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PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana
Annual Financial Statements
DECEMBER 31, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/6/08

PINE COUNTRY EDUCATION DISTRICT

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MEMBERS

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INDEPENDENT AUDITOR'S REPORT

To the management of the Pine Country
Education District
Minden, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the Pine Country Education District, a component unit of the Webster Parish Police Jury, as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Pine Country Education District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Pine Country Education District, as of December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2008, on our consideration of the Pine Country Education District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

The Pine Country Education District has not presented management's discussion and analysis that the Government Accounting Standards Board has determined is necessary to supplement, although not required to part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pine Country Education District's basic financial statements. Budgetary comparison information is presented, though it is not a required part of the basic financial statements, it is required by the Governmental Accounting Standards Board as supplemental information. The other supplemental schedules on pages 21 through 23, are not a required part of the basic financial statements and are presented for purposes of additional analysis. 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 them.

A handwritten signature in cursive script, appearing to read "Jamieson W. ...".

Minden, LA
June 23, 2008

BASIC FINANCIAL STATEMENTS

PINE COUNTRY EDUCATION CENTER DISTRICT
MINDEN, LOUISIANA

Statement of Net Assets
December 31, 2007

	Governmental Fund Type
	General Fund
ASSETS	
Cash	\$ 132,035
Investments (restricted)	324,837
Investments (unrestricted)	142,023
Capital assets (net)	<u>2,177,321</u>
Total assets	<u>\$ 2,776,216</u>
LIABILITIES	
Accounts payable	-
Noncurrent liabilities:	
Note payable	1,276,278
Accrued interest	<u>30,722</u>
Total liabilities	<u>1,307,000</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 870,320
Restricted	\$ 324,837
Unrestricted	<u>274,059</u>
Total net assets	<u>\$ 1,469,216</u>

See accountants' report and accompanying notes.

PINE COUNTRY EDUCATION CENTER DISTRICT
MINDEN, LOUISIANAStatement of Activities
For the year ended December 31, 2007

	Net (Expenses)
Governmental activities:	
Public safety	\$ (70,506)
Interest on long-term debt	<u>(51,716)</u>
Total Governmental Activities	<u>(122,222)</u>
General revenues:	
Intergovernmental revenues	315,000
Interest	<u>12,022</u>
Total general revenues	<u>327,022</u>
Change in net assets	204,800
Net assets - beginning	<u>1,264,416</u>
Net assets - ending	<u>\$ 1,469,216</u>

See accountants' report and accompanying notes.

PINE COUNTRY EDUCATION CENTER DISTRICT
MINDEN, LOUISIANA

Balance Sheet - Governmental Fund
December 31, 2007

	General Fund
ASSETS	
Cash	\$ 132,035
Investments (reserved)	\$ 324,837
Investments (unreserved)	<u>142,023</u>
Total assets	<u>598,895</u>
 LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
Fund equity:	
Fund balances -	
Reserved - designated	324,837
Unreserved - undesignated	<u>274,058</u>
Total fund equity	<u>598,895</u>
 Total liabilities and fund equity	 <u>\$ 598,895</u>

See accountants' report and accompanying notes.

PINE COUNTRY EDUCATION CENTER DISTRICT
MINDEN, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Financial Statement of Net Assets

December 31, 2007

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

Fund Balance, Total Governmental Fund (Statement C)	\$ 598,895
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund	2,177,321
Interest payable on long-term debt does not require current financial resources, therefore, is not reported as a liability in governmental funds balance sheet	(30,722)
Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet	<u>(1,276,278)</u>
Net Assets of Governmental Activities (Statement A)	<u>\$ 1,469,216</u>

See accountants' report and accompanying notes.

PINE COUNTRY EDUCATION CENTER DISTRICT
MINDEN, LOUISIANA

Governmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended December 31, 2007

	<u>General Fund</u>
REVENUES	
Intergovernmental revenues	
United States Department of Agriculture	\$ 225,000
State of Louisiana Appropriations	70,000
Webster Parish Police Jury	20,000
Interest	<u>12,022</u>
Total revenues	<u>327,022</u>
EXPENDITURES	
Current - public safety:	
Insurance	2,650
Office expense	525
Legal and professional	2,475
Miscellaneous	908
Capital outlay	212,848
Loan payment	<u>32,995</u>
Total expenditures	<u>252,401</u>
Excess (deficiency) of revenues over expenditures	74,621
Other financing sources:	
Bonds issued	<u>155,000</u>
Total other financing sources	<u>155,000</u>
Net change in fund balance	229,621
Fund balances at beginning of year	<u>369,275</u>
Fund balances at end of year	<u>\$ 598,896</u>

See accountants' report and accompanying notes.

PINE COUNTRY EDUCATION CENTER DISTRICT
MINDEN, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund to the
Statement of Activities

For the Year Ended December 31, 2007

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

Net Change in Fund Balance, Governmental Fund (Statement E)	\$ 229,621
<i>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost 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.</i>	148,899
<i>Principle payments on debt require the use of current financial resources; therefore, are shown as expenditures in governmental funds.</i>	722
<i>The issuance of long-term debt provides current financial resources that are reported as revenues in the governmental fund.</i>	(155,000)
<i>Interest payable on long-term debt does not require current financial resources; therefore, is not reported as an expense in governmental funds</i>	<u>(19,442)</u>
Change in Net Assets of Governmental Activities (Statement B)	<u>\$ 204,800</u>

See accountants' report and accompanying notes.

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana
Notes to Financial Statements
As of and for the year ended December 31, 2007

INTRODUCTION

The Webster Parish Police Jury created the Pine Country Education District on June 12, 2001, pursuant to Louisiana Revised Statute 40:1551 through 1555. The purpose of the district is to maintain and operate a well-equipped educational and training institution or facility to teach and train fire fighting and emergency services personnel. The board of commissioners consists of five unpaid members, all of whom are qualified voters of Webster Parish and appointed by the Webster Parish Police Jury. Each board member serves a three-year term.

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units should be included within the reporting entity. Under the provisions of this statement, the District is considered a component unit of the Webster Parish Police Jury. The police jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise that financial reporting entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Pine Country Education District (District). For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana
Notes to Financial Statements
As of and for the year ended December 31, 2007

particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. The major individual governmental fund, which is the general fund, is reported in the fund financial statements.

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

The accompanying financial statements of the District 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. This is the first year the District has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. This new standard provides for significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

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 30 days of the end of the current fiscal period. Although most expenditures are recorded when a liability is incurred, as under accrual accounting, the measurement focus of a governmental fund significantly affects what items are to be considered expenditures in the governmental fund. Expenditures, and the related liabilities, are accrued when they are expected to be paid out of revenues recognized during the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana
Notes to Financial Statements
As of and for the year ended December 31, 2007

Property taxes and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources, of the general government, except those required to be accounted for in another fund.

C. DEPOSITS AND INVESTMENTS

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

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

D. LONG-TERM OBLIGATIONS

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of a note payable to the USDA.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana
Notes to Financial Statements
As of and for the year ended December 31, 2007

E. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the governmental activities in the government-wide financial statements. 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 District maintains a threshold level of \$2,500 or more for capitalizing capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Machinery and equipment	10 years
Vehicles	5-15 years

F. COMPENSATED ABSENCES

The District has no employees.

G. 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 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 those estimates.

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana
Notes to Financial Statements
As of and for the year ended December 31, 2007

2. BUDGETS

The District adopted an operating budget at the November 16, 2006 meeting for the year ended December 31, 2007. There were no amendments made to the original budget.

3. CASH AND CASH EQUIVALENTS

At December 31, 2007 the District has book balances totaling \$132,035 as follows:

Demand deposits	\$ <u>132,035</u>
-----------------	-------------------

These deposits are stated at cost, which approximates market. Under state law, these bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2007, the district has \$598,895 in collected bank balances including investments in certificates of \$466,860. The deposits are secured from risk by \$100,000 of federal deposit insurance and \$498,895 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

4. INVESTMENTS

At December 31, 2007, the District had investments of \$466,860 in three (3) certificates of deposit whose maturities are in excess of 90 days. These certificates of deposit are secured from risk by federal deposit insurance and pledged securities as detailed in note 3 above. Two (2) of the certificates of deposit totaling \$324,837 are restricted to LSU fireman training purposes. The remaining certificate of deposit with a balance of \$142,023 is not restricted.

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana
Notes to Financial Statements
As of and for the year ended December 31, 2007

5. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance January 1, <u>2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2007</u>
Construction in progress	\$ 2,028,421	\$ 175,124	\$ 2,203,545	\$ 0
Buildings	0	2,203,545	0	2,203,545
Equipment	<u>0</u>	<u>21,473</u>	<u>0</u>	<u>1,473</u>
Total	<u>\$ 2,028,421</u>	<u>\$ 2,400,142</u>	<u>\$ 2,203,545</u>	<u>\$ 2,225,018</u>
Less Accumulated depreciation	<u>0</u>	<u>47,697</u>	<u>0</u>	<u>47,697</u>
Capital Assets (net)				<u>\$2,177,321</u>

The training facility project was completed in 2007, and began being depreciated.

6. NOTE PAYABLE

The following is a summary of changes in long-term debt for the year ended December 31, 2007:

	Certificate of <u>Indebtedness</u>
Long-term obligations at January 1, 2007	\$ 1,122,000
Additions	155,000
Deductions	<u>722</u>
Long-term obligations at December 31, 2007	<u>\$ 1,276,278</u>

The District began repaying the debt on May 30, 2007. The note was originated with the USDA June 6, 2006 with an interest rate of 4.125% and a term of 40 years.

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana
Notes to Financial Statements
As of and for the year ended December 31, 2007

The annual requirements to amortize all debt outstanding as of December 31, 2007 are as follows:

Year ending <u>December 31</u>	General		
	Obligation <u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 13,758	52,646	66,404
2009	14,325	52,079	66,404
2010	14,916	51,488	66,404
2011	15,531	50,873	66,404
2012	16,172	50,232	66,404
2013-2017	91,433	240,587	332,020
2018-2022	111,913	220,107	332,020
2023-2027	136,979	195,041	332,020
2028-2032	167,660	164,360	332,020
2033-2037	205,213	126,807	332,020
2038-2042	251,177	80,843	332,020
2043-2046	<u>237,201</u>	<u>24,736</u>	<u>261,937</u>
	<u>\$ 1,276,278</u>	<u>1,309,799</u>	<u>2,586,077</u>

7. COOPERATIVE ENDEAVOR AGREEMENT

On September 4, 2003, the district entered into a cooperative endeavor agreement with the Louisiana Military Department for the free use of approximately 30.88 acres of land licensed to the Louisiana Military Department by the federal government. The term of the lease is twenty-five years with an option to renew the lease under the same terms and conditions, at no additional cost, for an additional twenty-five year period. The property is to be used as the site of construction for a firefighting training facility that will be owned by the district. During 2005 the Louisiana ammunition plant managed and owned by the United States Military was turned over to the State of Louisiana for industrial development. The State of Louisiana will honor the agreement made to the Pine Country Education Center.

REQUIRED SUPPLEMENTAL INFORMATION

PINE COUNTRY EDUCATION CENTER DISTRICT
MINDEN, LOUISIANA

Governmental Fund Type - General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Cash Basis) and Actual
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues				
United States Department of Agriculture	\$ 105,000	\$ 105,000	\$ 225,000	\$ 120,000
State of Louisiana Appropriations	70,000	70,000	70,000	-
Webster Parish Police Jury	20,000	20,000	20,000	-
Interest	-	-	12,022	12,022
Total revenues	<u>195,000</u>	<u>195,000</u>	<u>327,022</u>	<u>132,022</u>
EXPENDITURES				
Current - public safety:				
Insurance	2,650	2,650	2,650	-
Office expense	525	525	525	-
Legal and professional	2,475	2,475	2,475	-
Miscellaneous	4,350	4,350	908	3,442
Capital outlay	115,000	115,000	281,005	(166,005)
Loan payment	70,000	70,000	32,995	37,005
Construction budget	<u>119,686</u>	<u>119,686</u>	-	<u>119,686</u>
Total expenditures	<u>314,686</u>	<u>314,686</u>	<u>320,558</u>	<u>(5,872)</u>
Excess (deficiency) of revenues over expenditures	(119,686)	(119,686)	6,464	126,150
Other financing sources:				
Bonds issued	<u>119,686</u>	<u>119,686</u>	<u>155,000</u>	<u>35,314</u>
Total other financing sources	<u>119,686</u>	<u>119,686</u>	<u>155,000</u>	<u>35,314</u>
Net change in fund balance	-	-	161,464	161,464
Fund balances at beginning of year	<u>437,432</u>	<u>437,432</u>	<u>437,432</u>	<u>-</u>
Fund balances at end of year	<u>\$ 437,432</u>	<u>\$ 437,432</u>	<u>\$ 598,896</u>	<u>\$ 161,464</u>

See accountants' report and accompanying notes.

OTHER REPORT

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CERTIFIED PUBLIC ACCOUNTANTS

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

To the management of the Pine Country
Education District
Minden, Louisiana

We have audited the financial statements of the governmental activities and the major fund of the Pine Country Education District, as of and for the year ended December 31, 2007, which collectively comprise the Pine Country Education District's basic financial statements and have issued our report thereon dated June 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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.

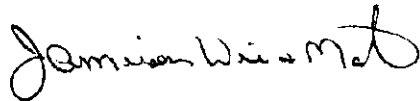
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of 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 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.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the audit committee, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Minden, Louisiana
June 23, 2008

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2007

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion of the financial statements of the Pine Country Education District as of and for the year ended December 31, 2007.
2. No reportable conditions in internal control were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Pine Country Education District were disclosed during the audit.
4. No reportable conditions in internal control over major programs identified during the audit of the major federal award programs.

FINDINGS - FINANCIAL STATEMENTS AUDIT

In connection with the audit of the general purpose financial statements as of and for the year ended December 31, 2007, of the Pine Country Education District, there were no items required to be reported 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.

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana

CORRECTIVE ACTION PLAN
Year Ended December 31, 2007

FINDINGS - FINANCIAL STATEMENTS AUDIT

As stated in the Schedule of Findings and Questioned Costs, in connection with the audit of the general purpose financial statements as of and for the year ended December 31, 2007, of the Pine Country Education District, there were no items required to be reported 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.

OTHER SUPPLEMENTAL SCHEDULES

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2007

The following served on the Board of Commissioners without compensation:

R. O. Machen	Chairman
Sherb Sentell, III	Member
Herb Byars	Sec.-Treasurer
Charles Walker	Member
Stewart Beatty	Member

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana

Summary Schedule of Prior Year Findings
As of and for the year ended December 31, 2007

2006-1 – Budgeting

Finding: A total project budget for the construction of a firefighting training facility was approved on April 25, 2002. The same budget was adopted on December 7, 2004 for the year ended December 31, 2005. This does not meet the requirements of LA RS 39:1301-1316. Consequently, a Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual is not presented.

Management's Response/Corrective Action Planned: The Board of Pine Country Education Center District is fortunate to have the assistance of the Louisiana Army National Guard to prepare the dirt work for the construction project at minimal cost to the District. The Guard has been deployed several times during the last several years and has slowed their work on the Pine Country Education Center District. At the time dirt work is completed, the Board will adopt a new budget and will operate under the original construction budget of April 25, 2002 until that time.

Name of Contact Person(s): R.O. Machen

Status: Resolved.

PINE COUNTRY EDUCATION DISTRICT
Minden, Louisiana

Corrective Action Plan for Current Year Findings
For the Year Ended December 31, 2007

2007-1 Compliance with RS 39:11 – 5% variance

Finding: During the year ended December 31, 2007, the District's actual revenues of the general fund exceeded budgeted revenues by more the 5%. There were no budgetary amendments approved by the District to address this unfavorable variance. We recommend that in the future the District approve an amended budget when they realize that actual revenues and/or expenditures vary from the original budget.

Management's Response/Corrective Action Planned: We will be more careful in the future to amend the budget when actual revenues and expenditures vary from the amount originally budgeted.

Name of Contact Person(s): R.O. Machen