

RENASANT CORP
Form 11-K
June 26, 2008
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2007

Or

Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 001-13253

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

RENASANT BANK 401(k) PLAN

**B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
RENASANT CORPORATION**

209 Troy Street

Tupelo, MS 38804

Table of Contents

RENASANT BANK 401(k) PLAN

TABLE OF CONTENTS

<u>Report of Independent Registered Public Accounting Firm</u>	1
<u>Statements of Net Assets Available for Benefits</u>	3
<u>Statements of Changes in Net Assets Available for Benefits</u>	4
<u>Notes to Financial Statements</u>	5
Supplemental Schedule	
<u>Schedule H, Line 4i - Schedule of Assets (Held at End of Year)</u>	9
All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

Table of Contents

**REPORT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Plan Administrator

Renasant Bank

Tupelo, Mississippi

We have audited the accompanying statements of net assets available for benefits of Renasant Bank 401(k) Plan as of December 31, 2007 and 2006, and the related statements of changes in net assets available for benefits for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards of the Public Company Accounting Oversight Board (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. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above of Renasant Bank 401(k) Plan as of December 31, 2007 and 2006, and for the years then ended present fairly, in all material respects, the net assets available for benefits of Renasant Bank 401(k) Plan as of December 31, 2007 and 2006, and changes in its net assets available for benefits for the years then ended in conformity with generally accepted accounting principles in the United States of America.

Table of Contents

Plan Administrator

Renasant Bank

Our audits of the Plan's financial statements as of and for the years ended December 31, 2007 and 2006, were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets (held at the end of the year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements as of December 31, 2007, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ T. E. Lott & Company

Columbus, Mississippi

June 24, 2008

Table of Contents

RENASANT BANK 401(k) PLAN

Statements of Net Assets Available for Benefits

Years Ended December 31, 2007 and 2006

	2007	2006
Assets:		
Investments, at fair value	\$ 45,938,480	\$ 45,755,992
Participant notes receivable	86,341	15,777
Total investments	46,024,821	45,771,769
Receivables:		
Employer contribution	3,280,015	2,842,141
Employee contribution	125	62,510
Dividends	137,497	118,880
Other	94,316	
Total receivables	3,511,953	3,023,531
Total assets	49,536,774	48,795,300
Other liabilities	152,444	
Total liabilities	152,444	
Net assets available for benefits	\$ 49,384,330	\$ 48,795,300

See Notes to Financial Statements.

Table of Contents

RENASANT BANK 401(k) PLAN

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2007 and 2006

	2007	2006
Additions:		
Investment income (loss):		
Interest	\$ 35,464	\$ 115,841
Dividends	522,757	503,493
Net appreciation (depreciation) in fair value of investments (Note E)	(5,274,922)	8,961,029
Total investment income (loss)	(4,716,701)	9,580,363
Contributions:		
Employer	3,280,015	2,842,141
Participant deferrals	2,642,628	2,262,607
Rollovers	1,151,495	793,075
Total contributions	7,074,138	5,897,823
Total additions	2,357,437	15,478,186
Deductions:		
Benefits paid to participants	2,901,513	2,570,245
Certain deemed distributions	30,926	5,667
Corrective distributions	13,003	
Other expenses	1,025	700
Total deductions	2,946,467	2,576,612
Net increase (decrease) in net assets available for benefits	(589,030)	12,901,574
Net assets available for benefits:		
Beginning of year	48,795,300	35,893,726
End of year	\$ 49,384,330	\$ 48,795,300

See Notes to Financial Statements.

Table of Contents

RENASANT BANK 401(k) PLAN

Notes to Financial Statements

December 31, 2007 and 2006

NOTE A DESCRIPTION OF PLAN

The following brief description of the Renasant Bank 401(k) Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General: The Plan is a defined contribution plan covering substantially all employees of Renasant Corporation (referred to herein as the Company). Employees who have completed three months of service and are age twenty-one or older are eligible to participate in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions: Each year, participants may contribute up to the applicable IRS limits, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The employer matches 100% of each eligible employee's salary deferral contribution up to four percent of each employee's compensation. The Company also contributes 5% of each eligible participant's total compensation and 5% of compensation in excess of the Social Security wage base. Contributions are subject to certain limitations.

On July 1, 2007, the Company completed its acquisition of Capital Bancorp, Inc. (Capital), a bank holding company headquartered in Nashville, Tennessee. Capital maintained a defined contribution plan for its employees. Capital agreed to terminate its 401(k) plan immediately prior to the closing date of the merger and to distribute amounts under the plan to the participants. Effective July 1, 2007, the Plan was amended to make all newly acquired eligible employees of Capital participants of the Plan. Eligible employees could have elected to roll over their distributions from the Capital 401(k) plan to the Plan. If an eligible Capital employee elected to roll over their distributions, these amounts are included in Rollovers under Contributions on the Statements of Changes in Net Assets Available for Benefits.

Participant Accounts: Each participant's account is credited with the participant's contribution and allocations of the employer contribution and plan earnings/losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting: Participants are immediately 100% vested in salary deferral contributions and earnings allocated to those accounts. Vesting in matching and nondiscretionary employer contributions is based on a six-year graduated schedule.

Payment of Benefits: Upon termination of service with the employer, benefits are paid in a lump-sum distribution, except those amounts allocable to the prior money purchase plan may be paid in the form of annuities. Benefits are recorded when paid.

Participant Notes Receivable: Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 or 50% of their deferral account balance. Loan availability is generally limited to hardship restrictions. Loan terms range from 1 to 5 years unless the loan is for the purchase of a principal residence. The loans are secured by the balance in the participant's account and bear interest at prime plus one. Principal and interest are paid ratably through payroll deductions.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The Plan's financial statements are prepared using the accrual basis of accounting, with the exception of the payment of benefits, which are recognized as a reduction in the net assets available for benefits of the Plan as they are disbursed to participants.

Investment Valuation: Quoted market prices are used to value investments. The Company's common stock is traded on the NASDAQ Global Select Market under the trading symbol RNST and is valued using the closing price on the last day of the Plan year. The participant loans are valued at their outstanding balances, which approximate fair value. Purchases and sales of securities are recorded on a trade-date basis.

Forfeitures: Forfeitures of non-vested employer match and profit sharing contributions will be used to reduce future employer contributions. There were forfeitures pending in the amount of \$109,508 and \$60,418 at December 31, 2007 and 2006, respectively. The forfeitures were used to reduce the Company's contribution.

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Administrative Expenses: The Plan sponsor absorbs all of the administrative expenses of the Plan. Such expenses have historically been comprised of fees of audit, custody and recordkeeping services.

Table of Contents

RENASANT BANK 401(k) PLAN

Notes to Financial Statements

December 31, 2007 and 2006

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Risks and Uncertainties: The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Impact of Recently-Issued Accounting Standards: In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 157, Fair Value Measurements (Statement 157), which provides guidance for using fair value to measure assets and liabilities. This statement also requires expanded disclosures about the extent to which a company measures assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. This statement applies whenever other standards require or permit assets and liabilities to be measured at fair value. This statement does not mandate the use of fair value in any circumstance. Statement 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years, with early adoption permitted. The adoption of Statement 157 will not have a material impact on the Plan.

NOTE C PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right at any time to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, all employees will become 100% vested in their accounts.

NOTE D TAX STATUS

The Plan obtained its latest determination letter on July 3, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since that date. The plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

NOTE E INVESTMENTS

The fair value of individual investments that represent 5% or more of the Plan's net assets as of December 31, 2007 and 2006, were as follows:

	2007		2006	
	Number of Units	Fair Value	Number of Units	Fair Value
Renasant Corporation Common Stock	809,475	\$ 17,460,376	738,943	\$ 22,633,824
Federated Total Return Bond K	615,564	6,586,532	508,855	5,363,329
American EuroPacific Growth R-3	60,690	3,038,117	48,145	2,209,869
Davis New York Venture R	65,790	2,634,894	52,820	2,037,280
Federated Max-Cap Index SS	104,937	2,473,372	105,093	2,734,509

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During 2007 and 2006, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by \$(5,274,922) and \$8,961,029, respectively, as follows:

Table of Contents

RENASANT BANK 401(k) PLAN

Notes to Financial Statements

December 31, 2007 and 2006

NOTE E INVESTMENTS (continued)

	2007	2006
Appreciation (depreciation) in fair value:		
Employer securities	\$ (6,625,708)	\$ 6,739,666
Registered investment companies	1,350,786	2,221,363
	\$ (5,274,922)	\$ 8,961,029

NOTE F RELATED PARTY TRANSACTIONS

Renasant Corporation sponsors the Plan. Renasant Corporation common stock is one of the investment options in the Plan. Renasant Bank is the trustee of the Plan. Federated Investors, Inc. and related subsidiaries act as custodian and a clearing house for the Plan, as well as investment advisor for certain of the Plan's investments.

Table of Contents

SUPPLEMENTAL SCHEDULE

8

Table of Contents**RENASANT BANK 401(k) PLAN**

EIN 64-0220550

PLAN 004

SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2007

(b)		(c)	(d)	(e)
Identity of issue, borrower, lessor or		Description of investment including maturity date, rate of	Cost	Current Value**
(a)	similar party	interest, collateral, par, or maturity value		
*	American	EuroPacific Growth R-3	**	\$ 3,038,117
*	Baron	Baron Growth Fund	**	1,002,538
*	Davis	Davis New York Venture R	**	2,634,895
*	Federated	Federated InterContinental Fund A	**	7,616
*	Federated	Federated Intl Small Company A	**	2,076,413
*	Federated	Federated Kaufmann A	**	552,211
*	Federated	Federated Kaufmann K	**	1,835,349
*	Federated	Federated Max Cap Index SS	**	2,473,372
*	Federated	Federated Mortgage SS	**	205,063
*	Federated	Federated Prime Obligations SS	**	795,124
*	Federated	Federated Stock Trust Fund	**	1,690,748
*	Federated	Federated Total Return Bond K	**	6,586,532
*	Federated	Federated Total Return Bond SS	**	444,492
*	Federated	Total Return Government Bond SS	**	508,134
*	Janus	Janus Adviser Forty Fund	**	1,821,325
*	Lord Abbett	Lord Abbett Mid-Cap Value A	**	590,651
*	MFS	MFS International Value A Fund	**	67,367
*	Robertson Stephens	Robertson Stephens Investment Trust Partners Fund	**	1,868,017
*	Touchstone	Touchstone Diversified Small Cap Value Fund	**	178,540
*	Renasant Corporation	Interest Bearing Cash	**	101,600
*	Renasant Corporation	Renasant Corporation Common Stock	**	17,460,376
*	Participant Loans	Range of interest rates from 5% to 10%	**	86,341
			**	\$ 46,024,821

* Denotes party-in-interest

** Cost information has been omitted for participant directed investments.

Table of Contents

SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this Annual Report on Form 11-K to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 24, 2008

RENASANT BANK 401(K) PLAN

/s/ Hollis Ray Smith
Hollis Ray Smith
Executive Vice President and

Human Resources Director