

~~-COMPREHENSIVE-~~
ANNUAL FINANCIAL
REPORT

of the
BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

For the Year Ended
JUNE 30, 2002

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 11/22/03



COMPREHENSIVE
ANNUAL FINANCIAL REPORT

of the

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

For the Year Ended June 30, 2002

Vassie Richardson
President

Frank Rougeau
Director of Finance and Business
Affairs

Kenneth N. Kruithof
Superintendent

Prepared by the Finance Department

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Comprehensive Annual Financial Report

Year Ended June 30, 2002

Table of Contents

	Page(s)
INTRODUCTORY SECTION	
Transmittal Letter	v
Certificate of Achievement for Excellence in Financial Reporting	ix
Certificate of Excellence in Financial Reporting	x
Organizational Structure	xi
Elected Officials and Selected Administrative Officials	xii
FINANCIAL SECTION	
Independent Auditors' Report	1-2
Required Supplemental Information (Part A)	3
Management's Discussion and Analysis (MD&A)	4-17
Basic Financial Statements	18
Government-Wide Financial Statements (GWFS)	19
Statement of Net Assets – Governmental Activities	20
Statement of Activities – Governmental Activities	21
Governmental Funds:	
Balance Sheet	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	24
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, Changes in Fund Balances to the Statement of Activities	25
Balance Sheet – Proprietary Fund	26
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Fund	27
Statement of Cash Flows – Proprietary Fund	28
Statement of Fiduciary Net Assets and Liabilities – Agency Fund	29
Notes to Basic Financial Statements	30-52

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Comprehensive Annual Financial Report

Year Ended June 30, 2002

Table of Contents

	Page(s)
Required Supplemental Information (Part B)	53
Budgetary Comparison Schedule:	
General Fund	54-55
Special Revenue Funds – Sales Tax Fund	56
Notes to Budgetary Comparison Schedules	57-58
Supplemental Information	59
Combining and Individual Fund Statements and Schedules	60
Nonmajor Governmental Funds	61-62
Combining Balance Sheet – By Fund Type – Nonmajor Governmental Activities	63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – By Fund Type – Nonmajor Governmental Activities	64
Combining Balance Sheet – Nonmajor Special Revenue Funds	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) – Nonmajor Special Revenue Funds	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Funds:	
Title I	67
Title VI	68
Title II	69
Special Education	70
Preschool	71
Title IV (Drug-Free)	72
Region VII Service Center	73
School Food Service	74
Combining Balance Sheet – Nonmajor Capital Projects Funds	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – One-Half Cent Sales Tax Air Conditioner	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Bossier Educational Excellence Permanent Fund	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	79
Fiduciary Fund – School Activity Agency Fund	80
School Activity – Statement of Changes in Assets and Liabilities	81

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Comprehensive Annual Financial Report

Year Ended June 30, 2002

Table of Contents

	Page(s)
Capital Assets Information	82
Schedule of Capital Assets – By Sources	83
Schedule of Capital Assets – By Function and Activity	84
Schedule of Changes in Capital Assets – By Function and Activity	85

STATISTICAL SECTION (UNAUDITED)

	Table	Page(s)
General Expenditures by Function – All Governmental Fund Types	1	86
General Revenues by Source – All Governmental Fund Types	2	87
Property Tax Levies and Collections	3	88
Assessed and Estimated Actual Value of Taxable Property	4	89
Property Tax Rates and Tax Levies – Direct and Overlapping Governments	5	90
Ratio of Net General Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita	6	91
Schedule of Direct and Overlapping Debt	7	92
Computation of Legal Debt Margin	8	93
Ratio of Annual Debt Service Expenditure for General Bonded Debt to Total General Expenditures	9	94
Revenue Bond Coverage	10	95
Demographic Statistics	11	96
Property Value, Construction, and Bank Deposits	12	97
Principal Taxpayers	13	98
Attendance Data	14	99
Schedule of Insurance in Force	15	100
Miscellaneous Statistical Data	16	101-102
Schedule of Compensation Paid to School Board Members	17	103

INTRODUCTORY SECTION



BOSSIER PARISH SCHOOL BOARD

P.O. Box 2000
Benton, Louisiana 71006-2000
Telephone (318) 549-5000
FAX (318) 549-5044

Kenneth N. Krulthof
Superintendent

Vassie M. Richardson
President

November 1, 2002

Michael M. Graham
3039 Highway 154
Elm Grove, LA 71051
District 1

Henry Burns
134 Chimney Drive
Haughton, LA 71037
District 2

George C. Finck
167 Beaver Lane
Benton, LA 71006
District 3

Vassie M. Richardson
President
P.O. Box 231
Plain Dealing, LA 71064
District 4

Elizabeth S. Cassibry
2202 Landau Lane
Bossier City, LA 71111
District 5

William C. Kostelka
309 Audubon Drive
Bossier City, LA 71111
District 6

J. W. Slack
2424 Douglas Drive
Bossier City, LA 71111
District 7

Kenneth M. Wiggins
Vice President
700 Shaver Street
Bossier City, LA 71111
District 8

Gloria Simison
3116 Oliver Street
Bossier City, LA 71112
District 9

Julian Darby
1130 Beverly Street
Bossier City, LA 71112
District 10

Gary Dowden
1912 Mars Drive
Bossier City, LA 71112
District 11

Mack Knotts
5007 Kenilworth Drive
Bossier City, LA 71112
District 12

Ms. Vassie Richardson, President,
and Bossier Parish School Board Members
Bossier Parish Schools
Benton, Louisiana

Dear Board Members:

Louisiana law requires that an annual sworn financial statement be furnished to the Legislative Auditor within six months of the close of each fiscal year in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a certified public accountant. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Bossier Parish School Board (School Board) for the year ended June 30, 2002.

This report consists of management's representations concerning the finances of the School Board. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the School Board has established a comprehensive internal control framework that is designed both to protect the School Board's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the School Board's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Bossier Parish School Board's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

KPMG LLP, a firm of licensed certified public accountants, has audited the School Board's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the School Board for the fiscal year ended June 30, 2002 are free of material misstatement. The independent audit involved 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; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the School Board's financial statements for the fiscal year ended June 30, 2002 are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

Ms. Vassie Richardson, President
and Bossier Parish School Board Members
Bossier Parish Schools
Benton, Louisiana

The independent audit of the financial statements of the School Board was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the School Board's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The School Board's MD&A can be found immediately after the report of the independent auditors.

PROFILE OF THE BOSSIER PARISH SCHOOL BOARD

The School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Bossier 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 12 members who are elected from 12 districts for concurrent terms of four years.

The School Board operates 35 schools within the parish with a total enrollment exceeding 18,000 pupils. The School Board provides a full range of educational services appropriate to grade levels kindergarten through grade twelve. These include regular and enriched academic education, special education for handicapped youngsters, occupational education, and many individualized programs such as specialized instruction for disadvantaged students and those with limited English proficiency. These basic programs are supplemented by a wide variety of offerings in the fine arts and athletics. 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.

Prior to June 30, the Superintendent submits an annual operating budget to the School Board for the fiscal year commencing the prior July 1. The operating budget serves as the foundation for the School Board's financial planning and control. A public hearing is then conducted after proper official journal notification to obtain taxpayer comments. Budget-to-actual comparisons are provided in this report.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the School Board operates.

Local economy. The Bossier Parish School System is located in the northwest part of the state and is part of the economic "hub" for this region. During 2001-2002, Bossier Parish enjoyed a stable economy.

During fiscal 2002, Bossier Parish continued to experience new commercial and residential construction. Residential construction continues to expand North, East and South Bossier Parish, primarily in single family dwellings. Many new businesses continue to build in North Bossier along the I-220 by-pass and are evidence of

Ms. Vassie Richardson, President
and Bossier Parish School Board Members
Bossier Parish Schools
Benton, Louisiana

continued growth and expansion. Tourist activity continues to be strong, primarily as a result of riverboat gaming.

Barksdale Air Force Base, which currently employs over 7,000 people in the area, remains as viable and active as it has in the past. The mission of Barksdale is still a major part of our national defense.

With the Red River connecting Bossier Parish to the City of Shreveport and Caddo Parish, the condition of the Shreveport economy directly and indirectly effects Bossier Parish. The economy of Shreveport continues to be stable. Growth experienced in retail sales, employment, and residential and commercial construction are evidence of this growth and stability. The continued expansion of the Caddo Bossier Port continues to have positive effects on the economy and provides a major link with other parts of the state. I-20 and I-49 continue to provide great access to the area. Riverboat gaming continues to make a significant contribution to the local economy.

Sales tax collections for the School Board continue to be stable and exceeded 2000-2001 collections by \$46,926.

Long-term financial planning. The School Board has a long-range financial planning committee, which deals with long-term finances. Future revenue sources have been a main concern for the Board. Planning has been made for a renewal election for ad valorem taxes that renew in 2004 and 2006. New revenue sources have also been explored to keep salaries of Bossier Parish teachers competitive with neighboring school districts. The committee has also worked on planning for future new capital expenditures including new buildings and equipment. The Board also has planned for continued building of financial reserves.

Cash management policies and practices. The School Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by instruments issued by the United States Government or federal government agencies created by an act of Congress or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned was \$550,356 for the year ended June 30, 2002. This amount decreased by \$368,023, or 40% from 2001 due to the dramatic decline in interest rates over the past year. Interest earned for 2002 was distributed as follows:

General fund	\$ 220,751
Special revenue funds	3,875
Debt service fund	101,458
Capital projects fund	16,643
Permanent fund	207,629
	<hr/>
	\$ 550,356

Risk management. The School Board maintains a combination of self-insurance and stop-loss coverage to manage its risk of loss from property damage, theft, and claims against employees. In addition, the School Board is self-insured for group hospitalization. A list of insurance in force is included in Table 15.

Pension and other post employment benefits. The School Board provides a defined benefit pension plan for its employees through two cost-sharing multiple-employer statewide plans. The School Board has no obligations in connection with employee benefits offered through these plans beyond its annual required payments to the plan.

Ms. Vassie Richardson, President
and Bossier Parish School Board Members
Bossier Parish Schools
Benton, Louisiana

The School Board also provides post-retirement health care and life insurance benefits for its retired employees. As of the end of the current fiscal year, there were 1,102 retired employees receiving these benefits, which are financed on a pay-as-you-go basis.

Additional information on the School Board's pension arrangements and postemployment benefits can be found in notes 6 and 7 in the notes to the basic financial statements.

AWARDS

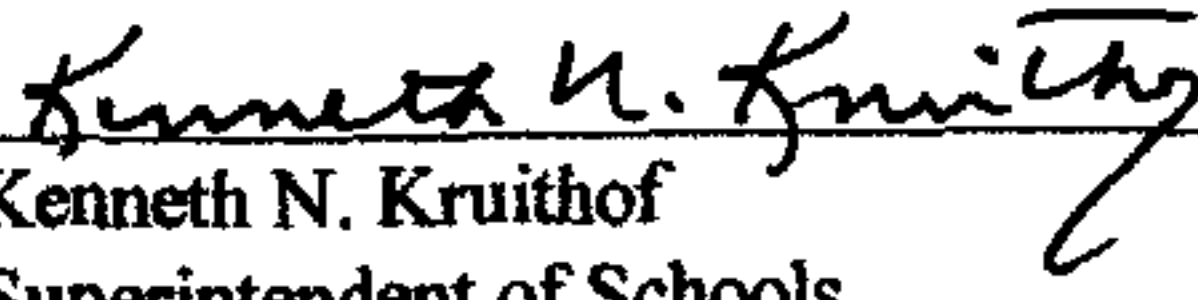
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School Board for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2001. The School Board has received this prestigious award each year beginning with the fiscal year ended June 30, 1991. In order to be awarded a Certificate of Achievement, the School Board published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.


The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting Award for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2001. The School Board has received this prestigious award each year beginning with the fiscal year ended June 30, 1991. The award represents a significant achievement by the School Board and reflects our commitment to the highest standards of school system financial reporting.

The Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the certificate requirements, and we are submitting it to both GFOA and ASBO to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We want to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. We also thank the members of the School Board for their interest and support in planning and conducting the financial operations of the school system in a responsible and progressive manner.


Kenneth N. Kruithof
Superintendent of Schools


Frank Rougeau
Director of Finance and Business Affairs

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Certificate of Achievement for Excellence in Financial Reporting

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Bossier Parish School Board,
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Pate
President

Jeffrey L. Esser
Executive Director

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Certificate of Excellence in Financial Reporting

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

BOSSIER PARISH SCHOOL BOARD

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2001

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

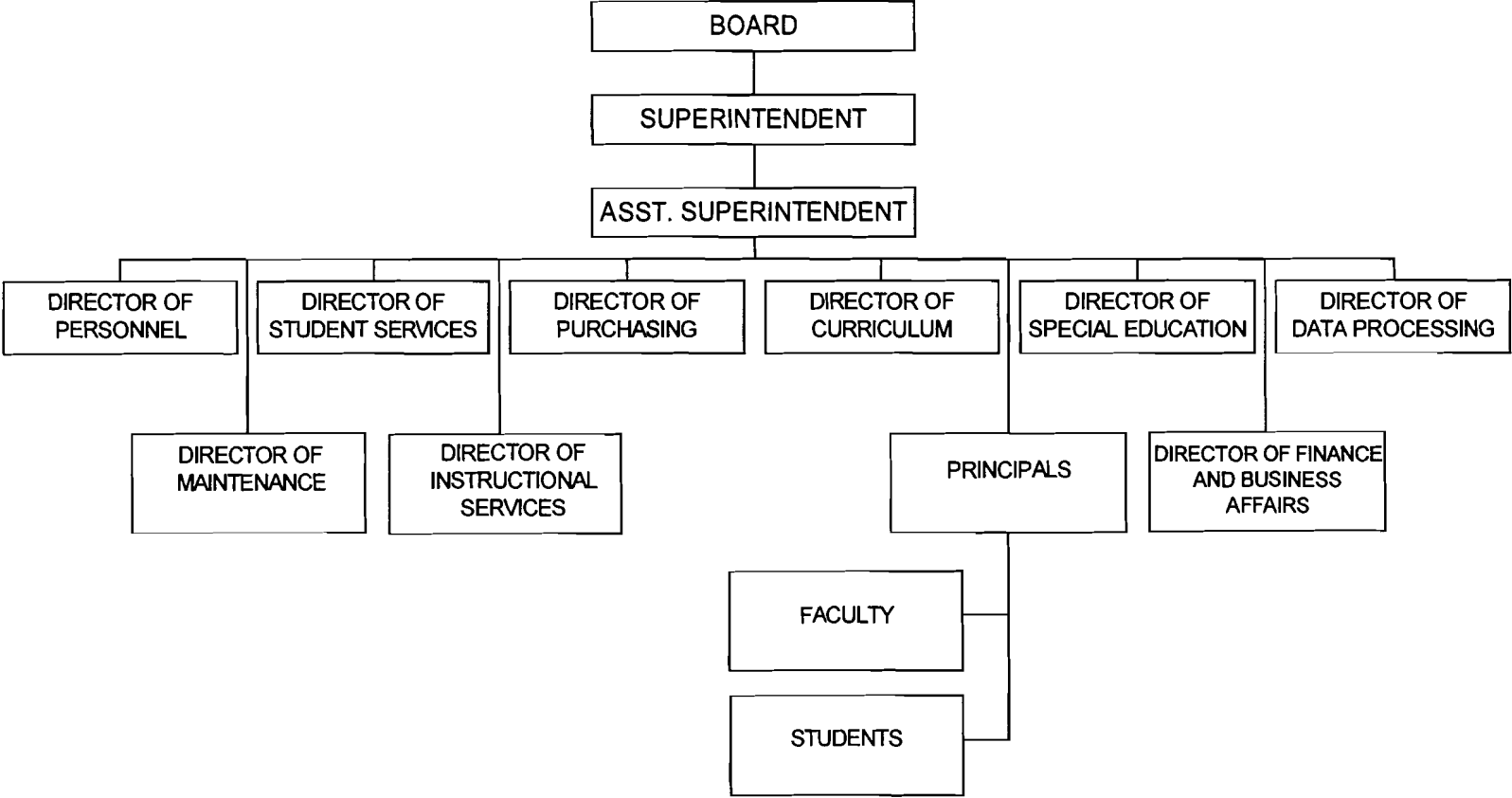
Clark J. Gaskin
President

Anna W. Miller
Executive Director

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Organizational Structure

June 30, 2002



BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

ELECTED OFFICIALS

June 30, 2002

	<u>District</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Began as a Board Member</u>
Vassie M. Richardson President	4	January 1, 1999	December 31, 2002	May 1, 1996
Kenneth M. Wiggins Vice President	8	January 1, 1999	December 31, 2002	July 15, 1997
Michael M. Graham	1	January 1, 1999	December 31, 2002	May 1, 1996
Henry Burns	2	February 1, 2001	December 31, 2002	February 1, 2001
George C. Finck	3	January 1, 1999	December 31, 2002	January 1, 1999
Elizabeth S. Cassibry	5	January 1, 1999	December 31, 2002	May 1, 1996
William C. Kostelka	6	October 19, 2000	December 31, 2002	October 19, 2000
J.W. Slack	7	January 1, 1999	December 31, 2002	June 15, 1998
Gloria Simison	9	January 1, 1999	December 31, 2002	January 1, 1999
Julian Darby	10	January 1, 1999	December 31, 2002	May 1, 1996
Gary Dowden	11	January 1, 1999	December 31, 2002	January 1, 1999
Mack Knotts	12	January 1, 1999	December 31, 2002	January 1, 1999

SELECTED ADMINISTRATIVE OFFICIALS

June 30, 2002

Mr. Kenneth N. Kruithof	Superintendent
Mr. D.C. Machen	Assistant Superintendent of Administration
Ms. Ann Alford	Assistant Superintendent of Curriculum
Mr. Bill Allred	Director of Data Processing
Ms. Martha Gormanous	Director of Special Education
Ms. Bettye McCauley	Director of Student Services
Mr. Keith Norwood	Director of Maintenance/Purchasing
Ms. Sally Namie	Director of Instructional Services
Mr. Frank Rougeau	Director of Finance and Business Affairs
Mr. Bill Tynes	Director of Personnel

FINANCIAL SECTION



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

Independent Auditors' Report

Members of the Bossier Parish School Board
Benton, Louisiana:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bossier Parish School Board (School Board) as of and for the year ended June 30, 2002, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these basic 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 basic 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, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2002, 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.

As described in note 15 to the basic financial statements, the School Board adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Governmental Accounting Standards Board Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*; and Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements* in 2002.



In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2002 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 budget comparison schedules listed as Required Supplemental Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 an opinion on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual fund statements and schedules listed in the accompanying table of contents as supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have 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 financial information included in the introductory and statistical sections as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we express no opinion on this information.

KPMG LLP

November 1, 2002

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Fiscal Year Ended June 30, 2002

REQUIRED SUPPLEMENTAL INFORMATION
(PART A)

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

We offer readers of the Bossier Parish School Board's financial statements this narrative overview and analysis of the financial activities of the Bossier Parish School Board for the fiscal year ended June 30, 2002. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

The Management's 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's Discussion and Analysis – for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the School Board has elected to exclude the information in this report. Subsequent reports will include the comparative information.

Financial Highlights

Key financial highlights for the 2001-02 fiscal year include the following:

- Statement of Net Assets – The assets of the Bossier Parish School Board exceeded its liabilities at the close of the most recent fiscal year by \$47,018,689 (net assets). Of this amount, the School Board has \$2,423,011 of negative unrestricted net assets. The balance in compensated absences payable, which is recorded in the government-wide financial statements, contributed to this deficit. Long-term liabilities such as compensated absences, which are not due and payable in the current period, are not reported as fund liabilities.
- Statement of Activities – The total net assets of the Bossier Parish School Board increased by \$4,017,775 for the year ended June 30, 2002. Approximately \$2.2 million of this increase came from increased ad valorem tax collections.
- Governmental Funds Balance Sheet – As of the close of the current fiscal year, the Bossier Parish School Board's governmental funds reported combined ending fund balance of \$20,353,293, an increase of \$7,063,843 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$2.2 million which is available for spending within the General Fund, (2) \$4.7 million which is reserved for the payment of outstanding bond issues within the Debt Service Funds, and (3) \$9.4 million which is reserved for instructional enhancement within the Bossier Educational Excellence Permanent Fund.
- Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2002 for the governmental funds of the Bossier Parish School Board amounted to \$122,394,046. Approximately 83% of this amount is received from three major revenue sources: (1) \$59.4 million from Louisiana's State Equalization, (2) \$22.5 million from local sales and use taxes, and (3) \$19.3 million from local ad valorem taxes.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

- General Fund's Ending Fund Balance – At the end of the current fiscal year, unreserved fund balance for the General Fund, a major fund, was \$2,214,665, or 2.1% of total General Fund expenditures. The total (undesignated) is available for spending at the Board's discretion.
- Capital Assets – Total capital assets (net of depreciation) were \$54,815,047 or 59.6% of the total assets. The Bossier Parish School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Debt – The Bossier Parish School Board's total debt increased \$1,080,233 (5.5%) during the current fiscal year.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the Bossier Parish School Board's basic financial statements. The Bossier Parish School Board's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Bossier Parish School Board's finances, in a manner similar to a private-sector business.

- The Statement of Net Assets presents information on all of the Bossier Parish School Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Bossier Parish School Board is improving or deteriorating.
- The Statement of Activities presents information showing how the School Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Bossier Parish School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Bossier Parish School Board can be divided into two categories: governmental funds and fiduciary funds.

- *Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Bossier Parish School Board near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Bossier Parish School Board's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Bossier Parish School Board maintains 15 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Sales Tax Special Revenue Fund, Debt Service Fund and Bossier Educational Excellence Permanent Fund, all of which are considered to be major funds. Data for the other 11 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and budget to actual comparison schedules elsewhere in this report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

The Bossier Parish School Board adopts an annual appropriated budget for its General Fund, certain Special Revenue Funds, Debt Service Fund, certain Capital Projects Funds and Permanent Fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

- *Proprietary funds.* The School Board maintains one type of proprietary fund. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the School Board's various functions. The School Board uses an internal service fund to account for the accumulation of resources for and the payment of employee health insurance by the School Board's risk management program. Because this service predominantly benefits governmental rather than business-type functions, it has been included with governmental activities in the government-wide financial statements.
- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the Bossier Parish School Board. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Bossier Parish School Board's own programs. The School Board maintains one fiduciary fund named the School Activity Agency Fund.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Board's compliance with budgets for its major funds. The combining statements for non-major governmental funds are presented immediately following the required supplementary information.

Financial Analysis of Government-wide Activities

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Bossier Parish School Board, assets exceed liabilities by \$47,018,689 at the close of the most recent fiscal year.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

The largest portion of the Bossier Parish School Board's net assets totaling more than \$35 million (74.5%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although the Bossier Parish School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Bossier Parish School Board's Net Assets

	<u>June 30, 2002</u>
Current and other assets	\$ 27,598,625
Restricted assets	9,536,164
Capital assets	<u>54,815,047</u>
Total assets	<u>91,949,836</u>
Current and other liabilities	14,130,057
Long-term liabilities	<u>30,801,090</u>
Total liabilities	<u>44,931,147</u>
Net assets:	
Invested in capital assets, net of related debt	35,383,175
Restricted	14,058,525
Unrestricted	<u>(2,423,011)</u>
Total net assets	\$ <u>47,018,689</u>

Restricted net assets of \$14,058,525 are reported separately to show the legal constraints for the payment of outstanding long-term debt obligations and to limit the School Board from using these funds for day-to-day operations. Debt Service Funds account for \$4,662,410 of that total. The remaining balance are monies restricted for instructional enhancement. Gaming receipts are collected from area riverboats and a horse racing facility. State law requires the gaming receipts be held in perpetuity, however, the investment earnings may be spent each year for purposes of instructional enhancement. As of June 30, 2002, the permanently restricted portion was \$9,189,186, and the temporarily restricted balance, which represents unspent investment earnings, was \$206,929.

The remaining negative balance of unrestricted net assets of \$2,423,011 will be eliminated by increasing cash and investment asset reserves.

Governmental activities increased the Bossier Parish School Board's net assets by \$4,017,775, which was a 9.3% growth in the net assets. Key elements of this increase are as follows:

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

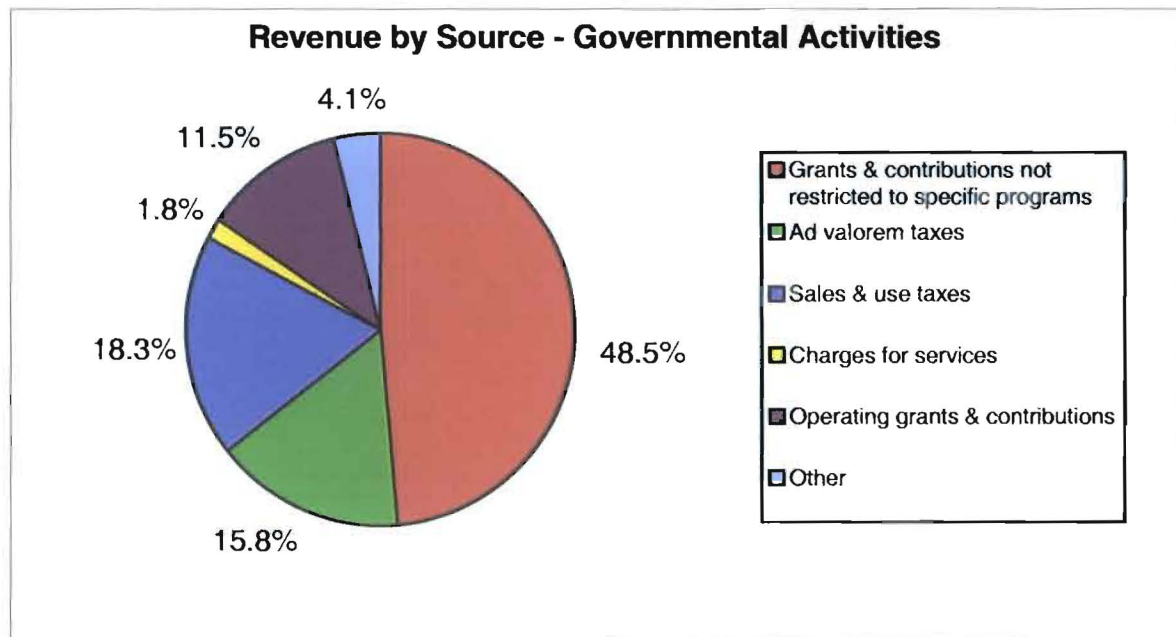
Bossier Parish School Board's Changes in Net Assets

	<u>Year ended June 30, 2002</u>
Revenues:	
Program revenues:	
Charges for services	\$ 2,178,708
State grants and entitlements	2,622,338
Federal grants	11,514,118
General revenues:	
Ad valorem taxes	19,282,172
Sales taxes	22,450,840
Minimum Foundation Program	59,409,548
BEEF (Gaming Revenues)	1,597,929
Interest on investments	550,356
Other general revenues	<u>2,788,037</u>
Total revenues	<u>122,394,046</u>
Expenses:	
Instruction	68,404,042
Support services:	
Student services	4,776,472
Instructional staff support	7,245,551
General administration	1,864,537
School administration	7,941,275
Business services	1,175,853
Plant services, including unallocated depreciation	10,609,549
Student transportation services	6,604,772
Food services	7,586,684
Central services	924,265
Community services	200,614
Debt service -- interest on long-term obligations	<u>1,042,657</u>
Total expenses	<u>118,376,271</u>
Increase in net assets	4,017,775
Net assets at beginning of year	<u>43,000,914</u>
Net assets at end of year	\$ <u>47,018,689</u>

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002



Revenues by Source – Governmental Activities

- Grants and Contributions Not Restricted To Specific Programs:** The single largest source of revenue to the Bossier Parish School Board for grants and contributions not restricted to a specific program is the State Equalization or commonly called the Minimum Foundation Program (MFP). The MFP is a distribution of approximately \$2.3 billion to 66 public school systems by the State of Louisiana for salaries and general operations. The State does not provide money for building schools or retiring debt. The distribution is based on a formula adopted by the Louisiana Board of Elementary and Secondary Education and approved by the Louisiana Legislature. The chart below lists the actual increases or decreases in MFP funds for the past 3 years.

<u>Fiscal Year</u>		<u>General Fund</u>	<u>School Food Service Fund</u>	<u>Total MFP</u>	<u>Increase</u>	
1999-2000	\$	53,331,873	806,004	54,137,877	2,705,757	5.3%
2000-2001		55,667,108	1,251,988	56,919,096	2,781,219	5.1%
2001-2002		57,730,544	1,679,004	59,409,548	2,490,452	4.4%

In FY 2001-02, the School Board received \$59,409,548 or 48.5% of its total revenues from the MFP. These revenues are deposited in the General Fund and the School Food Service Fund only. Most of the \$2,490,452 or 4.4% increase was used for salary increases.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

- **Sales and Use Tax Revenues:** Sales and use tax revenues are the second largest source of revenues for the Bossier Parish School Board. A 1.5% sales tax rate is levied upon the sale and consumption of goods and services within the parish. The chart below lists the sales and use tax revenues for the past 3 years.

<u>Fiscal Year</u>	<u>Sales Tax Fund</u>	<u>Increase</u>	
1999-2000	\$ 20,112,687	1,442,870	7.7%
2000-2001	22,404,446	2,291,759	11.4%
2001-2002	22,450,840	46,394	0.2%

All sales and use tax revenues are deposited into the Sales Tax Fund from which it is transferred to fund primarily the operations of the School Board. This represents 18.3% of the total revenues received. Sales tax revenue received in fiscal 2002 has remained consistent with the amount received in the previous year.

- **Ad Valorem Tax Revenues:** Ad valorem tax revenues, also called property tax revenues, are the third largest source of revenue for the School Board. Ad valorem collections are based upon the number of mills (approved annually by the School Board) and the taxable assessed value (established by the Bossier Parish Tax Assessor), subject to the limitations approved by the voters and the Louisiana Legislature. The chart below lists the ad valorem tax deposits for the past 3 years.

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Ad Valorem Taxes</u>	<u>Increase (decrease)</u>	
1999-2000	\$ 13,453,742	1,635,595	15,089,337	(789,482)	(5.0)%
2000-2001	15,483,297	1,587,628	17,070,925	1,981,588	13.1%
2001-2002	17,643,485	1,638,687	19,282,172	2,211,247	13.0%

In FY 2001-02, the School Board deposited \$19,282,172 of ad valorem tax revenues into the General Fund and the Debt Service Fund. This represents 15.8% of the total revenues received. Ad valorem tax revenues in FY 2001-02 increased in the General Fund as a result of new construction added to the tax rolls.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

- **Operating Grants and Contributions:** Operating grants and contributions are the third largest source of revenues for the School Board. This revenue type is primarily comprised of federal grants with some state grants included. These grants and contributions are specifically restricted to certain programs, and therefore, are netted against the costs of these programs to show a true net cost. The chart below shows the operating grants and contributions by fund source.

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Nonmajor Special Revenue Fund</u>	<u>Total</u>	<u>Increase</u>	
1999-2000	\$ 4,751,458	7,795,362	12,546,820	556,227	4.6%
2000-2001	5,163,168	7,992,084	13,155,252	608,432	4.8%
2001-2002	5,261,590	8,874,866	14,136,456	981,204	7.5%

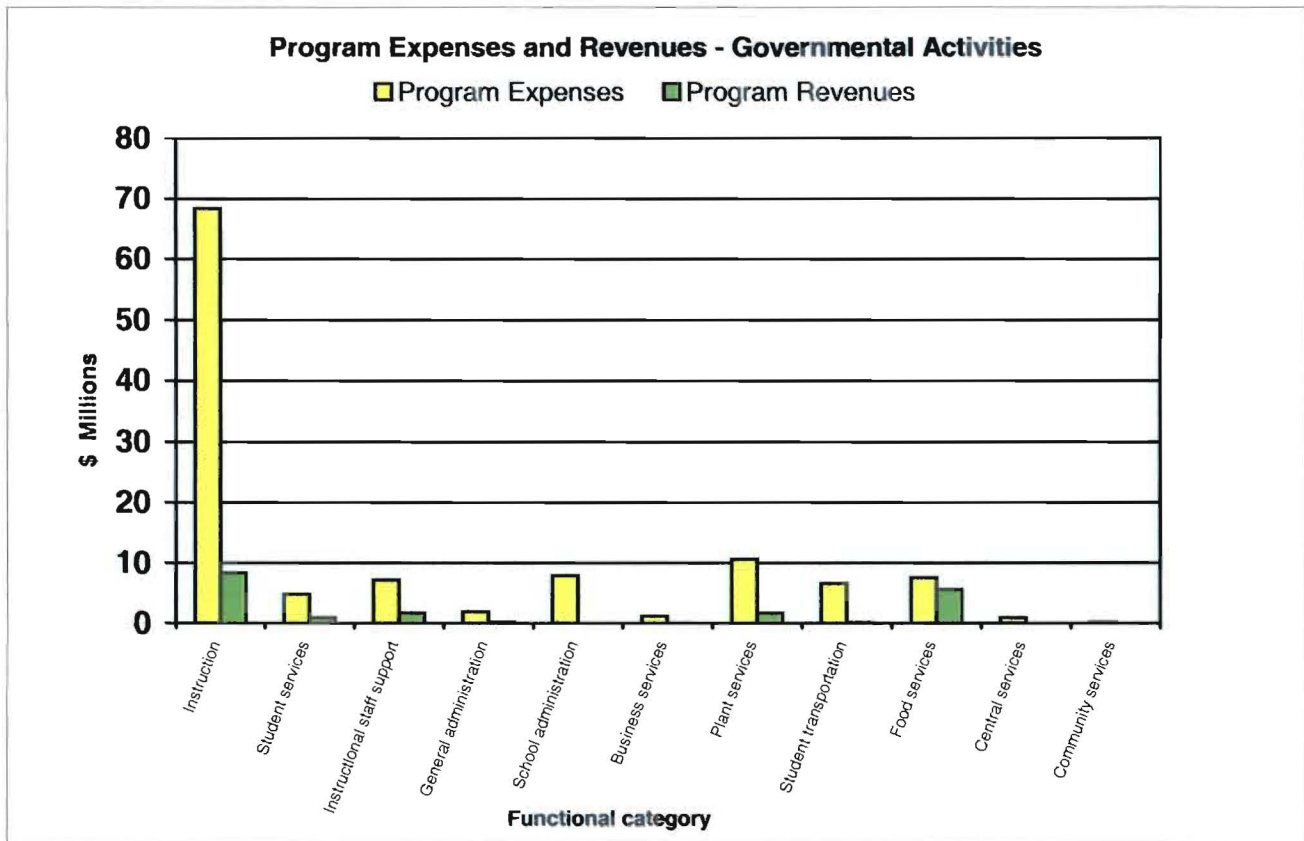
In FY 2001-02, the School Board received \$14,136,456 in operating grants and contributions. The 7.5% increase in FY 2001-02 is the result of increased Title I program funding and increased IDEA funding.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002



Program Expenses and Revenues – Governmental Activities

Expenses are classified by functions/programs. The related revenues are comprised of specific charges for the services and operating grants and contributions received to offset the expenses for the specific program.

Instruction services for fiscal 2002 totaled \$68,404,042, 57.8% of total expenditures. The remaining captions above are considered support services and relate to those functions that support the instructional services provided, such as administration, transportation, food services, and plant services. Support services for fiscal 2002 totaled \$48,728,958, 41.2% of total expenditures.

The remaining expenditures of \$1,243,271, 1.0% of total expenditures consists of interest expense on long-term obligations and community services expenditures.

The program revenues for fiscal 2002 directly related to these expenses totaled \$16,315,164 which resulted in net program expenses of \$102,061,107. These net program expenses are funded by general revenues of the School Board.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

Financial Analysis of Governmental Funds

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

The focus of the Bossier Parish School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Bossier Parish School Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a School Board's net resources available for spending at the end of the fiscal year.

- As of the close of the current fiscal year, the Bossier Parish School Board's governmental funds reported a combined ending fund balance of \$20,353,293, an increase of \$7,063,843 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$2.2 million available for spending within the General Fund, (2) \$4.7 million reserved for the payment of outstanding bond issues within the Debt Service Fund, and (3) \$9.4 million reserved for instructional enhancement within the Bossier Educational Excellence Permanent Fund.
- The General Fund is the chief operating fund of the Bossier Parish School Board. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,214,665. The total (undesignated) is available for spending at the Board's discretion.
- The Debt Service Fund has a total fund balance of \$4,662,410, all of which is reserved for the payment of debt service. A net increase of \$333,344 occurred during the current fiscal year as a result of ad valorem tax revenues, dedicated to this fund, exceeding the total of principal and interest payments for the year.
- The Capital Projects Funds have a total fund balance of \$2,452,098, all of which is designated for specific projects. A net increase of \$2,447,072 occurred during the current fiscal year largely due to \$3.1 million of Qualified Zone Academy Bond (QZAB) funds received.

General Fund Budgetary Highlights

The Bossier Parish School Board recognizes the importance of sound fiscal planning, as well as the technical relationship of the financial structure to the teaching of students. Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the School Board complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

The original budget for the School Board was adopted on June 21, 2001, and the final budget amendment was adopted on May 16, 2002. Differences between the original budget and the final amended budget of the General Fund is as follows:

Revenues

- Ad valorem taxes were estimated at \$14,439,403 when the budget was first submitted to the Board in June. The original budget was increased by \$2,788,777 as a result of increased collections due to new property added to tax rolls.
- Sales and use tax revenues were estimated to be stable based on estimates from the Bossier Parish Sales and Use Tax Commission. The budget was increased \$1,418,605 after collections for the first 8 months of the fiscal year showed an increase of 6.9%.
- State equalization was estimated at \$2,964 per student in the original budget. However, when the appropriation was received from the State Department of Education in February 2002, the amount had risen to \$3,121 per student. This was an increase of \$157 per student largely due to a \$2,060 teacher pay raise funded within the state equalization. As a result, the budget was increased by \$2,490,637 when the final appropriation was received.

Expenditures

- All functional areas of the budget for instruction and support services were increased \$6,898,023 when the Board approved a \$1,000 salary increase for the professional staff and \$500 for the support staff. Also in April 2002, the Board approved a \$800 one-time salary increase for the certified staff and a \$400 one-time salary increase for the support staff. Also a \$2,060 salary increase for certified personnel was funded by the state and necessitated an increase in budgeted expenditures.
- The original budget for instruction was further adjusted by \$227,618 as a result of increased grant expenditures.
- The original budget for student transportation services was further adjusted by \$50,000 as a result of increased fuel and bus maintenance cost.

Net change in Fund Balance

- The original budget projected a surplus of \$1,292,197 and was later amended and projected to have a surplus of \$2,527,356. This \$1.2 million change is largely due to increases in the projected revenues for ad valorem taxes, sales taxes, and the increase in state equalization funds.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

Capital Assets and Debt Administration

Capital Assets: The Bossier Parish School Board's investment in capital assets as of June 30, 2002 amounts to \$54,815,047 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, transportation equipment, and construction in progress. The table below shows the value at the end of each fiscal year.

**Bossier Parish School Board's Capital Assets
(net of depreciation)**

	<u>2002</u>	<u>2001</u>
Land	\$ 557,469	557,469
Buildings, building improvements, and land improvements	46,461,415	48,647,023
Furniture and equipment	5,939,224	6,108,379
Transportation equipment	1,856,939	1,689,698
Total	<u>\$ 54,815,047</u>	<u>57,002,569</u>

Major capital asset events during the fiscal year included the following:

- 11 school buses were purchased
- Purchased over \$1.6 million in textbooks and library books

Long-Term Debt: At the end of the current fiscal year, the Bossier Parish School Board had total bonded debt outstanding of \$20,606,055. The following table summarizes debt outstanding at June 30, 2002 and 2001.

Bossier Parish School Board's Outstanding Debt

	<u>2002</u>	<u>2001</u>
General obligation bonds	\$ 15,225,000	15,845,000
General obligation notes	387,428	475,822
Certificates of indebtedness	1,970,000	3,205,000
QZAB loan payable	3,023,627	—
Total	<u>\$ 20,606,055</u>	<u>19,525,822</u>

Long-term debt issues for FY 2001-02 fiscal year include the following:

- Total outstanding debt increased \$1,080,233 during the fiscal year.
- The Bossier Parish School maintains a bond rating of "A2" from Moody's and a "A-" from Standard & Poor's for its general obligation bonds.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Management's Discussion and Analysis

June 30, 2002

- Louisiana statutes limit the amount of general obligation debt the Bossier Parish School Board may issue to 35% of its total assessed valuation. The current debt limitation for the Bossier Parish School Board is \$171 million, which is higher than the \$21 million outstanding at June 30, 2001.
- During FY 2001-02 the Bossier Parish School Board received loan proceeds of \$3,079,620 as part of the Qualified Zone Academy Bond Program through the Louisiana Community Development Authority. The loan is interest free with quarterly payments of \$55,993.

For additional information regarding capital assets and long-term debt, see the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for FY 2002-03 was presented to the Board:

- Enrollment forecasts prepared by the School Board indicate that 100 more students will enter school in Bossier Parish next year. This will affect the amount of money that is received from the State of Louisiana.
- Information from the Bossier Parish Sales Tax Assessor shows property tax assessments will remain the same at \$490 million.
- Sales and use tax collections for each of the last two fiscal years were \$22 million and it is currently budgeted that collections will remain stable.
- The unemployment rate in Bossier Parish is presently at 6.5%. This rate has been between 3.8% and 7.7% for the past four years.
- No increases are being projected in the amount of debt that is outstanding. It should be noted that decreases in the amount of outstanding bonds will occur over the next three years when principal and interest payments will decrease from \$3.2 million per year in 2003 to \$1.7 million per year in 2005.

Requests for Information

This financial report is designed to provide a general overview of the Bossier Parish School Board's finances for all those with an interest in the School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance of the Bossier Parish School Board, P.O. Box 2000, Benton, LA 71006, or by calling (318) 549-5000.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Fiscal Year Ended June 30, 2002

BASIC FINANCIAL STATEMENTS

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Fiscal Year Ended June 30, 2002

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Statement of Net Assets
Governmental Activities

June 30, 2002

Assets

Cash and cash equivalents	\$ 23,334,555
Receivables	3,893,740
Inventory	129,212
Prepaid items	151,861
Bond issuance costs, net of accumulated amortization	89,257
Restricted assets:	
Cash and cash equivalents	874,037
Investments	8,424,375
Receivables	237,752
Capital assets:	
Land	557,469
Other capital assets, net of accumulated depreciation	54,257,578
	<hr/>
Total assets	91,949,836

Liabilities

Accounts payable	4,147,252
Salaries payable	9,537,363
Payable from restricted assets – accounts payable	140,049
Interest payable – bonds and certificates of indebtedness	305,393
Long-term liabilities:	
Due within one year	5,664,945
Due in more than one year	25,136,145
	<hr/>
Total liabilities	44,931,147

Net Assets

Invested in capital assets, net of related debt	35,383,175
Restricted for debt service	4,662,410
Restricted for instructional enhancement:	
Expendable	206,929
Nonexpendable	9,189,186
Unrestricted	(2,423,011)
	<hr/>
Total net assets	\$ 47,018,689

See accompanying notes to basic financial statements.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Statement of Activities
Governmental Activities

Fiscal year ended June 30, 2002

	<u>Expenses</u>	<u>Program revenues</u>		<u>Net (expense) revenue and changes in net assets</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	
Functions/programs:				
Current:				
Instruction	\$ 68,404,042	—	8,149,194	(60,254,848)
Support services:				
Student services	4,776,472	—	634,316	(4,142,156)
Instructional staff support	7,245,551	—	1,578,154	(5,667,397)
General administration	1,864,537	—	247,815	(1,616,722)
School administration	7,941,275	—	—	(7,941,275)
Business services	1,175,853	—	41,624	(1,134,229)
Plant services, including unallocated depreciation	10,609,549	—	27,448	(10,582,101)
Student transportation services	6,604,772	—	142,491	(6,462,281)
Food services	7,586,684	2,178,708	3,315,414	(2,092,562)
Central services	924,265	—	—	(924,265)
Community services	200,614	—	—	(200,614)
Debt service – interest on long-term obligations, unallocated	1,042,657	—	—	(1,042,657)
Total governmental activities	\$ 118,376,271	2,178,708	14,136,456	(102,061,107)
General revenues:				
Taxes:				
Ad valorem taxes levied for general purposes				1,490,359
Ad valorem taxes levied for debt service purposes				1,673,082
Ad valorem taxes levied for maintenance and operation				3,393,911
Ad valorem taxes levied for salaries and benefits				12,724,820
Sales taxes levied for maintenance and operation of air conditioning systems and any other legal purpose				7,483,613
Sales taxes levied for salaries, benefits, and general purposes				14,967,227
State revenue sharing				562,145
Grants and contributions not restricted to specific programs:				
Minimum Foundation Program				59,409,548
BEEF (Gaming Revenues)				1,597,929
Interest and investment earnings				550,356
Other				2,225,892
Total general revenues				106,078,882
Change in net assets				4,017,775
Net assets at beginning of year				43,000,914
Net assets at end of year				47,018,689

See accompanying notes to basic financial statements.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Governmental Funds Balance Sheet

June 30, 2002

		General	Sales Tax Special Revenue Fund	Debt Service Fund	Bossier Education Excellence Permanent Fund	Other Governmental Funds	Totals
Assets		Fund	Fund	Fund	Fund	Funds	
Assets:							
Cash and cash equivalents	\$	11,855,572	1,906,905	4,662,385	—	4,844,376	23,269,238
Cash and cash equivalents – restricted		—	—	—	874,037	—	874,037
Investments		—	—	—	8,424,375	—	8,424,375
Receivables		1,619,889	1,924,177	15	237,752	349,659	4,131,492
Interfund receivables		5,129,689	—	10	—	638,090	5,767,789
Inventories		—	—	—	—	129,212	129,212
Prepays		151,861	—	—	—	—	151,861
Total assets	\$	18,757,011	3,831,082	4,662,410	9,536,164	5,961,337	42,748,004
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$	3,259,392	110,743	—	140,049	584,939	4,095,123
Salaries payable		8,313,766	—	—	—	1,223,597	9,537,363
Interfund payable		3,667,655	3,720,339	—	3,267	1,370,964	8,762,225
Total liabilities		15,240,813	3,831,082	—	143,316	3,179,500	22,394,711
Fund balances:							
Reserved for encumbrances		1,149,672	—	—	—	—	1,149,672
Reserved for debt service		—	—	4,662,410	—	—	4,662,410
Reserved for inventory		—	—	—	—	129,212	129,212
Reserved for instructional enhancement		—	—	—	9,392,848	—	9,392,848
Reserved for prepaid items		151,861	—	—	—	—	151,861
Unreserved:							
Designated for capital projects in nonmajor capital projects funds		—	—	—	—	2,452,098	2,452,098
Undesignated		2,214,665	—	—	—	—	2,214,665
Undesignated, reported in nonmajor special revenue funds		—	—	—	—	200,527	200,527
Total fund balances		3,516,198	—	4,662,410	9,392,848	2,781,837	20,353,293
Total liabilities and fund balances	\$	18,757,011	3,831,082	4,662,410	9,536,164	5,961,337	42,748,004

See accompanying notes to basic financial statements.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets**

June 30, 2002

Total fund balances – governmental funds at June 30, 2002 \$ 20,353,293

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 is reported as governmental activities in the statement of activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$ 147,681,523	
Accumulated depreciation	<u>(92,866,476)</u>	54,815,047

Other assets used in governmental activities that are not financial resources and therefore are not reported in the governmental funds.

Bond issuance costs	123,243	
Amortization	<u>(33,986)</u>	89,257

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, 2002 are:

Long-term liabilities:		
Compensated absences payable	(6,305,060)	
Claims and judgments	(10,000)	
General bonded debt	(15,225,000)	
General obligation notes	(387,428)	
Certificates of indebtedness	(1,970,000)	
QZAB loan payable	(3,023,627)	
Capital lease payable	(1,205,279)	
Interest payable	<u>(305,393)</u>	(28,431,787)

To include governmental activities of internal service fund		<u>192,879</u>
---	--	----------------

Net assets at June 30, 2002	\$	<u><u>47,018,689</u></u>
-----------------------------	----	--------------------------

See accompanying notes to basic financial statements.

BOSSIER PARISH SCHOOL BOARD
 Benton, Louisiana
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Fiscal year ended June 30, 2002

	General Fund	Sales Tax Special Revenue Fund	Debt Service Fund	Bossier Education Excellence Permanent Fund	Other Governmental Funds	Totals
Revenues:						
Local sources:						
Taxes:						
Ad valorem	\$ 17,643,485	—	1,638,687	—	—	19,282,172
Sales and use	—	22,450,840	—	—	—	22,450,840
Interest earnings	220,751	84	101,458	207,629	20,434	550,356
Food services	—	—	—	—	2,178,708	2,178,708
Other	2,225,892	—	—	1,597,929	—	3,823,821
State sources:						
State equalization	57,730,544	—	—	—	1,679,004	59,409,548
Grants and other	3,057,640	—	96,161	—	30,682	3,184,483
Federal and other sources	2,669,934	—	—	—	8,844,184	11,514,118
Total revenues	<u>83,548,246</u>	<u>22,450,924</u>	<u>1,836,306</u>	<u>1,805,558</u>	<u>12,753,012</u>	<u>122,394,046</u>
Expenditures:						
Current:						
Instruction	63,793,395	—	—	485,987	2,809,737	67,089,119
Support services:						
Student services	4,097,699	—	—	—	634,316	4,732,015
Instructional staff support	5,282,682	—	—	—	1,648,351	6,931,033
General administration	1,559,618	220,985	—	—	257,225	2,037,828
School administration	7,780,859	—	—	—	—	7,780,859
Business services	1,041,012	—	800	—	43,131	1,084,943
Plant services	9,706,866	—	—	—	667,020	10,373,886
Student transportation services	6,111,879	—	—	—	142,867	6,254,746
Food services	—	—	—	—	7,442,960	7,442,960
Central services	868,203	—	—	—	—	868,203
Community services	200,614	—	—	—	—	200,614
Debt service:						
Principal retirement	4,827,532	—	620,000	—	—	5,447,532
Interest	283,923	—	882,162	—	—	1,166,085
Total expenditures	<u>105,554,282</u>	<u>220,985</u>	<u>1,502,962</u>	<u>485,987</u>	<u>13,645,607</u>	<u>121,409,823</u>
Excess (deficiency) of revenues over (under) expenditures	(22,006,036)	22,229,939	333,344	1,319,571	(892,595)	984,223
Other financing sources (uses):						
Proceeds from loan	—	—	—	—	3,079,620	3,079,620
Proceeds from revenue anticipation notes	3,000,000	—	—	—	—	3,000,000
Transfers in	22,065,718	—	—	—	7,769,896	29,835,614
Transfers out	(113,432)	(22,229,939)	—	—	(7,492,243)	(29,835,614)
Total other financing sources (uses)	<u>24,952,286</u>	<u>(22,229,939)</u>	<u>—</u>	<u>—</u>	<u>3,357,273</u>	<u>6,079,620</u>
Net change in fund balances	2,946,250	—	333,344	1,319,571	2,464,678	7,063,843
Fund balances at beginning of year	569,948	—	4,329,066	8,073,277	317,159	13,289,450
Fund balances at end of year	<u>\$ 3,516,198</u>	<u>—</u>	<u>4,662,410</u>	<u>9,392,848</u>	<u>2,781,837</u>	<u>20,353,293</u>

See accompanying notes to basic financial statements.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities**

Fiscal year ended June 30, 2002

Total net change in fund balances -- governmental funds	\$	7,063,843
---	----	-----------

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlay additions	\$	2,837,962	
Depreciation expense		<u>(5,025,484)</u>	(2,187,522)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

5,447,532

Proceeds from revenue anticipation notes

(3,000,000)

Proceeds from QZAB loan

(3,079,620)

Amortization of bond issuance cost

(6,307)

In the statement of activities, certain operating expenses--compensated absences (vacations and sick leave)--are measured by 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, vacation and sick time earned exceeded the amounts used by \$454,371.

(454,371)

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, 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.

41,341

To include governmental activities of internal service fund

192,879

Change in net assets of governmental activities

\$ 4,017,775

See accompanying notes to basic financial statements.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Balance Sheet
Proprietary Fund

June 30, 2002

		Governmental Activities – Internal Service Fund
		<u> </u>
Assets		
Current assets:		
Cash and cash equivalents		\$ 65,317
Due from other funds		<u>2,995,436</u>
Total assets		<u>\$ 3,060,753</u>
Liabilities		
Current liabilities:		
Accounts payable		\$ 960,981
Claims payable		1,905,893
Due to other funds		<u>1,000</u>
Total liabilities		<u>2,867,874</u>
Net Assets		
Unrestricted		<u>192,879</u>
Total net assets		<u>192,879</u>
Total liabilities and net assets		<u>\$ 3,060,753</u>

See accompanying notes to basic financial statements.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund**

Year ended June 30, 2002

	Governmental Activities – Internal Service Fund
Operating revenues – premiums	\$ <u>17,406,441</u>
Operating expenses:	
Claims	17,197,562
Consulting services	<u>16,000</u>
Total operating expenses	<u>17,213,562</u>
Operating income	<u>192,879</u>
Change in net assets	192,879
Total net assets, beginning	<u>—</u>
Total net assets, ending	\$ <u><u>192,879</u></u>

See accompanying notes to basic financial statements.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Statement of Cash Flows
Proprietary Fund

Year ended June 30, 2002

**Governmental
Activities –
Internal Service
Fund**

Cash flows from operating activities:	
Premiums	\$ 16,762,387
Claims paid	(17,047,361)
Other payments	(349,392)
	<hr/>
Net cash provided by operating activities	64,418
	<hr/>
Net increase in cash and cash equivalents	64,418
Cash and cash equivalents beginning of year	899
	<hr/>
Cash and cash equivalents end of the year	\$ <u>65,317</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 192,879
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Receivables, net	(644,054)
Accounts payable	365,392
Claims payable	150,201
	<hr/>
Net cash provided by operating activities	\$ <u>64,418</u>

See accompanying notes to basic financial statements.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Statement of Fiduciary Assets and Liabilities
Agency Fund

June 30, 2002

Assets

Cash	\$	<u>1,718,723</u>
Total assets	\$	<u><u>1,718,723</u></u>

Liabilities

Accounts payable	\$	29,671
Deposits due others		<u>1,689,052</u>
Total liabilities	\$	<u><u>1,718,723</u></u>

See accompanying notes to basic financial statements.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(1) Summary of Significant Accounting Policies

The Bossier Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Bossier 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 twelve members who are elected from twelve districts for concurrent terms of four years.

The School Board operates 35 schools within the parish with a total enrollment of 18,756 pupils. In conjunction with the regular education 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.

(a) Reporting Entity

The basic criterion established by the Governmental Accounting Standards Board (GASB) for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the Bossier Parish School Board (the primary government). Based on the criteria, there are no component units included in the School Board's reporting entity.

(b) Basis of Presentation

Government-wide and Fund Financial Statements

During the current year, the School Board adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. See note 15 for additional information.

The government-wide financial statements ("GWFS") (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the School Board. For the most part, the effect of interfund activity has been removed from these statements.

The statement of net assets presents information on all of the School Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense which can be specifically identified by function is included in the direct expense of each function. Some depreciation remains unallocated and is included in plant services. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities. 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 requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements ("FFS") are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the FFS. There are no major proprietary funds.

The accounts of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types are used by the School Board:

Governmental Funds

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use, and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The School Board reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

Sales Tax Fund Special Revenue Fund – The Sales Tax Fund is used to account for the collection of sales tax in Bossier Parish. The monies are then transferred to the appropriate fund for expenditures.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund receives a dedicated portion of ad valorem taxes paid to the School Board.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

Bossier Education Excellence Permanent Fund – This fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the School Board's programs. The BEEF fund was established to account for the School Board's share of gaming receipts. These gaming monies are legally restricted and may not be spent. The interest earnings, however, may be expended for purposes of instructional enhancement.

Additionally the School Board reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Funds

The Proprietary Fund is used to account for the School Board's ongoing organizations and activities which are similar to those often found in the private sector.

The School Board applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins.

Internal Service Fund – The Internal Service Fund is the only proprietary fund and is used to account for the accumulation of resources for and the payment of employee health insurance by the School Board's risk management program. Because this service predominantly benefits governmental rather than business-type functions, this fund has been included within governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds include:

School Activity Agency Fund – The School Activity Agency Fund is used to account for assets held by the School Board as an agent for other parties. The School Activity Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The fund accounts for monies collected by pupils and school personnel for school or school-related purposes.

(c) Capital Assets

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level for capitalization of \$1,000 for all fixed assets.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

Capital assets are reported in the GWFS, but not reported in the FFS.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is calculated based on the following estimated useful lives:

Buildings	25–50 years
Land improvements	10–25 years
Building improvements	10–30 years
Furniture and equipment	5–20 years
Vehicles	8 years

The School Board does not possess any material amounts of infrastructure capital assets, such as roads and bridges.

(d) Long-Term Liabilities

In the GWFS, and proprietary fund types in the FFS, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the FFS, governmental fund types recognize bond issuance cost during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(e) Basis of Accounting/Measurement Focus

Government-Wide Financial Statements

The statement of net assets and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, which was adopted in the previous fiscal year.

Fund Financial Statements

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds (General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Permanent Fund) are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School Board considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Property taxes are recognized as revenues in the year for which they are levied.

Revenues

Revenues which are susceptible to accrual are ad valorem taxes, sales taxes, and investment income. Food services and miscellaneous other revenues are recorded as revenues when earned. For intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. In reimbursement-type programs, monies must be expended on the specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the principal and interest on general long-term debt which is recognized when due. As of June 30, 2002, all instructional related salaries for July and August have been accrued because the salaries have been earned but not paid.

Compensated absences are recognized as expenditures when the benefit matured. Only the matured portion of the liability for compensated absences, which includes salary and salary-related payments, is reported in the fund.

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the School Board's internal service funds are premiums. Operating expenses for the internal service funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid and long-term debt proceeds are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

(f) *Encumbrances*

Encumbrance accounting is employed in governmental funds. Outstanding encumbrances (e.g., purchase orders, contracts) lapse at year end. To the extent the School Board intends to honor the purchase orders and commitments, they are reported as reservations of fund balances. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

(g) *Cash and Cash Equivalents*

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

(h) *Investments*

Investments are limited by LSA-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 investments that have a remaining maturity at time of purchase of one year or less; these are reported at cost.

Under state law, the School Board may invest in direct United States Treasury obligations, indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government), indebtedness issued or guaranteed by federally sponsored U.S. government agencies, and may deposit its funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana or mutual or trust fund institutions registered with the Securities and Exchange Commission.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(i) *Short-Term Interfund Receivables/Payables*

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements balance sheet.

(j) *Elimination and Reclassifications*

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 reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

(k) *Inventories*

Inventory of the School Food Service special revenue fund consists of supplies and food purchased by the School Board. All commodities received through both the cash in lieu of commodities program and the food distribution program are received and consumed in the current year.

Food is accounted for on the consumption method. All purchased inventory items are valued at cost (first-in, first-out), and commodities are assigned values based on information provided by the United States Department of Agriculture. Inventories are equally offset by a fund balance reserve which indicates that these do not constitute "available spendable resources", even though they are a component of total assets.

(l) *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(m) *Vacation, Sick Leave, and Sabbatical Leave*

All twelve-month School Board employees earn from ten to twenty days of vacation leave each year depending upon length of service. Vacation leave may be accumulated up to one hundred and fifty percent of their annual allotment carried forward to the next calendar year. Upon termination, employees may be paid for all unused vacation earned through June 30, 2002 and up to thirty days of unused vacation leave earned subsequent to June 30, 2002. Nine-month employees earn two work days of personal leave per academic year, which is non-cumulative.

All School Board employees earn from ten to thirteen days of sick leave each year, depending upon the length of service. Sick leave may be accumulated without limitation. Upon retirement or death, a maximum of twenty-five days accumulated sick leave may be paid to the employee or the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total accumulated sick leave, including the twenty-five days paid, is used in the

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement System and for sick leave earned under the Louisiana School Employees' Retirement System, all unpaid sick leave, which excludes the twenty-five days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for medical reasons and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

Accruals for compensated absences include both salary and salary-related benefits.

Sabbatical leave benefits are recorded as expenditures in the period paid.

In the FFS, the matured liability for compensated absences, which includes salary and salary-related payments, is reported in the fund. The total liability is reported in the GWFS.

(n) Sales Tax

The School Board receives sales tax revenue from the following two sales taxes:

- (a) The voters of Bossier Parish approved on April 15, 1969, a one-cent parish-wide sales tax to be used to supplement salaries and benefits of teachers of Bossier Parish and other School Board employees and for the operation of public schools in Bossier Parish.
- (b) The voters of Bossier Parish approved on September 16, 1978, a one-half of one percent (½%) parish-wide sales tax to be used for the retirement of the School Board's sales tax bonds, the maintenance and upkeep of the school system's air conditioners and any other lawful purpose of the school system.

(o) Pension Plans

The School Board participates in two pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements (see note 6 for details of these plans).

(p) 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.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(q) Reserves

Use of the term "reserve" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance is not available to appropriate for expenditure or is legally segregated for a specific future use. The nature and purpose of these reserves are explained as follows:

Encumbrances

Encumbrances outstanding at year end represent the estimated amount the School Board intends to honor as a commitment regardless of the lapse in the appropriation.

Inventory

This amount represents the portion of fund balance relating to purchased inventory on hand which is therefore unavailable to be expended for other purposes. A reserve is not established for donated inventory.

Prepaid Items

This amount represents the portion of fund balance relating to expenditures that will benefit future periods.

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.

Instructional Enhancement

This amount represents the portion of fund balance that has been reserved in the Bossier Educational Excellence Fund (permanent fund).

(r) Designations

Use of the term "designated" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance has been segregated to indicate tentative plans for future financial resource use. Designated fund balances may be changed and are subject to subsequent authorization before expenditures can be made. The nature and purpose of these designations are explained as follows:

Designated for Capital Projects

This amount has been accumulated from bond and loan proceeds to fund the acquisition and/or construction of capital assets.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(s) *Grants and Entitlements From Other Governmental Agencies*

Federal and state governmental agencies represent an important source of supplementary funding to finance educational programs and other activities beneficial to parish schools. These funds, primarily in the form of grants, are recorded in the General Fund and Special Revenue Funds. A grant receivable is recorded when all applicable eligibility requirements have been met. The grants normally specify the purpose for which the funds may be used and are audited annually as mandated in OMB Circular A-133.

(t) *Capital Leases*

Capital leases are recorded as expenditures and other financing sources at inception in governmental funds at an amount equal to the present value of minimum lease payments. The asset and related liability are recorded in the GWFS.

(u) *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires 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, expenses, and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

(2) *Cash and Investments*

At June 30, 2002, the carrying amount of the School Board's cash deposits was \$11,105,481, and the bank balance was \$12,098,608. This difference is due to the outstanding checks at June 30, 2002. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Of the bank balance, \$985,013 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name and \$185,425 was insured by the National Credit Union Share Insurance Fund in the School Board's name (GASB Category 1). \$10,928,170 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3).

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the School Board or its agent in the School Board's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the School Board's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the School Board's name.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

At year end, the School Board investment balances included the following:

	<u>Category 1</u>	<u>Carrying amount and fair value</u>
U. S. Agency obligations	\$ 8,424,375	8,424,375
Louisiana Asset Management Pool (LAMP)	N/A	14,821,834
Total investments		23,246,209
Deposits		11,105,481
Total cash, cash equivalents, and investments		<u>34,351,690</u>

Investments in LAMP are not categorized above because they are not evidenced by securities that exist in physical or book entry form. LAMP, a local government investment pool, is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a-7, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. 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. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give participants immediate access to their account balances.

(3) Levied Taxes

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

The Bossier Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Assessment date	January 1, 2001
Levy date	Not later than June 1, 2001
Tax bills mailed	On or about November 15, 2001
Total taxes are due	December 31, 2001
Penalties and interest are added	January 1, 2002
Lien date	January 1, 2002
Tax sale – 2001 delinquent property	May 2002

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

The School Board is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose or, in the aggregate for all purposes, 35% of the assessed valuation for the payment of principal and interest on long-term debt after approval by the voters of the parish.

Assessed values are established by the Bossier Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2000. Total assessed value was \$489,789,300 for calendar year 2001. Louisiana State law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$120,793,260 of the assessed value in calendar year 2001.

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

<u>Parish-wide taxes</u>	<u>Date of voter approval</u>	<u>Authorized millage</u>	<u>Levied millage</u>	<u>Expiration date</u>
Constitutional	Statutory	4.22	4.22	Statutory
Special Maintenance and Operations	October 16, 1993	9.61	9.61	2003
Special Salaries and Related Benefits	October 16, 1993	9.61	9.61	2003
Special Salaries and Related Benefits	April 20, 1996	26.50	26.50	2006
Bond and Interest	April 20, 1996	Variable	4.70	2017

The difference between authorized and levied millages are the result of the reassessment of taxable property required by Article 7, Section 23 of the Louisiana Constitution of 1974.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(4) Capital Assets

A summary of changes in capital assets is as follows:

	Balance July 1, 2001	Additions	Retirements	Balance June 30, 2002
Capital assets not being depreciated – land	\$ 557,469	—	—	557,469
Capital assets being depreciated:				
Buildings and improvements	118,966,426	1,950	—	118,968,376
Furniture and equipment	17,784,435	2,335,386	—	20,119,821
Transportation equipment	7,535,231	500,626	—	8,035,857
Total capital assets being depreciated	144,286,092	2,837,962	—	147,124,054
Less accumulated depreciation for:				
Buildings and improvements	70,319,403	2,187,558	—	72,506,961
Furniture and equipment	11,676,056	2,504,541	—	14,180,597
Transportation equipment	5,845,533	333,385	—	6,178,918
Total accumulated depreciation	87,840,992	5,025,484	—	92,866,476
Total capital assets being depreciated, net	56,445,100	(2,187,522)	—	54,257,578
Capital assets, net	\$ 57,002,569	(2,187,522)	—	54,815,047

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 3,881,265
Support services:	
Instructional staff support services	261,867
Business services	89,046
Plant services	133,538
Student transportation services	333,885
School administration	109,948
Pupil support services	17,768
Central services	54,179
General administration	16,314
Noninstructional services – food service operations	127,674
Total depreciation expense	\$ 5,025,484

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(5) Receivables

The receivables of \$4,131,492 at June 30, 2002 for the School Board's major and nonmajor funds consist of the following:

	<u>General Fund</u>	<u>Sales Tax Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Bossier Education Excellence Permanent Fund</u>	<u>Nonmajor Funds</u>	<u>Total Government- wide</u>
Grants:						
Federal	\$ 290,651	—	—	—	324,964	615,615
State	819,158	—	—	—	19,349	838,507
Sales tax	—	1,924,177	—	—	—	1,924,177
Other	510,080	—	15	237,752	5,346	753,193
Total	<u>\$ 1,619,889</u>	<u>1,924,177</u>	<u>15</u>	<u>237,752</u>	<u>349,659</u>	<u>4,131,492</u>

There were no allowances for uncollectible accounts as of June 30, 2002.

(6) Defined Benefit Pension Plans

The School Board provides retirement, death, and disability benefits to its employees through two pension plans administered by the state of Louisiana. These plans are:

Teachers' Retirement System of Louisiana (TRS):*Plan Description*

Participation in the Teachers' Retirement Systems is divided into two plans -- the Teachers' Regular Plan and the Teachers' Plan A (Teachers' Plan). In general, professional employees (such as teachers and principals) and lunchroom workers are members of these cost-sharing multiple-employer statewide plans. Benefit provisions are established in accordance with Louisiana state statute. The Teachers' Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Teachers' Retirement System of Louisiana, P. O. Box 94123, Baton Rouge, Louisiana 70804-9123.

Funding Policy

Covered employees are required to contribute 8% of their salary to the Teachers' Regular Plan and 9.10% percent of their salary to the Teachers' Plan A. The School Board was required to contribute 13.1%, 14.2%, and 15.2% of covered employees' salaries for the years ended June 30, 2002, 2001, and 2000, respectively.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

The employer and employee contribution obligations are established and may be amended by Louisiana state statute. The School Board's contributions for the years ended June 30, 2002, 2001, and 2000 were \$8,028,764, \$7,836,701, and \$8,366,786, respectively, equal to the required contributions for each year. In accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, the net pension obligation was determined to be zero. Prior to adoption of GASB 27, the School Board did not report a pension liability for the Teachers' Plan.

Deferred Retirement Option Plan

Effective July 1, 1992, the Teachers' Retirement System adopted a Deferred Retirement Option Plan (DROP). Under the DROP, a member is allowed to retire and accumulate his/her retirement benefits in a special reserve fund and yet continue employment and draw a salary. Upon termination of employment at the end of the specified period, the monthly retirement benefits and the amounts paid into the DROP will begin being paid to the retiree.

Louisiana School Employees' Retirement System (School Employees' Plan):

Plan Description

All bus drivers, bus aids, maintenance employees, and custodians are members of this cost-sharing multiple-employer statewide plan. Benefit provisions are established in accordance with Louisiana state statute. The School Employees' Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Louisiana School Employees' Retirement System, P.O. Box 44516, Baton Rouge, Louisiana 70804-4516.

Funding Policy

Covered employees were required to contribute 7.5% of their salary to the School Employees' Plan in 2002 and 6.35% of their salary for 2001 and 2000. The School Board was required to contribute 6% of covered employees' salaries for 2002, 2001, and 2000. However, due to the passage of House Bill 2174, employer contributions for the years ended June 30, 2002, 2001, and 2000 were funded from the Employer Credit Account. The employer and employee contribution requirements are established and may be amended by Louisiana state statute. In accordance with GASB 27, the net pension obligation was determined to be zero. Prior to adoption of GASB 27, the School Board did not report a pension liability for the School Employees' Plan.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(7) Post-Retirement Health Care and Life Insurance Benefits

In accordance with state statutes, the School Board provides 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 and similar benefits for active employees were provided through a fully-insured program, whose monthly premiums are paid jointly by the employees and the School Board. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due.

The School Board is responsible for 79% of the health insurance premium. Total cost to the School Board of health care insurance premiums totaled \$2,454,504 for 2002, while the employees paid \$671,394. At June 30, 2002, 1,102 former employees were qualified to receive such benefits.

For life insurance benefits, the School Board is responsible for 56% of the premiums, while the employee is responsible for the remaining 44%. The School Board paid a total of \$49,987 in life insurance premiums, while the employees paid \$39,011 for 2002. At June 30, 2002, 1,102 former employees were qualified to receive such benefits.

(8) Lease Commitments

The School Board records items under capital leases as an asset and an obligation in the accompanying financial statements. The equipment under capital lease is comprised of the following:

<u>Type</u>	<u>Total</u>
Energy equipment	\$ <u>4,970,640</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2002:

	<u>Energy equipment</u>
Fiscal years:	
2002-2003	\$ 538,525
2003-2004	538,525
2004-2005	224,382
2005-2006	—
2006-2007	—
Total minimum lease payments	<u>1,301,432</u>
Less amounts representing interest	<u>96,153</u>
Present value of net minimum lease payments	\$ <u>1,205,279</u>

Capital lease payments are funded by general operating revenues and are paid from the General Fund.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(9) Short-Term Obligations

The following is a summary of the short-term debt activity:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Revenue anticipation notes	\$ —	3,000,000	3,000,000	—	—

During fiscal 2002, the School Board issued revenue anticipation notes of \$3,000,000, which were repaid with ad valorem tax receipts in 2002. Interest paid on these notes totaled \$50,530.

(10) Long-Term Obligations

The following is a summary of the long-term obligation activity for the year ended June 30, 2002:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
General bonded debt	\$ 15,845,000	—	620,000	15,225,000	665,000
General obligation notes	475,822	—	88,394	387,428	88,394
Certificates of indebtedness	3,205,000	—	1,235,000	1,970,000	1,305,000
QZAB loan payable	—	3,079,620	55,993	3,023,627	223,972
Claims and judgments payable	2,101,995	17,902,971	17,320,270	2,684,696	2,674,696
Capital leases payable	1,653,424	—	448,145	1,205,279	476,883
Compensated absences	5,850,689	684,900	230,529	6,305,060	231,000
Governmental activity long-term liabilities	\$ 29,131,930	21,667,491	19,998,331	30,801,090	5,664,945

In 2002, the School Board received loan proceeds of \$3,079,620 as part of the Qualified Zone Academy Bond Program through the Louisiana Community Development Authority. QZAB loan proceeds must be used for projects linked to instruction in schools where 35% or more of students are eligible for reduced lunch prices. The loan is interest free with quarterly payments of \$55,993. In 2002, a principal payment for the Qualified Zone Academy Loan of \$55,993 was made from the General Fund.

For the year ended June 30, 2002, the principal payments of \$620,000 plus interest and fiscal charges of \$882,162 on the bonds were paid from the Debt Service Fund. Accrued compensated absences of \$230,529 were paid by those funds and departments with salary costs and are included in payroll costs. For the year ended June 30, 2002, the principal payments of \$1,323,394 plus interest and fiscal charges of \$143,298 on the general obligation notes and certificates of indebtedness were paid from the General Fund.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

Long-term debt at June 30, 2002 is comprised of the following issues:

Bond issue	Issue		Remaining interest rates	Final payment due	Interest to maturity	Principal outstanding
	Date	Amount				
General obligation bonds:						
Parish-wide – 1996	1996	\$ 9,000,000	5.00% – 10.00%	3-01-16	\$ 3,525,440	8,035,000
Parish-wide – 1997	1997	8,000,000	4.50% – 10.00%	3-01-17	3,048,199	7,190,000
General obligation notes:						
Notes payable – EPA	1988	579,609	Noninterest	7-01-05	—	78,358
Notes payable – EPA	1988	1,011,499	Noninterest	7-31-08	—	309,070
Certificate of indebtedness	1998	3,000,000	4.30% – 4.55%	2-01-03	30,713	675,000
Certificate of indebtedness	1999	3,000,000	4.45%	3-01-04	87,221	1,295,000
QZAB	2001	3,000,000	Noninterest	11-01-15	—	3,023,627
Total					\$ 6,691,573	20,606,055

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 and through general fund operations. At June 30, 2002, the School Board has accumulated \$4,662,410 in the Debt Service Fund for future debt requirements. General obligation bond payments are paid from the Debt Service Fund. General obligation notes and certificates of indebtedness are paid from the General Fund.

The annual requirements to amortize all debt outstanding as of June 30, 2002 are as follows:

	General obligation bonds	General obligation notes	Certificate of indebtedness	QZAB loan payable	Interest payments	Total
Year ending June 30:						
2003	\$ 665,000	88,394	1,305,000	223,972	908,504	3,190,870
2004	705,000	88,394	665,000	223,972	783,256	2,465,622
2005	750,000	70,152	—	223,972	683,163	1,727,287
2006	795,000	56,194	—	223,972	624,175	1,699,341
2007	845,000	56,194	—	223,972	586,250	1,711,416
2008-2012	5,220,000	28,100	—	1,119,860	2,268,450	8,636,410
2013-2017	6,245,000	—	—	783,907	837,775	7,866,682
Total	\$ 15,225,000	387,428	1,970,000	3,023,627	6,691,573	27,297,628

In accordance with Louisiana Revised Statute 39:562, 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, 2002, the statutory limit was \$171,426,255, the outstanding bonded debt net of applicable debt service funds totaled \$10,562,590, and the legal debt margin was \$160,863,665.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(11) Other Required Individual Fund Disclosures

(a) *Interfund Receivables and Payables*

Interfund balances at June 30, 2002 were as follows:

DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS						Total
	General Fund	Sales Tax	BEEF	Internal Service Fund	Nonmajor Special Revenue Fund	Nonmajor Capital Projects Fund	
General Fund	\$ 34,119	3,720,339	3,267	1,000	470,829	900,135	5,129,689
Debt Service Fund	10	—	—	—	—	—	10
Internal Service Fund	2,995,436	—	—	—	—	—	2,995,436
Nonmajor Special Revenue Funds	158,153	—	—	—	—	—	158,153
Nonmajor Capital Projects Funds	479,937	—	—	—	—	—	479,937
Total	\$ 3,667,655	3,720,339	3,267	1,000	470,829	900,135	8,763,225

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

(b) *Transfers*

Transfers for the year ended June 30, 2002 were as follows:

TRANSFERS OUT	TRANSFERS IN			Total
	General Fund	Nonmajor Special Revenue Fund	Nonmajor Capital Projects Fund	
General Fund	\$ —	113,432	—	113,432
Sales Tax Fund	14,573,475	172,851	7,483,613	22,229,939
Nonmajor Special Revenue Funds	3,604	—	—	3,604
Nonmajor Capital Projects Funds	7,488,639	—	—	7,488,639
	\$ 22,065,718	286,283	7,483,613	29,835,614

(c) *New Funds*

During the year, the School Board created the Qualified Zone Academy Bond Capital Projects Fund. This fund was established to account for approximately \$3 million in loan proceeds received as part of the Qualified Zone Academy Bond Program (QZAB) through the Louisiana Community Development Authority. The loan is interest free and is to be paid back over a period of 15 years. QZAB loan proceeds must be used for projects linked to instruction in schools where 35% or more of the students are eligible for reduced lunch prices.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(12) Commitments and Contingencies

Litigation

At June 30, 2002, the School Board is involved in various litigation. In connection with one suit it has been determined that risk of loss is probable and an estimate can be made therefore a liability has been accrued. It is the opinion of the legal advisor for the School Board that ultimate resolution of the remaining lawsuits will not materially affect the financial statements.

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. Management believes there is no tax arbitrage liability at year end.

Grant Audits

The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the Single Audit Act Amendments of 1996. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of loss, if any, which may arise from future audits will not be significant.

Risk Management

The School Board is partially self-insured for workers' compensation, health insurance, and general liability coverage. Claims are funded through employee and employer contributions and operating funds of the School Board. All known claims filed and an estimate of incurred but not reported claims based on experience of the School Board are made and accrued as necessary in the financial statements.

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The School Board is a defendant in several lawsuits involving civil actions. The School Board is self-insured for general liability claims up to \$25,000. The School Board currently reports all of its risk management activities except for employees' health insurance in the General Fund. An insurance policy covers individual general liability claims in excess of \$200,000. 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.

The School Board maintains a risk management program for workers' compensation. During the fiscal year, a total of \$272,909 was paid in workers compensation claims. An excess coverage insurance policy covers individual workers compensation claims in excess of \$175,000.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

The School Board maintains a risk management program for employees' health insurance. Premiums are paid into the health insurance internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. An excess coverage insurance policy covers individual claims in excess of \$150,000. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds. The incurred but not reported claims at year end of \$1,905,893 has been accrued based upon the third party administrator's calculation using historical claim experience.

Changes in the reported liability for the current and recent previous fiscal year are as follows:

	Beginning of fiscal year liability	Current year claims and changes in estimates	Benefit and claim payments	Balance at fiscal year end
Group health insurance				
2000-2001	\$ 3,014,157	15,820,692	17,079,157	1,755,692
2001-2002	1,755,692	17,197,562	17,047,361	1,905,893
Workers' compensation				
2000-2001	139,253	545,709	348,659	336,303
2001-2002	336,303	272,909	272,909	336,303
Claims and judgments				
2000-2001	10,000	—	—	10,000
2001-2002	10,000	432,500	—	442,500

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.

(13) Bossier Educational Excellence Fund

The Bossier Educational Excellence Fund (the BEEF) is a permanent fund. The fund is used to account for the trust principal, investment earnings and boarding fees from area casinos as provided for in Louisiana Revised Statute LSA-R.S. 27:93 and license fees from an area horse racing facility as provided in Louisiana Revised Statute LSA-R.S. 4:163.1. The BEEF was established in recognition of the need to earmark and set aside a portion of the earnings from gaming in Bossier Parish to be used exclusively for educational enhancements. The School Board used earnings from the fund for enhancements to the education program in Bossier Parish.

Annual fees received from the casinos are the result of an agreement between the School Board and the casinos for specified amounts or percentages as opposed to actual boarding fees. During 2002, fees from the area casinos and horse racing facility totaled \$1,597,929. The BEEF monies are invested in U.S. Agency obligations as allowed by state statute. The principal portion of the funds of \$9,189,186 must be retained and may not be expended.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

(14) 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 Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$52,303. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

(15) Changes in Accounting Principles

For the year ended June 30, 2002, the School Board implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB Statement No. 34 creates new basic financial statements for reporting on the School Board's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which had been the mode of presentation in previously issued financial statements. Nonmajor funds are presented in total in one column in the fund financial statements.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Basic Financial Statements

June 30, 2002

The implementation of GASB Statement No. 34 caused the opening fund balances at June 30, 2001 to be restated in terms of "net assets" as follows:

Total Fund Balances – Governmental Funds – at June 30, 2001		\$	5,216,173
Add:	Cost of capital assets at June 30, 2001	\$	144,843,561
	Less: accumulated depreciation at June 30, 2001		87,840,992
	Bond issue costs, net of accumulated amortization at June 30, 2001		95,564
	Permanent Fund – BEEF at June 30, 2001		<u>8,073,277</u>
			65,171,410
Less:	Long-term debt:		
	Bond principal outstanding at June 30, 2001		15,845,000
	Notes payable outstanding at June 30, 2001		475,822
	Certificates of indebted outstanding at June 30, 2001		3,205,000
	Capital lease payable at June 30, 2001		1,653,424
	Claims and judgments payable at June 30, 2001		10,000
	Compensated absences payable at June 30, 2001		5,850,689
	Accrued interest payable at June 30, 2001		<u>346,734</u>
			<u>27,386,669</u>
		\$	<u><u>43,000,914</u></u>

Adoption of GASB Statements No. 37 and 38 were required simultaneously with GASB Statement No. 34 and resulted in additional disclosures. At June 30, 2001, there was no effect on fund balance as a result of implementation of GASB Interpretation No. 6.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Fiscal Year Ended June 30, 2002

REQUIRED SUPPLEMENTAL INFORMATION
(PART B)

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

General Fund

Budgetary Comparison Schedule

Fiscal year ended June 30, 2002

	<u>Budgeted amounts</u>		<u>Actual amounts (budgetary basis)</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original budget</u>	<u>Final budget</u>		
Revenues:				
Local sources:				
Taxes:				
Ad valorem	\$ 14,439,403	17,228,180	17,643,485	415,305
Sales and use	20,581,395	22,000,000	22,065,718	65,718
Interest earnings	130,000	70,000	220,751	150,751
Other	1,925,796	2,215,715	2,225,892	10,177
Total local sources	<u>37,076,594</u>	<u>41,513,895</u>	<u>42,155,846</u>	<u>641,951</u>
State sources:				
State equalization	55,239,907	57,730,544	57,730,544	—
Other state programs:				
Grants and other	2,235,175	2,684,346	3,057,640	373,294
Total state sources	<u>57,475,082</u>	<u>60,414,890</u>	<u>60,788,184</u>	<u>373,294</u>
Federal and other sources	<u>1,771,646</u>	<u>2,416,994</u>	<u>2,669,934</u>	<u>252,940</u>
Total revenues	<u>96,323,322</u>	<u>104,345,779</u>	<u>105,613,964</u>	<u>1,268,185</u>

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

General Fund

Budgetary Comparison Schedule

Fiscal year ended June 30, 2002

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with</u>
	<u>Original budget</u>	<u>Final budget</u>	<u>(budgetary basis)</u>	<u>final budget positive (negative)</u>
Expenditures:				
Current:				
Instruction:	\$ 59,113,917	63,982,708	63,793,395	189,313
Support services:				
Student services	3,671,800	4,125,789	4,097,699	28,090
Instructional staff support	4,773,639	5,160,725	5,282,682	(121,957)
General administration	794,102	914,708	1,559,618	(644,910)
School administration	7,618,789	8,422,960	7,780,859	642,101
Business services	1,284,221	1,049,464	1,041,012	8,452
Plant services	9,411,514	9,483,179	10,333,785	(850,606)
Student transportation services	5,878,364	6,129,630	6,111,879	17,751
Central services	945,511	923,988	868,203	55,785
Community service	10,000	45,120	200,614	(155,494)
Debt Service – principal	4,170,000	4,235,000	4,290,993	(55,993)
Debt Service – interest	209,268	193,543	193,543	—
Total expenditures	<u>97,881,125</u>	<u>104,666,814</u>	<u>105,554,282</u>	<u>(887,468)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,557,803)	(321,035)	59,682	380,717
Other financing sources (uses):				
Proceeds from revenue anticipation notes	3,000,000	3,000,000	3,000,000	—
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(113,432)</u>	<u>36,568</u>
Total other financing sources (uses)	<u>2,850,000</u>	<u>2,850,000</u>	<u>2,886,568</u>	<u>36,568</u>
Net change in fund balance	1,292,197	2,528,965	2,946,250	417,285
Fund balance at beginning of year	<u>569,948</u>	<u>569,948</u>	<u>569,948</u>	<u>—</u>
Fund balance at end of year	<u>\$ 1,862,145</u>	<u>3,098,913</u>	<u>3,516,198</u>	<u>417,285</u>

Unaudited – see accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Special Revenue Fund

Sales Tax Fund

Budgetary Comparison Schedule

Fiscal year ended June 30, 2002

	Budgeted amounts		Actual amounts	Variance with
	Original budget	Final budget	(budgetary basis)	final budget positive (negative)
Revenues:				
Local sources:				
Sales and use tax	\$ 22,500,000	22,481,011	22,450,840	(30,171)
Interest earnings	600	500	84	(416)
Total revenues	<u>22,500,600</u>	<u>22,481,511</u>	<u>22,450,924</u>	<u>(30,587)</u>
Expenditures – current:				
Support services:				
General administration	<u>300,000</u>	<u>300,000</u>	<u>220,985</u>	<u>79,015</u>
Excess of revenues over expenditures	22,200,600	22,181,511	22,229,939	48,428
Total other financing uses – transfers out	<u>(22,200,600)</u>	<u>(22,181,511)</u>	<u>(22,229,939)</u>	<u>(48,428)</u>
Net change in fund balance	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

Unaudited – see accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Notes to Budgetary Comparison Schedules

June 30, 2002

Budget and Budgetary Accounting

The School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (a) Prior to June 30, the Superintendent submits to the School Board a proposed operating budget for the General Fund, certain Special Revenue Funds, Debt Service Fund, certain Capital Projects Funds and Permanent Fund for the fiscal year commencing the prior July 1. The operating budget includes proposed expenditures and sources of funding. A public hearing is then conducted after proper official journal notification to obtain taxpayer comments. Prior to September 15, the budget is legally adopted by the School Board during public session. The only legal requirement is that the School Board adopts 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. The budget is revised periodically throughout the school year, when deemed appropriate, but a balanced budget is always approved.
- (b) Appropriations which are not expended lapse at year end. Budgeted amounts are as originally adopted or as amended by the School Board.
- (c) Formal budgetary integration is employed as a management control device during the year for the General Fund, certain Special Revenue Funds, Debt Service Fund, certain Capital Projects Funds and Permanent Fund. All budgets are operational at the departmental or project level. School Board policy prescribes that the level of budgetary control is at the functional level for the General Fund, Debt Service Fund, Capital Projects Fund and Permanent Fund and at the fund level for the Special Revenue Funds. Legal requirements provide that expenditures may not exceed appropriations in excess of five percent of budgeted expenditures at the fund level. The Superintendent of the School Board is authorized to transfer budget amounts between line item activity and between any functions of an individual fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board resolution. The effects of budget revisions passed during the year for the General Fund were to increase net revenues by \$8.0 million for more ad valorem tax revenue than originally anticipated as a result of new property added to tax rolls, higher than expected sales tax revenues, and an increase in the amount received under the Minimum Foundation Program and to increase net expenditures by \$6.8 million for additional salaries. The effects of other budget revisions passed during the year were insignificant to the budgets as originally approved.

Reconciliation of the Budgetary Basis and the GAAP Basis

The School Board approves formal budgets for the General Fund, certain Special Revenue Funds, Debt Service Fund, certain Capital Projects Funds and Permanent Fund. All budgets, except for the General Fund, are prepared on the GAAP basis. Budget/GAAP reporting differences in the General Fund are primarily a result of reclassification. Sales taxes were reported as operating transfers in for GAAP purposes, but were budgeted as revenues for budget purposes. Debt service expenditures for capital leases were reported separately for GAAP reporting purposes, but were reported by functional categories for budget purposes.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Notes to Budgetary Comparison Schedules

June 30, 2002

The following schedule reconciles the actual amounts on a GAAP basis for the General Fund to the actual amounts on a budgetary basis.

	<u>General Fund</u>
Fund balance on a budgetary basis	\$ 3,516,198
Revenues:	
Local sources:	
Taxes – sales and use	22,065,718
Expenditures:	
Current:	
Plant services	(538,525)
Debt service:	
Principal retirement	448,145
Interest and bank charges	90,380
Other financing sources:	
Operating transfers in	<u>(22,065,718)</u>
Fund balance on a GAAP basis	<u>\$ 3,516,198</u>

Excess of Expenditures Over Budget – Major Funds

For those funds for which a budget to actual comparison was made, 2002 actual expenditures exceeded budgeted expenditures at the legal level of control as follows:

	<u>Expenditures</u>		<u>Negative variance</u>
	<u>Budget</u>	<u>Actual</u>	
General Fund	\$ 104,666,814	105,554,282	887,468
Special Revenue Funds –			
School Food Service	7,208,576	7,442,960	234,384

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Fiscal Year Ended June 30, 2002

SUPPLEMENTAL INFORMATION

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Fiscal Year Ended June 30, 2002

COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Fiscal Year Ended June 30, 2002

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Title I – 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 VI – 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; and innovative enhancement projects to the educational program and climate of the school.

Math and Science - Title II – 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.

Special Education – To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

PRESCHOOL

Payments to States for Child Care Assistance – To make grants available to assist low-income families with child care services. The purpose of the program is to increase the availability, affordability, and quality of child care and to increase the availability of early childhood development and before- and after-school programs.

Special Education - Preschool Grants – To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

Title IV - (Drug-Free) – To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

Region VII Service Center – This program was designed to provide workshops for teachers and administrators. The Teacher Evaluation Program is coordinated through this program. Workshops provide points to administrators towards their continuing education.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Fiscal Year Ended June 30, 2002

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

School Food Service

- National School Food Service Program
- School Breakfast Program
- Food Distribution Commodities

This program was designed to assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

Goals 2000 – To provide grants to State Education Agencies (SEAs) on a formula basis to support the development and implementation of comprehensive reform plans at the state, local, and school levels to improve the teaching and learning of all children. To support top down and bottom up reform through subgrants by SEAs of 90 percent of these grant funds to local education agencies (LEAs) and through LEAs to individual schools. To support the establishment by states and localities of high standards in their core content areas. All aspects of the educational process are aligned including, but not limited to assessments, curriculum, professional development, and pre-service training.

Capital Projects Funds

One-Half Cent Sales Tax Air Conditioner Fund – To account for the acquisition and/or construction of major capital facilities by the School Board. Proceeds from general obligation bond sales are accounted for in this fund until the capital projects are completed.

QZAB Loan Fund – To account for the proceeds from the Qualified Zone Academy Bond Program as well as the expenditure of those funds for capital purposes within the requirements of the debt.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Nonmajor Governmental Funds
Combining Balance Sheet – By Fund Type
Governmental Activities

June 30, 2002

Assets	Special Revenue Funds	Capital Project Funds	Total
Cash	\$ 1,788,322	3,056,054	4,844,376
Receivables	348,166	1,493	349,659
Interfund receivable	158,153	479,937	638,090
Inventories	129,212	—	129,212
Total assets	<u>\$ 2,423,853</u>	<u>3,537,484</u>	<u>5,961,337</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 399,688	185,251	584,939
Salaries payable	1,223,597	—	1,223,597
Interfund payable	470,829	900,135	1,370,964
Total liabilities	<u>2,094,114</u>	<u>1,085,386</u>	<u>3,179,500</u>
Fund balances:			
Reserved for inventory	129,212	—	129,212
Unreserved:			
Designated for capital projects	—	2,452,098	2,452,098
Undesignated	200,527	—	200,527
Total fund balances	<u>329,739</u>	<u>2,452,098</u>	<u>2,781,837</u>
Total liabilities and fund balances	<u>\$ 2,423,853</u>	<u>3,537,484</u>	<u>5,961,337</u>

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – By Fund Type
Governmental Activities

Fiscal year ended June 30, 2002

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
Revenues:			
Local sources:			
Interest earnings	\$ 3,791	16,643	20,434
Food services	2,178,708	—	2,178,708
State sources:			
Equalization	1,679,004	—	1,679,004
Other	30,682	—	30,682
Federal and other sources	8,844,184	—	8,844,184
Total revenues	<u>12,736,369</u>	<u>16,643</u>	<u>12,753,012</u>
Expenditures – current:			
Instruction	2,809,737	—	2,809,737
Support services:			
Student services	634,316	—	634,316
Instructional staff support	1,648,351	—	1,648,351
General administration	257,225	—	257,225
Business services	43,131	—	43,131
Plant services	22,855	644,165	667,020
Student transportation services	142,867	—	142,867
Food services	7,442,960	—	7,442,960
Total expenditures	<u>13,001,442</u>	<u>644,165</u>	<u>13,645,607</u>
Deficiency of revenues under expenditures	(265,073)	(627,522)	(892,595)
Other financing sources (uses):			
Loan proceeds	—	3,079,620	3,079,620
Transfers in	286,283	7,483,613	7,769,896
Transfers out	(3,604)	(7,488,639)	(7,492,243)
Total other financing sources	<u>282,679</u>	<u>3,074,594</u>	<u>3,357,273</u>
Net change in fund balances	17,606	2,447,072	2,464,678
Fund balances at beginning of year	312,133	5,026	317,159
Fund balances at end of year	<u>\$ 329,739</u>	<u>2,452,098</u>	<u>2,781,837</u>

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2002

Assets	Title I	Title VI	Title II	Special Education	Preschool	Title IV (Drug-Free)	Region VII Service Center	School Food Service	Goals 2000	Total
Cash and cash equivalents	\$ 498,006	177,398	21,330	295,654	39,133	24,228	53	717,009	15,511	1,788,322
Receivables	30,411	22,738	7,538	238,972	4,860	—	38,807	4,840	—	348,166
Interfund receivable	7,504	—	—	54	—	—	10,252	140,343	—	158,153
Inventories	—	—	—	—	—	—	—	129,212	—	129,212
Total assets	\$ 535,921	200,136	28,868	534,680	43,993	24,228	49,112	991,404	15,511	2,423,853
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	\$ 58,268	23,699	1,153	234,462	6,366	1	7,008	68,731	—	399,688
Salaries payable	357,537	156,471	13,355	100,476	30,193	21,765	—	535,402	8,398	1,223,597
Interfund payable	120,116	19,966	14,360	199,742	7,434	2,462	41,134	58,502	7,113	470,829
Total liabilities	535,921	200,136	28,868	534,680	43,993	24,228	48,142	662,635	15,511	2,094,114
Fund balances:										
Reserved – inventory	—	—	—	—	—	—	—	129,212	—	129,212
Unreserved – undesignated	—	—	—	—	—	—	970	199,557	—	200,527
Total fund balances	—	—	—	—	—	—	970	328,769	—	329,739
Total liabilities and fund balances	\$ 535,921	200,136	28,868	534,680	43,993	24,228	49,112	991,404	15,511	2,423,853

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)

Fiscal year ended June 30, 2002

	Title I	Title VI	Title II	Special Education	Preschool	Title IV (Drug-Free)	Region VII Service Center	School Food Service	Goals 2000	Total
Revenues:										
Local sources:										
Investment income	\$ —	—	—	—	—	—	—	3,791	—	3,791
Food services	—	—	—	—	—	—	—	2,178,708	—	2,178,708
State sources:										
Equalization	—	—	—	—	—	—	—	1,679,004	—	1,679,004
Other	—	—	—	—	—	—	30,682	—	—	30,682
Federal sources	2,449,420	696,359	87,643	2,048,656	106,932	82,182	55,254	3,315,414	2,324	8,844,184
Total revenues	2,449,420	696,359	87,643	2,048,656	106,932	82,182	85,936	7,176,917	2,324	12,736,369
Expenditures - current:										
Instruction	1,695,250	607,250	19,590	482,465	4,301	—	—	—	881	2,809,737
Support services:										
Student services	315,794	—	—	243,033	—	75,489	—	—	—	634,316
Instructional staff support	281,713	81,997	63,574	1,040,532	96,843	2,100	80,149	—	1,443	1,648,351
General administration	135,316	7,112	4,479	95,120	5,788	4,593	4,817	—	—	257,225
Business services	—	—	—	43,131	—	—	—	—	—	43,131
Plant services	21,058	—	—	1,797	—	—	—	—	—	22,855
Student transportation services	289	—	—	142,578	—	—	—	—	—	142,867
Food services	—	—	—	—	—	—	—	7,442,960	—	7,442,960
Total expenditures	2,449,420	696,359	87,643	2,048,656	106,932	82,182	84,966	7,442,960	2,324	13,001,442
Excess (deficiency) of revenues over (under) expenditures	—	—	—	—	—	—	970	(266,043)	—	(265,073)
Other financing sources (uses):										
Transfers in	—	—	—	—	—	—	10,252	276,031	—	286,283
Transfers out	—	—	—	—	—	—	(3,604)	—	—	(3,604)
Total other financing sources (uses)	—	—	—	—	—	—	6,648	276,031	—	282,679
Net change in fund balances	—	—	—	—	—	—	7,618	9,988	—	17,606
Fund balances (deficit) at beginning of year	—	—	—	—	—	—	(6,648)	318,781	—	312,133
Fund balances at end of year	\$ —	—	—	—	—	—	970	328,769	—	329,739

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Special Revenue Fund**Title I****Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual**

For the year ended June 30, 2002

	Budget	Actual	Variance with budget positive (negative)
Revenues – federal sources	\$ 2,868,717	2,449,420	(419,297)
Expenditures – current:			
Instruction and support services:			
Instruction	2,116,838	1,695,250	421,588
Student services	309,184	315,794	(6,610)
Instructional staff support	285,668	281,713	3,955
General administration	157,027	135,316	21,711
Plant services	—	21,058	(21,058)
Student transportation services	—	289	(289)
Total expenditures	2,868,717	2,449,420	419,297
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Special Revenue Fund**Title VI****Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual**

For the year ended June 30, 2002

	Budget	Actual	Variance with budget positive (negative)
Revenues – federal sources	\$ 801,465	696,359	(105,106)
Expenditures – current:			
Instruction and support services:			
Instruction	643,136	607,250	35,886
Instructional staff support	152,406	81,997	70,409
General administration	5,923	7,112	(1,189)
Total expenditures	801,465	696,359	105,106
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Special Revenue Fund**Title II****Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual**

For the year ended June 30, 2002

	Budget	Actual	Variance with budget positive (negative)
Revenues – federal sources	\$ 167,401	87,643	(79,758)
Expenditures – current:			
Instruction and support services:			
Instruction	46,081	19,590	26,491
Instructional staff support	111,704	63,574	48,130
General administration	9,366	4,479	4,887
Plant services	250	—	250
Total expenditures	167,401	87,643	79,758
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Special Revenue Fund

Special Education

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

For the year ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance with budget positive (negative)</u>
Revenues – federal sources	\$ 2,293,463	2,048,656	(244,807)
Expenditures – current:			
Instruction and support services:			
Instruction	486,709	482,465	4,244
Student services	126,861	243,033	(116,172)
Instructional staff support	1,427,949	1,040,532	387,417
General administration	96,108	95,120	988
Business services	47,704	43,131	4,573
Plant services	12,612	1,797	10,815
Student transportation services	95,520	142,578	(47,058)
Total expenditures	<u>2,293,463</u>	<u>2,048,656</u>	<u>244,807</u>
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ <u>—</u>	<u>—</u>	<u>—</u>

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Special Revenue Fund

Preschool

**Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual**

For the year ended June 30, 2002

	Budget	Actual	Variance with budget positive (negative)
Revenues – federal sources	\$ 109,542	106,932	(2,610)
Expenditures – current:			
Instruction and support services:			
Instruction	6,096	4,301	1,795
Instructional staff support	97,305	96,843	462
General administration	6,141	5,788	353
Total expenditures	109,542	106,932	2,610
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Special Revenue Fund**Title IV (Drug-Free)****Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual**

For the year ended June 30, 2002

	Budget	Actual	Variance with budget positive (negative)
Revenues – federal sources	\$ 118,861	82,182	(36,679)
Expenditures – current:			
Instruction and support services:			
Student services	109,712	75,489	34,223
Instructional staff support	2,500	2,100	400
General administration	6,649	4,593	2,056
Total expenditures	118,861	82,182	36,679
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Special Revenue Fund**Region VII Service Center****Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual**

For the year ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance with budget positive (negative)</u>
Revenues:			
State sources – other	\$ 37,000	30,682	(6,318)
Federal sources	<u>78,077</u>	<u>55,254</u>	<u>(22,823)</u>
Total revenues	<u>115,077</u>	<u>85,936</u>	<u>(29,141)</u>
Expenditures – current:			
Instruction and support services:			
Instructional staff support	115,077	80,149	34,928
General administration	<u>—</u>	<u>4,817</u>	<u>(4,817)</u>
Total expenditures	<u>115,077</u>	<u>84,966</u>	<u>30,111</u>
Excess of revenues over expenditures	<u>—</u>	970	970
Other financing sources (uses):			
Transfers in	—	10,252	10,252
Transfers out	<u>—</u>	<u>(3,604)</u>	<u>(3,604)</u>
Total other financing sources (uses)	<u>—</u>	6,648	6,648
Net change in fund balance	<u>—</u>	7,618	7,618
Fund balance at beginning of year	<u>(6,648)</u>	<u>(6,648)</u>	<u>—</u>
Fund balance at end of year	<u>\$ (6,648)</u>	<u>970</u>	<u>7,618</u>

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Special Revenue Fund

School Food Service

Schedule of Revenues, Expenditures, and Changes in Fund

Balance – Budget and Actual

For the year ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance with budget positive (negative)</u>
Revenues:			
Local sources:			
Investment income	\$ 5,500	3,791	(1,709)
Food services	2,067,657	2,178,708	111,051
Other	14,500	—	(14,500)
State sources – equalization	1,679,004	1,679,004	—
Federal sources	3,069,324	3,315,414	246,090
Total revenues	<u>6,835,985</u>	<u>7,176,917</u>	<u>340,932</u>
Expenditures – current – instruction and support services – food service	<u>7,208,576</u>	<u>7,442,960</u>	<u>(234,384)</u>
Deficiency of revenues under expenditures	(372,591)	(266,043)	106,548
Other financing sources – transfers in	<u>340,000</u>	<u>276,031</u>	<u>(63,969)</u>
Net change in fund balance	(32,591)	9,988	42,579
Fund balance at beginning of year	<u>318,781</u>	<u>318,781</u>	<u>—</u>
Fund balance at end of year	<u>\$ 286,190</u>	<u>328,769</u>	<u>42,579</u>

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Nonmajor Capital Project Funds

Combining Balance Sheet

June 30, 2002

Assets	One-Half Cent Sales Tax Air Conditioner	QZAB Loan Fund	Total
Cash and cash equivalents	\$ 13,703	3,042,351	3,056,054
Receivables	—	1,493	1,493
Interfund receivable	479,937	—	479,937
Total assets	\$ 493,640	3,043,844	3,537,484
Liabilities and Fund Balances			
Accounts payable	\$ —	185,251	185,251
Interfund payable	493,640	406,495	900,135
Total liabilities	493,640	591,746	1,085,386
Fund balances – designated for capital projects	—	2,452,098	2,452,098
Total liabilities and fund balances	\$ 493,640	3,043,844	3,537,484

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2002

	<u>One-Half Cent Sales Tax Air Conditioner</u>	<u>QZAB Loan Fund</u>	<u>Total</u>
Revenues – local sources – investment income	\$ —	16,643	16,643
Expenditures:			
Current – support services – plant services	—	644,165	644,165
Total expenditures	—	644,165	644,165
Deficiency of revenues under expenditures	—	(627,522)	(627,522)
Other financing sources (uses):			
Loan proceeds	—	3,079,620	3,079,620
Transfers in	7,483,613	—	7,483,613
Transfers out	(7,488,639)	—	(7,488,639)
Total other financing sources (uses)	(5,026)	3,079,620	3,074,594
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(5,026)	2,452,098	2,447,072
Fund balance at beginning of year	5,026	—	5,026
Fund balance at end of year	\$ —	2,452,098	2,452,098

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Capital Projects Fund**One-Half Cent Sales Tax Air Conditioner****Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual**

For the year ended June 30, 2002

		Budget	Actual	Variance with budget positive (negative)
Revenues – local sources investment income	\$	100	—	(100)
Other financing sources (uses):				
Transfers in		7,500,000	7,483,613	(16,387)
Transfers out		(7,500,100)	(7,488,639)	11,461
Total other financing uses		(100)	(5,026)	(4,926)
Net change in fund balance		—	(5,026)	(5,026)
Fund balance at beginning of year		5,026	5,026	—
Fund balance at end of year	\$	5,026	—	(5,026)

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Bossier Educational Excellence Permanent Fund**Schedule of Revenues, Expenditures, and Changes in Fund
Balance -- Budget and Actual**

Fiscal year ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance with budget positive (negative)</u>
Revenues:			
Local sources:			
Interest earnings	\$ 350,000	207,629	(142,371)
Other -- gaming	1,100,000	1,597,929	497,929
Total revenues	1,450,000	1,805,558	355,558
Expenditures -- current -- instruction	548,431	485,987	62,444
Net change in fund balance	901,569	1,319,571	418,002
Fund balance at beginning of year	8,073,277	8,073,277	—
Fund balance at end of year	<u>\$ 8,974,846</u>	<u>9,392,848</u>	<u>418,002</u>

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Debt Service Fund**Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual**

Fiscal year ended June 30, 2002

	<u>Budget</u>	<u>Actual</u>	<u>Variance with budget positive (negative)</u>
Revenues:			
Local sources:			
Ad valorem taxes	\$ 1,550,000	1,638,687	88,687
Interest earnings	210,000	101,458	(108,542)
State sources:			
Other	74,330	96,161	21,831
Total revenues	<u>1,834,330</u>	<u>1,836,306</u>	<u>1,976</u>
Expenditures:			
Current:			
General administration	690	—	690
Business services	88,456	800	87,656
Debt service:			
Principal retirement	620,000	620,000	—
Interest	882,162	882,162	—
Total expenditures	<u>1,591,308</u>	<u>1,502,962</u>	<u>88,346</u>
Net change in fund balance	243,022	333,344	90,322
Fund balance at beginning of year	<u>4,329,066</u>	<u>4,329,066</u>	<u>—</u>
Fund balance at end of year	<u>\$ 4,572,088</u>	<u>4,662,410</u>	<u>90,322</u>

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Fiscal Year Ended June 30, 2002

FIDUCIARY FUND – SCHOOL ACTIVITY AGENCY FUND

The School Activity Agency Fund accounts for those monies collected by pupils and school personnel for school or school-related purposes. The school activity accounts are classified as an agency fund, and the School Board's responsibility for these accounts is fiduciary in nature. Each school accounts for its individual student body organizations. The revenues of these accounts consist primarily of fees, fund-raising projects, and contributions. Expenditures are made for a wide variety of school activities. These accounts are under the supervision of the school principals.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana
School Activity Agency Fund
Statement of Changes in Assets and Liabilities
Year ended June 30, 2002

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2002</u>
Assets				
Cash and cash equivalents	\$ 1,811,383	5,342,316	5,434,976	1,718,723
Liabilities				
Accounts payable	\$ 33,397	29,671	33,397	29,671
Deposits due others	1,777,986	5,312,645	5,401,579	1,689,052
Total liabilities	\$ 1,811,383	5,342,316	5,434,976	1,718,723

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Fiscal Year Ended June 30, 2002

CAPITAL ASSETS INFORMATION

The Capital Assets schedule records the fixed assets of the School Board which are used in governmental fund-type operations.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Schedule of Capital Assets – By Sources

June 30, 2002

Capital assets:

Land	\$ 557,469
Buildings and improvements	118,968,376
Furniture and equipment	20,119,821
Transportation equipment	8,035,857
	<hr/>
Total capital assets	\$ 147,681,523

Investment in general fixed assets:

Investment prior to June 30, 1980	\$ 66,154,106
Capital Projects Funds	52,428,496
General Fund	22,155,584
School Food Service Fund	508,682
Federal aid	3,214,299
State aid	2,415,743
Donations	699,938
School Activity Agency Fund	104,675
	<hr/>
Total investment	\$ 147,681,523

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Schedule of Capital Assets – By Function and Activity

June 30, 2002

Function and Activity	Total	Land and land improvements	Buildings and improvements	Furniture and equipment	Transportation equipment
<i>Instruction:</i>					
High schools	\$ 36,009,535	143,594	32,315,228	3,550,713	—
Middle schools	31,825,302	319,426	29,587,442	1,918,434	—
Elementary schools	39,721,061	25,310	37,393,986	2,301,765	—
Parish wide textbooks	8,965,122	—	—	8,965,122	—
Total instruction	116,521,020	488,330	99,296,656	16,736,034	—
Pupil support services	847,347	34,999	784,582	27,766	—
Instructional staff support services	6,230,052	5,500	4,581,197	1,643,355	—
General and school administration	4,902,551	17,720	4,403,622	481,209	—
Business services	4,130,502	10,000	3,989,488	131,014	—
Operation and maintenance of plant	380,675	920	61,133	318,622	—
Central services	1,068,851	—	636,136	432,715	—
Food service	5,539,668	—	5,190,562	349,106	—
Transportation	8,060,857	—	25,000	—	8,035,857
Total capital assets allocated to functions	\$ 147,681,523	557,469	118,968,376	20,119,821	8,035,857

See accompanying independent auditors' report.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Schedule of Changes in Capital Assets –
By Function and Activity

Year ended June 30, 2002

Function and Activity	Balance July 1, 2001	Additions	Retirements	Balance June 30, 2002
Instruction:				
High schools	\$ 35,726,307	283,228	—	36,009,535
Middle schools	31,782,770	42,532	—	31,825,302
Elementary schools	39,627,858	93,203	—	39,721,061
Parish wide textbooks	7,944,899	1,020,223	—	8,965,122
Total instruction	<u>115,081,834</u>	<u>1,439,186</u>	<u>—</u>	<u>116,521,020</u>
Pupil support services	847,347	—	—	847,347
Instructional staff support services	5,475,217	754,835	—	6,230,052
General and school administration	4,817,449	85,102	—	4,902,551
Business services	4,126,021	4,481	—	4,130,502
Operation and maintenance of plant	336,303	44,372	—	380,675
Central services	1,064,972	3,879	—	1,068,851
Food services	5,534,187	5,481	—	5,539,668
Transportation	<u>7,560,231</u>	<u>500,626</u>	<u>—</u>	<u>8,060,857</u>
Total general fixed assets	<u>\$ 144,843,561</u>	<u>2,837,962</u>	<u>—</u>	<u>147,681,523</u>

See accompanying independent auditors' report.

STATISTICAL SECTION

Table 1

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

General Expenditures by Function – All Governmental Fund Types (1)(2)(4)

Fiscal years ended June 30, 1993 through June 30, 2002

	1993	1994	1995	1996 (3)	1997	1998	1999	2000	2001	2002
Operations:										
Instruction services	\$ 36,342,431	36,708,012	39,102,668	52,266,762	58,295,705	56,704,293	60,930,924	62,546,947	61,734,905	67,089,119
Instruction related services	2,851,349	3,412,587	4,614,693	6,862,556	7,278,960	7,574,972	9,369,120	10,525,833	10,438,035	11,663,048
General and school administration	18,213,696	21,030,999	24,063,964	10,953,748	12,155,472	11,027,440	10,087,150	9,706,594	9,995,950	10,903,630
Plant services	6,233,982	5,915,566	6,251,452	7,090,875	9,200,459	10,950,770	12,690,663	9,014,337	9,440,540	10,373,886
Transportation services	3,139,084	3,708,169	3,880,234	4,485,624	5,340,059	7,216,812	5,101,966	5,481,944	5,587,738	6,254,746
Central and community services	542,542	577,929	586,583	1,810,980	950,241	1,152,439	909,381	1,142,616	1,020,425	1,068,817
Food service	4,397,852	4,925,860	5,242,262	5,173,854	5,415,463	6,589,051	6,656,773	6,822,197	6,930,172	7,442,960
Capital outlay	1,387,533	3,417,211	4,000,189	—	1,900,817	5,674,996	12,969,402	3,209,045	52,821	—
Debt service:										
Principal retired	3,341,150	3,445,981	2,948,395	2,138,534	2,622,685	2,716,905	2,976,439	2,129,153	8,264,534	5,447,532
Interest, fiscal charge, and fees	1,254,622	722,642	427,287	324,713	914,688	1,157,259	1,324,778	1,439,705	1,324,435	1,166,085
Payment to escrow agent	1,338,900	—	—	—	—	—	—	—	—	—
Bond issuance costs	—	—	—	—	—	—	—	23,384	—	—
Total expenditures	\$ 79,043,141	83,864,956	91,117,727	91,107,646	104,074,549	110,764,937	123,016,596	112,041,755	114,789,555	121,409,823

Notes:

- (1) The above table includes the following funds, General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Permanent Fund.
- (2) The Bossier Parish Community College General Fund is included in Special Revenue Funds from 1993 - 1997.
- (3) Employee benefits for prior years was reflected in general and school administration. The allocation of employee benefits to the functional categories is to conform to reporting requirements for the Louisiana Department of Education.
- (4) The Bossier Educational Excellence Fund is included in Special Revenue Funds from 1993 - 1998. This fund was changed to a trust fund and therefore not included in this schedule from 1999 - 2001. In 2002, this fund was again included as a Permanent Fund when GASB 34 was implemented.

Unaudited – see accompanying independent auditors' report.

Table 2

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

General Revenues by Source – All Governmental Fund Types (1)(2)(3)

Fiscal years ended June 30, 1993 through June 30, 2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Revenues from local sources:										
Ad valorem taxes	\$ 7,538,496	7,291,317	7,118,987	7,974,327	13,859,714	14,623,339	15,878,819	15,089,337	17,070,925	19,282,172
Sales taxes	11,182,872	12,509,531	14,275,468	16,022,285	16,138,817	17,654,587	18,669,817	20,112,687	22,404,446	22,450,840
Investment income	585,496	602,128	726,009	975,032	1,589,557	1,513,963	689,625	340,391	505,198	550,356
Food service	1,318,134	1,313,376	1,363,702	1,375,617	1,350,594	1,353,345	1,569,373	1,647,734	2,151,563	2,178,708
Tuition	2,857,636	2,793,424	2,790,761	2,803,210	2,809,340	71,110	35,970	26,997	22,070	38,618
Other	625,508	193,393	1,436,974	4,104,428	3,263,002	2,784,877	1,855,004	2,195,013	1,857,574	3,785,203
Total revenues from local sources	24,108,142	24,703,169	27,711,901	33,254,899	39,011,124	38,001,221	38,698,608	39,412,159	44,011,776	48,285,897
Revenues from state sources:										
Equalization	42,962,712	45,554,902	49,077,385	50,316,357	54,389,794	48,596,435	51,432,120	54,137,877	56,919,096	59,409,548
Revenue sharing	614,596	578,075	581,709	583,318	536,780	593,799	599,877	539,960	536,571	563,145
Professional improvement program	1,100,103	1,055,820	970,177	1,042,194	868,482	855,724	684,231	422,475	548,044	600,823
Other	950,554	547,742	1,871,859	464,692	976,528	2,466,974	2,796,360	2,470,248	2,225,924	2,020,515
Total revenues from state sources	45,627,965	47,736,539	52,501,130	52,406,561	56,771,584	52,512,932	55,512,588	57,570,560	60,229,635	62,594,031
Revenues from federal sources	7,830,249	8,511,092	9,029,623	9,083,383	8,846,145	8,798,004	8,510,002	9,654,096	10,381,284	11,514,118
Total revenues	\$ 77,566,356	80,950,800	89,242,654	94,744,843	104,628,853	99,312,157	102,721,198	106,636,815	114,622,695	122,394,046

Notes:

- (1) The above table includes the following funds: General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds, and Permanent Fund.
- (2) The Bossier Parish Community College General Fund was included as a Special Revenue Fund for 1993 - 1997.
- (3) The Bossier Educational Excellence Fund is included in Special Revenue Funds from 1993 - 1998. This fund was changed to a trust fund and therefore not included in this schedule from 1999 - 2001.
In 2002, this fund was again included as a Permanent Fund when GASB 34 was implemented.

Unaudited – see accompanying independent auditors' report.

Table 3

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Property Tax Levies and Collections (1)

Fiscal years ended June 30, 1993 through June 30, 2002

Fiscal Year	Total School Board Tax Assessment	Current Tax Collections	Percent of Tax Levy Collected	Delinquent Taxes Collected		Total Taxes, Interest, and Penalty Collected	Total Collections As a Percent of Current Tax Levy
				Taxes	Interest and Penalty		
1992-93	\$ 7,445,641	7,509,546	100.86%	\$ 26,126	2,824	7,538,496	101.25%
1993-94	7,086,263	7,146,226	100.85%	103,298	41,793	7,291,317	102.89%
1994-95	7,191,037	7,076,594	98.41%	20,857	21,536	7,118,987	99.00%
1995-96	7,880,709	7,928,924	100.61%	34,284	11,119	7,974,327	101.19%
1996-97 (2)	13,747,843	13,822,248	100.54%	21,801	15,665	13,859,714	100.81%
1997-98	15,368,791	14,488,457	94.27%	75,320	59,562	14,623,339	95.15%
1998-99	16,521,978	15,863,420	96.01%	13,795	1,604	15,878,819	96.11%
1999-00	15,190,241	14,835,143	97.66%	203,624	50,570	15,089,337	99.34%
2000-01	18,206,169	16,774,872	92.14%	136,464	103,393	17,014,729	93.46%
2001-02	20,162,108	18,762,514	93.06%	52,800	70,457	18,885,771	93.67%

Notes:

(1) Bossier Parish Tax Assessor

(2) The 1996-97 tax assessment included an additional levy passed in April 1996 for employee benefits and salaries.

Unaudited – see accompanying independent auditors' report.

Table 4

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Assessed and Estimated Actual Value of Taxable Property (1)

Last Ten Calendar Years

<u>Year</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Assessed Value to Estimated Actual Value</u>
1993	\$ 257,313,215	1,999,636,379	12.9%
1994	288,433,781	2,235,920,783	12.9%
1995	298,227,210	2,311,838,837	12.9%
1996	296,211,590	2,296,213,876	12.9%
1997	331,694,500	3,316,945,000	10.0%
1998	361,898,600	2,952,644,507	12.3%
1999	384,390,690	3,330,779,367	11.5%
2000	394,161,600	3,453,219,533	11.4%
2001	450,641,960	3,948,746,767	11.4%
2002	489,789,300	4,246,271,366	11.5%

Notes:

(1) Information provided by Bossier Parish Tax Assessor.

Unaudited – see accompanying independent auditors' report.

Table 5

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Property Tax Rates and Tax Levies – Direct and Overlapping Governments (1)

Fiscal years ended June 30, 1993 through June 30, 2002

Fiscal Year	Tax Rates Per \$1,000 of Assessed Value (1)					Tax Levies (1)				
	Parish (2)	Sheriff	School	City of Bossier (4)	Total	Parish (2)	Sheriff	School	City of Bossier (4)	Total
1993	\$ 36.95	6.95	80.22	27.37	151.49	\$ 4,887,158	1,726,458	7,445,641	4,375,380	18,434,637
1994	13.92	13.23	39.42	27.37	93.94	2,277,059	2,920,594	7,086,263	4,369,789	16,653,705
1995	28.73	13.50	39.42	27.27	108.92	4,215,921	2,465,888	7,191,037	4,451,725	18,324,571
1996	26.23	13.50	39.42	23.85	103.00	4,290,487	2,702,009	7,880,709	4,395,265	19,268,470
1997	27.92	13.51	61.39	26.38	129.20	5,251,676	3,027,373	13,747,843 (3)	5,355,276	27,382,168
1998	26.60	13.51	61.39	26.38	127.88	5,467,947	3,384,295	15,368,791	5,955,560	30,176,593
1999	34.80	13.51	61.39	26.38	136.08	8,101,218	3,638,153	16,521,978	6,411,901	34,673,250
2000	34.80	13.51	55.14	26.38	129.83	8,173,480	3,721,080	15,190,241	6,761,107	33,845,908
2001	34.25	13.51	55.16	26.70	129.62	9,759,829	4,469,026	18,206,129	7,817,364	40,252,348
2002	34.18	13.51	54.64	26.77	129.10	10,766,155	4,985,149	20,162,108	7,881,807	43,795,219

Notes:

(1) Per Bossier Parish Tax Assessor

(2) The parish taxes include the following:

Parish Road Tax	Library Bonds Tax	Bossier Levee District Tax	Port Tax
Courthouse Tax	Health Clinic Tax	Cypress-Black Bayou Tax	Penal Farm
Library Maintenance Tax	Assessor's Tax	Red River Water Way	

(3) Increase due to an increase in millages for salaries and benefits.

(4) Per Comprehensive Annual Financial Report of the City of Bossier City as of December 31, 2001.

Unaudited – see accompanying independent auditors' report.

Table 6

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Ratio of Net General Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita

Fiscal years ended June 30, 1993 through June 30, 2002

Fiscal Year	Bossier Parish Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Funds (3)	Net Bonded Debt (3)	Ratio of Net Bonded Debt	
						To Assessed Value	Net Bonded Debt Per Capita
1992-93	86,500	\$ 257,313,215	12,395,000	\$ 1,781,738	10,613,262	4.12%	\$ 123
1993-94	87,800	288,433,781	9,805,000	1,255,327	8,549,673	2.96%	97
1994-95	89,400	298,227,210	7,720,000	1,401,160	6,318,840	2.12%	71
1995-96	90,503	296,211,590	5,670,000	1,924,241	3,745,759	1.26%	41
1996-97	92,119	331,694,500	12,750,000	3,654,825	9,095,175	2.74%	99
1997-98	93,752	361,898,600	18,860,000	4,240,853	14,619,147	4.04%	156
1998-99	94,393	384,390,690	16,980,000	4,843,878	12,136,122	3.16%	129
1999-00	93,374	394,161,600	16,430,000	3,982,504	12,447,496	3.16%	133
2000-01	98,310	450,641,900	15,845,000	4,329,066	11,515,934	2.56%	117
2001-02	99,285	489,789,300	15,225,000	4,662,410	10,562,590	2.16%	106

Notes:

- (1) Louisiana Electronic Assistance Program (LEAP) operated by Northeast Louisiana University Center for Business and Economic Research (<http://leap.nlu.edu>) for 1991 - 1999; Census website @ www.census.gov/population/estimates/county for 2000 - 2002.
- (2) Assessed value is the Total Assessed Valuation of all property located in Bossier Parish. Property is assessed at 10% on land and residential property and 15% on commercial property.
- (3) Includes general obligation bonds payable only.

Unaudited – see accompanying independent auditors' report.

Table 7

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Schedule of Direct and Overlapping Debt (1)

As of June 30, 2002

<u>Name of Governmental Unit (1)</u>	<u>Gross Debt</u>	<u>Amount Available Debt Service Fund</u>	<u>Net Debt Outstanding (2)</u>	<u>Percentage of Debt Applicable to the School Board</u>	<u>School Board's Share of Debt</u>
<u>Direct Debt</u>					
Bossier Parish School Board	\$ 15,225,000	4,662,410	10,562,590	100%	\$ 10,562,590
<u>Overlapping Debt</u>					
Bossier Parish Police Jury	3,115,000	25,008	3,089,992	100%	3,089,992
Total direct and overlapping debt	\$ 18,340,000	4,687,418	13,652,582		\$ 13,652,582

Notes:

- (1) Various taxing districts exist within Bossier Parish that involve a small percentage of taxpayers. These districts' debt is not included.
 (2) This represents the debt of all the constituents who reside in Bossier Parish.

Unaudited – see accompanying independent auditors' report.

Table 8

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Computation of Legal Debt Margin

June 30, 2002

Assessed value		\$ 489,789,300
Debt limit thirty-five percent (35%) of assessed value (1)		171,426,255
Amount of debt applicable to debt limit (2):		
Total general bonded debt	\$ 15,225,000	
Less: Assets in debt service fund	<u>4,662,410</u>	
Total amount of debt applicable to debt limit		<u>10,562,590</u>
Legal debt margin		<u>\$ 160,863,665</u>

Notes:

- (1) This percentage is in accordance with Act 103 of 1980 Regular Session of the Louisiana Legislature R.S. 39:562(C).
(2) Includes general obligation bonds only.

Unaudited – see accompanying independent auditors' report.

Table 9

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Ratio of Annual Debt Service Expenditure for General Bonded Debt to Total General Expenditures
Fiscal years ended June 30, 1993 through June 30, 2002

Year Ended June 30,	Debt Service Expenditures		Total General Expenditures (2)	Ratio of Debt Service to General Expenditures (Percent)
	Principal (1)	Interest and Fiscal Charges (1)		
1993	\$ 2,400,000	1,098,653	3,498,653	4.43%
1994	2,590,000	636,628	3,226,628	3.85%
1995	2,085,000	427,319	2,512,319	2.76%
1996	2,050,000	324,713	2,374,713	2.61%
1997	1,920,000	600,835	2,520,835	2.42%
1998	1,890,000	943,611	2,833,611	2.56%
1999	1,880,000	1,086,705	2,966,705	2.41%
2000	550,000	995,662	1,545,662	1.38%
2001	585,000	940,662	1,525,662	1.33%
2002	620,000	882,162	1,502,162	1.24%

Notes:

- (1) Includes debt service on general obligation bonds only.
- (2) Includes general expenditures for General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Funds and Permanent Fund. The Bossier Parish Community College and Bossier Educational Excellence Fund are included in Special Revenue Funds for the years 1993 - 1997. The Bossier Educational Excellence Fund was changed to a trust fund and therefore not included in this schedule from 1999 - 2001. In 2002, this fund was again included as a Permanent Fund with the implementation of GASB 34.

Unaudited — see accompanying independent auditors' report.

Table 10

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Revenue Bond Coverage
Sales Tax Bonds

Fiscal years ended June 30, 1993 through June 30, 2002

Fiscal Year	Gross Revenues (1)	Expenditures (2)	Net Revenue	Net Revenue Available For Debt Service	Debt Service Requirements		
					Principal	Interest and Fiscal Charges	Total Coverage
1993	\$ 11,184,464	62,515	11,121,949	3,707,316	690,000	102,165	792,165
1994	12,509,531	161,487	12,348,044	4,116,014	735,000	62,838	797,838
1995	14,275,468	112,811	14,162,657	4,720,886	775,000	41,525	816,525
1996 (4)	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
1998	—	—	—	—	—	—	—
1999	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—
2001	—	—	—	—	—	—	—
2002	—	—	—	—	—	—	—

Notes:

- (1) Includes operating revenues and interest income.
- (2) Includes all operating expenses except interest paid on debt service and other nonoperating expenses.
- (3) Represents one-half cent of the total one and one-half cent sales tax received. One-half cent is dedicated to the repayment of the School Board's sales tax bonds.
- (4) Revenue bonds were paid off in the 1995 fiscal year.

Unaudited – see accompanying independent auditors' report.

Table 11

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Demographic Statistics

Fiscal years ended June 30, 1993 through June 30, 2002

Fiscal Year	Population (1)	Median Age (1)	School Enrollment	Average Daily Memberships	Unemployment Rate (1)	Per Capita Income (2)
1993	86,500	27.1	17,978	18,107	7.10%	\$ 15,644
1994	87,800	27.3	18,275	18,238	7.10%	16,611
1995	89,400	27.0	18,342	18,397	7.90%	17,777
1996	90,503	N/A	18,443	17,496	7.10%	18,886
1997	92,119	N/A	18,607	18,463	6.60%	21,259
1998	93,752	N/A	18,822	18,847	5.50%	N/A
1999	94,393	N/A	18,787	18,706	4.60%	N/A
2000	93,374	N/A	18,950	18,722	3.80%	N/A
2001	98,310	33.8	18,933	18,640	5.10%	N/A
2002	99,285	33.8	18,756	18,635	7.70% (3)	18,119 (4)

Notes:

- (1) 1993 - 2000 Louisiana Electronic Assistance Program (LEAP) operated by Northeast Louisiana University Center for Business and Economic Research (<http://leap.nlu.edu>); 1866 - 2002 Census website at www.census.gov/
- (2) 1992 Research Division, Louisiana Tech; 1993 - 1997 Louisiana Electronic Assistance Program (LEAP).
- (3) Bureau of Labor statistics (<http://data.bls.gov/>)
- (4) U.S. Census Bureau (<http://quickfacts.census.gov>)

Unaudited – see accompanying independent auditors' report.

Table 12

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Property Value, Construction, and Bank Deposits

Last Ten Calendar Years

Calendar Year	Property Value (1)		Bank Deposits (2)	Commercial Construction (2)		Residential Construction (2)	
	Commercial	Residential		Number of Units	Value	Number of Units	Value
1993	\$ 1,468,194,659	767,726,124	\$ 412,381,000	258	\$ 6,853,510	573	\$ 46,664,978
1994	1,511,121,086	800,717,751	447,139,000	297	29,209,519	650	52,352,402
1995	1,555,302,577	740,911,299	443,530,000	490	50,382,448	550	50,499,698
1996	2,084,865,000	1,232,080,000	N/A	599	67,430,679	805	67,430,679
1997	1,184,764,707	1,767,879,800	526,866,000	366	38,733,955	391	40,023,995
1998	837,189,637	2,115,454,870	N/A	374	N/A	374	45,397,216
1999	1,026,257,067	2,304,522,300	N/A	441	65,634,886	457	56,243,760
2000	976,792,933	2,476,426,600	N/A	334	49,709,868	559	68,797,069
2001	1,115,345,667	2,833,401,100	N/A	193	28,724,576	495	50,920,640
2002	1,303,243,266	2,943,028,100	65,900,000 (3)	400	44,092,542 (4)	1,236	87,850,828

Notes:

(1) 1993-1998 Bossier Parish Tax Assessor; 1999-2002 City of Bossier City and Bossier Police Jury permit offices.

(2) Louisiana Electronic Assistance Program (LEAP).

(3) FDIC/BTS Summary of Deposits (<http://3fdic.gov.sod/>) last updated June 30, 2001.

(4) Permit account applications from City of Bossier City and Bossier City Tax Assessor.

Unaudited – see accompanying independent auditors' report.

Table 13

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Principal Taxpayers (1)

June 30, 2002

Name	Industry	Assessed Value	Percentage of Total Assessed Valuation
Horseshoe Entertainment	Riverboat Gambling	\$ 3,032,136	0.62%
City of Shreveport	Government	1,763,060	0.36%
Southwestern Electric Power Company	Electric Company	1,575,826	0.32%
Hollywood Casino	Riverboat Gambling	923,248	0.19%
Bell South Telecommunications	Telephone	922,671	0.19%
Calumet Lubricants	Oil and Gas	595,811	0.12%
ICH LLC	Hotel	541,058	0.11%
J-W Operating Co.	Oil & Gas Production Company	473,476	0.10%
Louisiana Riverboat Gaming	Riverboat Gambling	382,620	0.08%
Isle of Capri	Riverboat Gambling	356,714	0.07%
Total for ten principal taxpayers		10,566,620	2.16%
Total for remaining taxpayers		479,222,680	97.84%
Total for all taxpayers		\$ 489,789,300	100.00%

Notes:

(1) Bossier City Parish Tax Assessor.

Unaudited -- see accompanying independent auditors' report.

Table 14

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Attendance Data

Fiscal years ended June 30, 1993 through June 30, 2002

Fiscal Year	Number of Graduates	Average Daily Membership (1)	Average Daily Attendance		Percent of Attendance
			Amount	Percent Change	
1993	833	18,107	17,032	1.16%	94.06%
1994	899	18,238	17,379	2.04%	95.29%
1995	891	18,397	17,456	0.44%	94.89%
1996	906	18,443	17,496	0.23%	94.87%
1997	821	18,463	17,393	-0.59%	94.20%
1998	996	18,847	17,903	2.93%	94.99%
1999	946	18,706	17,812	-0.51%	95.22%
2000	836	18,722	17,778	-0.19%	94.96%
2001	963	18,640	17,472	-1.72%	93.73%
2002	974	18,635	17,617	0.83%	94.54%

Unaudited – see accompanying independent auditors' report.

Table 15

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Schedule of Insurance in Force

June 30, 2002

Type of Coverage/ Name of Company	Policy Number	Policy Period		Details of Coverage and Coinsurance	Coverage Limits	Premium
		From	To			
Property/Royal Indemnity	RHD323275	3-1-02	3-1-03	Blanket Limit, Special Form, SIR: \$100,000	\$ 112,862,426	\$ 129,791
Boiler & Machinery/Hartford Steam Boiler	FBP7347968	11-21-01	11-21-02	Equipment Breakdown Deductible: \$2,500	500,000	3,053
General Liability Including Employee Benefits Liability/Coregis	651-006356-9	9-20-01	9-20-02	Each Occurrence General Aggregate Employee Benefits Liability SIR: \$25,000	1,000,000 3,000,000 1,000,000	121,605
Educators Legal Liability Including Enhanced Employment Liability Endorsement/Coregis	SBD-000801-3	9-20-01	9-20-02	Limit Aggregate SIR: \$25,000	1,000,000 1,000,000	19,874
Automobile/Coregis	651011826	7-1-01	7-1-02	Liability (Each Accident) Medical Payments UMBI Rejected No physical damage coverage on owned vehicles.	1,000,000 2,000	144,113
Excess Workers' Compensation/ Midwest Employers Casualty	2690SALA	3-7-02	3-7-03	Part One: Work Comp Part Two: Employers Liab. SIR: \$175,000	La. Statutory 1,000,000	23,286
Student Accident/Markel (2)	1517011	8-1-01	8-1-02	Maximum Benefits Per Policy Limitations	25,000	26,804
Group Health Benefit Plan Specific Stop-Loss protection / Blue Cross and Blue Shield of Louisiana	75546	9-1-01	8-31-02	\$850,000 in excess of \$150,000 specific stop-loss limit	\$850,000 per covered individual	Monthly - \$8.15 per individual; \$26.14 per family
Catastrophic Student Accident/ Guarantee Trust (2)	GTC9003282	7-30-01	7-30-02	Maximum Benefits Catastrophic Benefit	1,000,000 500,000	3,215

Notes:

- (1) Insurance files maintained by Insurance Agent of the Bossier Parish School Board.
 (2) Student athletes including team sports, cheerleaders, dance lines, pep squads, and bands only under BPSB supervised team activities.

Unaudited -- see accompanying independent auditors' report.

Table 16

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Miscellaneous Statistical Data

June 30, 2002

<u>Instruction Sites</u>	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
High Schools:			
Airline	1965	238,724	98.33
Benton	1978	77,800	25.00
Bossier	1939	142,300	18.14
Haughton	1940	99,610	27.80
Parkway	1962	132,473	28.70
Plain Dealing	1938	91,603	26.20
Middle Schools:			
Cope	1980	82,547	14.23
Elm Grove	1887	84,173	12.90
Greenacres	1958	76,700	17.17
Rusheon	1955	83,114	24.60
Elementary/Middle Schools:			
Plain Dealing	1952	65,169	12.54
Benton	1999	88,254	14.70
Haughton	1999	105,708	21.62
Elementary Schools:			
Apollo	1968	69,158	3.00
Bellaire	1968	50,518	10.68
Benton	1953	60,093	21.13
Bossier	1922	64,500	4.90
Butler	1952	32,495	4.50
Central Park	1947	50,219	10.00
Curtis	1958	46,518	12.00
Kerr	1953	52,368	11.44
Meadowview	1962	59,300	15.00

Table 16

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Miscellaneous Statistical Data

June 30, 2002

<u>Instruction Sites</u>	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
Elementary Schools, Cont:			
Plantation Park	1952	52,292	10.10
Platt	1961	61,000	20.00
Princeton	1952	60,000	20.40
Rocky Mount	1941	29,950	10.20
T.L. Rodes	1980	54,875	(1)
Stockwell Place	1986	52,752	10.33
Sun City	1969	49,890	(2)
Waller	1949	63,790	9.30
Other Instruction Sites:			
Bossier Parish Community College (4)	1986	51,724	(3)
Bossier Life Skills Center	1955	10,500	2.20
BPCC Criminal Justice Institute (4)	1967	26,700	9.60
Bossier Career Center	1949	40,000	6.66

Notes:

- (1) Included with Platt Elementary acreage.
- (2) Included with Parkway High School acreage.
- (3) Included with Airline High School acreage - Community College originally housed in Airline High School.
In 1986, a new library and classroom building was erected adjacent to the high school.
- (4) These sites are rented from the School Board by the State of Louisiana who operates the Community College and Criminal Justice Institute.

Unaudited – see accompanying independent auditors' report.

Table 17**BOSSIER PARISH SCHOOL BOARD**

Benton, Louisiana

Schedule of Compensation Paid to School Board Members

Year ended June 30, 2002

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution 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 Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$500 per month, and the president receives \$600 per month for performing the duties of his office.

Board Member:	Amount
Vassie M. Richardson, President	\$ 6,600
Kenneth M. Wiggins	6,000
Henry Burns	6,000
Elizabeth S. Cassibry	6,000
Julian Darby	6,000
Gary Dowden	6,000
George C. Finck	6,000
Mack Knotts	6,000
William Kostelka	6,000
Gloria Simison	6,000
J. W. Slack	6,000
Michael M. Graham	6,600
	<u>\$ 73,200</u>

Unaudited – see accompanying independent auditors' report.



BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

OMB Circular A-133 Reports

Year ended June 30, 2002

(With Independent Auditors' Reports Thereon)

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Table of Contents

	Page
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	1
Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards	3
Schedule of Expenditures of Federal Awards and Accompanying Notes	5
Schedule of Findings and Questioned Costs	8



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

**Independent Auditors' Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Members of the Bossier Parish School Board
Benton, Louisiana:

We have audited the financial statements of the Bossier Parish School Board (School Board) as of and for the year ended June 30, 2002 and have issued our report thereon dated November 1, 2002, which includes an explanatory paragraph due to changes in accounting principles in 2002. 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

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 assurance on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the School Board in a separate letter dated November 1, 2002.



This report is intended solely for the information and use of management, members of the Bossier Parish School Board, the State of Louisiana Legislative Auditor, 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.

KPMG LLP

November 1, 2002



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

**Independent Auditors' Report on Compliance With Requirements Applicable to Each
Major Program and on Internal Control Over Compliance in Accordance With
OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards**

Members of the Bossier Parish School Board
Benton, Louisiana:

Compliance

We have audited the compliance of the Bossier Parish School Board (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, 2002. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the 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 *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School 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 the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in



order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be a material weakness. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the School Board as of and for the year ended June 30, 2002 and have issued our report thereon dated November 1, 2002, which includes an explanatory paragraph due to changes in accounting principles in 2002. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. 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 whole.

This report is intended solely for the information and use of management, members of the Bossier Parish School Board, the State of Louisiana Legislative Auditor, 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.

KPMG LLP

November 1, 2002

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

<u>Grant title</u>	<u>Federal CFDA number</u>	<u>Grant number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Noncash federal award – Passed through Louisiana Department of Agriculture and Forestry – Food Distribution (Commodities)	10.550	N/A	\$ 353,808
Passed through Louisiana Department of Education – Child Nutrition Cluster:			
School Breakfast Program	10.553	008-SL-0006	603,947
National School Lunch Program	10.555	008-SL-0006	2,363,159
			<hr/> 3,320,914
Total U.S. Department of Agriculture			
U.S. Department of Education			
Direct Programs:			
Impact Aid (Title VIII)	84.041	N/A	886,124
Passed through Louisiana Department of Education:			
Adult Education – State Grant Program	84.002	28024408 28023308 28014408 C/O to 2002	230,355
Title I Grants to Local Educational Agencies	84.010	01-TI-08 01-TI-08-1C/O to 2002 02-TI-08-1	2,465,808
Grants for Infants and Families with Disabilities (Part C)	84.181	02-H3-08	15,083
Special Education Cluster:			
Grants to States (Part B)	84.027	01-B1-08 02-B1-08	2,013,693
Preschool Grants	84.173	01-P1-08 02-P1-08	109,062
			<hr/> 2,122,755
Vocational Education:			
Basic Grants to States	84.048	0202-08	179,181
Tech-Prep Education	84.243	SB08/00-02TP	194,772
School-to-Work	84.000	N/A	45,014
Innovative Education Program Strategies – Title VI	84.298	01-00-08 00-00-08-06 C/O to 2001 02-00-08 01-00-08 C/O to 2002	165,940
Title II (Eisenhower Professional Development)	84.281	01-50-08 00-50-08-01 C/O to 2001 02-50-08 01-50-08 C/O to 2002	87,644
Title IV (Safe and Drug-Free Schools – State Grant)	84.186	01-70-08 01-70-08 C/O to 2002 02-70-08	98,260

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Schedule of Expenditures of Federal Awards
Year ended June 30, 2002

<u>Grant title</u>	<u>Federal CFDA number</u>	<u>Grant number</u>	<u>Expenditures</u>
U.S. Department of Education, continued:			
Technology Improvement Grant	84.318	0214-08	\$ 224,863
Class-Size Reduction – Title VI	84.340	01-01-08-6 02-01-08-6	530,419
Passed through the Office of the Louisiana Lieutenant Governor:			
Learn for the 21st Century (Goals 2000 State Grant)	84.276	2801PD-08 01-LTS-08 01LI08	2,324
Total U.S. Department of Education			<u>7,248,542</u>
U.S. Department of Health and Human Services			
<i>Passed through the Louisiana Department of Education:</i>			
Child Care and Development Block Grant (Starting Points Preschool)	93.575	0238-08	84,578
Title XIX:			
EPSDT Kidmed School Nurse	13.714	1415103	114,588
EPSDT Kidmed Social Worker	13.714	1415103	3,647
			<u>118,235</u>
Medicaid Program	93.778	1701173	<u>161,397</u>
Total U.S. Department of Health and Human Services			<u>364,210</u>
U.S. Department of Defense Direct Programs			
Department of the Airforce – ROTC	N/A	N/A	320,812
Department of the Army – Star Base	N/A	N/A	224,602
Total U.S. Department of Defense Direct Programs			<u>545,414</u>
Total federal expenditures			<u>\$ 11,479,080</u>

See accompanying notes to schedule of expenditures of federal awards.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2002

(1) General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Bossier Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

(2) Noncash Programs

Commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

(3) Loans Outstanding

The Bossier Parish School Board had \$387,428 of loan balances outstanding at June 30, 2002. The proceeds of these loans were received in a previous fiscal year under former CFDA #66.702 for asbestos removal.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Schedule of Findings and Questioned Costs
Year ended June 30, 2002

Section 1 – Summary of Auditors' Results

Financial Statements

Type of report issued: unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? None reported

Type of auditor's report issued on compliance for major program: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.555	United States Department of Agriculture – Child Nutrition
84.041	United States Department of Education – Impact Aid

Dollar threshold used to distinguish between Type A and Type B programs: \$344,372

Auditee qualified as a low-risk auditee? Yes

Section 2 – Financial Statement Findings

None

Section 3 – Federal Award Findings and Questioned Costs

None



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

**Independent Accountants' Report
on Applying Agreed-Upon Procedures**

To the Members of the Bossier Parish School Board
Benton, Louisiana:

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Bossier Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Bossier Parish School Board's compliance with the requirements for preparing the performance and statistical data schedules accompanying this report as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. 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.

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

1. We judgmentally selected a sample of 30 transactions from the general ledger accounts that comprise the amounts from Schedule 1, as identified below, and compared the items selected to invoices or third party documentation of revenue amounts received.

Categories tested:

- Total General Fund Instructional Expenditures
- Total General Fund Instructional Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue



KPMG LLP KPMG LLP a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association

Sample selected:

Expenditures

<u>Payee</u>	<u>Check Number</u>	<u>Description of Charge</u>	<u>Type of Expenditure Classification</u>
1 Unisource	79543	Copy Paper	General Fund Instruction
2 Stuart's Inc.	79715	Computer Cartridges and Computer Ribbon	General Fund Instruction
3 Educational Resources	79862	Easy Grade Pro netsites	General Fund Instruction
4 School Book Supply	81691	Reading Books	General Fund Instruction
5 Fabric Boutique	84071	Supplies for Family Consumer Science Class	General Fund Instruction
6 Renaissance Learning	84945	Software Programs	General Fund Instruction
7 Nystrom	85165	Software Programs for 2 nd and 3 rd grade	General Fund Instruction
8 Sax Arts and Crafts	86061	Real Care Baby Package	General Fund Instruction
9 Dell Marketing	79515	Laptop and desktop computers	General Fund Equipment
10 Avaya Inc	79720	Phone systems	General Fund Equipment
11 Avaya Inc	80916	Phone systems	General Fund Equipment
12 Bath Companies	81609	Tissues, Paper towels and workstation	General Fund Equipment
13 Avaya Inc	81999	Phone systems	General Fund Equipment
14 Dell Marketing	85707	Computer	General Fund Equipment
15 Intermediate Technologies	86404	TV, Projector, Cart and Cables	General Fund Equipment

Revenues

<u>Payor</u>	<u>Reference Number</u>	<u>Description of Receipt</u>	<u>Type of Revenue Classification</u>
16 Bossier Parish Sheriff Department	16672	Ad valorem taxes	Local Taxation Revenue
17 Bossier Parish Sheriff Department	16804	Ad valorem taxes	Local Taxation Revenue
18 Bossier Parish Sheriff Department	16934	Ad valorem taxes	Local Taxation Revenue
19 Bossier Parish Community College	44064	Rental for school	Local Earnings on Investment in Real Property
20 Bellaire Baptist Church	4664	Rental for building	Local Earnings on Investment in Real Property
21 Jack and Judy Hicks	6163	Land lease	Local Earnings on Investment in Real Property
22 Bossier Parish Sheriff Department	17019	Revenue sharing	State Revenue in Lieu of Taxes
23 Bossier Parish Sheriff Department	17171	Revenue sharing	State Revenue in Lieu of Taxes
24 Bossier Parish Sheriff Department	16512, 16523	Ad valorem taxes	Local Taxation Revenue
25 Bossier Parish Sheriff Department	16699	Revenue sharing	State Revenue in Lieu of Taxes
26 City of Bossier	55538	Sales taxes	Sales Tax
27 Bossier Parish Sheriff Department	16512	Ad valorem taxes	Local Taxation Revenue
28 Louisiana Downs	44435	Land lease	Local Taxation Revenue
29 City of Bossier	54277	Gaming money	Local Taxation Revenue
30 Department of Public Safety-P&MS	244887	Sales taxes	Sales Tax

No exceptions were found as a result of applying procedure 1.

Education Levels of Public School Staff (Schedule 2)

2. We agreed the total number of full-time classroom teachers from the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers as presented in Schedule 2 and to School Board payroll records as of October 1, 2001.
3. We agreed the combined total of principals and assistant principals from the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals as presented in Schedule 2.
4. We selected a judgmental sample of 25 teachers from a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2001, utilized in preparing Schedule 2, and compared the individual's education level on the list to the individual's personnel file.

Sample selected:

<u>Name</u>	<u>Name</u>
1 Golihar, Deborah	14 Greene, Michael
2 Bartee, Luther	15 Daughtry, Paul J.
3 Milner, David	16 Marston, Will
4 Stanberry, Michaela St. Andre	17 Stewart, Renee
5 Bryant, Kelly	18 Elston, Geneva
6 Hollingsworth, Brian	19 Elledge, Shirley F.
7 Larmar, Deloris	20 Germany, Raymond
8 Streetman, Terrie	21 Stoppeworth, Lily
9 Ross, Lori Cavin	22 Adams, Deborah
10 Rowland, Joan Lynn Hunt	23 Andrus, Christina
11 Tidwell, Cynthia Silas	24 Barton, Andrea
12 Padgett, Rose	25 Montgomery, Allison
13 Rogers, Amanda E. Harris	

No exceptions were found as a result of applying procedures 2, 3, and 4.

Number and Type of Public Schools (Schedule 3)

5. We compared a list of schools by type utilized in preparing Schedule 3 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.

No exceptions were found as a result of applying procedure 5.

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

6. Utilizing the same sample of 25 teachers as in procedure 4, we compared the individual's experience level on the list described in procedure 4 to the individual's personnel file.

No exceptions were found as a result of applying procedure 6.

Public School Staff Data (Schedule 5)

7. We traced a judgmental sample of 25 teachers selected from a list of all classroom teachers, which included their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent status, from which Schedule 5 was prepared and compared the individual's salary, extra compensation, and full-time equivalent status to a payroll report included in the individual's personnel file.

Sample selected:

<u>Name</u>	<u>Name</u>
1 Golihar, Deborah	14 Greene, Michael
2 Bartee, Luther	15 Daughtry, Paul J.
3 Milner, David	16 Marston, Will
4 Stanberry, Michaela St. Andre	17 Stewart, Renee
5 Bryant, Kelly	18 Elston, Geneva
6 Hollingsworth, Brian	19 Elledge, Shirley F.
7 Larmar, Deloris	20 Germany, Raymond
8 Streetman, Terrie	21 Stoppleworth, Lily
9 Ross, Lori Cavin	22 Adams, Deborah
10 Rowland, Joan Lynn Hunt	23 Andrus, Christina
11 Tidwell, Cynthia Silas	24 Barton, Andrea
12 Padgett, Rose	25 Montgomery, Allison
13 Rogers, Amanda E. Harris	

8. We recalculated the average salaries and full-time equivalents reported in Schedule 5 from the list described in procedure 7.

No exceptions were found as a result of applying procedures 7 and 8.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size from which Schedule 6 was prepared, agreed the school type classifications to the list from which Schedule 3 was prepared, and agreed the classification on this list for a judgmental sample of 10 classes to the October 1, 2001 roll books for the selected classes.

Sample selected:

<u>School</u>	<u>Teacher</u>	<u>Course Code</u>
1. Airline High School	Steven Gann	150802
2. Apollo Elementary	Margaret Wolf	120300
3. Bellaire Elementary	Stephanie Cockrell	700010
4. Benton Elementary	Velma Hines	160300
5. Benton High School	James Kirk	150802
6. Bossier High School	Karrie Doctor	120332
7. Central Park Elementary	Tracy Langdon	700010
8. Curtis Elementary	Penny Torrey	120300
9. Greenacres Middle	Amy Gates	120311
10. Haughton High School	Amy Ferguson	160311

The list of classes by school, school type, and class size from which Schedule 6 was prepared was from the "Louisiana Department of Education Annual School Report – Class Size Data for School Year 2001-2002". This report listed class sizes for each school in total rather than by individual classes. In order to obtain our sample, we obtained a detail of individual classes by teacher by school from the Louisiana State Department of Education. To ensure this detail agreed to the "Louisiana Department of Education Annual School Report – Class Size Data for School Year 2001-2002" from which Schedule 6 was prepared, the School Board reconciled the information for the ten schools selected from the state's detail to the "Louisiana Department of Education Annual School Report – Class Size Data for School Year 2001-2002". No exceptions were noted.

Of the ten roll books selected, we received five original roll books, two copies of roll books, and three computer roll book printouts for those classes maintained on computer software. No exceptions were noted.

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

10. We agreed the summation of test scores as reported in Schedule 7 to the summation of test scores provided by the State of Louisiana as testing authority.

No exceptions were found as a result of applying procedure 10.

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

11. We agreed the summation of test scores as reported in Schedule 8 to the summation of test scores provided by the State of Louisiana as testing authority.

No exceptions were found as a result of applying procedure 11.

The Iowa Tests (Schedule 9)

12. We agreed the summation of test scores as reported in Schedule 9 to the summation of test scores provided by the State of Louisiana as testing authority.

No exceptions were found as a result of applying procedure 12.

* * * * *

We were not engaged to, and did not, conduct 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 Bossier 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 Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

KPMG LLP

November 1, 2002

Schedule 1**BOSSIER PARISH SCHOOL BOARD**

Benton, Louisiana

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources*As of and for the year ended June 30, 2002*

	<u>Data</u>
General Fund instructional and equipment expenditures:	
General Fund instructional expenditures:	
Teacher and student interaction activities:	
Classroom teacher salaries	\$ 40,761,860
Other instructional staff salaries	4,433,377
Instructional staff employee benefits	14,376,463
Purchased professional and technical services	24,462
Instructional materials and supplies	2,376,913
Instructional equipment	667,843
Total teacher and student interaction activities	62,640,918
Other instructional activities	169,717
Pupil support activities	4,119,083
Less: equipment for pupil support activities	—
Net pupil support activities	4,119,083
Instructional staff services	5,095,390
Less: equipment for instructional staff services	—
Net instructional staff activities	5,095,390
Total General Fund instructional expenditures	\$ 72,025,108
Total General Fund instructional equipment expenditures	\$ 1,036,217

Note:

This schedule includes General Fund instructional and equipment expenditures. This data is presented annually in the MFP 70% Expenditure Requirement Report.

(Continued)

Schedule 1**BOSSIER PARISH SCHOOL BOARD**
Benton, Louisiana

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

As of and for the year ended June 30, 2002

	<u>Data</u>
Certain local revenue sources:	
Local taxation revenue:	
Constitutional ad valorem tax	\$ 1,459,720
Renewable ad valorem tax	15,787,364
Debt service ad valorem tax	1,638,687
Up to 1% collections by the Sheriff on taxes other than school taxes	396,401
Sales and use taxes	<u>22,450,840</u>
Total local taxation revenue	\$ <u>41,733,012</u>
Local earnings on investment in real property:	
Earnings from 16th section property	\$ 5,567
Earnings from other real property	<u>—</u>
Total local earnings on investment in real property	\$ <u>5,567</u>
State revenue in lieu of taxes:	
Revenue sharing – constitutional tax	\$ 233,217
Revenue sharing – other taxes	329,928
Revenue sharing – excess portion	—
Other revenue in lieu of taxes	<u>—</u>
Total state revenue in lieu of taxes	\$ <u>563,145</u>
State revenue for nonpublic education:	
Nonpublic textbook revenue	\$ 3,145
Nonpublic transportation revenue	<u>—</u>
Total state revenue for nonpublic education	\$ <u>3,145</u>

Note:

This schedule includes local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used in the Minimum Foundation Program (MFP) formula.

See accompanying independent accountants' report on applying agreed-upon procedures.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

Education Levels of Public School Staff
As of October 1, 2001

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Un-certificated		Certificated		Un-certificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	6	0.58%	10	9.90%	0	0.00%	0	0.00%
Bachelor's Degree	681	65.54%	83	82.18%	0	0.00%	0	0.00%
Master's Degree	209	20.12%	5	4.95%	23	31.94%	0	0.00%
Master's Degree + 30	140	13.47%	3	2.97%	48	66.67%	0	0.00%
Specialist in Education	1	0.10%	0	0.00%	0	0.00%	0	0.00%
Ph.D. or Ed.D.	2	0.19%	0	0.00%	1	1.39%	0	0.00%
Total	1039	100.00%	101	100.00%	72	100.00%	0	0.00%

Notes:

- (1) This schedule provides the number and percentage of full-time classroom teachers, differentiating those having a teaching certificate and those without a teaching certificate, as well as the number and percentage of full-time classroom teachers and the number and percentages of principals and assistant principals with education levels.
- (2) Full-time classroom teachers, employed as of October 1, are defined with Louisiana Accounting and Uniform Governmental Handbook (LAUGH) guidelines as having an Object Code of 112 and an accompanying function code within the 1000 series and assigned teaching responsibilities that comprise more than 50% of the individuals duties.
- (3) Principals and assistant principals, employed as of October 1, are defined in accordance with LAUGH guidelines as having an object code of 111 with an accompanying function code of 2410 and 2420. These employees are concerned with directing and managing the operation of a particular school. If the principal or assistant principal is also assigned teaching responsibilities that comprise more than 50% of his or her duties, then the principal should be included in the count as a classroom teacher.
- (4) Certificated Teachers / Principals / Assistant Principals: Teaching certificates are issued to those qualified professionals authorized to teach or perform designated duties in the schools under the jurisdiction of the Louisiana State Board of Elementary and Secondary Education based on their completion of an approved teacher education program and all other legal requirements. These requirements are referred to in the Louisiana Standards for State Certification of School Personnel – Bulletin 746 published by the State Department of Education.

See accompanying independent accountants' report on applying agreed-upon procedures.

Schedule 3**BOSSIER PARISH SCHOOL BOARD**

Benton, Louisiana

Number and Type of Public Schools

As of and for the year ended June 30, 2002

<u>Type</u>	<u>Number</u>
Elementary Schools	17
Middle/Junior High Schools	7
High Schools	10
Combination Schools	<u>2</u>
Total	36

Notes:

- (1) This schedule includes the number of elementary, middle/junior high, secondary (High) and combination schools in operation during the fiscal year. This data is currently reported to the Louisiana Legislature in the Annual Financial and Statistical Report (AFSR).
- (2) Elementary School – Any school whose grade structure falls within the range PK-8 and does not fit the definition for Middle/Junior High School.
- (3) Middle/Junior High School – Any school whose grade structure within the range 4-9, includes grades 7 or 8, and excludes PK-3 and 10-12.
- (4) High School – Any school whose grade structure falls within the range 6-12 and includes grades in 10-12 range, or any school that includes only grade 9.
- (5) Combination School – Any school whose grade structure falls within the range PK-12 and is not described by any of the above definitions. These schools generally contain some grades in the K-6 range and some grades in the 9-12 range. Examples include grade structures such as K-12; K-3 plus 9-12; and 4-6 plus 9-12. Non-graded schools (schools with no grade structure) are also considered combination schools.

See accompanying independent accountants' report on applying agreed-upon procedures.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

As of October 1, 2001

Category	Total Years Experience							Total
	0-1	2-3	4-10	11-14	15-19	20-24	25 +	
Principals	—	—	3	3	9	9	14	38
Assistant Principals	—	0	0	0	2	13	19	34
Classroom Teachers	129	120	317	133	133	120	188	1140
Total	129	120	320	136	144	142	221	1212

Notes:

- (1) This schedule includes the number of public school principals, assistant principals and full time classroom teachers grouped by varying years of experience in the teaching profession. Selective criteria for employees reported on this schedule are (a) be employed as of October 1, (2) have job responsibilities within their assigned classification that comprise more than 50% of the individual's job duties, and (3) meet the definitions contained within the LAUGH for their respective job classification.
- (2) Principals and assistant principals, employed as of October 1, are defined in accordance with LAUGH guidelines as having an object code of 111 with an accompanying function code of 2410 and 2420. These employees are concerned with directing and managing the operation of a particular school. If the principal or assistant principal is also assigned teaching responsibilities that comprise more than 50% of his or her duties, then the principal should be included in the count as a classroom teacher.

See accompanying independent accountants' report on applying agreed-upon procedures.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Public School Staff Data

As of and for the year ended June 30, 2002

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average classroom teacher's salary including extra compensation	\$37,075.11	\$36,844.50
Average classroom teacher's salary excluding extra compensation	\$36,265.93	\$36,030.24
Number of teacher full-time equivalents (FTEs) used in computation of average salaries	1,116.46	1,100.10

Note:

- (1) This schedule depicts the full-time equivalent (FTE) and calculated average salaries (with and without extra compensation) for all classroom teachers and for all classroom teachers excluding ROTC and rehired retirees. The schedule reflects district staff data reported to the Louisiana Department of Education in the End-of-Year Profile of Education Personnel (PEP) Report, which is subsequently reported to the Legislature in the AFSR. The data excludes day-to-day substitutes and temporary employees.

See accompanying independent accountants' report on applying agreed-upon procedures.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

Class Size Characteristics

As of October 1, 2001

Category	Class Size Range							
	1 - 20		21 - 26		27 - 33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	33.74%	276	39.61%	324	26.65%	218	—	—
Elementary Activity	11.22%	22	23.47%	46	32.14%	63	33.17%	65
Middle/Jr. High	21.48%	218	42.36%	430	36.16%	367	—	0
Middle/Jr. High Activity	16.26%	33	17.24%	35	31.03%	63	35.47%	72
High	53.38%	1107	23.77%	493	22.85%	474	—	—
High Activity	42.08%	85	19.80%	40	15.84%	32	22.28%	45
Combination	100.00%	40	—	—	—	—	—	—

Note:

The Louisiana Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

See accompanying independent accountants' report on applying agreed-upon procedures.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

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

As of and for the year ended June 30, 2002

4th Grade Students	English Language Arts						Mathematics					
	2002		2001		2000		2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	90	5.9%	19	1.2%	24	1.6%	47	3.1%	32	2.0%	24	1.6%
Proficient	368	24.0%	336	21.3%	298	20.2%	206	13.4%	232	14.7%	198	13.4%
Basic	626	40.8%	736	46.8%	633	42.8%	694	45.2%	719	45.7%	706	47.8%
Approaching Basic	350	22.8%	312	19.8%	339	22.9%	368	24.0%	363	23.1%	282	19.1%
Unsatisfactory	100	6.5%	172	10.9%	184	12.5%	219	14.3%	229	14.5%	268	18.1%
Total	1,534		1,575		1,478		1,534		1,575		1,478	

4th Grade Students	Science						Social Studies					
	2002		2001		2000		2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	83	5.4%	40	2.5%	18	1.2%	36	2.3%	20	1.3%	8	0.5%
Proficient	202	13.2%	248	15.8%	267	18.1%	157	10.2%	187	11.9%	216	14.6%
Basic	752	49.0%	698	44.3%	679	46.0%	782	51.1%	796	50.5%	725	49.1%
Approaching Basic	378	24.7%	458	29.1%	368	24.9%	376	24.6%	342	21.7%	333	22.6%
Unsatisfactory	118	7.7%	131	8.3%	145	9.8%	181	11.8%	230	14.6%	194	13.2%
Total	1,533		1,575		1,477		1,532		1,575		1,476	

Note:

This schedule represents student performance testing data and district summary scores for grade 4 in English Language Arts, Mathematics, Science, and Social Studies.

(Continued)

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

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

As of and for the year ended June 30, 2002

8th Grade Students	English Language Arts						Mathematics					
	2002		2001		2000		2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	42	2.8%	7	0.5%	23	1.6%	29	1.9%	30	2.0%	57	3.9%
Proficient	311	21.1%	251	17.4%	253	17.1%	66	4.2%	90	5.9%	99	6.8%
Basic	513	34.8%	603	41.9%	607	41.0%	694	44.6%	725	47.8%	643	43.9%
Approaching Basic	487	33.0%	428	29.8%	477	32.2%	419	27.0%	320	21.1%	328	22.4%
Unsatisfactory	122	8.3%	150	10.4%	120	8.1%	347	22.3%	352	23.2%	336	23.0%
Total	1,475		1,439		1,480		1,555		1,517		1,463	

8th Grade Students	Science						Social Studies					
	2002		2001		2000		2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	19	1.3%	7	0.5%	14	1.0%	24	1.7%	13	0.9%	17	1.2%
Proficient	332	23.1%	224	16.0%	286	19.6%	191	13.3%	198	14.1%	223	15.3%
Basic	578	40.1%	601	42.8%	494	33.8%	732	51.0%	671	47.8%	709	48.5%
Approaching Basic	349	24.2%	356	25.4%	416	28.4%	295	20.5%	311	22.2%	315	21.5%
Unsatisfactory	163	11.3%	215	15.3%	252	17.2%	194	13.5%	210	15.0%	198	13.5%
Total	1,441		1,403		1,462		1,436		1,403		1,462	

Note:

This schedule represents student performance testing data and district summary scores for grade 8 in English Language Arts, Mathematics, Science, and Social Studies.

See accompanying independent accountants' report on applying agreed-upon procedures.

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

The Graduation Exit Examination for the 21st Century (GEE 21)

As of and for the year ended June 30, 2002

10th Grade Students	English Language Arts						Mathematics					
	2002		2001		2000		2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	27	2.0%	8	0.8%	—	—	91	6.6%	65	5.4%	—	—
Proficient	222	16.3%	175	14.5%	—	—	146	10.5%	183	15.1%	—	—
Basic	569	41.8%	596	49.3%	—	—	512	36.9%	492	40.7%	—	—
Approaching Basic	304	22.4%	256	21.2%	—	—	238	17.2%	176	14.6%	—	—
Unsatisfactory	238	17.5%	174	14.4%	—	—	399	28.8%	292	24.2%	—	—
Total	1,360		1,209		—		1,386		1,208		—	

11th Grade Students	Science						Social Studies					
	2002		2001		2000		2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	34	2.9%	—	—	—	—	11	1.0%	—	—	—	—
Proficient	227	19.7%	—	—	—	—	108	9.4%	—	—	—	—
Basic	431	37.4%	—	—	—	—	561	48.6%	—	—	—	—
Approaching Basic	234	20.3%	—	—	—	—	237	20.5%	—	—	—	—
Unsatisfactory	227	19.7%	—	—	—	—	236	20.5%	—	—	—	—
Total	1,153		—		—		1,153		—		—	

Note:

This schedule represents student performance testing data and district summary scores for grades 10 and 11 in English Language Arts, Mathematics, Science, and Social Studies. Testing for English Language Arts and Mathematics did not begin until 2001, and testing for Science and Social Studies did not begin until 2002.

See accompanying independent accountants' report on applying agreed-upon procedures.

BOSSIER PARISH SCHOOL BOARD
Benton, Louisiana

The Iowa Tests

As of and for the year ended June 30, 2002

	Composite					
	2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent
Test of Basic Skills (ITBS)						
Grade 3	1,247	62.0%	1,248	62.0%	1,249	60.0%
Grade 5	1,284	59.0%	1,155	62.0%	1,173	58.0%
Grade 6	1,277	58.0%	1,208	57.0%	1,322	57.0%
Grade 7	1,275	55.0%	1,322	58.0%	1,259	56.0%
Tests of Educational Development (ITED)						
Grade 9	1,227	55.0%	1,233	57.0%	1,184	56.0%

Note:

The Iowa Tests used in Louisiana are norm-referenced achievement tests that are standardized nationally, allowing the comparison of performance between students tested within the national sample. (Students included in the norm-referenced reports are those that take The Iowa Tests without most accommodations/modifications such as extended time allowances, etc., to the testing conditions.)

The summary score reported is the National Percentile Rank, showing relative position or rank as compared to a large representative sample of students in the same grade from the entire nation.

See accompanying independent accountants' report on applying agreed-upon procedures.



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

November 1, 2002

The Members of the Bossier Parish School Board
Benton, Louisiana:

We have audited the financial statements of the Bossier Parish School Board (School Board) for the year ended June 30, 2002, and have issued our report thereon dated November 1, 2002. In planning and performing our audit of the financial statements of the School Board, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

LEGISLATIVE AUDITOR

At the request of the School Board, the Louisiana Legislative Auditor performed a review of procedures and policies of the finance department, as well as four other areas of concern. The Legislative Auditor published a report, dated July 10, 2002, to report their findings and management's response and corrective action plan. It is our understanding that the corrective actions are in the process of being implemented in fiscal 2003. We encourage the School Board to ensure all corrective actions are implemented.

MAINFRAME ACCESS CONTROLS

Security Awareness – The user security awareness program has been limited. It consists of an acceptable network usage policy and a quarterly request for users to change their mainframe password. Plans are to widen the awareness program with information provided at the monthly Principals meeting. Most lapses in computer security result from a lack of user awareness. Typically, users are not able to define questionable activity, and a more comprehensive security awareness program would help mitigate the risk of security lapses.



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association

The purpose of the policy and awareness programs is to protect the school, employees, and students. We recommend the School Board implement more informative communication with all employees to stress the importance of security and inform users of the proper reporting process at the monthly Principals meeting. We also recommend the School Board continue to review and update their Network Usage Policy and ensure the policy is explicit as to prohibited actions and related consequences for the occurrence of prohibited actions. Further, we recommend the updated policy be reviewed by the School Board's attorney and/or someone knowledgeable on such policies.

NETWORK ACCESS CONTROLS

The network that is used to carry the sensitive information on the mainframe from computer to computer is the same physical and logical network that is used by all levels of School Board employees as well as students. The risk associated with one network for all computers is that it could allow someone with limited or no access to capture sensitive School Board information, including grades, payroll data, and other information that is available on the mainframe. This type of "data capture" is possible from any networked computer in the School Board and therefore provides an intruder the ability to act with limited risk of being discovered. This same process can be used to gain mainframe passwords, leading to unauthorized access of mainframe resources and data. These activities are easily accomplished with the assistance of data capture and terminal emulation tools widely available on the Internet.

We recommend network segmentation to ensure that the separate network used to carry the sensitive information on the mainframe from computer to computer is not the same physical and logical network that is used by all levels of School Board employees as well as students.

DATA CONTROL AND INTEGRITY

Changes to the information contained in the mainframe are not logged for validation, verification, or future review. Changes may go undetected and if detected, the source of the changes will be undeterminable. We noted that there is no tracking of any changes made to the information in the School Board's mainframe. This may make it more difficult to track questionable transactions or other suspicious activity. Plans are underway to upgrade to the newest version of payroll, accounting, and human resource software that would allow for logging on all changes.

We recommend the School Board continue with its plans for upgrading the software and implement the process of logging changes for verification or future review.

BUSINESS CONTINUITY

While there is a formal agreement with a local governmental agency to provide mainframe access in the event of an emergency and there is a documented disaster recovery plan, however the plan has not been tested.

We recommend the business continuity plan be tested to ensure that administrative and operational procedures surrounding the technology can reasonably assure continuity of operations.

RECONCILIATION OF CASH RECEIPTS LOG TO ACTUAL DEPOSITS

The School Board has a process of reconciling items entered on the Cash Receipts Log to the Cash Receipts register in order to ensure all amounts entered onto the log were ultimately deposited. During a review of this reconciliation process, we noted some areas in which it could be improved. As we recommended in our prior year management letter, we recommend the process be improved by having someone independent of the process review the reconciliation each month to ensure the reconciliation is done accurately, totals on the log agree to the ledger, and that all reconciling items are dealt with appropriately.

UNIFORM UNCLAIMED PROPERTY ACT OF 1997

The Uniform Unclaimed Property Act of 1997 (LSA-R.S. 9:151 - 181) appears to apply to both property and for wages or other compensation for personal services which is deemed abandoned one year after the property becomes distributable or the compensation becomes payable. Assuming that the Act applies to these items, the School Board is required to report the property and pay funds equal to the value of the property to the Secretary of the Louisiana Department of Revenue on an annual basis.

One situation which school boards encounter fairly frequently, and which may fall under the provisions of the Act, involves old outstanding checks. Both vendor and payroll checks, which have been outstanding for more than one year from the date of issuance, appear to meet the definition of abandoned property under the Act. Annually, these checks would be reported and the funds remitted to the Secretary of the Louisiana Department of Revenue in accordance with the Act. They could not be voided and the cash returned to the book balances.

There may be situations other than old outstanding checks to which the School Board should consider whether or not the Act would apply.

During the year, the School Board consulted with legal counsel and determined to attempt to follow-up on all outstanding checks prior to submitting the checks to the state. Yet, as of end of fieldwork, the aged outstanding checks remained on the School Board's books.

We recommend these outstanding checks be quickly resolved and funds remitted to the state, if applicable. Also, the School Board should begin reporting on an annual basis any abandoned property and remitting funds to the Secretary of the Louisiana Department of Revenue in accordance with the Act.

SEGREGATION OF DUTIES

Currently the Payroll Department, in addition to the Personnel Department, has access to add new employees to the system or make changes to employee data. To maintain proper segregation of duties, the Payroll Department should not have this level of access.

CHILD NUTRITION PURCHASES

Currently within the Child Nutrition Program (CNP), the cash disbursement process is segregated from the cash disbursement process in the Accounting Department of the School Board Central Office. In the CNP, one person is responsible for verifying invoices, preparing and printing checks, and performing the bank account reconciliation. We also noted there is no formal purchase order approval process for nonfood/nonkitchen supply purchases in the CNP; the approval process is informal.

We recommend that the School Board centralize the cash disbursement function of the CNP with that of the School Board's Central Office. Additionally, we recommend that the purchase order approval process be formalized where supervisor approval of nonfood/nonkitchen supply purchases is properly documented.

AVERAGE DAILY ATTENDANCE DATA

The Average Daily Attendance Data for the Impact Aid application is usually obtained by the Finance Department from the Data Processing Department via phone. When attempting to verify the accuracy of the amount reported on the application, we noted that there was no documentation to support the information reported.

We recommend the Finance Department maintain adequate documentation to support all amounts on the Impact Aid application.

ADULT EDUCATION

As discussed in the prior year management letter, project completion reports that are submitted to the state for the Adult Education federal program are not being reconciled to the general ledger. We recommend all project completion reports be reconciled to the general ledger timely. By reconciling these reports to the general ledger timely, the School Board can further ensure that the information being submitted on these reports is accurate.

DEPRECIATION

During our review of the depreciation calculations for a sample of items, we noted differences in reconciling the depreciation expense to the accumulated depreciation. While these differences were immaterial, we recommend the School Board implement a process to reconcile depreciation expense and accumulated depreciation to ensure that no significant differences exist.

* * * * *

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the School Board's organization gained during our work to make comments and suggestions that we hope will be useful to you. We would be pleased to discuss these comments and recommendations with you at any time.

The Members of the Bossier Parish School Board
November 1, 2002
Page 5

This report is intended solely for the information and use of the members of the School Board, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

**Independent Accountants' Report
on Applying Agreed-Upon Procedures**

**Members of the Bossier Parish School Board
Benton, Louisiana:**

We have performed the procedures enumerated below, which were agreed to by the Bossier Parish School Board solely to assist the Bossier Parish School Board in evaluating the effectiveness of the School Board's compliance with Act 743 of 1995 concerning the Bossier Educational Excellence Fund (BEEF) (a permanent trust fund of the Bossier Parish School Board) for the year ended June 30, 2002. Management is responsible for the Bossier Parish School Board's compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Bossier Parish School Board. 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.

Procedures:

1. Obtained the balances and a summary of the activity of the BEEF funds from the School Board as of and for the year ended June 30, 2002 (Attachment 1).
2. Selected all twelve months receipts from the BEEF general ledger, totaling \$1,579,536, or 100% of total fees collected from each riverboat during the fiscal year ended June 30, 2002, and agreed these amounts to schedules received from the riverboats (LSA-R.S. 27:93).

RECEIVED
02 DEC 31 PM 2:22



KPMG LLP, a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association.

Sample selected:

Month	Isle of Capri	Horseshoe	Casino Magic	Hollywood	Total
July 2001	\$ 25,000	25,000	14,963	74,083	\$ 139,046
August 2001	25,000	25,000	16,381	65,867	132,248
September 2001	25,000	25,000	13,880	64,002	127,882
October 2001	25,000	25,000	14,232	58,160	122,392
November 2001	25,000	25,000	14,145	63,482	127,627
December 2001	25,000	25,000	15,092	61,278	126,370
January 2001	25,000	25,000	13,753	64,119	127,872
February 2001	25,000	25,000	15,500	67,310	132,810
March 2001	25,000	25,000	15,294	76,501	141,795
April 2001	25,000	25,000	12,988	75,305	138,293
May 2001	25,000	25,000	13,471	69,790	133,261
June 2001	25,000	25,000	13,073	66,867	129,940
	<u>\$ 300,000</u>	<u>300,000</u>	<u>172,772</u>	<u>806,764</u>	<u>\$ 1,579,536</u>

Judgmentally selected seven receipts from the BEEF general ledger covering four months during the fiscal year ended June 30, 2002, and totaling \$9,764, or 53% of total fees collected from the horse racing facility and confirmed those receipts with the horse racing facility and compared to supporting schedule received from the horse racing facility (LSA-R.S. 4:163.1D).

Sample selected:

Date	Check Number	Amount
7/26/01	44435	1,353.95
7/19/01	44293	1,324.34
8/9/01	44728	1,193.41
8/16/01	44854	1,027.35
9/6/01	45226	1,577.55
9/27/01	45524	2,100.69
11/1/01	46230	1,187.18

3. Agreed the amounts selected in 2. to deposits recorded in the BEEF general ledger (LSA-R.S. 17:408.2B).
4. Agreed the amount of investments in the BEEF general ledger for the year ended June 30, 2002 to a listing of investments in either direct obligations of the United States government, time certificates of deposit of state banks organized under the laws of Louisiana, or national banks having their principal office in Louisiana (LSA-R.S. 17:408.2B).
5. Agreed the amount of interest earnings in the BEEF general ledger for the year ended June 30, 2002 to third party statements (LSA-R.S. 17:408.2B).

6. Agreed the total cash and investments in the BEEF general ledger as of June 30, 2002 to a schedule prepared by the School Board reflecting the amount of principal and earnings available for spending (LSA-R.S. 17:408.2B and 2C).
7. Compared the withdrawal of earnings from the BEEF account beginning in January 2002 to the income for the prior calendar year per the BEEF general ledger.
8. Obtained a list of the activity of the BEEF funds (Attachment 2). From this detail, we judgmentally selected twenty-five disbursements, totaling \$117,299 or 24% of total BEEF disbursements for fiscal 2002 (Attachment 3), and agreed the expenditure amount to a third party invoice.

Findings:

1. No exceptions noted.
2. No exceptions noted. The Bossier Parish School Board agreed to accept a fixed annual amount in lieu of a passenger-boarding fee from two of the riverboats in Bossier Parish, Horseshoe and Isle of Capri. Based on an agreement between the parties, Casino Magic pays a percentage of gross revenue to the City of Bossier of which the School Board receives 6%. Lastly, the School Board began receiving .5375% of net gaming proceeds from Hollywood Casino who began operations during the current year. The School Board has no binding agreement with the Hollywood Casino concerning the payment of these monies.

The School Board has no controls in place to monitor the accuracy of the amounts being paid by Casino Magic, Hollywood Casino, or Louisiana Downs. The School Board should consider implementing procedures to ensure the accuracy of amounts received from these entities.

As mentioned above, the School Board has no binding contract in place with Hollywood Casino concerning the payment of gaming taxes. Beginning in 1997, negotiations began for the total "tax" to be paid by the Hollywood Casino to the various local governments. Although there has been much correspondence between the interested parties, no contract between the casino and the various governments has been executed. Thus, no final determination of gaming revenues to be remitted to the local governments was ever established. In December 2000, the Superintendent began efforts to obtain such a contract. As of November 2002, a signed contract had not yet been obtained.

3. No exceptions noted.
4. No exceptions noted. While the School Board keeps account of the earnings on the BEEF separately from the fund principal, these funds are recorded in one fund. We suggest the School Board consider establishing a separate fund to account for the expenditure of the earnings on BEEF.
5. No exceptions noted.
6. No exceptions noted.
7. No exceptions noted.

Members of the Bossier Parish School Board
Page 4

8. The list of activity in Attachment 2 does not agree to Attachment 1 because of \$784 of receivables from various schools reflected on Attachment 2 that were not recorded in the general ledger. Of the items selected for inspection, the support for the following did not contain sufficient third party support for the expenditure or an explanation justifying the expenditure as educational enhancement:

Description of Purchase	Purpose	Amount
Star Early Literacy Schoolwide License Kit	Accelerated reading program license requirements for computer stations	\$ 3,689.53
10 Surge Protectors, 6 extension cords	Unknown	723.78
Partnership with Bossier Arts Council	Visual Arts program	7,000.00
D.A.R.E.	Annual Board allotment to D.A.R.E. program	6,500.00
BPCC 1 st Grade Play	Contract with Cavalier Players to put on play for all 1 st grades	3,000.00
5 th Grade Symphony	Attendance fee for presentation	3,936.00
Junior Achievement	Payment to agency for presenting free enterprise curriculum	3,000.00
Louisiana Folk Music Presentation	Payment for services provided to 8 th grade social studies classes for Louisiana Folk Music. Full cost was \$4,960, but \$1,453 not covered by grant.	1,453.45
Laser printer cartridges	Laser printer cartridges for automated library inventory system printer	170.98

* * * * *

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the effectiveness of the School Board's compliance with Act 743 of 1995 concerning the Bossier Educational Excellence Fund (a nonexpendable trust fund of the Bossier Parish School Board) for the year ended June 30, 2002. 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 information and use of the specified users referred to in the first paragraph of this report and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

KPMG LLP

November 1, 2002

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

**Balance Sheet – Bossier Educational Excellence
Nonexpendable Trust Fund**

June 30, 2002

(Unaudited)

Assets**Cash and cash equivalents:**

Held at Tri-State Bank and Trust	\$	125,000
Held at Citizens National Bank		174,037
United States Treasury obligations		575,000
Investments – United States Treasury obligations		8,424,375
Receivables		237,752
Total assets	\$	<u>9,536,164</u>

Liabilities and Fund Balance**Liabilities:**

Accounts payable	\$	140,049
Interfund payable		<u>3,267</u>
Total liabilities		<u>143,316</u>
Fund balance – reserved for instructional enhancement		<u>9,392,848</u>
Total fund balance		<u>9,392,848</u>
Total liabilities and fund balance	\$	<u>9,536,164</u>

(Continued)

BOSSIER PARISH SCHOOL BOARD

Benton, Louisiana

**Statement of Revenues, Expenses, and Changes in Retained Earnings –
Bossier Educational Excellence – Nonexpendable Trust Fund (Continued)****Year ended June 30, 2002
(Unaudited)****Operating revenue:****Fees:**

Horseshoe Casino	\$ 300,000
Isle of Capri Casino	300,000
Casino Magic	172,773
Hollywood Casino	806,763
Louisiana Downs, Inc.	18,393

Total operating revenues	<u>1,597,929</u>
--------------------------	------------------

Operating expenses – instruction	<u>485,987</u>
----------------------------------	----------------

Operating income	1,111,942
------------------	-----------

Nonoperating revenue – investment income	<u>207,629</u>
--	----------------

Net income	1,319,571
------------	-----------

Retained earnings at beginning of year	<u>8,073,277</u>
--	------------------

Retained earnings at end of year	<u><u>\$ 9,392,848</u></u>
----------------------------------	----------------------------

See accompanying independent accountants' report on applying agreed-upon procedures.

**BEEF
EXPENDITURE DETAIL
YEAR ENDED JUNE 30, 2002**

SCHOOL/PROJECT	VENDOR	AMOUNT	DESCRIPTION
Airline High	In Focus Systems	4,018.00	Projector
	In Focus Systems	413.00	Projector Bulb
	Dell Computers	8,608.00	8 Computers
	Dell Computers	160.00	" "
	Dell Computers	160.00	" "
	Dell Computers	464.00	" "
	Hank's Comp.	1,850.00	Computer equipment
	Reimbursement	-135.00	
	Airline High	1,456.38	Reimb. For Purchases from School Acct
	Dell Computers	8,332.58	7 Computers, 1 Laser Jet Printer
	Airline High	367.15	Reimb. For Purchases from School Acct
	Airline High	2,520.00	Reimb. For Purchases from School Acct
	Hank's Comp.	101.00	Computer Equipment
	Dell Computers	224.28	4 128MB Modules
Apollo Elementary	Dell Computers	9,134.20	7 Computers, 2 Scanners, 5 Printers
Bellaire Elementary	Dell Computers	4,325.84	4 computers
	Dell Computers	312.00	" "
	Bellaire Elem.	1,656.13	Reimb. For Purchases from School Acct
Benton Elementary	Hank's Comp.	800.00	Computer Equipment
Benton High	Dell Computers	2,024.82	2 computers
	TRC	207.85	External CD Drive
	Nat'l School	39.95	Software
	Tom Snyder	53.89	Books
Bossier Achievement Center	BAC	2,056.00	Reimb. For Purchases from School Acct
	Dell Computers	4,748.00	1 Poweredge Computer
Bossier Elementary	Dell Computers	1,152.00	Computer, Printer, Scanner
	Dell Computers	366.51	" "
	Worthington	644.82	Computer Cart
	Tri-State	139.00	VCR
	Bossier Elem.	48.64	Reimb. For Purchases from School Acct
	Master Audio	860.00	Monitor/Television
	Dell Computers	3,530.39	Computer Equipment
Bossier High	Creative Press	2,899.00	1 Infocus LP340B
	Sagebrush	1,429.88	Spectrum In-Hand
	CDW-G	280.99	Educational Software
	Bossier High	474.92	Reimb. For Purchases from School Acct
	Bossier High	4,580.44	Reimb. For Purchases from School Acct

(Continued)

BEEF
EXPENDITURE DETAIL
YEAR ENDED JUNE 30, 2002

SCHOOL/PROJECT	VENDOR	AMOUNT	DESCRIPTION
	Dell Computers	5,586.00	6 Computers
	Dell Computers	348.00	" "
	Bossier High	405.00	Reimb. For Purchases from School Acct
	Bossier High	53.98	Reimb. For Purchases from School Acct
	Dell Computers	1,170.00	1 Computer, 1 Desk Jet Printer
	TRC	64.90	Software
	Sagebrush	714.25	1 Minilaser Printer
	Sagebrush	75.00	Printer Stand
Bossier Technical School	Circuit City	774.97	TV/VCR
	ML Bath	723.78	Projector, Ink Cartridges, Etc.
Butler Elementary	Office Depot	88.82	2 Scanners and Ink
	Office Depot	259.98	" "
	Office Depot	1,176.99	" "
	Mac Warehouse	367.90	Scan Converter
	SRA-McGraw	1,104.53	Texts and Workbooks
	Long's Elect.	398.00	2 TV Carts
	Dell Computers	231.80	4 Desktop switches
	Reimbursement	-13.66	
Central Park	Central Park	269.00	Reimb. For Purchases from School Acct
	Dell Computers	4,793.55	5 Computers
	Reimbursement	-356.80	
Charlotte Mitchell	Dell Computers	2,034.45	11 Computers
	Dell Computers	12,716.00	" "
	Dell Computers	638.00	" "
	Master Audio	2,001.65	TV/VCR and Carts
	Rex TV	179.99	VCR
	Perma Bound	86.23	Books
	Perma Bound	90.95	" "
	Perma Bound	2,268.58	" "
	Perma Bound	2,427.95	Books
	Dell Computers	931.00	1 Computer
	Dell Computers	58.00	" "
	Char. Mitchell	2,487.71	Reimb. For Purchases from School Acct
Curtis Elementary	Curtis Elem.	199.95	Reimb. For Purchases from School Acct
	Teachers Video	379.71	15 Educational Videos
	Teachers Video	33.54	
	CCV Software	1,140.25	Educational Software
	Wieser Ed.	206.80	
	Media Basic	148.39	Educational Videos
	Media Basic	263.95	" "
	School Book	2,215.08	Books

(Continued)

BEEF
EXPENDITURE DETAIL
YEAR ENDED JUNE 30, 2002

SCHOOL/PROJECT	VENDOR	AMOUNT	DESCRIPTION
Elm Grove	Elm Grove	5,770.00	Reimb. For Purchases from School Acct
	Elm Grove	3,984.00	Reimb. For Purchases from School Acct
	Elm Grove	1,169.00	Reimb. For Purchases from School Acct
	Einstruction	2,024.00	32 Classroom Performance Systems
	Dell Computers	5,934.00	6 Computers
	Bradford Pub.	163.90	Software
	Tom Snyder	1,282.34	Books
	Dell Computers	394.50	10 128MB Modules
	Reimbursement	-229.35	
Haughton High	Dell Computer	5,012.00	1 Poweredge Computer
	Batteries Plus	279.00	Net/Smart 700
	Dell Computer	4,985.00	5 computers
	Reimbursement	-542.54	
Kerr Elementary	Alphasmart	7,700.00	1 SBO-PAS30-IR-RC
	Kerr Elementary	190.00	Reimb. For Purchases from School Acct
	Dell Computers	6,883.76	Computer Equipment
Parkway High	Dell Computers	6,592.00	8 computers
	Dell Computers	4,909.80	LCD Projector
	Library Video	25.45	Video Tape
	Circuit City	119.98	VCR
	Dell Computers	4,652.00	1 Poweredge Computer
	Dell Computers	366.00	" "
	Batteries Plus	279.00	Net/Smart 700
	Dell Computers	4,655.00	5 Computers
	Dell Computers	290.00	" "
	Reimbursement	-427.15	
Plain Dealing Elementary	Dell Computers	1,134.00	Computer
	Dell Computers	20.00	" "
	Dell Computers	58.00	" "
	Ed. Resources	223.74	Instructional Software
	Ed. Resources	154.90	" "
Plain Dealing High	Advantage Learn.	219.95	Educational Software
	Hargadon Com.	2,300.00	4 Computers
	Renaissance	332.00	Software
	Reimbursement	-540.11	
Plantation Park	CDW-G	80.80	Dual Speaker Hub
	Cogent System	777.00	Sound Cards
	Reimbursement	-469.00	
	Batteries Plus	279.00	Net/Smart 700
	Dell Computers	4,646.00	Computer Equipment
	Lakeshore	463.93	
	BMI Education	53.49	Books
	BMI Education	40.38	

(Continued)

BEEF
EXPENDITURE DETAIL
YEAR ENDED JUNE 30, 2002

SCHOOL/PROJECT	VENDOR	AMOUNT	DESCRIPTION
Platt Elementary	Platt Elementary	2,311.10	Reimb. For Purchases from School Acct
	Platt Elementary	4,950.91	Reimb. For Purchases from School Acct
	Dell Computers	6,517.00	7 Computers
	Dell Computers	406.00	" "
	Reimbursement	-606.00	
Princeton Elementary	Sagebrush	1,429.88	Hand Held Scanner
	Renaissance	2,284.95	Software
	Dell Computers	4,206.00	2 Notebook Computers
	Reimbursement	-274.83	
	Knowledge	168.28	
	Quill Corp.	779.74	Ink Cartridges
	Dell Computers	4,945.00	5 Computers
	Audio Visual	773.95	
Rodes Elementary	TD Curran Inc.	1,535.35	Ink Cartridges
	Office Depot	560.32	Ink Cartridges
	Apple Computer	4,970.00	5 Computers
	TD Curran, Inc..	621.70	Ink Cartridges
	Perma Bound	480.45	
	Reimbursement	-21.82	
	Ed. Videos	1,059.96	Educational Videos
	Renaissance	3,689.53	Edicational Software
	Micro Warehouse	649.44	37 Surge Protectors
Rusheon Middle	Rusheon Middle	269.64	Reimb. For Purchases from School Acct
	Dell Computers	4,480.59	3 Laser Jet Printers
Sun City Elementary	Dell Computers	3,478.38	3 Computers
	Beckly Cardy	691.32	42 Head Phones
	Office Depot	1,269.35	
	Office Depot	640.97	
Waller Elementary	Sony	739.35	Digital Camera
	Dell Computers	7,912.00	8 Computers
Artist in Residence	Arts Council	7,000.00	
D.A.R.E.	Larry Deen	6,500.00	
Integrated Science	Office Depot	655.75	Blank Tapes
	Rex	295.00	5 VCR's
	Dell Computers	2,162.92	2 Computers
	Dell Computers	156.00	" "
	Dell Computers	1,862.00	2 Computers
	Dell Computers	116.00	" "
Parkway Computers	Dell Computers	241.00	

(Continued)

**BEEF
EXPENDITURE DETAIL
YEAR ENDED JUNE 30, 2002**

SCHOOL/PROJECT	VENDOR	AMOUNT	DESCRIPTION
Summer Remediation	Charism	10,320.00	LEAP Books
	Options Pub.	1,680.00	Books
Middle School Textbooks	School Book	74,733.81	Textbooks
	School Book	24,475.60	Textbooks
	School Book	73,741.10	Textbooks
Path To Excellence	Airline High	1,000.00	
BPCC 1st Grade Play	Cavalier Players	3,000.00	
5th Grade Symphony	S'port Symphony	3,936.00	
Video Conferencing	Long's Elec.	597.00	3 TV Carts
	Intermedia	2,348.00	1 RGB Visual Presenter
	Dell	6,875.85	3 Computers, 3 Presentation Monitors
Junior Achievement	Junior Achievement	3,000.00	
Youth Concert - 5th Grade	M/M Brown	1,453.45	
Miscellaneous		2,850.74	
TOTAL		485,203.33	

See accompanying independent accountants' report on applying agreed-upon procedures.

BOSSIER PARISH SCHOOL BOARD

BEEF Disbursement Sample

June 30, 2002

Check No.	Date	Vendor	Amount	Item/Description	School
1	81029	10/24/2001	Dell Marketing	Dell Desktop with intel celeron processor	Parkway High
2	82158	12/13/2001	School Book Supply	Language Art Books for Grades 6-8	Elm Grove Middle
3	85953	6/21/2002	Quill Corporation	26 black Ink Cartridges for F/HP 16000C Printer	Princeton Elementary
4	83002	1/29/2002	Shreveport Symphony	"Invitation to the Dance" play	Apollo, Central Park, Curtis, Kerr, Meadowview, Plantation Park, Princeton, Waller Elementary and Benton Middle
5	85211	5/17/2002	Hargadon Computers	4 Dell Optiplex with monitors and additional 2 year warranty	Plain Dealing High
6	81108	10/24/2001	T. D. Curran, Inc.	14 black and 14 color ink cartridges	TL Rodas Elementary
7	80941	10/15/2001	Perma-Bound	Books for Library	TL Rodas Elementary
8	79686	8/15/2001	Alphasmart, Inc.	PC smartoption AS300 IR rechargeable bundl	Kerry Elementary
9	79481	8/2/2001	Office Depot	18 ink cartridges, 2 toners, Iomega Zip, and Disk Zip	Butler Elementary
10	79485	8/2/2001	Sagebrush Technologies	Scanner Hand held model	Princeton Elementary
11	80622	10/4/2001	Apple Computer	Imac computer	TL Rodas Elementary
12	80338	9/19/2001	Cogent Systems	Creative Labs ensonic, and 20 sound card pak labtec spin	Plantation Park Elementary
13	80952	10/15/2001	Worthington Direct	Multimedia cart and VCR bracket	Bossier Elementary
14	79747	8/20/2001	School Book Supply	Math, History, Reading and World Geography books	Cope Middle
15	81090	10/24/2001	Rex Appliance	5 Sharp VCRs	Evaluation Center
16	84855	4/26/2002	Charism	Leap books for 4 and 8 graders	Evaluation Center
17	84759	4/23/2002	Bossier Arts Council	Requisition for visual arts program	All elementary schools
18	86372	7/10/2002	Renaissance Learning	Star Early Literacy Schoolwide License kit and expansion code	TL Rodas Elementary
19	85223	5/17/2002	Options Publishers	Summer leap remediation level 4 and 8 approach and connect	Evaluation Center
20	80594	10/2/2001	In-Focus Systems	DP 6150 Projector	Airline High
21	79640	8/14/2001	Creative Presentations	Infocus LP340B Projector	Bossier High
22	80286	9/17/2001	Dell Marketing	8 smalltop Dell desktop Optiplexs	Airline High
23	85314	5/23/2002	Airline High School	Reimbursement for 7 computer workstations and 7 wide body carts	Airline High
24	85187	5/14/2002	Teacher's Video Comp	Teachers videos	Curtis Elementary
25	85200	5/17/2002	Batteries Plus	APSCU 700 net/smart UPS 700	Parkway High
26	82888	1/25/2002	Master Audio Visual	Phillips seacard TV	Bossier Elementary
27	85205	5/17/2002	Cavalier Players	Contract to put play on for all first graders	All elementary schools with first graders
28	80578	10/2/2001	Bath Companies	10 surge protectors, 2 projectors, inkjet printer, 6 extension cords, and 50 recordable disks	Technology Center
29	79805	8/23/2001	Elm Grove Middle School	5 computers and software for Library	Elm Grove Middle
30	82138	12/13/2001	Educational Resource	Match and phonics cd programs	Plain Dealing High
				<u>117,298.50</u>	

See accompanying independent accountants' report on applying agreed-upon procedures.

Summary of Prior Year Audit Findings

- 01-1 The School Board developed and implemented a centralized, comprehensive listing of fixed assets. A complete district-wide inventory was taken in the spring of 2002.
- 01-2 The School Board implemented a district-wide asset disposal policy training for all schools. The schools and centers report any disposals on a monthly basis. This report is sent in with monthly financial reports.
- 01-3 The School Board has and will perform the calculation as recommend by the Federal Department of Education for section 8003 (d) funds. Section 8003 (d) funds are compared with total expenditures as prescribed in the above calculation to insure expenditures are greater than section 8003 (d) fund received.
- 01-4 When performing budget-to-actual reviews, budget revisions are recommended to the School Board if a negative variance exist and will exceed the budget by five percent or more.



BOSSIER PARISH SCHOOL BOARD

P.O. Box 2000
Benton, Louisiana 71006-2000
Telephone (318) 549-5000
FAX (318) 549-5044

Kenneth N. Krulthof
Superintendent

Vassie M. Richardson
President

December 20, 2002

Michael M. Graham
3039 Highway 154
Elm Grove, LA 71051
District 1

Henry Burns
134 Chimney Drive
Haughton, LA 71037
District 2

George C. Finck
167 Beaver Lane
Benton, LA 71006
District 3

Vassie M. Richardson
President
P.O. Box 231
Plain Dealing, LA 71064
District 4

Elizabeth S. Cassibry
2202 Landau Lane
Bossier City, LA 71111
District 5

William C. Kostelka
309 Audubon Drive
Bossier City, LA 71111
District 6

J. W. Slack
2424 Douglas Drive
Bossier City, LA 71111
District 7

Kenneth M. Wiggins
Vice President
700 Shaver Street
Bossier City, LA 71111
District 8

Gloria Simison
3116 Oliver Street
Bossier City, LA 71112
District 9

Julian Darby
1130 Beverly Street
Bossier City, LA 71112
District 10

Gary Dowden
1912 Mars Drive
Bossier City, LA 71112
District 11

Mack Knotts
5007 Kenilworth Drive
Bossier City, LA 71112
District 12

Dr. Daniel G. Kyle, CPA
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Please consider the following responses to the comments and recommendations provided in the audit of our financial statements for the year ended June 30, 2002:

LEGISLATIVE AUDITOR

The School Board has implemented the suggested corrective actions.

MAINFRAME ACCESS CONTROLS

Security Awareness information will be provided at monthly Principals meetings to be disseminated to school staff and to support staff. Passwords will continue to be changed on a quarterly basis.

NETWORK ACCESS CONTROLS

Network segmentation will be examined for sensitive information on the mainframe to end user computers. Cost will be determined. We are currently taking bids for work on our network.

DATA CONTROL AND INTEGRITY

Data processing will develop a process to track changes made to information in the School Board's mainframe computer. The School Board has approved hardware upgrades and a new operating system.

BUSINESS CONTINUITY

The School Board will develop a detailed business continuity plan to ensure that administrative and operational functions surrounding technology can be continued in the event of any sort of disaster. Lafourche Parish School Board uses the same hardware and software as Bossier School Board and would be a very viable source for business continuity.

Dr. Daniel G. Kyle, CPA
Louisiana Legislative Auditor
December 20, 2002
Page 2

RECONCILIATION OF CASH RECEIPTS LOG TO ACTUAL DEPOSITS

Personnel independent of the cash receipts and reconciliation function will review the cash receipts reconciliation each month to ensure the reconciliation is done accurately, totals on the log agree to the ledger and that all reconciling items are dealt with appropriately.

UNIFORM UNCLAIMED PROPERTY ACT OF 1997

The School Board will contact those individuals or companies who have unclaimed property held by the School Board. If this property can not be given to the rightful owner, then it will be sent to the state in a timely manner.

SEGREGATION OF DUTIES

The School Board will research a new procedure to ensure segregation duties in the payroll area.

CHILD NUTRITION PURCHASES

The cash disbursement function of the child nutrition program has been centralized with the finance department of the School Board. Procedures will be changed for supervisor approval of non-food/non-kitchen supply purchases. This change will be documented. Currently, the Director of Finance does approve all purchases over \$500.

AVERAGE DAILY ATTENDANCE DATA

Average daily attendance will be documented by the Data Processing Department and kept on file with the Impact Aid Application.

ADULT EDUCATION

All project completion reports will be reconciled to the general ledger in a timely manner.

DEPRECIATION

The School Board will implement a procedure to reconcile depreciation expense and accumulated depreciation.

If we can provide further information please let us know.

Sincerely,



Frank Rougeau
Director of Finance