2,718	-	-	-	-	2,718
Sale of other property	7,615	-	-	-	395	8,010
Operating transfers in	1,166,128	-	355	-	395,138	1,561,621
Operating transfers out	(1,216,837)	(18,713)	-	(6,994)	(319,077)	(1,561,621)
Total Other Financing Sources (Uses)	297,373	(18,713)	355	(6,994)	76,456	348,477
Net Change in Fund Balances	1,166,923	-	-	-	198,877	1,365,800
Fund Balances:						
July 1, 2013, as previously reported	2,718,340	-	-	-	930,448	3,648,788
Prior period adjustments	-	-	-	-	-	-
July 1, 2013, as restated	2,718,340	-	-	-	930,448	3,648,788
Increase (Decrease) in inventory	-	-	-	-	6,569	6,569
June 30, 2014	\$ 3,885,263	\$ -	\$ -	\$ -	\$ 1,135,894	\$ 5,021,157

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



**ABERDEEN SCHOOL DISTRICT
Governmental Funds**

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

Exhibit D-1

Net Change in fund balances - total governmental funds **1,365,800**

Amounts reported for governmental activities in the statement of activities are

<p>1. Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Capital Outlay</td> <td style="width: 10%; text-align: right;">\$ 230,620</td> <td style="width: 30%;"></td> </tr> <tr> <td>Depreciation expense</td> <td style="text-align: right;"><u>(309,423)</u></td> <td style="text-align: right;">(78,803)</td> </tr> </table>	Capital Outlay	\$ 230,620		Depreciation expense	<u>(309,423)</u>	(78,803)			
Capital Outlay	\$ 230,620									
Depreciation expense	<u>(309,423)</u>	(78,803)								
<p>2. In the statement of activities, only the gain/loss on the sale of assets is reported. While in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in Net Position differs from the change in fund balance by the cost of the assets sold.</p>	<p style="text-align: right;">(13,848)</p>									
<p>3. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts and the difference between the carrying value of refunded debt and the acquisition cost of refunded debt when debt is first issued. These amounts are deferred and amortized in the statement of activities:</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Bonds and notes issued</td> <td style="width: 10%; text-align: right;">(337,749)</td> <td style="width: 30%;"></td> </tr> <tr> <td>Payments of debt principal</td> <td style="text-align: right;">337,862</td> <td></td> </tr> <tr> <td>Accrued interest payable</td> <td style="text-align: right;"><u>38,955</u></td> <td style="text-align: right;">39,068</td> </tr> </table>	Bonds and notes issued	(337,749)		Payments of debt principal	337,862		Accrued interest payable	<u>38,955</u>	39,068
Bonds and notes issued	(337,749)									
Payments of debt principal	337,862									
Accrued interest payable	<u>38,955</u>	39,068								
<p>4. Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in governmental funds.</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Change in compensated absences</td> <td style="width: 10%; text-align: right;">(1,706)</td> <td style="width: 30%;"></td> </tr> <tr> <td>Change in inventory</td> <td style="text-align: right;"><u>6,569</u></td> <td style="text-align: right;">4,863</td> </tr> </table>	Change in compensated absences	(1,706)		Change in inventory	<u>6,569</u>	4,863			
Change in compensated absences	(1,706)									
Change in inventory	<u>6,569</u>	4,863								
<p>Change in Net Position of governmental activities</p>	<p style="text-align: right;"><u>1,317,080</u></p>									

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



**ABERDEEN SCHOOL DISTRICT
Fiduciary Funds**

**Statement of Fiduciary Assets and Liabilities
June 30, 2014**

Exhibit E

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 530,411
Total Assets	<u>\$ 530,411</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 527,255
Due to Student Clubs	<u>3,156</u>
Total Liabilities	<u>\$ 530,411</u>

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



Note 1 – Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

As defined by accounting principles generally accepted in the United States of America, the school district is considered an "other stand-alone government." The school district is a related organization of, but not a component unit of, the city of Aberdeen since the governing authority of the city selects a majority of the school district's board but does not have financial accountability for the school district.

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

B. Government-wide and Fund Financial Statements

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

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

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

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



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

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

The school district reports the following major governmental funds:

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

Title I Basic Fund - This is a special revenue fund that accounts for federal sources received and expenditures incurred related to the District's Title I Program.

Title II-A Fund - This is a special revenue fund that accounts for federal sources received and expenditures incurred related to the District's Title II-A Improving Teacher Quality Program.

EHA Part B Fund - This is a special revenue fund that accounts for federal sources received and expenditures incurred to assist the District in providing a free appropriate public education to all children with disabilities.

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

The school district also reports fiduciary funds (agency funds) which focus on assets and liabilities only. The District's fiduciary funds include the following:

Payroll Clearing Fund - This fund is used as a clearing fund for payroll type transactions.

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

Accounts Payable Clearing Fund - This fund is used as a clearing fund for non-payroll type transactions.

Additionally, the school district reports the following fund types:

GOVERNMENTAL FUNDS

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

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

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

FIDUCIARY FUNDS

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



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

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

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

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

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

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

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

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

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

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

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

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



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

D. Encumbrances

An encumbrance system is maintained to account for commitments or assignments resulting from approved purchase orders, work orders and contracts. However, the school district attempts to liquidate all encumbrances at year-end. Encumbrances outstanding at year-end are not reported within committed or assigned fund balances.

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

1. Cash, Cash equivalents and Investments

Cash and cash equivalents

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 conservator. State statutes specify how these depositories are to be selected.

Investments

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

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

Investments for the district are reported at fair market value.

2. Receivables and payables

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

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

3. Due from Other Governments

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

4. Inventories and Prepaid Items

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

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



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

5. Restricted Assets

Certain resources set aside for repayment of debt are classified as restricted assets on the Statement of Net Position because their use is limited by applicable debt statutes, e.g. Qualified Zone Academy Bond sinking funds. Also, the nonexpendable portion of the Permanent Fund, if applicable, is classified as restricted assets because the 16th Section Principal fund is not available for use by the district except as provided for under state statute for loans from this fund. In addition, unspent proceeds from the issuance of long-term debt reported as cash and cash equivalents in a Capital Projects Fund is classified as restricted assets because the funds are to be spent for specific purposes outlined in resolutions approved by the board, bond documentation, etc.

6. Capital Assets

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

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

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

The following schedule details the capitalization thresholds:

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

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

7. Compensated Absences

Employees of the school district accumulate sick leave at a minimum amount as required by state law. A greater amount may be provided by school district policy provided that it does not exceed the provisions for leave as provided in Sections 25-3-93 and 25-3-95.



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

Some employees are allowed personal leave and/or vacation leave in accordance with school district policy. The district pays for unused leave for employees as required by Section 37-7-307(5), Miss. Code Ann. (1972).

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

8. Long-term Liabilities, 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 premiums as other financing sources of the current period. Issuance costs are reported as expenditures. See Note 6 for details.

9. Fund Balances

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

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

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

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

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

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

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



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

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.

It is the goal of the District to achieve and maintain an unassigned fund balance in the general fund at fiscal year-end of not less than 10% of general revenues. If the unassigned fund balance at fiscal year-end falls below the goal, the District shall develop a restoration plan to achieve and maintain the minimum fund balance.

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

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

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

Investments. Section 29-3-113 and 37-59-43, Miss. Code Ann. (1972), authorizes the conservator to invest excess funds in the types of investments authorized by Section 27-105-33(d) and (e), Miss. Code Ann. (1972). This section permits the following types of investments: (a) certificates of deposit or interest bearing accounts with qualified state depositories; (b) direct United States Treasury obligations; (c) United States Government agency, United States Government instrumentality or United States Government sponsored enterprise obligations, not to exceed fifty percent of all monies invested with maturities of thirty days or longer ; (d) direct security repurchase agreements and reverse direct security repurchase agreements of any federal book entry of only those securities enumerated in (b) and (c) above; (e) direct obligations issued by the United States of America that are deemed to include securities of, or other interests in, any open-end or closed-end management type investment company or investment trust approved by the State Treasurer and the Executive Director of the Department of Finance and Administration, not to exceed twenty percent of invested excess funds. Investment income on bond funds (Capital Projects), bond sinking funds (Debt Service Funds) and sixteenth section principal funds (Permanent Funds) must be credited to those funds. Investment income of \$100 or more of any fund must be credited to that fund. Investment income of less than \$100 can be credited to the General Fund.

Cash and Cash Equivalents

The carrying amount of the school district's deposits with financial institutions reported in the governmental funds and fiduciary funds was \$4,547,988 and \$530,411, respectively. The carrying amount of deposits reported in the government-wide financial statements was reported as cash and cash equivalents of \$3,625,772 and a portion of restricted assets in the amount of \$922,216. The bank balance was \$5,150,017.



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

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the district. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the district. As of June 30, 2014, none of the district's bank balance of \$5,150,017 was exposed to custodial credit risk.

Cash with Fiscal Agents

The was no carrying amount of school district's cash with fiscal agents held by financial institutions.

Investments

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

Investment Type	Rating	Maturities (in years)	Fair Value
U.S. Treasury SLGS Deposit	AAA/F1+	10 years	\$ 144,061
Total			<u>\$ 144,061</u>

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

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

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

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



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

Note 3 – Inter-fund Receivables, Payables and Transfers

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

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Other governmental funds	\$ 30,214
	Title I Fund	80,522
	Title II	23,853
	EHA Part B	31,909
Other governmental funds	Other governmental funds	11,272
Total		\$ 177,770

The primary purpose of the interfund balances is to eliminate deficit cash balances in certain special revenue funds caused by negative federal award program cash flows and to reflect interest that was due from the district's fiduciary funds.

B. Inter-fund Transfers

Transfers Out	Transfers In	Amount
General Fund	General Fund	\$ 821,344
	Title II-A Fund	355
	Other governmental funds	395,138
Title I Fund	General Fund	18,713
EHA Part B Fund	General Fund	6,994
Other governmental funds	General Fund	319,077
Total		\$ 1,561,621

Operating transfers were primarily for the following: indirect cost transfers, vocational and special education expenditure transfers, debt service transfers, unemployment compensation transfers, and other routine operating transfers.

Note 4 – Restricted Assets

The restricted assets represent the cash with fiscal agent and investment balance is zero and \$144,061, respectively, of the QSCB Bond Retirement Fund. In addition, restricted assets include the cash balance totaling \$922,216 of the 2011 Construction Fund resulting from unspent proceeds of long-term debt.



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

Note 5 – Capital Assets

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

	Balance 7/1/2013	Increases	Decreases	Adjustments	Balance 6/30/2014
Governmental Activities:					
<u>Non-depreciable capital assets:</u>					
Land	\$ 142,757	\$	\$	\$	\$ 142,757
Total non-depreciable capital assets	142,757	-	-	-	142,757
<u>Depreciable capital assets:</u>					
Buildings	3,646,062				3,646,062
Building improvements	1,848,150				1,848,150
Improvements other than buildings	961,372				961,372
Mobile equipment	1,100,805		108,834	59,080	1,051,051
Furniture and equipment	982,030	230,620	300,987	(6,970)	904,693
Leased property under capital leases	59,130			(59,130)	-
Total depreciable capital assets	8,597,549	230,620	409,821	(7,020)	8,411,328
<u>Less accumulated depreciation for:</u>					
Buildings	2,080,584	34,120			2,114,704
Building improvements	149,883	73,926			223,809
Improvements other than buildings	232,182	38,455		(1)	270,636
Mobile equipment	836,125	45,874	97,996	21,288	805,291
Furniture and equipment	833,146	117,048	297,977	(19,505)	632,712
Leased property under capital leases	21,286			(21,286)	-
Total accumulated depreciation	4,153,206	309,423	395,973	(19,504)	4,047,152
Total depreciable capital assets, net	4,444,343	(78,803)	13,848	12,484	4,364,176
Governmental activities capital assets, net	\$ 4,587,100	\$ (78,803)	\$ 13,848	\$ 12,484	\$ 4,506,933

Adjustments were needed to add costs incurred in prior year that were associated with the building improvements capitalized during the fiscal year. Adjustments were also needed to correct the cost and accumulated depreciation for furniture and equipment and leased property under capital leases.

Depreciation expense was charged to the following governmental functions:

	Amount
Governmental activities:	
Instruction	\$ 102,969
Support services	190,206
Non-instructional	16,248
Total depreciation expense - Governmental activities	\$ 309,423



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

Note 6 – Long-term Liabilities

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

	Balance 7/1/2013	Additions	Reductions	Balance 6/30/2014	Amounts due within one year
A. Three mill notes payable	\$ 590,000	\$	140,000	\$ 450,000	\$ 145,000
B. Shortfall notes payable	107,237		34,184	73,053	35,723
C. Obligations under capital leases		337,749	106,391	231,358	101,996
D. Obligations under energy efficiency leases	684,063		57,287	626,776	64,433
E. Qualified school construction bonds payable	1,225,000			1,225,000	-
F. Compensated absences payable	66,625	1,706		68,331	4,926
Total	<u>\$ 2,672,925</u>	<u>\$ 339,455</u>	<u>\$ 337,862</u>	<u>\$ 2,674,518</u>	<u>\$ 352,078</u>

A. Three mill notes payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Limited-tax note, Series 2008	3.46%	10/1/2008	10/1/2016	\$ 1,100,000	\$ 450,000
Total				<u>\$ 1,100,000</u>	<u>\$ 450,000</u>

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 145,000	\$ 15,570	\$ 160,570
2016	150,000	10,553	160,553
2017	155,000	5,363	160,363
Total	<u>\$ 450,000</u>	<u>\$ 31,486</u>	<u>\$ 481,486</u>

This debt will be retired from the 2008 Three Mill Note Fund (Debt Service Fund).



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

B. Shortfall notes payable

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Revenue shortfall note, Series 2012	3.10%	10/26/2012	10/26/2015	\$ 107,237	\$ 73,053
Total				<u>\$ 107,237</u>	<u>\$ 73,053</u>

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 35,723	\$ 2,265	\$ 37,988
2016	37,330	1,157	38,487
Total	<u>\$ 73,053</u>	<u>\$ 3,422</u>	<u>\$ 76,475</u>

This debt will be retired from the Shortfall Note Fund (Debt Service Fund).

C. Obligations under capital leases

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Capital Lease Agreement	1.90%	9/1/2013	9/1/2016	\$ 337,749	\$ 231,358
Total				<u>\$ 337,749</u>	<u>\$ 231,358</u>

Year Ending June 30	Principal	Interest	Total
2015	\$ 101,996	\$ 4,396	\$ 106,392
2016	103,933	2,458	106,391
2017	25,429	483	25,912
Total	<u>\$ 231,358</u>	<u>\$ 7,337</u>	<u>\$ 238,695</u>

This debt will be retired from the District Maintenance Fund (General Fund) with payments due on September 1st of each year of the agreement.



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

D. Obligations under energy efficiency leases

Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Energy performance contract lease	6.05%	3/10/2009	6/10/2021	\$ 820,684	\$ 626,776
Total				<u>\$ 820,684</u>	<u>\$ 626,776</u>

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

Year Ending June 30	Principal	Interest	Total
2015	\$ 64,433	\$ 34,857	\$ 99,290
2016	71,526	30,798	102,324
2017	79,091	26,301	105,392
2018	87,746	21,322	109,068
2019 – 2021	323,980	30,021	354,001
Total	<u>\$ 626,776</u>	<u>\$ 143,299</u>	<u>\$ 770,075</u>

This debt will be retired from the District Maintenance Fund (General Fund).

An energy efficiency lease agreement dated March 10, 2009, was executed by and between the district, the lessee, and Johnson Controls, Inc., the lessor.

The agreement authorized the borrowing of \$820,684 for the purchase 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 exceed fifteen (15) years.

The district entered into this 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.

E. Qualified school construction bonds payable

As more fully explained in Note 12, debt has been issued by the school district that qualifies as Qualified School Construction bonds. Debt currently outstanding is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Qualified school construction bond	0%	12/1/2010	12/1/2022	\$ 1,225,000	\$ 1,225,000
Total				<u>\$ 1,225,000</u>	<u>\$ 1,225,000</u>



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

F. Compensated absences payable

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

Note 7 – Other Commitments

Operating leases:

The school district has several operating leases for the following:

1. Four (4) Konica Minolta copiers
2. Two (2) Ricoh digital duplicators
3. One (1) Ricoh copier

Lease expenditures for the year ended June 30, 2014, amounted to \$13,786. Future lease payments for these leases are as follows:

Year Ending June 30	Amount
2015	\$ 13,786
2016	13,097
2017	13,097
Total	<u>\$ 39,980</u>

Note 8 – Defined Benefit Pension Plan

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

Funding Policy. PERS members are required to contribute 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2014 was 15.75% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The school district's contributions to PERS for the fiscal years ending June 30, 2014, 2013 and 2012 were 1,008,142, \$963,304 and \$929,219 respectively, which equaled the required contributions for each year.



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

Note 9 – Prior Period Adjustments

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

Exhibit B - Statement of Activities

<u>Explanation</u>	<u>Amount</u>
1. To correct the recording of a prior year asset or liability at the governmental fund level	\$ (71,929)
2. To correct the prior year cost and accumulated depreciation of capital assets	84,413
Total	<u>\$ 12,484</u>

Note 10 – Contingencies

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

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

Note 11 – Risk Management

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



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

Note 12 – Qualified School Construction Bonds

Section 1521 of the American Recovery and Reinvestment Act (ARRA) of 2009 provides for a source of capital at no or at nominal interest rates for costs incurred by certain public schools in connection with the construction, rehabilitation or repair of a public school facility or for the acquisition of land where a school will be built. Investors receive Federal income tax credits at prescribed tax credit rates in lieu of interest, which essentially allows state and local governments to borrow without incurring interest costs. While Qualified School Construction Bonds (QSCBs) are intended to be interest free to a borrower, the ARRA legislation allows a lender to charge supplemental interest, and such supplemental interest is the responsibility of the school district.

When the stated interest rate on the QSCB results in interest payments that exceed the supplemental interest payments discussed in the preceding paragraph, the school district may apply for a direct cash subsidy payment from the U.S. Treasury which is intended to reduce the stated interest rate to a nominal percentage. These subsidy payments do not include the amount of any supplemental interest paid on a QSCB.

The school district makes equal annual payments into a sinking fund which is used to payoff the bonds at termination. The current maturity limit of tax credit bonds is 17 years, per the U. S. Treasury Department.

Under this program, ten percent of the proceeds must be subject to a binding commitment to be spent within six months of issuance and 100% must be spent within three years. Up to two percent of bond proceeds can be used to pay costs of issuance. The amount on deposit at June 30, 2014 was \$144,061. The amount accumulated in the sinking fund at the end of the seventeen-year period will be sufficient to retire the debt. The following schedule reports the annual deposits to be made to the sinking fund by the school district.

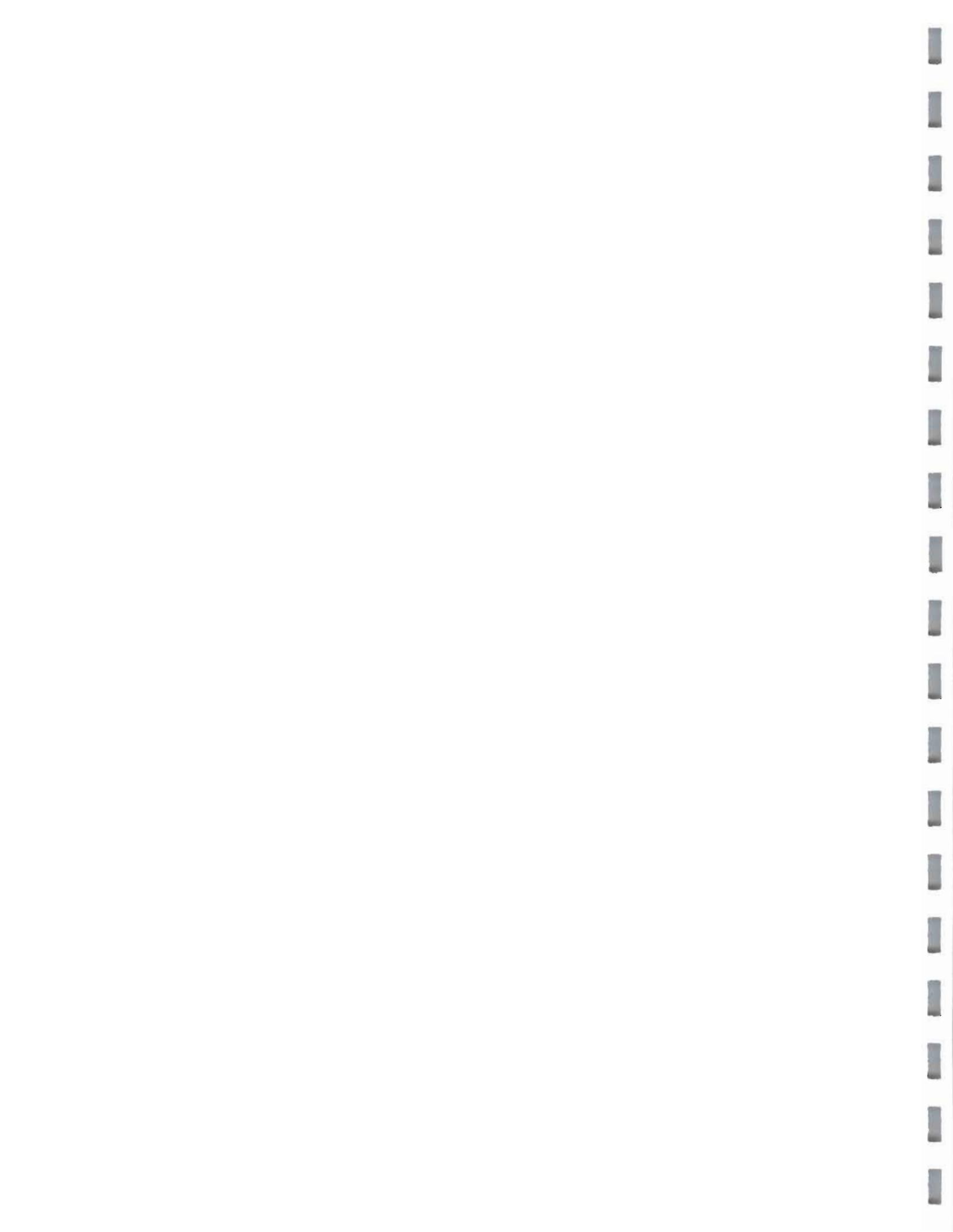
Year Ending June 30	Amount
2015	\$ 180,000
2016	144,000
2017	108,000
2018	108,000
2019 – 2023	434,000
Total	<u>\$ 974,000</u>

Note 13 - Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the Aberdeen School District evaluated the activity of the district through January 22, 2015, and determined that there were no subsequent events that should be noted in the financial statements.



REQUIRED SUPPLEMENTARY INFORMATION



ABERDEEN SCHOOL DISTRICT
Required Supplementary Information

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

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Local sources	\$ 5,198,801	\$ 5,198,801	\$ 4,901,205	\$ -	(297,596)
State sources	6,347,833	6,391,386	6,391,201	43,553	(185)
Federal sources	163,126	497,162	447,947	334,036	(49,215)
Total Revenues	11,709,760	12,087,349	11,740,353	377,589	(346,996)
Expenditures:					
Instruction	6,063,116	6,105,860	5,969,868	(42,744)	135,992
Support services	4,815,256	5,009,041	4,698,095	(193,785)	310,946
Noninstructional services	500	500	-	-	500
Debt service:					
Principal	206,113	206,113	163,678	(0)	42,435
Interest	-	-	39,162	-	(39,162)
Total Expenditures	11,084,985	11,321,514	10,870,803	(236,529)	450,711
Excess (Deficiency) of Revenues over (under) Expenditures	624,775	765,835	869,550	141,060	103,715
Other Financing Sources (Uses):					
Bonds and notes issued	-	337,749	337,749	337,749	-
Sale of transportation equipment	-	2,718	2,718	2,718	-
Sale of other property	-	7,615	7,615	7,615	-
Operating transfers in	1,371,540	1,166,128	1,166,128	(205,412)	-
Operating transfers out	(1,478,448)	(1,216,837)	(1,216,837)	261,611	-
Total Other Financing Sources (Uses)	(106,908)	297,373	297,373	404,281	-
Net Change in Fund Balances	517,867	1,063,208	1,166,923	545,341	103,715
Fund Balances:					
July 1, 2013, as previously reported	2,651,428	2,651,428	2,718,340	-	66,912
Prior period adjustments	-	-	-	-	-
July 1, 2013, as restated	2,651,428	2,651,428	2,718,340	-	66,912
June 30, 2014	\$ 3,169,295	\$ 3,714,636	\$ 3,885,263	\$ 545,341	\$ 170,627

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



ABERDEEN SCHOOL DISTRICT
Required Supplementary Information

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

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal sources	\$ 776,957	\$ 1,023,848	\$ 826,187	\$ 246,891	\$ (197,661)
Total Revenues	776,957	1,023,848	826,187	246,891	(197,661)
Expenditures:					
Instruction	550,692	722,234	608,324	(171,542)	113,910
Support services	184,017	230,060	160,566	(46,043)	69,494
Noninstructional services	40,095	47,619	38,584	(7,524)	9,035
Total Expenditures	774,804	999,913	807,474	(225,109)	192,439
Excess (Deficiency) of Revenues over (under) Expenditures	2,153	23,935	18,713	21,782	(5,222)
Other Financing Sources (Uses):					
Operating transfers out	(5,061)	(23,935)	(18,713)	(18,874)	5,222
Total Other Financing Sources (Uses)	(5,061)	(23,935)	(18,713)	(18,874)	5,222
Net Change in Fund Balances	(2,908)	-	-	2,908	-
Fund Balances:					
July 1, 2013	-	-	-	-	-
June 30, 2014	\$ (2,908)	\$ -	\$ -	\$ 2,908	\$ -

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



ABERDEEN SCHOOL DISTRICT
Required Supplementary Information

Budgetary Comparison Schedule
Title II-A Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual (GAAP Basis)	Variances		
				Original	Final	Original to Final
	Original	Final				
Revenues:						
Federal sources	\$ 275,400	\$ 204,338	\$ 164,856	\$ (71,062)	\$ (39,482)	
Total Revenues	275,400	204,338	164,856	(71,062)	(39,482)	
Expenditures:						
Instruction	102,392	143,063	142,014	(40,671)	1,049	
Support services	21,863	61,630	23,197	(39,767)	38,433	
Total Expenditures	124,255	204,693	165,211	(80,438)	39,482	
Excess (Deficiency) of Revenues over (under) Expenditures	151,145	(355)	(355)	(151,500)	-	
Other Financing Sources (Uses):						
Operating transfers in	-	355	355	355	-	
Total Other Financing Sources (Uses)	-	355	355	355	-	
Net Change in Fund Balances	151,145	-	-	(151,145)	-	
Fund Balances:						
July 1, 2013	-	-	-	-	-	
June 30, 2014	\$ 151,145	\$ -	\$ -	\$ (151,145)	\$ -	

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

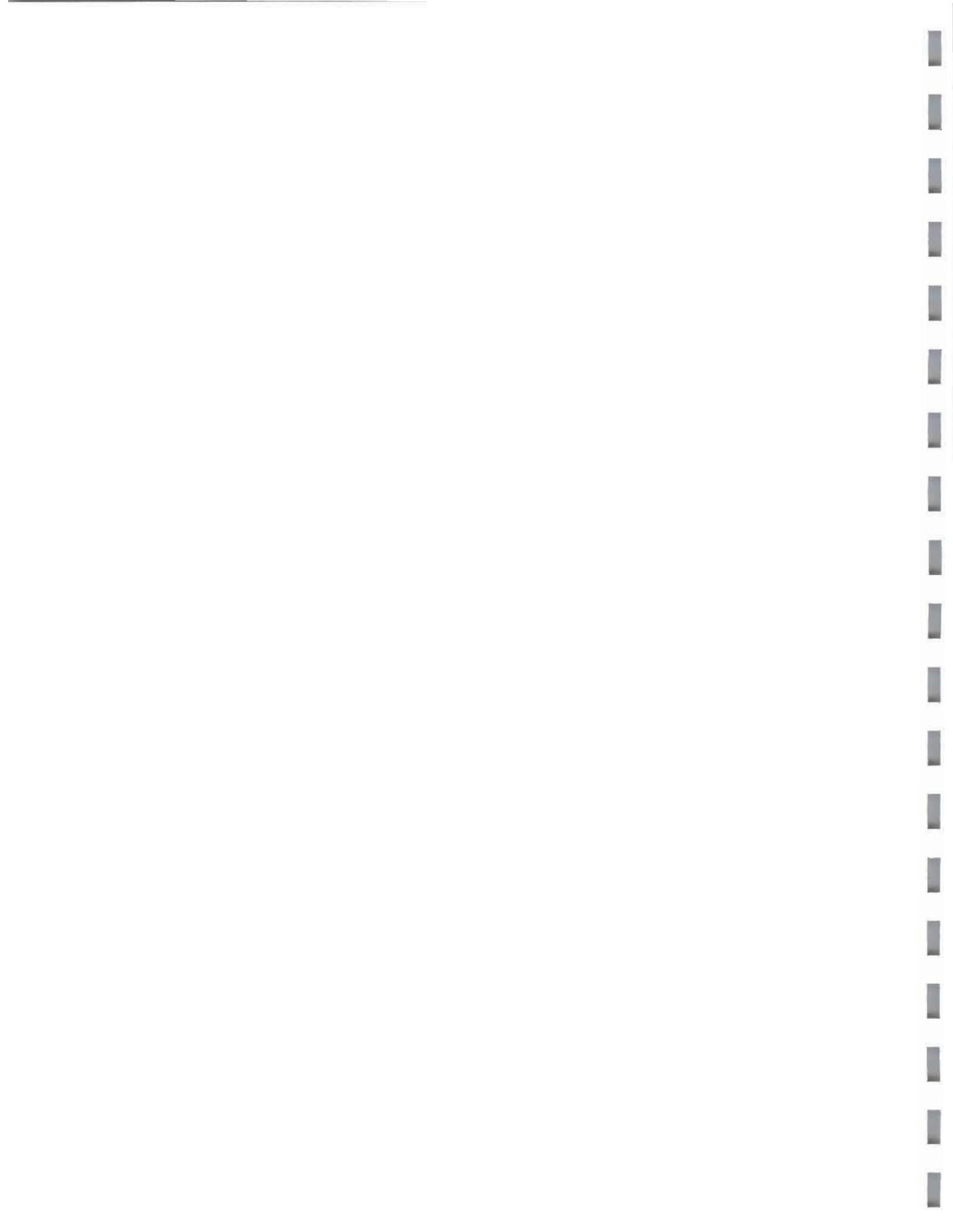


ABERDEEN SCHOOL DISTRICT
Required Supplementary Information

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

	Budgeted Amounts		Actual (GAAP Basis)	Variances	
				Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Federal sources	\$ 625,000	\$ 534,628	\$ 401,507	\$ (90,372)	\$ (133,121)
Total Revenues	625,000	534,628	401,507	(90,372)	(133,121)
Expenditures:					
Instruction	245,901	233,138	151,221	12,763	81,917
Support services	288,976	291,591	243,292	(2,615)	48,299
Noninstructional services	2,000	1,000	-	1,000	1,000
Total Expenditures	536,877	525,729	394,513	11,148	131,216
Excess (Deficiency) of Revenues over (under) Expenditures	88,123	8,899	6,994	(79,224)	(1,905)
Other Financing Sources (Uses):					
Operating transfers in	-	-	-	-	-
Operating transfers out	(8,899)	(8,899)	(6,994)	-	1,905
Total Other Financing Sources (Uses)	(8,899)	(8,899)	(6,994)	-	1,905
Net Change in Fund Balances	79,224	-	-	(79,224)	-
Fund Balances:					
July 1, 2013	-	-	-	-	-
June 30, 2014	\$ 79,224	\$ -	\$ -	\$ (79,224)	\$ -

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



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

Budgetary Comparison Schedule

(1) Basis of Presentation

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

(2) Budget Amendments and Revisions

The budget is adopted by the conservator and filed with the taxing authority. Amendments can be made on the approval of the conservator. 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.



SUPPLEMENTAL INFORMATION



ABERDEEN SCHOOL DISTRICT

Supplemental Information

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

Federal Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic Assistance No.	Federal Expenditures
<u>U.S. Department of Agriculture</u>		
Passed-through Mississippi Department of Education:		
Child nutrition cluster:		
School breakfast program	10.553	\$ 258,433
National school lunch program	10.555	606,568
Total child nutrition cluster		<u>865,001</u>
Total passed-through Mississippi Department of Education		<u>865,001</u>
Total U.S. Department of Agriculture		<u>865,001</u>
<u>U.S. Department of Defense</u>		
Direct Program:		
Reserve Officers' Training Corps	12.xxx	84,075
Total U.S. Department of Defense		<u>84,075</u>
<u>Federal Communications Commission</u>		
Administered through the Universal Service Administrative Company:		
The schools and libraries program of the universal service fund	32.xxx	243,267
Total Federal Communications Commission		<u>243,267</u>
<u>U.S. Department of Education</u>		
Passed-through Mississippi Department of Education:		
Twenty-First Century Community Learning Centers	84.287	107,830
Rural Education	84.358	26,169
Improving Teacher Quality State Grants	84.367	164,856
Subtotal		<u>298,855</u>
Title I cluster:		
Title I grants to local educational agencies	84.010	847,662
Total Title I cluster		<u>847,662</u>
Special education cluster:		
Special education - grants to states	84.027	401,508
Special education - preschool grants	84.173	56,332
Total special education cluster		<u>457,840</u>
Total passed-through Mississippi Department of Education		<u>1,604,357</u>
Total U.S. Department of Education		<u>1,604,357</u>
<u>U.S. Department of Health and Human Services</u>		
Passed through Mississippi Department of Education:		
Medical Assistance Program	93.778	6,259
Total U.S. Department of Health and Human Services		<u>6,259</u>
 Total for All Federal Awards		 <u>\$ 2,802,959</u>

NOTES TO SCHEDULE

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



ABERDEEN SCHOOL DISTRICT
Supplemental Information

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

Expenditures	Total	Instruction and Other Student Instructional Expenditures	General Administration	School Administration	Other
Salaries and fringe benefits	\$ 9,018,543	6,824,088	590,443	582,863	1,021,149
Other	4,838,053	1,242,717	482,780	34,106	3,078,450
Total	\$ 13,856,596	8,066,805	1,073,223	616,969	4,099,599
Total number of students *	1,259				
Cost per student	\$ 11,006	6,407	852	490	3,256

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

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

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

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

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

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



OTHER INFORMATION



ABERDEEN SCHOOL DISTRICT
Other Information

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund
Last Four Years
"UNAUDITED"

	2014	2013*	2012*	2011*
Revenues:				
Local sources	\$ 4,901,205	\$ 4,959,936	\$ 4,360,165	\$ 4,456,113
State sources	6,391,201	6,344,921	6,493,553	6,151,647
Federal sources	447,947	291,381	223,068	220,194
Total Revenues	<u>11,740,353</u>	<u>11,596,238</u>	<u>11,076,786</u>	<u>10,827,954</u>
Expenditures:				
Instruction	5,969,868	5,627,860	5,681,449	5,232,643
Support services	4,698,095	4,388,611	4,290,260	4,517,430
Noninstructional services	-	505	-	-
Facilities acquisition and construction	-	-	-	4,826
Debt service:				
Principal	163,678	50,761	50,661	45,523
Interest	39,162	47,047	40,251	42,741
Other	-	-	-	-
Total Expenditures	<u>10,870,803</u>	<u>10,114,784</u>	<u>10,062,621</u>	<u>9,843,163</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>869,550</u>	<u>1,481,454</u>	<u>1,014,165</u>	<u>984,791</u>
Other Financing Sources (Uses):				
Bonds and notes issued	337,749	107,237	-	-
Insurance recoveries	-	436	-	-
Sale of transportation equipment	2,718	606	-	-
Sale of other property	7,615	4,404	-	-
Operating transfers in	1,166,128	116,065	22,860	6,604
Operating transfers out	(1,216,837)	(289,181)	(363,316)	(271,259)
Other financing uses	-	-	-	(1,711)
Total Other Financing Sources (Uses)	<u>297,373</u>	<u>(60,433)</u>	<u>(340,456)</u>	<u>(266,366)</u>
Net Change in Fund Balances	<u>1,166,923</u>	<u>1,421,021</u>	<u>673,709</u>	<u>718,425</u>
Fund Balances:				
Beginning of period, as originally reported	2,718,340	1,371,167	775,669	37,244
Prior period adjustments	-	(73,848)	(78,211)	20,000
Beginning of period, as restated	<u>2,718,340</u>	<u>1,297,319</u>	<u>697,458</u>	<u>57,244</u>
Increase (Decrease) in reserve for inventory	-	-	-	-
End of Period	<u>\$ 3,885,263</u>	<u>2,718,340</u>	<u>1,371,167</u>	<u>775,669</u>

*SOURCE - PRIOR YEAR AUDIT REPORTS



ABERDEEN SCHOOL DISTRICT
Other Information

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

	2014	2013*	2012*	2011*
Revenues:				
Local sources	\$ 5,323,029	\$ 5,360,630	\$ 4,733,625	\$ 4,718,909
State sources	6,520,239	6,516,850	6,648,235	6,342,726
Federal sources	3,030,651	2,808,221	2,931,149	3,841,691
Total Revenues	14,873,919	14,685,701	14,313,009	14,903,326
Expenditures:				
Instruction	7,167,856	6,777,725	7,177,744	7,746,994
Support services	5,331,221	5,292,547	5,092,346	5,350,409
Noninstructional services	887,158	992,084	886,489	982,413
Facilities acquisition and construction	-	1,157,181	-	38,426
Debt service:				
Principal	337,862	185,761	180,661	170,523
Interest	131,999	140,732	107,930	76,649
Other	500	500	-	-
Total Expenditures	13,856,596	14,546,530	13,445,170	14,365,414
Excess (Deficiency) of Revenues over (under) Expenditures	1,017,323	139,171	867,839	537,912
Other Financing Sources (Uses):				
Proceeds of loans				1,225,000
Bonds and notes issued	337,749	107,237	-	-
Insurance recovery		436		
Sale of transportation equipment	2,718	606	-	-
Sale of other property	8,010	4,426	-	-
Operating transfers in	1,561,621	564,298	1,615,475	277,863
Other financing sources	-	-	35,000	-
Operating transfers out	(1,561,621)	(564,298)	(1,615,475)	(277,863)
Other financing uses	-	-	(35,000)	(1,711)
Total Other Financing Sources (Uses)	348,477	112,705	-	1,223,289
Net Change in Fund Balances	1,365,800	251,876	867,839	1,761,201
Fund Balances:				
Beginning of period, as originally reported	3,648,788	3,461,054	2,809,124	921,402
Prior period adjustments		(68,615)	(210,230)	124,589
Beginning of period, as restated	3,648,788	3,392,439	2,598,894	1,045,991
Increase (Decrease) in reserve for inventory	6,569	4,473	(5,679)	1,932
End of Period	\$ 5,021,157	3,648,788	3,461,054	2,809,124

*SOURCE - PRIOR YEAR AUDIT REPORTS



REPORTS ON INTERNAL CONTROL AND COMPLIANCE





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

Conservator and the Mississippi Department of Education
Aberdeen School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Aberdeen School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Aberdeen School District's basic financial statements, and have issued our report thereon dated January 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Aberdeen School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Aberdeen School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Aberdeen School District's internal control. A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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



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

Watkins Ward and Stafford, PLLC

Watkins, Ward, and Stafford, PLLC
Jackson, Mississippi
January 22, 2015





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**Independent Auditor's Report
on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance
Required by OMB Circular A-133**

Conservator and Mississippi Department of Education
Aberdeen School District

Report on Compliance for Each Major Federal Program

We have audited Aberdeen School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Aberdeen School District's major federal programs for the year ended June 30, 2014. Aberdeen School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Aberdeen School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Aberdeen School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of



expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Aberdeen School District's internal control over compliance.

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

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

Aberdeen School District's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan. Aberdeen School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response

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

Watkins, Ward, and Stafford, PLLC
Jackson, Mississippi
January 22, 2015

Watkins Ward and Stafford, PLLC



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

Conservator and Mississippi Department of Education
 Aberdeen School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Aberdeen School District as of and for the year ended June 30, 2014, which collectively comprise Aberdeen School District's basic financial statements and have issued our report thereon dated January 22, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

The results of our procedures performed to test compliance with the requirements of Section 37-61-33(3)(a)(iii), Miss. Code Ann. (1972), disclosed no instances of noncompliance. The district reported \$661 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 state laws and regulations and our audit of the financial statements did not disclose any instances of noncompliance with other state laws and regulations.

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

Watkins Ward and Stafford, PLLC

Watkins, Ward, and Stafford, PLLC
 Jackson, Mississippi
 January 22, 2015



SCHEDULE OF FINDINGS AND QUESTIONED COSTS



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

Section I: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|---------------|
| 1. | Type of auditor's report issued: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified? | None reported |
| 3. | Noncompliance material to financial statements noted? | No |

Federal Awards:

- | | | |
|----|--|------------|
| 4. | Internal control over major programs: | |
| | a. Material weakness identified? | No |
| | b. Significant deficiency identified? | Yes |
| 5. | Type of auditor's report issued on compliance for major programs: | Unmodified |
| 6. | Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? | Yes |

7. Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Cluster
10.553; 10.555; 10.559	Child Nutrition Cluster

- | | | |
|-----|---|-----------|
| 8. | Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 9. | Auditee qualified as low-risk auditee? | No |
| 10. | Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section __.315(b) of OMB Circular A-133. | No |



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

Section II: Financial Statement Findings

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

Section III: Federal Award Findings and Questioned Costs

2014-01 Finding

Internal Controls Surrounding the Reporting Requirements Should Be Strengthened

Program: Child Nutrition Cluster, Passed-Through the Mississippi Department of Education

CFDA# 10.553 - School Breakfast Program
CFDA# 10.555 - National School Lunch Program

Compliance requirement: Reporting

Management is responsible for complying with the requirements of the Mississippi Department of Education's Policies and Procedures Manual for Child Nutrition Programs, which requires that the school district's "Monthly Claim for Reimbursement - School Lunch and School Breakfast" report be received by the Mississippi Department of Education by the 10th day of the month following the reporting month.

During the test work surrounding the submission of the "Monthly Claim for Reimbursement -School Lunch and School Breakfast" report by the proper deadline, we noted that four of the ten required reports were not submitted to the Mississippi Department of Education by the 10th of the month.

Lack of adequate internal controls concerning the timely submission of the "Monthly Claim for Reimbursement - School Lunch and School Breakfast" reports by the proper deadline could result in the district not receiving its federal reimbursement in a timely manner to cover the expenditures of the program.

Recommendation:

The district should implement policies and procedures to ensure compliance with the reporting requirements of the Child Nutrition Cluster.



ABERDEEN SCHOOL DISTRICT

AUDITEE'S CORRECTIVE ACTION PLAN



ABERDEEN SCHOOL DISTRICT
P.O. Box 607
Aberdeen, MS 39730

Mr. Mac Curlee, Conservator
Latasha Straughter, Chief Financial Officer

AUDITEE'S CORRECTIVE ACTION PLAN

As required by Section __.315(c) of OMB Circular A-133, the Aberdeen School District has prepared and hereby submits the following corrective action plan for the finding included in the Schedule of Findings and Questioned Costs For the Year Ended June 30, 2014:

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2014-01	<p>a. Name of Contact Person Responsible for Corrective Action</p> <p>Name: Cassandra Chism Title: Food Service Director Phone number: 662-369-4682</p> <p>b. Corrective Action Planned:</p> <p>The district has implemented control procedures to ensure the proper and timely reporting is done to adhere to the policy to have all claims submitted by the 10th of each month.</p> <p>c. Anticipated Completion Date:</p> <p>June 30, 2015</p>

