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Bienville Parish School Board
Arcadia, Louisiana

Annual Financial Statements
As of June 30, 2007 and for the Year Then Ended

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Release Date 2/6/08

Bienville Parish School Board
Annual Financial Statements
As of and for the Year Ended June 30, 2007
With Supplemental Information Schedules

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Bienville Parish School Board
Management Discussion and Analysis (MD&A)
June 30, 2007

Our discussion and analysis of Bienville Parish School Board's financial performance provides an overview of the School Boards' financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the School Board's financial statements, which will follow this Management's Discussion and Analysis.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34 Basic Financial Statements - and Management Discussion and Analysis - for State and Local governments issued June 1999.

Financial Highlights

The primary resources available to the Bienville Parish School Board are local revenues which are primarily tax receipts, state revenues which are primarily minimum foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

Total revenues for all funds increased \$1,805,884 due mainly to a \$1,540,044 increase in ad valorem tax, a \$1,385,794 increase in sales tax, and a \$1,095,507 decrease in Minimum Foundation Program funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

Total Expenditures for all funds increased \$134,322 mainly due to the increase in salaries and benefits.

Total ending fund balance of governmental funds for the year ended June 30, 2007 was \$19,068,708, this is an increase of \$3,907,482 or 25% from the year ended June 30, 2006 of \$15,161,228. An analysis of this increase follows with a glance at the individual fund balances:

- The General Fund's ending fund balance decreased \$836,198 or 23% from the previous year. This decrease was mainly due to salaries and benefits.
- The 23 Mill Fund's ending fund balance increased \$2,346,840 or 68% from the previous year. This increase was mainly due to an increase in ad valorem tax.
- The Special Sales Tax Fund's ending fund balance increased \$1,801,403 or 66% from the previous year. This increase was mainly due to an increase in sales tax.
- The Other Governmental Fund's ending fund balance increased \$595,437 or 11% from the previous year. This increase was mainly due to federal sources increases and decreases in expenditures.

Using This Annual Report

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and presented a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, this statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights

Bienville Parish School Board
Management Discussion and Analysis (MD&A)
June 30, 2007

into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, General Fund, 23 Mill, and Special Sales Tax Fund. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents, and other governments in Bienville Parish.

Our auditors have provided assurance in their independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses in the School Board's operating results. However, the School Board's goal is to provide services to our students, not generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Assets and Statement of Activities report the following activity for the School Board:

Governmental activities - all of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Bienville Parish School Board
Management Discussion and Analysis (MD&A)
June 30, 2007

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the school food service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental Funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental fund in a reconciliation on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds, and the sales tax collection fund. All of the School Board's fiduciary activities are reported in the Statement of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statement because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School Board as a Whole

The School Board's net assets were \$25,892,281 at June 30, 2007. Of this amount \$15,475,324 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets from day-to-day operations. Our analysis below focuses on the net assets (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

Bienville Parish School Board
Management Discussion and Analysis (MD&A)
June 30, 2007

Table 1
Net Assets
June 30,

	<u>2007</u>	<u>2006</u>	<u>\$ Variance</u>	<u>% of Change</u>
Assets				
Current & Other Assets	\$22,062,888	\$17,746,173	\$4,316,715	24.3%
Capital Assets (net)	<u>15,832,027</u>	<u>15,728,732</u>	<u>103,295</u>	<u>0.7%</u>
Total Assets	<u>\$37,894,915</u>	<u>\$33,474,905</u>	<u>\$4,420,010</u>	<u>13.2%</u>
Liabilities				
Current & Other Liabilities	\$3,042,454	\$2,669,968	\$372,486	14.0%
Long-term Liabilities	<u>8,960,180</u>	<u>9,831,930</u>	<u>(871,750)</u>	<u>-8.9%</u>
Total Liabilities	<u>12,002,634</u>	<u>12,501,898</u>	<u>(499,264)</u>	<u>-4.0%</u>
Net Assets				
Invested in capital assets, net	6,871,847	6,906,859	(35,012)	-0.5%
Restricted	3,545,110	3,610,445	(65,335)	-1.8%
Unrestricted	<u>15,475,324</u>	<u>10,455,703</u>	<u>5,019,621</u>	<u>48.0%</u>
Total Net Assets	<u>\$25,892,281</u>	<u>\$20,973,007</u>	<u>\$4,919,274</u>	<u>19.0%</u>

The \$15,475,324 in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Table 2
Statement of Activities
June 30,

	<u>2007</u>	<u>2006</u>	<u>\$ Variance</u>	<u>% of Change</u>
Revenue				
Program Revenue	\$4,464,578	\$4,711,383	(\$246,805)	-5.2%
General Revenue & Transfers	<u>26,654,808</u>	<u>24,601,836</u>	<u>2,052,972</u>	<u>8.3%</u>
Total Revenue	<u>31,119,386</u>	<u>29,313,219</u>	<u>1,806,167</u>	<u>6.2%</u>
Expenses				
Instruction	15,097,178	14,479,659	617,519	4.3%
Support Services	8,988,578	8,814,286	174,292	2.0%
Food Services	1,795,240	1,626,007	169,233	10.4%
Community Service Programs	0	43,986	(43,986)	-100.0%
Interest on Long-term debt	<u>319,116</u>	<u>317,695</u>	<u>1,421</u>	<u>0.4%</u>
Total Expenses	<u>26,200,112</u>	<u>25,281,633</u>	<u>918,479</u>	<u>3.6%</u>

Bienville Parish School Board
Management Discussion and Analysis (MD&A)
June 30, 2007

	<u>2007</u>	<u>2006</u>	<u>\$ Variance</u>	<u>% of Change</u>
Increase (Decrease) in Net	4,919,274	4,031,586	887,688	22.0%
Net Assets, beginning	<u>20,973,007</u>	<u>16,941,421</u>	<u>4,031,586</u>	<u>23.8%</u>
Net Assets, ending	<u>25,892,281</u>	<u>20,973,007</u>	<u>4,919,274</u>	<u>23.5%</u>

Governmental Activities

As reported in the Statement of Activities, the cost of all governmental activities this year was \$26,200,112. The amount that taxpayers ultimately finances for these activities through School Board taxes was only \$17,081,893 because some of the cost was paid by those who benefitted from the programs \$126,366 or by other governments and organizations who subsidized certain programs with grant and contributions \$4,338,212. The School board paid for the remaining public benefit portion of its governmental activities with \$17,081,893 in taxes, \$8,450,243 in Minimum Foundation Program funds, and with other revenues such as interest and other local sources.

In the table below we have presented the cost of each of the School Board's six largest functions - regular programs, special programs, other instructional programs, plant services, student transportation services, and food service as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows citizens to consider the cost of each function in comparison to the benefits that are provided by that function.

	Total Cost of Services			Net costs of services		
	<u>2007</u>	<u>2006</u>	<u>% of Change</u>	<u>2007</u>	<u>2006</u>	<u>% of Change</u>
Regular programs instructions	\$9,620,073	\$10,033,344	-4.1%	\$9,147,430	\$9,655,148	-5.3%
Special programs instructions	1,887,013	2,265,955	-16.7%	182,042	430,995	-57.8%
Other instructional programs	3,590,092	2,180,360	64.7%	3,108,988	1,449,668	114.5%
Plant Services	2,288,730	2,382,090	-3.9%	2,261,509	2,382,090	-5.1%
Student transportation services	2,298,875	2,183,345	5.3%	2,191,922	2,145,406	2.2%
Food services	1,795,240	1,626,007	10.4%	769,803	664,687	15.8%
All others	<u>4,720,089</u>	<u>4,610,532</u>	<u>2.4%</u>	<u>4,073,840</u>	<u>3,842,256</u>	<u>6.0%</u>
Totals	<u>\$26,200,112</u>	<u>\$25,281,633</u>	<u>3.6%</u>	<u>\$21,735,534</u>	<u>\$20,570,250</u>	<u>5.7%</u>

The School Board's Funds

As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

Bienville Parish School Board
Management Discussion and Analysis (MD&A)
June 30, 2007

Budgetary Highlights

As mentioned earlier, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.) All of the major funds, except the General fund, saw excess of revenues over expenditures exceeding \$1.7 million for the year. The excess for the 23 Mill Fund and the Special Sales Tax Fund is consistent with the prior year. The General Fund deficiency is a result of an increase in expenditures from 2006, mainly due to the increase in salaries and benefits.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2007, the School Board had \$15,832,027 invested in a broad range of capital assets, including land, buildings, furniture, and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of just over \$96,000 or 0.6% from last year.

Capital Assets
Governmental Activities
As of June 30,

	2007	2006
Land	\$103,189	\$103,189
Construction in Progress	60,055	0
Buildings	14,033,951	14,469,392
Furniture & Equipment	864,448	938,511
Transportation Equipment	770,384	224,640
Total	<u>\$15,832,027</u>	<u>\$15,735,732</u>

Debt Administration

At June 30, 2007, the School Board had \$7,715,000 in general obligation bonds outstanding with maturities from 2008-2018 with interest rates ranging from 2.45% to 10.00%. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2007, the School Board's net bonded debt of \$6,106,666 (total bonded debt of \$7,715,000 less assets in debt service fund of \$1,608,334) was well below the legal limit. For more detailed information, please refer to the Notes to the Financial Statements (Note 12).

Bienville Parish School Board
Management Discussion and Analysis (MD&A)
June 30, 2007

Contacting The School Board's Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have any questions about this report or wish to request additional information, contact Jarvis Osborne, Business Manager, at Bienville Parish School Board, P. O. Box 418, Arcadia, Louisiana 71001-0418, telephone number (318) 263-9416.

EDWARDS, WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA / Society of LCPA's

Independent Auditor's Report

Board Members
Bienville Parish School Board
Arcadia, Louisiana

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Bienville Parish School Board, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 27, 2007, on our consideration of the School Board's internal control over financial reporting and our tests of its compliance and other matters with certain provisions of laws, regulations, contracts, and grant agreements. The compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules, are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bienville Parish School Board's basic financial statements. The accompanying supplementary information, as referenced in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying other information, as referenced in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Edwards, Wade & Perry

Ruston, Louisiana
December 27, 2007

Bienville Parish School Board
Statement of Net Assets - Governmental Activities
June 30, 2007

ASSETS	
Cash and equivalents	\$9,427,629
Investments	10,886,967
Receivables (net)	1,688,072
Inventory	60,220
Capital assets, not being depreciated	
Land	103,189
Construction in progress	60,055
Capital assets being depreciated, net	
Buildings	14,033,951
Furniture	864,448
Transportation equipment	770,384
TOTAL ASSETS	<u>\$37,894,915</u>
LIABILITIES	
Accounts, salaries, and other payables	\$2,972,882
Interest payable	48,274
Unearned revenue	21,298
Incurred but not reported claims	0
Long-term liabilities:	
Due within one year	1,311,176
Due in more than one year	7,649,004
TOTAL LIABILITIES	<u>12,002,634</u>
NET ASSETS	
Invested in capital assets, net of related debt	6,871,847
Restricted for:	
School food service	1,164,437
Debt service	1,608,334
Capital projects	772,339
Unrestricted	15,475,324
TOTAL NET ASSETS	<u>\$25,892,281</u>

The accompanying notes are an integral part of this statement.

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Bienville Parish School Board
Statement of Activities
Year Ended June 30, 2007

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular programs	\$9,620,073		\$472,643	(\$9,147,430)
Special programs	1,887,013		1,704,971	(182,042)
Other instructional programs	3,590,092		481,104	(3,108,988)
Support services:				
Student services	299,008		22,606	(276,402)
Instructional staff support	1,191,041		316,743	(874,298)
General administration	1,217,314		195,669	(1,021,645)
School administration	1,319,767		90,897	(1,228,870)
Business services	373,843		20,334	(353,509)
Plant services	2,288,730		27,221	(2,261,509)
Student transportation services	2,298,875		106,953	(2,191,922)
Food services	1,795,240	\$126,366	899,071	(769,803)
Interest on long-term debt	319,116			(319,116)
Total governmental activities	<u>26,200,112</u>	<u>126,366</u>	<u>4,338,212</u>	<u>(21,735,534)</u>
General revenues:				
Taxes:				
Ad valorem taxes levied for general purposes				10,925,638
Sales taxes levied for maintenance and operation				6,156,255
Grants and contributions not restricted to specific programs				
State revenue sharing				138,635
Minimum Foundation Program				8,450,243
Investment earnings				894,140
Other general revenues				89,897
Total general revenues and transfers				<u>26,654,808</u>
Change in Net Assets				4,919,274
Net assets - beginning				<u>20,973,007</u>
Net assets - ending				<u>\$25,892,281</u>

The accompanying notes are an integral part of this statement.

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**Bienville Parish School Board
Balance Sheet, Governmental Funds
June 30, 2007**

Statement C

ASSETS					
	General Fund	23 Mill	Special Sales Tax	Other Governmental	Total
Cash and equivalents	\$1,785,966	\$1,495,545	\$4,139,789	\$2,006,329	\$9,427,629
Investments	2,067,294	3,938,332	487,788	4,393,553	10,886,967
Receivables	497,452		334,916	855,704	1,688,072
Interfund receivables	565,273				565,273
Inventories				60,220	60,220
TOTAL ASSETS	<u>\$4,915,985</u>	<u>\$5,433,877</u>	<u>\$4,962,493</u>	<u>\$7,315,806</u>	<u>\$22,628,161</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries, and other payables	\$2,136,915	(\$370,941)	\$446,183	\$760,725	\$2,972,882
Interfund payables				565,273	565,273
Unearned revenue				21,298	21,298
Total liabilities	<u>2,136,915</u>	<u>(370,941)</u>	<u>446,183</u>	<u>1,347,296</u>	<u>3,559,453</u>
Fund balances:					
Reserved for:					
Inventory				38,922	38,922
Debt service				1,608,334	1,608,334
Unreserved, reported in:					
Special revenue funds		5,804,818	4,516,310	3,548,915	13,870,043
Capital Projects funds				772,339	772,339
Undesignated	2,779,070				2,779,070
Total fund balances	<u>2,779,070</u>	<u>5,804,818</u>	<u>4,516,310</u>	<u>5,968,510</u>	<u>19,068,708</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$4,915,985</u>	<u>\$5,433,877</u>	<u>\$4,962,493</u>	<u>\$7,315,806</u>	<u>\$22,628,161</u>

The accompanying notes are an integral part of this statement.

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Bienville Parish School Board
 Reconciliation of Governmental Funds Balance Sheet
 to Government-Wide Financial Statement of Net Assets
 June 30, 2007

Fund balances, Total governmental funds (Statement C) \$19,068,708

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the Statement of Net Assets.

Balances at June 30, 2007 are:

Long-term liabilities:

Bonds payable	(\$7,715,000)	
Notes payable	(209,255)	
Compensated absences payable	<u>(1,035,925)</u>	(8,960,180)
Interest payable		(48,274)
Workers' compensation payable		0

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	28,645,013	
Accumulated depreciation	<u>(12,812,986)</u>	<u>15,832,027</u>
Net Assets of Governmental Activities (Statement A)		<u><u>\$25,892,281</u></u>

The accompanying notes are an integral part of this statement.

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Bienville Parish School Board
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2007

	General Fund	23 Mill	Special Sales Tax	Other Governmental	Total
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$2,384,095	\$3,881,068		\$4,660,475	\$10,925,638
Sales and use	2,998,883		\$2,998,878	158,494	6,156,255
Interest earnings	216,333	195,634	177,621	304,553	894,141
Food services				126,366	126,366
Other	90,358			681	91,039
State sources:					
Equalization	8,179,113			271,130	8,450,243
Other	805,425			109,701	915,126
Federal sources				3,561,722	3,561,722
Total Revenues	<u>14,674,207</u>	<u>4,076,702</u>	<u>3,176,499</u>	<u>9,193,122</u>	<u>31,120,530</u>
EXPENDITURES					
Current:					
Instruction:					
Regular programs	7,248,599	879,996	5,672	1,002,656	9,136,923
Special programs	76,216	7,999		1,750,549	1,834,764
Other instructional programs	2,808,066	208,626		520,466	3,537,158
Support services:					
Student services	253,826	15,862		23,816	293,504
Instructional staff support	668,247	68,712		360,696	1,097,655
General administration	486,415	59,178	52,088	610,675	1,208,356
School administration	972,084	133,917		226,315	1,332,316
Business services	309,704	24,935		38,132	372,771
Plant services	603,383	62,029	608,961	965,003	2,239,376
Student transportation services	1,765,034	194,917	70,113	186,325	2,216,389
Food services	161,055	73,691		1,561,434	1,796,180
Capital outlay	20,040		638,262	270,203	928,505
Debt service:					
Principal retirement	24,618			873,000	897,618
Interest and bank charges				325,312	325,312
Total Expenditures	<u>15,397,287</u>	<u>1,729,862</u>	<u>1,375,096</u>	<u>8,714,582</u>	<u>27,216,827</u>
Excess (Deficiency) of Revenues	(723,080)	2,346,840	1,801,403	478,540	3,903,703
OTHER FINANCING SOURCES					
Sale of capital asset	3,703			76	3,779
Transfers in	748,183			116,821	865,004
Transfers out	<u>(865,004)</u>				<u>(865,004)</u>
Total Other Financing Sources (Uses)	<u>(113,118)</u>	<u>0</u>	<u>0</u>	<u>116,897</u>	<u>3,779</u>

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Bienville Parish School Board
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2007

	General Fund	23 Mill	Special Sales Tax	Other Governmental	Total
Net Change in Fund Balance	(836,198)	2,346,840	1,801,403	595,437	3,907,482
Fund Balance – beginning	<u>3,615,268</u>	<u>3,457,978</u>	<u>2,714,907</u>	<u>5,373,073</u>	<u>15,161,226</u>
Fund Balance – ending	<u>\$2,779,070</u>	<u>\$5,804,818</u>	<u>\$4,516,310</u>	<u>\$5,968,510</u>	<u>\$19,068,708</u>

The accompanying notes are an integral part of this statement.

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Bienville Parish School Board
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2007

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

Net Change in Fund Balances, Total governmental funds (Statement E)	\$3,907,482
---	-------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Depreciation expense	(\$814,150)	
Capital outlay	<u>917,816</u>	103,666

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	897,618
--	---------

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the amounts earned (\$547,426) exceeded the vacation and sick time used (\$521,558).	(25,868)
--	----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Addition of incurred but not reported workers' compensation claims	31,322
--	--------

In the Statement of Activities, scrapping of assets are reported as a gain or loss net of book value.

Costs of assets scrapped	(422,403)	
Accumulated depreciation	<u>421,261</u>	
Net loss		(1,142)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due (\$325,312), and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due (\$319,116).

Change in Net Assets of Governmental Activities, Statement B	<u>6,196</u>
	<u>\$4,919,274</u>

The accompanying notes are an integral part of this statement.

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Bienville Parish School Board, Louisiana
Fiduciary Fund
Statement of Fiduciary Assets and Liabilities
June 30, 2007

		Agency Fund
	ASSETS	
Cash and equivalents		<u>\$253,166</u>
TOTAL ASSETS		<u>\$253,166</u>
	LIABILITIES	
Liabilities		
Deposits due others		<u>\$253,166</u>
Total liabilities		<u>\$253,166</u>

The accompanying notes are an integral part of this statement.

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Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Bienville Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The Bienville Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Bienville Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of seven members who are elected from seven districts for terms of four years.

The School Board operated eight schools within the parish with a total enrollment of approximately 2,457 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has not component units, defined by GASB statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

A. Funds

The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounts segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental funds - Governmental funds account for the School Board's general governmental activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt.

General Fund - the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

23 Mill - The parish-wide school district of the parish of Bienville, State of Louisiana (the "District"), shall levy a twenty-three (23) mills tax on all property subject to taxation in the district for a period of ten (10) years, beginning with the year 2002 and ending with the year 2011, for the payment of costs of employee benefits and retiree insurance.

Special sales tax - This fund accounts for the proceeds of a one percent parish-wide sales and use tax for maintaining and operating the parish schools and for capital improvements.

Fiduciary Funds - Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School activities agency fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Sales tax collection agency fund - accounts for monies collected on behalf of other taxing authorities within the parish.

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

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues and expenses resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non exchange Transactions.

Program revenues - Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Allocation of indirect expenses - The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Other indirect expenses are not allocated.

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

Fund Financial Statements (FFS)

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. 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 of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivables due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Entitlements and shared revenues (which included state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are recorded as follows: Salaries are recorded as paid. Salaries for nine-month employees are accrued as of June 30. Principal and interest on long-term debt is recognized when due. Inventory items are expensed as purchased except for school food service fund which is expensed as consumed.

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time of underlying events occur.

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

C. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities or 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal office in Louisiana.

D. Investments

Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB State No. 31:

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The School Board reported as amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

The School Board participates in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Cod Sec. I50.126, the investment in LAMP at the School Board is not categorized in the three risk categories provided by GASB Cod Sec. I50.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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.

All trade receivables are shown net of an allowance for uncollectives. The School Board calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

F. Elimination and Reclassification

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or classified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

G. Inventories

Inventories of the governmental fund-type are recorded as expenditures as purchased except for inventory of the School Food Service Fund. Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. Unused commodities as June 30 are reported as deferred revenue. All purchased inventory items are valued as cost (first-in, first-out). Commodities are assigned values based on information provided by the United States Department of Agriculture.

H. Capital assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10-40 years
Equipment	3-10 years

I. Compensated Absences

The School Board has the following policy relating to vacation and sick leave:

All 12-month employees earn from 10-18 days of sick leave each year that can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teacher's Retirement System, and the Louisiana School Employee's Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

The 12-month employees earn 12-18 days of vacation leave each year. Employees hired before July 1, 1994 can accumulate without limitation. Upon separation of employment, employees are paid for vacation time. Employees hired on or after July 1, 1994 can not accumulate more than 50 annual leave days. Upon separation of employment, employees are paid for vacation time. Employees hired on or after July 1, 2005 can accumulate up to 25 annual leave days. The employee will be compensated at his/her daily rate of pay for unused days in excess of 25. Employees hired prior to July 1, 2005 may elect to remain under their current annual leave policy or move to the new policy for employees hired on or after July 1, 2005.

The School Board's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach to accrue the liability for sick leave.

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be dated 27, 2007d with expendable available financial resources.

J. Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.
- Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net assets are reported on the Statement of Net Assets are restricted by law through constitutional provisions or enabling legislation.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

M. Sales Taxes

The School Board is authorized to collect a one cent sales tax within Bienville Parish. The tax has no expiration date. The proceeds from the tax are used for salaries and retirement benefits for school teachers and other school employees and/or for maintaining and operating school buildings, facilities, and equipment, and is recorded in the general fund. The costs of collecting and administering the tax are paid from the sales tax fund.

On August 2, 1994, the voters of Bienville Parish approved the assessment of a one per cent parish-wide sales tax, which is recorded as revenue in the special sales tax fund, a special revenue fund. The net revenues from the tax are used to pay for the maintenance and operation of the parish schools and for capital improvements to the parish schools. The tax is collected by the School Board and has no expiration date.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from the estimates.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

EXCESS OF EXPENDITURES OVER APPROPRIATIONS. The following individual funds had actual expenditures over budgeted appropriations for the year ended June 30, 2007.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Special Sales Tax	<u>\$1,025,606</u>	<u>\$1,382,018</u>	<u>(\$356,412)</u>
Total	<u>\$1,025,606</u>	<u>\$1,382,018</u>	<u>(\$356,412)</u>

3. LEVIED TAXES

The School Board levies taxes on real and business personal property located within Bienville parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Bienville Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

Millage rates adopted	September 14, 2006
Levy date	October 15, 2006
Tax bills mailed	December 1, 2006
Due date	December 31, 2006
Lien date	January 1, 2007
Tax sales date - 2006 delinquent property	June 30, 2007

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized</u>	<u>Levied</u>
Parish-wide taxes:		
Constitutional	5.71	5.71
Operational	7.21	7.21
Repair and upkeep	7.21	7.21
Employee benefit	10.55	10.55
Employee benefit and retirees insurance	21.10	21.10
District sinking fund taxes:		
School District #2	Variable	12.90
School District #4&5	Variable	15.90
School District #16-37	Variable	35.53
School District #33	Variable	42.06

4. DEPOSITS AND INVESTMENTS

At June 30, 2007, the School Board had \$10,886,967 investments. Of this amount, \$3,150,000 was in certificated of deposits; the remainder was as the following:

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

<u>Investment type</u>	<u>Maturities</u>	<u>Fair value</u>
LAMP	Less than 1 year	\$7,736,967

The School Board's policy does not address interest rate risk or credit rate risk. In the case of deposits this is the risk that in the event of a bank failure, the School Board's deposits may not be returned to it. As of June 30, 2007, the School Board had a bank balance of \$11,141,025 of which \$8,215 was exposed to custodial credit risk because it was uninsured and uncollateralized with security held by the pledging financial institutions trust department or agent.

5. RECEIVABLES

The receivables of \$1,688,072 at June 30, 2007, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Sales Tax</u>	<u>Other Governmental</u>	<u>Total</u>
Sales and use taxes	\$334,917	\$334,916	\$29,802	\$699,635
Grants	119,272		825,902	945,174
Other	43,263			43,263
Total	<u>\$497,452</u>	<u>\$334,916</u>	<u>\$855,704</u>	<u>\$1,688,072</u>

The School Board expects to collect these balances in full; therefore, no allowance for doubtful accounts was established.

6. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2007 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$103,189			\$103,189
Construction in progress		\$60,055		60,055
Total capital assets not being depreciated	<u>103,189</u>	<u>60,055</u>	<u>0</u>	<u>163,244</u>
Capital assets being depreciated:				
Buildings	21,922,427			21,922,427
Furniture and equipment	3,563,741	220,270	(\$22,274)	3,761,737
Transportation equipment	<u>2,559,472</u>	<u>638,262</u>	<u>(400,129)</u>	<u>2,797,605</u>
Total capital assets being depreciated	<u>28,045,640</u>	<u>858,532</u>	<u>(422,403)</u>	<u>28,481,769</u>
Buildings	7,460,035	428,441		7,888,476
Furniture and equipment	2,625,230	293,191	(21,132)	2,897,289
Transportation equipment	<u>2,334,832</u>	<u>92,518</u>	<u>(400,129)</u>	<u>2,027,221</u>
Total accumulated depreciation	<u>12,420,097</u>	<u>814,150</u>	<u>(421,261)</u>	<u>12,812,986</u>
Total capital assets being depreciated, net	<u>\$15,728,732</u>	<u>\$104,437</u>	<u>(\$1,142)</u>	<u>\$15,832,027</u>

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

Depreciation expense was charged to the following governmental functions:

Regular programs	\$515,051
Special programs	59,196
Other instructional programs	63,648
Pupil support	5,504
Instructional staff support	24,819
General administration	12,080
Business services	1,072
Operations and maintenance	49,354
Student transportation	82,486
Food services	940
Total	<u>\$814,150</u>

7. RETIREMENT SYSTEMS

Plan Description - Substantially all School Board employees participate in either the Teacher's Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit Provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age sixty with ten years of service, or at any age with twenty years of service. The formula for annual maximum retirement benefits is generally two percent (with less than twenty-five years of service) or 2.5 percent (with twenty-five or more years of service) times the years of creditable service times the average salary of the thirty-six highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age fifty-five with at least twenty-five years of creditable service and at age sixty with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the thirty-six highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after thirty years of service, or after twenty-five years of service at age fifty-five or after ten years of service at age sixty. The maximum retirement allowance is computed at 2.5 percent times the highest thirty-six months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

Teachers' Retirement System of Louisiana
P. O. Box 94123
Baton Rouge, LA 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
P. O. Box 44516
Baton Rouge, LA 70804
(225) 925-6484

Funding Policy - Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitutions of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded by deductions for local ad valorem taxes, and by remittances for the School Board. For the LSERS, the School Board's employer contributions is funded by annual appropriations.

The School Board does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contributions for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2007, are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.00%	15.80%
Louisiana School Employee's Retirement System	7.50%	19.60%

Total covered payroll of the School Board for TRS - Regular Plan, and LSERS for the year ended June 30, 2007, amounted to \$11,538,145 and \$1,564,422, respectively.

8. OTHER POST EMPLOYMENT BENEFITS

In accordance with statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees are provided through the State Employees Group Insurance Program.

The cost of benefits for retirees is paid jointly by the employee and the School Board. The School Board's portion of the cost is recognized as expenditure when the monthly premium is paid. The School Board's cost of retiree benefits for 2007 total \$1,968,635 for approximately 310 retirees.

9. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$2,972,882 at June 30, 2007, are as follows:

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

	<u>General</u>	<u>23 Mills</u>	<u>Special Sales Tax</u>	<u>Other</u>	<u>Total</u>
Salaries and benefits	\$1,816,514	(\$374,209)		\$511,103	\$1,953,408
Accounts	268,980	3,268	446,183	301,041	1,019,472
Total	<u>\$2,085,494</u>	<u>(\$370,941)</u>	<u>\$446,183</u>	<u>\$812,144</u>	<u>\$2,972,880</u>

10. COMPENSATED ABSENCES

At June 30, 2007, employees of the School Board have accumulated and vested \$1,035,925 of employee leave benefits. These employee benefits were computed in accordance with GASB Codification Section C60.

11. AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others for the year ended June 30, 2007:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
School activities agency	\$258,758	\$725,942	\$747,544	\$237,156
Sales tax agency	10,349	10,728,217	10,722,556	16,010
Total	<u>\$269,107</u>	<u>\$11,454,159</u>	<u>\$11,470,100</u>	<u>\$253,166</u>

12. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2007:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation debt	\$8,588,000		(\$873,000)	\$7,715,000	\$765,000
Other liabilities:					
Notes payable	233,873		(24,618)	209,255	24,618
Compensated absences	<u>1,010,057</u>	<u>547,426</u>	<u>(521,558)</u>	<u>1,035,925</u>	<u>521,558</u>
Long-term liabilities	<u>\$9,831,930</u>	<u>\$547,426</u>	<u>(\$1,419,176)</u>	<u>\$8,960,180</u>	<u>\$1,311,176</u>

The compensated absences liability and the Qualified Zone Academy Bond liability attributable to the governmental activities will be liquidated 100% by the General Fund.

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

All School Board bonds outstanding at June 30, 2007, are general obligation bonds. Individual obligation issues are as follows:

<u>School District</u>	<u>Bond Issue Date</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
#2	3/1/97	2,500,000	4.50-10.00%	3/1/12	\$138,937	\$1,175,000
#33	3/1/98	2,525,000	4.00-9.00%	3/1/13	181,400	1,240,000
#4 & 5	11/1/03	6,700,000	2.45-7.00%	3/1/18	1,221,897	5,300,000
Refunding #16 & 37	3/1/02	645,000	6.25%	3/1/07	0	0
Total general obligation bonds					<u>1,542,234</u>	<u>7,715,000</u>
Notes Payable	2/1/02	338,500	N/A	11/1/15	N/A	<u>209,254</u>
Total principal outstanding						<u>\$7,924,254</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At year end, the School Board has accumulated \$1,608,334 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>QZAB Loan Principal Payments</u>	<u>Bonds Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2008	\$24,618	\$765,000	\$280,645	\$1,045,645
2009	24,618	810,000	248,113	1,058,113
2010	24,618	850,000	220,475	1,070,475
2011	24,618	895,000	189,943	1,084,943
2012	24,618	945,000	156,688	1,101,688
2013 - 2017	86,164	2,850,000	422,970	3,272,970
2018	0	600,000	23,400	623,400
Total	<u>\$209,254</u>	<u>\$7,715,000</u>	<u>\$1,542,234</u>	<u>\$9,257,234</u>

13. INTERFUND RECEIVABLES / PAYABLES (FFS LEVEL ONLY)

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General fund		\$565,273
	Other governmental	(565,273)

The purpose of interfund receivables and payables was to pay for salaries from the sales tax.

14. INTERFUND TRANSFERS

Transfers for the year ended June 30, 2007, were as follows:

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General fund		\$483,272
Other governmental		381,732
	General fund	(865,004)

The purpose of the interfund transfers was to pay salaries from the sales tax.

15. RESERVED FUND BALANCES (FFS LEVEL ONLY)

Reservations:

Inventory - This amount represents the portion of fund balance relating to inventory on hand which is therefore unavailable to be expended for other purposes.

Debt Service - This amount represents the portion of fund balance that has been reserved in the debt service fund for future payment of principal and interest on bonded debt.

16. RISK MANAGEMENT

The School Board 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. A risk management program for workers' compensation insurance was established by the School Board several years ago. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. As of June 30, 2007, such interfund premiums did not exceed reimbursable expenditures. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

An insurance policy covers individual claims in excess of \$190,000. Maximum retention exposure for aggregate claims amounts to \$1,000,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimated of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information and does not include incremental costs. The total liability at June 30, 2007 was \$0.

<u>Year Ending June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Adjustment</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payment and Claims</u>	<u>Ending of Fiscal Year Liability</u>
2005	\$115,084		\$91,128	(\$135,819)	\$70,393
2006	70,393		101,537	(140,608)	31,322
2007	31,322	\$71,529	(27,906)	(74,945)	0

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Bienville Parish School Board, Louisiana
Notes to the Financial Statements
As of and For the Year Ended June 30, 2007

17. LITIGATIONS AND CLAIMS

Litigation. The School Board is a defendant in several lawsuits. Management and legal council for the School Board believe that the potential claims, if not covered by insurance, would not materially affect the School Board's combined financial position.

Tax Arbitrage Rebate. Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

18. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teacher's Retirement System of Louisiana on behalf of the School Board in the amount of \$9,962. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

19. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$8,450,243 to the School Board, which represents approximately 27% of the School Board's total revenue for the year.

REQUIRED SUPPLEMENTAL INFORMATION

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Bienville Parish School Board
Budgetary Comparison Schedule

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

GENERAL FUND The General Fund accounts for all activities of the School Board except those that are accounted for in other funds.

23 MILL The parish-wide school district of the parish of Bienville, state of Louisiana (the "District"), shall levy a twenty-three (23) mills tax on all property subject to taxation in the district for a period of ten (10) years, beginning with the year 2002 and ending with the year 2011, for the payment for costs of employee benefits and retiree insurance.

SPECIAL SALES TAX Accounts for the proceeds of a one percent parish-wide sales and use tax for maintaining and operating the parish schools and for capital improvements.

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Bienville Parish School Board, Louisiana
GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Favorable
	Original	Final	GAAP Basis	(Unfavorable) Variance
REVENUES				
Taxes:				
Ad valorem	\$2,129,575	\$2,475,000	\$2,384,095	(\$90,905)
Sales and use	2,300,000	2,850,000	2,998,883	148,883
Interest earnings	133,353	190,000	216,333	26,333
Other revenues	113,038	123,988	90,358	(33,630)
State sources:				
Equalization	7,614,067	8,179,113	8,179,113	0
Other	712,396	738,305	805,425	67,120
Federal - indirect costs	260,000	310,000		(310,000)
Total Revenues	13,262,429	13,262,429	14,674,207	1,411,778
EXPENDITURES				
General government:				
Instruction:				
Regular programs	7,834,098	8,100,202	7,248,599	851,603
Special programs	25,998	34,356	76,216	(41,860)
Other instructional programs	1,726,305	2,292,106	2,808,066	(515,960)
Support services:				
Student services	275,531	270,648	253,826	16,822
Instructional staff support	483,808	479,735	668,247	(188,512)
General administration	728,998	741,315	486,415	254,900
School administration	953,060	960,834	972,084	(11,250)
Business services	253,694	253,503	309,704	(56,201)
Plant services	513,969	526,107	603,383	(77,276)
Student transportation services	1,515,846	1,534,937	1,765,034	(230,097)
Central services	5,000	5,000		5,000
Food services	125,861	164,873	161,055	3,818
Community service programs	6,150	6,150		6,150
Capital outlay			20,040	(20,040)
Principal retirement			24,618	(24,618)
Total Expenditures	14,448,318	15,369,766	15,397,287	(27,521)
Excess (Deficiency) of Revenues over (under) Expenditures	(1,185,889)	(2,107,337)	(723,080)	1,384,257
OTHER FINANCING SOURCES (USES)				
Sale of surplus property		3,289	3,703	414
Operating transfers in	588,089	400,000	748,183	348,183
Operating transfers out	(588,089)	(644,107)	(865,004)	(220,897)
Total Other Financing Sources (Uses)	0	(240,818)	(113,118)	127,286
Net Change in Fund Balance	(1,185,889)	(2,348,155)	(836,198)	1,511,957
Fund Balance (Deficit) at Beginning of Year	2,664,686	3,615,268	3,615,268	0
Fund Balance (Deficit) at End of Year	\$1,478,797	\$1,267,113	\$2,779,070	\$1,511,957

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Bienville Parish School Board, Louisiana
 23 MILL
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Favorable</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>(Unfavorable)</u>
				<u>Variance</u>
REVENUES				
Taxes:				
Ad valorem	\$3,235,230	\$3,863,691	\$3,881,068	\$17,377
Interest earnings	78,000	166,318	195,634	29,316
Total Revenues	3,313,230	4,030,009	4,076,702	46,693
EXPENDITURES				
General government:				
Instruction:				
Regular programs	1,014,029	1,014,029	879,996	134,033
Special programs	25,289	8,932	7,999	933
Other instructional programs	198,605	230,039	208,626	21,413
Support services:				
Student services	22,713	18,816	15,862	2,954
Instructional staff support	97,589	78,226	68,712	9,514
General administration	158,867	69,068	59,178	9,890
School administration	156,825	148,598	133,917	14,681
Business services	28,158	25,610	24,935	675
Plant services	68,827	63,459	62,029	1,430
Student transportation services	243,957	229,229	194,917	34,312
Food services	110,397	88,929	73,691	15,238
Total Expenditures	2,125,256	1,974,935	1,729,862	245,073
Net Change in Fund Balance	1,187,974	2,055,074	2,346,840	291,766
Fund Balance (Deficit) at Beginning of Year	3,430,686	3,457,978	3,457,978	0
Fund Balance (Deficit) at End of Year	\$4,618,660	\$5,513,052	\$5,804,818	\$291,766

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Bienville Parish School Board, Louisiana
 SPECIAL SALES TAX
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts GAAP Basis	Favorable (Unfavorable) Variance
	Original	Final		
REVENUES				
Taxes:				
Sales and use	\$2,300,000	\$2,850,000	\$2,998,878	\$148,878
Interest earnings	62,000	167,555	177,621	10,066
Total Revenues	2,362,000	3,017,555	3,176,499	158,944
EXPENDITURES				
General government:				
Instruction:				
Regular programs	56,100	6,100	5,672	428
Support services:				
General administration	27,000	50,000	52,088	(2,088)
Plant services	690,000	680,500	608,961	71,539
Student transportation services		60,096	70,113	(10,017)
Non-instructional programs	185,000	7,000		7,000
Capital outlay	104,700	221,910	638,262	(416,352)
Total Expenditures	1,062,800	1,025,606	1,375,096	(349,490)
Excess (Deficiency) of Revenues over (under) Expenditures	1,299,200	1,991,949	1,801,403	(190,546)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	207,000	0	0	0
Total Other Financing Sources (Uses)	207,000	0	0	0
Net Change in Fund Balance	1,506,200	1,991,949	1,801,403	(190,546)
Fund Balance (Deficit) at Beginning of Year	2,362,964	2,714,907	2,714,907	0
Fund Balance (Deficit) at End of Year	\$3,869,164	\$4,706,856	\$4,516,310	(\$190,546)

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Bienville Parish School Board
Notes to the Budgetary Comparison Schedule

BUDGETS

General Budget Practices The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements.

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets that are not grant oriented. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the governor. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approved budgets at the function level and management can transfer amounts between line items within a function.

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OTHER SUPPLEMENTAL SCHEDULES

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COMBINING NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE

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Bienville Parish School Board
Combining Balance Sheet - by Fund Type
June 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and equivalents	\$1,707,628	\$275,147	\$23,554	\$2,006,329
Investments	2,301,731	1,333,187	758,635	4,393,553
Receivables	855,704			855,704
Inventory	60,220			60,220
TOTAL ASSETS	\$4,925,283	\$1,608,334	\$782,189	\$7,315,806
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	\$750,875		\$9,850	\$760,725
Interfund payables	565,273			565,273
Unearned revenue	21,298			21,298
Total liabilities	1,337,446	0	9,850	1,347,296
Fund balances:				
Reserved for:				
Inventory	38,922			38,922
Debt service		\$1,608,334		1,608,334
Unreserved, reported in:				
Special revenue funds	3,548,915			3,548,915
Capital Projects funds			772,339	772,339
Total fund balances	3,587,837	1,608,334	772,339	5,968,510
TOTAL LIABILITIES AND FUND BALANCES	\$4,925,283	\$1,608,334	\$782,189	\$7,315,806

Bienville Parish School Board
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - by Fund Type
For the Year Ended June 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$3,277,189	\$1,383,286		\$4,660,475
Sales and use	158,494			158,494
Interest earnings	185,306	74,541	\$44,706	304,553
Food services	126,366			126,366
Other	681			681
State sources:				
Equalization	271,130			271,130
Other	109,701			109,701
Federal sources	<u>3,561,722</u>			<u>3,561,722</u>
Total Revenues	<u>7,690,589</u>	<u>1,457,827</u>	<u>44,706</u>	<u>9,193,122</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	937,580		65,076	1,002,656
Special programs	1,750,549			1,750,549
Other instructional programs	520,466			520,466
Support services:				
Student services	23,816			23,816
Instructional staff support	360,696			360,696
General administration	610,675			610,675
School administration	226,315			226,315
Business services	38,132			38,132
Plant services	816,438		148,565	965,003
Student transportation services	186,325			186,325
Food services	1,561,434			1,561,434
Capital outlay	270,203			270,203
Debt service:				
Principal retirement		873,000		873,000
Interest and bank charges		325,312		325,312
Total Expenditures	<u>7,302,629</u>	<u>1,198,312</u>	<u>213,641</u>	<u>8,714,582</u>
Excess (Deficiency) of Revenues over Expenditures	387,960	259,515	(168,935)	478,540
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	76			76
Transfers in	116,821			116,821
Total Other Financing Sources (Uses)	<u>116,897</u>	<u>0</u>	<u>0</u>	<u>116,897</u>
Net Change in Fund Balance	504,857	259,515	(168,935)	595,437
Fund Balance - beginning	<u>3,082,980</u>	<u>1,348,819</u>	<u>941,274</u>	<u>5,373,073</u>
Fund Balance - ending	<u>\$3,587,837</u>	<u>\$1,608,334</u>	<u>\$772,339</u>	<u>\$5,968,510</u>

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Bienville Parish School Board
Nonmajor Special Revenue Funds

Repair and Upkeep The repair and upkeep fund accounts for a parish-wide ad valorem tax levy and related state revenue sharing received for the repair and maintenance of the School Board's existing facilities.

Nine Mill The nine mill fund accounts for a parish-wide ad valorem tax received for the purpose of paying salaries and benefits for employees and retirees of the Bienville Parish School Board.

Title IV This program was designed to assist state and local educational agencies to improve elementary and secondary education. Grants are awarded for students; at risk of failure in school; instructional materials; school-wide improvements and effective school programs; training and professional development; early identification of children with reading disabilities, personal excellence of students and student achievements; innovative enhancement projects to the educational program and climate of the school; and additional teaching staff in grades 1-3 to reduce instructional class size.

Medicaid Medicaid provides financial assistance to states for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women, the aged who meet income and resource requirements, and other categorically-eligible groups.

Carl Perkins This federally funded grant assists educational agencies to improve elementary and secondary education.

Consolidated Sales Tax Expense This fund accounts for fees earned from the collection of sales taxes by the sales tax department on behalf of the six taxing authorities located within Bienville Parish for the operation of the sales tax department.

Extended School Year This state grant is to assist educational agencies in providing a free appropriate public education to all children

School Food Service Through cash grants and food donations, the school food service fund assists in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

Miscellaneous Funds This includes various federal and state grants.

21st Century Community Learning Center This fund provides homework assistance and targeted remediation, academics such as the arts and technology, and recreational activities in an effort to provide safe, enriched environments to school communities serving large numbers of Title I children.

Rural Education Achievement This fund is to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning.

Title I This program was designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment, services supplement, not supplant, those normally provided by state and local educational agencies.

Title II This program was designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

IDEA This fund assists to pay the excess costs of providing special education and related services to children with disabilities.

Preschool The preschool incentive is a federally financed program designed to initiate early intervention techniques on identified preschool students so as to reduce learning problems these students will encounter upon entering school and to provide a continuum of services from the infant program up to the regular kindergarten program.

Title V This fund is used to support local education reform efforts that are consistent with and sustain statewide reform efforts; implement promising educational reform programs; provide for innovation and educational improvement; and assist in meeting the special needs of at-risk and high-cost students.

Special Olympics This fund was used to send children with disabilities to the Special Olympics meets.

Bienville Parish School Board
Combining Balance Sheet, Nonmajor Special Revenue Funds
June 30, 2007

	Repair and Upkeep	Nine Mill	Title IV	Medicaid	Carl Perkins	Consolidated Sales Tax Expense	Extended School Year	School Food Service	Miscellaneous Funds
ASSETS									
Cash and equivalents	\$151,557	\$121,101		\$93,788		\$70,577		\$1,217,224	\$53,174
Investments	1,485,462	814,939			\$11,843	1,330		4,052	705
Receivables			\$7,845			29,802	\$7,114	60,220	
Inventory									
TOTAL ASSETS	<u>\$1,637,019</u>	<u>\$936,040</u>	<u>\$7,845</u>	<u>\$93,788</u>	<u>\$11,843</u>	<u>\$101,709</u>	<u>\$7,114</u>	<u>\$1,281,496</u>	<u>\$53,879</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts, salaries, and other payables	70,364	270,926	882	(68)	11,843	4,144	4,497	95,761	53,879
Interfund payable			6,963				2,617		
Unearned revenue								21,298	
Total liabilities	<u>70,364</u>	<u>270,926</u>	<u>7,845</u>	<u>(68)</u>	<u>11,843</u>	<u>4,144</u>	<u>7,114</u>	<u>117,059</u>	<u>53,879</u>
Fund balances:									
Reserved for inventory	1,566,655	665,114		93,856		97,565		38,922	
Unreserved & undesignated	1,566,655	665,114	0	93,856	0	97,565	0	1,125,515	
Total fund balances	<u>1,566,655</u>	<u>665,114</u>	<u>0</u>	<u>93,856</u>	<u>0</u>	<u>97,565</u>	<u>0</u>	<u>1,164,437</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,637,019</u>	<u>\$936,040</u>	<u>\$7,845</u>	<u>\$93,788</u>	<u>\$11,843</u>	<u>\$101,709</u>	<u>\$7,114</u>	<u>\$1,281,496</u>	<u>\$53,879</u>

(CONTINUED)

Bienville Parish School Board
Combining Balance Sheet, Nonmajor Special Revenue Funds
June 30, 2007

	21 st Century Community Learning Center		Rural Education Achievement		Title I		Title II		IDEA		Preschool		Title V		Special Olympics		Total	
	ASSETS																	
Cash and equivalents																		
Investments																		
Receivables																		
Inventory																		
TOTAL ASSETS	\$229,804	\$229,804	\$64,807	\$64,807	\$333,213	\$333,213	\$54,996	\$54,996	\$106,855	\$106,855	\$4,668	\$4,668	\$0	\$0	\$207	\$207	\$1,707,628	\$1,707,628
																	2,301,731	2,301,731
																	855,704	855,704
																	60,220	60,220
																	\$4,925,283	\$4,925,283
LIABILITIES AND FUND BALANCES																		
Liabilities:																		
Accounts, salaries, and other payables																		
Interfund payable																		
Unearned revenue																		
Total liabilities																		
Fund balances:																		
Reserved for inventory																		
Unreserved & undesignated																		
Total fund balances																		
TOTAL LIABILITIES AND FUND BALANCES	\$229,804	\$229,804	\$64,807	\$64,807	\$333,213	\$333,213	\$54,996	\$54,996	\$106,855	\$106,855	\$4,668	\$4,668	\$0	\$0	\$207	\$207	\$4,925,283	\$4,925,283

(CONCLUDED)

Bienville Parish School Board
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2007

REVENUES	Repair and Upkeep	Nine Mill	Title IV	Medicaid	Carl Perkins	Consolidated Sales Tax Expense	Extended School Year	School Food	Miscellaneous Funds
Local sources:									
Taxes:									
Ad valorem	\$1,330,439	\$1,946,750							
Sales and use						\$158,494			
Interest earnings	71,711	31,295				2,584		\$79,716	
Food services								126,366	
Other									
State sources:									
Equalization								271,130	
Other	48,756			\$41,731			\$7,114	899,071	\$12,100
Federal sources									261,372
Total Revenues	1,450,906	1,978,045	\$18,602	41,731	\$59,951	161,078	7,114	1,376,283	273,472
EXPENDITURES									
Current:									
Instruction:									
Regular programs	227,910	643,716							372
Special programs		41,717							332,639
Other instructional programs		161,453		9,724			7,258		
Support services:									
Student services		12,678							
Instructional staff support		56,706							
General administration	14,854	48,969							
School administration	243,376	104,117	2,480			141,170			
Business services	74,699	23,115							
Plant services	8,897	52,864							
Student transportation services	763,574	159,789							
Food services		109,838						1,451,596	
Community service programs								80,677	
Capital outlay	67,076		4,984	4,750	59,951				
Debt service:									
Principal retirement									
Interest and bank charges									
Total Expenditures	1,400,386	1,414,962	18,602	14,474	59,951	141,170	7,258	1,532,273	333,011

Bienville Parish School Board
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2007

	Repair and Upkeep	Nine Mill	Title IV	Medicaid	Carl Perkins	Consolidated Sales Tax Expense	Extended School Year	School Food	Miscellaneous Funds
Excess (Deficiency) of Revenues over Expenditures	50,520	563,083	0	27,257	0	19,908	(144)	(155,990)	(59,539)
OTHER FINANCING SOURCES (USES)									
Sale of capital asset							144	76	59,539
Transfers in									
Transfers out									
Total Other Financing Sources (Uses)	0	0	0	0	0	0	144	76	59,539
Net Change in Fund Balance	50,520	563,083	0	27,257	0	19,908	0	(155,914)	0
Fund Balance - beginning	1,516,135	102,031	0	66,599	0	77,657	0	1,320,351	0
Fund Balance - ending	<u>\$1,566,655</u>	<u>\$665,114</u>	<u>\$0</u>	<u>\$93,856</u>	<u>\$0</u>	<u>\$97,565</u>	<u>\$0</u>	<u>\$1,164,437</u>	<u>\$0</u>

(CONTINUED)

Bienville Parish School Board
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2007

REVENUES	21 st Century Community Learning Center	Rural Education Achievement	Title I	Title II	IDEA	Preschool	Title V	Special Olympics	Total
Local sources:									
Taxes:									
Ad valorem									\$3,277,189
Sales and use									158,494
Interest earnings									185,306
Food services									126,366
Other	\$681								681
State sources:									
Equalization									271,130
Other									109,701
Federal sources	380,407	\$64,807	\$1,035,252	\$294,713	\$515,761	\$27,428	\$4,358		3,561,722
Total Revenues	381,088	64,807	1,035,252	294,713	515,761	27,428	4,358	0	7,690,589
EXPENDITURES									
Current:									
Instruction:									
Regular programs						775			937,580
Special programs									1,750,549
Other instructional programs		64,807	840,451	287,538	335,599	23,414			520,466
Support services:									
Student services									23,816
Instructional staff support	122,993		75,884		90,259				360,696
General administration	15,365		96,813	27,667	32,263	2,572			610,675
School administration					47,499				226,315
Business services			6,120						38,132
Plant services									816,438
Student transportation services	25,402				470	664			186,325
Food services									1,561,434
Community service programs									0
Capital outlay			29,877		18,530		4,358		270,203

Bienville Parish School Board
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2007

	21 st Century Community Learning Center	Rural Education Achievement	Title I	Title II	IDEA	Preschool	Title V	Special Olympics	Total
Debt service:									
Principal retirement									0
Interest and bank charges									0
Total Expenditures	<u>394,982</u>	<u>64,807</u>	<u>1,049,145</u>	<u>315,205</u>	<u>524,620</u>	<u>27,425</u>	<u>4,358</u>	<u>0</u>	<u>7,302,629</u>
Excess (Deficiency) of Revenues over Expenditures	(13,894)	0	(13,893)	(20,492)	(8,859)	3	0	0	387,960
OTHER FINANCING SOURCES (USES)									
Sale of capital asset	13,894		13,893	20,492	8,859				76
Transfers in									116,821
Transfers out									0
Total Other Financing Sources (Uses)	<u>13,894</u>	<u>0</u>	<u>13,893</u>	<u>20,492</u>	<u>8,859</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>116,897</u>
Net Change in Fund Balance	0	0	0	0	0	3	0	0	504,857
Fund Balance - beginning	0	0	0	0	0	0	0	\$207	3,082,980
Fund Balance - ending	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3</u>	<u>\$0</u>	<u>\$207</u>	<u>\$3,587,837</u>

(CONCLUDED)

Bienville Parish School Board
Nonmajor Debt Service Funds

School District #1
School District #2
School District #4 & 5
School District #16
School District #16-37
School District #28
School District #33

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the territorial boundaries of the respective wards.

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Bienville Parish School Board
Combining Balance Sheet, Nonmajor Debt Service Funds
June 30, 2007

	Dist #1	Dist #2	Dist #4&5	Dist #16	Dist #16-37	Dist #28	Dist #33	Total
ASSETS								
Cash and equivalents	\$967	\$140,183	\$31,325	\$4,752	\$3,133	\$67,094	\$27,693	\$275,147
Investments	22,953	164,509	806,530	7,136	53,069	21,773	257,217	1,333,187
Receivables								0
Inventory								0
TOTAL ASSETS	<u>\$23,920</u>	<u>\$304,692</u>	<u>\$837,855</u>	<u>\$11,888</u>	<u>\$56,202</u>	<u>\$88,867</u>	<u>\$284,910</u>	<u>\$1,608,334</u>
FUND BALANCES								
Fund balances:								
Reserved for:								
Debt service	\$23,920	\$304,692	\$837,855	\$11,888	\$56,202	\$88,867	\$284,910	\$1,608,334
Total fund balances	<u>23,920</u>	<u>304,692</u>	<u>837,855</u>	<u>11,888</u>	<u>56,202</u>	<u>88,867</u>	<u>284,910</u>	<u>1,608,334</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$23,920</u>	<u>\$304,692</u>	<u>\$837,855</u>	<u>\$11,888</u>	<u>\$56,202</u>	<u>\$88,867</u>	<u>\$284,910</u>	<u>\$1,608,334</u>

**Bienville Parish School Board
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Debt Service Funds
For the Year Ended June 30, 2007**

	<u>Dist #1</u>	<u>Dist #2</u>	<u>Dist #4&5</u>	<u>Dist #16</u>	<u>Dist #16-37</u>	<u>Dist #28</u>	<u>Dist #33</u>	<u>Total</u>
REVENUES								
Local sources:								
Taxes:								
Ad valorem								
Interest earnings	\$1,218	\$260,858	\$771,177	\$81	\$121,342	\$1,105	\$228,723	\$1,383,286
Total Revenues	<u>1,218</u>	<u>276,234</u>	<u>805,711</u>	<u>691</u>	<u>125,204</u>	<u>5,694</u>	<u>243,075</u>	<u>1,457,827</u>
EXPENDITURES								
Debt service:								
Principal retirement		195,000	365,000		138,000		175,000	873,000
Interest and bank charges		62,685	199,877		4,940		57,810	325,312
Total Expenditures	<u>0</u>	<u>257,685</u>	<u>564,877</u>	<u>0</u>	<u>142,940</u>	<u>0</u>	<u>232,810</u>	<u>1,198,312</u>
Excess (Deficiency) of Revenues over Expenditures	1,218	18,549	240,834	691	(17,736)	5,694	10,265	259,515
Fund Balance -- beginning	22,702	286,143	597,021	11,197	73,938	83,173	274,645	1,348,819
Fund Balance -- ending	<u>\$23,920</u>	<u>\$304,692</u>	<u>\$837,855</u>	<u>\$11,888</u>	<u>\$56,202</u>	<u>\$88,867</u>	<u>\$284,910</u>	<u>\$1,608,334</u>

Bienville Parish School Board
Nonmajor Capital Projects Funds

Consolidated School District #1 Sales Tax This fund is used to account for financial resources to be used to acquire, construct, or improve facilities withing school district #1.

School District #2 Building Fund This fund is used to account for financial resources to be used to acquire, construct, or improve facilities withing school district #2.

School District #4 & 5 Building Fund This fund is used to account for financial resources to be used to acquire, construct, or improve facilities withing school district #4 & 5.

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Bienville Parish School Board
Combining Balance Sheet, Nonmajor Capital Projects Funds
June 30, 2007

	Consolidated Sch Dist #1 Sales Tax	School District #2 Building Fund	School District #4&5 Building Fund	Total
ASSETS				
Cash and equivalents	\$967	\$4,299	\$18,288	\$23,554
Investments		108,635	650,000	758,635
TOTAL ASSETS	\$967	\$112,934	\$668,288	\$782,189
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables			9,850	9,850
Total liabilities	0	0	9,850	9,850
Fund balances:				
Undesignated	967	112,934	658,438	772,339
Total fund balances	967	112,934	658,438	772,339
TOTAL LIABILITIES AND FUND BALANCES	\$967	\$112,934	\$668,288	\$782,189

Bienville Parish School Board
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Nonmajor Capital Projects Funds
For the Year Ended June 30, 2007

	Consolidated Sch Dist #1 Sales Tax	School District #2 Building Fund	School District #4&5 Building Fund	Total
REVENUES				
Local sources:				
Interest earnings	\$51	\$5,892	\$38,763	\$44,706
Total Revenues	51	5,892	38,763	44,706
EXPENDITURES				
Current:				
Instruction:				
Regular programs			65,076	65,076
Support services:				
Plant services			148,565	148,565
Capital outlay				0
Total Expenditures	0	0	213,641	213,641
Excess (Deficiency) of Revenues over Expenditures	51	5,892	(174,878)	(168,935)
Fund Balance - beginning	916	107,042	833,316	941,274
Fund Balance - ending	\$967	\$112,934	\$658,438	\$772,339

Bienville Parish School Board
Agency Funds

School Activities Agency Fund The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

Sales Tax Agency Fund The sales tax agency fund accounts for the collection and distribution of sales taxes by the sales tax department of the Bienville Parish School Board on behalf of the seven taxing authorities located within Bienville Parish.

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Bienville Parish School Board, Louisiana
 Agency Funds
 Combining Schedule of Fiduciary Assets and Liabilities
 June 30, 2007

	School Activities	Sales Tax	Total
ASSETS			
Cash and equivalents	\$237,156	\$16,010	\$253,166
TOTAL ASSETS	<u>\$237,156</u>	<u>\$16,010</u>	<u>\$253,166</u>
LIABILITIES			
Liabilities:			
Deposits due others	\$237,156	\$16,010	\$253,166
Total liabilities	<u>\$237,156</u>	<u>\$16,010</u>	<u>\$253,166</u>

Bienville Parish School Board
 School Activities Agency Fund
 Schedule of Changes in Deposits Due Others
 For the Year Ended June 30, 2007

<u>School</u>	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
Arcadia High School	\$18,320	\$126,874	(\$122,761)	\$22,433
Bienville High School	5,158	36,995	(36,527)	5,626
Castor High School	88,625	206,515	(221,380)	73,760
Crawford Elementary School	17,299	42,605	(48,779)	11,125
Gibbsland-Coleman High School	25,227	65,378	(70,397)	20,208
Ringgold Elementary School	21,946	38,096	(47,744)	12,298
Ringgold High School	23,910	100,862	(103,312)	21,460
Saline High School	58,273	108,617	(96,644)	70,246
Total	<u>\$258,758</u>	<u>\$725,942</u>	<u>(\$747,544)</u>	<u>\$237,156</u>

Bienville Parish School Board
 Sales Tax Agency Fund
 Schedule of Changes in Deposits Due Others
 For the Year Ended June 30, 2007

DEPOSIT BALANCE AT BEGINNING OF YEAR	\$10,349
Additions - sales tax collections	10,728,217
Deductions:	
Payments to:	
Bienville Parish School Board	(2,954,949)
Bienville Parish School Board Special	(2,954,940)
Bienville Parish Police Jury	(2,955,310)
Town of Arcadia	(1,201,779)
Town of Gibsland	(81,580)
Town of Ringgold	(232,364)
Village of Castor	(36,983)
Collections fees	(162,920)
Fees for audit of sales tax vendors	(141,225)
Other expenses	(506)
Total deductions	<u>(10,722,556)</u>
DEPOSIT BALANCE AT END OF YEAR	<u>\$16,010</u>

Bienville Parish School Board
 Schedule of Compensation Paid Board Members
 For the Year Ended June 30, 2007

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolutions No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with LRS 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$600 per month, members of the executive committee receive an additional \$50 per month and the president receives an additional \$100 per month for performing the duties of his office.

<u>Board Member</u>	<u>District</u>	<u>Amount</u>
Richard Walker, President	7	\$8,100
Esther Sullivan, Vice President	2	7,500
Johnnie Thomas	3	4,200
Anthony Jenkins	3	3,600
Kenneth L. Knotts	6	7,500
Clarence Mason	4	3,900
Bonita Reliford	4	3,600
Tommy Madden	5	3,900
Martha Grigg	5	3,600
Dan Loe	1	<u>7,500</u>
Total		<u><u>\$53,400</u></u>

OTHER REPORTS

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EDWARDS, WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA / Society of LCPA's

Report on Compliance and Other Matters and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Mayor and School Board Council
Bienville Parish School Board
Arcadia, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bienville Parish School Board as of and for the year ended June 30, 2007, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 27, 2007. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bienville Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 07-2 and 07-4.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the district's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial

statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting as items 07-1 and 07-3.

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

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

The School Board's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the School Board's response and, accordingly, we express no opinion on it.

We noted certain matters that we reported to management of the Bienville Parish School Board in a separate letter dated December 27, 2007.

This report is intended for the information and use of Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Edwards, Wade & Perry

Ruston, Louisiana

December 27, 2007

EDWARDS, WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA / Society of LCPA's

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Circular A-133*

Board Members
Bienville Parish School Board

Compliance

We have audited the compliance of Bienville Parish School Board with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Bienville Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Bienville Parish School Board's management. Our responsibility is to express an opinion on Bienville Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and OMB Circular A-133, *Audits of States, Local Government, 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 Bienville Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Bienville Parish School Board's compliance with those requirements.

In our opinion, Bienville Parish School Board complied, in all material respected, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant

deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

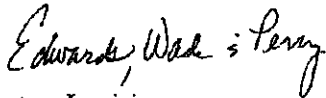
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School Board as of and for the year ended June 30, 2007, and have issued our report thereon dated December 27, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under LRS 24:513, this report is distributed by the Office of the Legislative Auditor as a public document.



Ruston, Louisiana
December 27, 2007

Bienville Parish School Board
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2007

<u>Federal Grantor/Pass-Through Grantor/ Program Name</u>	<u>Number</u>	<u>CFDA Grantor No.</u>	<u>Pass-Through Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
National School Lunch Program	10.555	N/A	\$608,031
School Breakfast Program	10.553	N/A	<u>218,374</u>
Total United State Department of Agriculture			<u>826,405</u>
United State Department of Education			
Passed through Louisiana Department of Education:			
Title I	84.010		1,035,252
Special Education:			
Grants (Part B)	84.027		515,761
Preschool Grants	84.173		27,428
Vocational Education:			
Basic Grants to States	84.048		59,951
Title II (Improving Teacher Quality State Grants)	84.367		294,713
Title IV (Safe and Drug-Free Schools- State Grant)	84.186		18,602
Title VI -Innovative Education	84.298		4,358
Rural Education Achievement Program	84.358B		64,807
LA 21 st Century Community Learning Center	84.287C		380,407
Enhancing Education Through Technology (Ed-Tech) State Program	84.318		<u>372</u>
Total United States Department of Education			<u>2,401,651</u>
United States Department of Health and Human Services			
Passed through Louisiana Department of Health and Human Services			
Temporary Assistance for Needy Families (TANF)	93.558	N/A	<u>261,000</u>
TOTAL CASH FEDERAL AWARDS			<u>3,489,056</u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture & Forestry:			
Passed through Louisiana Department of Agriculture & Forestry			
Food Distribution Program (Commodities)	10.550	N/A	<u>72,666</u>
TOTAL FEDERAL AWARDS			<u><u>\$3,561,722</u></u>

Bienville Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Bienville Parish School Board, Arcadia, Louisiana. The Bienville Parish School Board (the School Board) reporting entity is defined in Note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's basic financial statements as follows:

	<u>Federal amount</u>
Title I	\$1,035,252
Other governmental:	
Title VI	4,358
Special education	515,761
Title II	294,713
Title IV	18,602
Preschool	288,428
Vocational	59,951
Miscellaneous funds	380,407
Enhancing education through technology	372
Rural education achievement	64,807
School food service	<u>899,071</u>
Total	<u>\$3,561,722</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

Bienville Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2007

We have audited the financial statements of Bienville Parish School Board as of and for the year ended June 30, 2007, and have issued our report thereon dated December 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2007 resulted in an unqualified opinion.

A. Summary of Audit Results

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiency ☒ Yes ☐ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

2. Federal Awards

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable ☐ Yes ☒ No

Type of Opinion On Compliance	Unqualified <input checked="" type="checkbox"/>	Qualified <input type="checkbox"/>
For Major Programs	Disclaimer <input type="checkbox"/>	Adverse <input type="checkbox"/>

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?
☐ Yes ☒ No

Was a management letter issued? ☐ Yes ☒ No

3. Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program (or Cluster)</u>
10.555	School Lunch Program
84.010	Title I
84.027, 84.173	Special Education Cluster
84.287C	LA 21 st Century Community Learning Centers

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? ☒ Yes ☐ No

B. Financial Statements Findings

- 07-1. The capital asset listing and safeguarding of capital assets were tested at four locations. To test capital assets, assets were chosen from the capital asset listing and traced to the assets, and were chosen and traced back to the listing. Two assets could not be traced to the listing. This is a repeat finding.

Recommendation: The School Board should perform an annual inventory inspection.

- 07-2. For the year ended June 30, 2007 actual expenditures exceeded budgeted expenditures by \$356,412 or 35% (more than 5%) for the Special Sales Tax Fund. According to LRS 39:1310, failing to amend the budget when necessary is a violation of the local government budget act. This is a repeat finding.

Recommendation: The School Board should monitor budget and actual figures monthly and amend as necessary.

- 07-3. While testing school activity accounts at three locations, it was determined that the controls concerning receipts were insufficient. The schools were not using the classroom collections sheets.

Recommendation: The School Board should discuss this control with all schools and implement immediately.

- 07-4. The report was submitted after the state required deadline.

Recommendation: The School Board should have procedures in place to ensure future reports are submitted timely while considering the holiday breaks.

C. Federal Award Findings and Questioned Costs

None

Bienville Parish School Board
Summary of Prior Year Findings
For the Year Ended June 30, 2007

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

06-1. Capital asset listing incomplete.

Conclusion: Unresolved - see 07-1.

06-2. Actual expenditures exceeded budgeted expenditures.

Conclusion: Unresolved - see 07-2

B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

None

C. MANAGEMENT LETTER

06-M1. Emergency bids

Conclusion: Resolved

06-M2. Issuance of 1099s

Conclusion: Resolved

Bienville Parish School Board
P.O. Box 309
Gibbsland, LA 71028

CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2007

Bienville Parish School Board hereby submits the following corrective action plan as referenced in the Findings and Questioned Costs:

- 07-1. Inventories will be checked to ensure listing is accurate.
- 07-2. Budget will be checked and amended to be in compliance.
- 07-3. Procedures will be reviewed with the principals at the next administrative meeting.
- 07-4. The report will be submitted on time in the future.

EDWARDS, WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA / Society of LCPA's

Management Letter

Board Members
Bienville Parish School Board

In planning and performing our audit of the financial statements of the Bienville Parish School Board, for the year ended June 30, 2007, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted a certain matter involving internal control that is presented for your consideration. This letter does not affect our report dated December 27, 2007, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Management's responses have also been included. We have performed no audit work to verify the content of the response.

07-M1. Sale of surplus items

For two of nine total sales the only documentation provided was the deposit slip. These two sales accounted for \$875 of the total \$3,779.

Recommendation: The School Board should document all bidders for all items of the surplus sales.

Response: All bidders will be documented on surplus sales.

EDWARDS, WADE & PERRY

Certified Public Accountants
A Professional Accounting Corporation
Members: AICPA / Society of LCPA's

Independent Accountants' Report On Applying Agreed-Upon Procedures

Board Members
Bienville Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Bienville Parish School Board, Arcadia, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and review supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Comment: All transactions were reported in proper amounts on the schedule.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

Comment: There were no exceptions noted as a result of applying agreed-upon procedures.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Comment: There were no exceptions noted as a result of applying agreed-upon procedures.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

Comment: There were no exceptions noted as a result of applying agreed-upon procedures.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Comment: There were no exceptions noted as a result of applying agreed-upon procedures.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: There were no exceptions noted as a result of applying agreed-upon procedures.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and the full-time equivalents were properly included on the schedule.

Comment: There was one teacher's salary package that was not reported in the proper amounts.

We recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: There were no exceptions noted as a result of applying agreed-upon procedures.

Class Size Characteristics (Schedule 6)

8. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconcile school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determine if the class was properly classified on the schedule.

Comment: There were no exceptions noted as a result of applying agreed-upon procedures.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

9. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Bienville Parish School Board.

Comment: There were no exceptions noted as a result of applying agreed-upon procedures.

The Graduation Exit Exam for the 21st Century (Schedule 8)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Bienville Parish School Board.

Comment: There were no exceptions noted as a result of applying agreed-upon procedures.

The Iowa Tests (Schedule 9)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Bienville Parish School Board.

Comment: There were no exceptions noted as a result of applying agreed-upon procedures.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Bienville Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under LRS 24:513, this report is distributed by the Legislative Auditor as a public document.

Edwards, Wade & Perry

Ruston, Louisiana
December 27, 2007