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ACADIA PARISH SCHOOL BOARD

Crowley, Louisiana

Financial Report

Year Ended June 30, 2007

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

Release Date 12/26/07

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INDEPENDENT AUDITORS' REPORT

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Mr. John Bourque, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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, the major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 29, 2007 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions with laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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The management's discussion and analysis and the other required supplementary information on pages 4 through 14 and 52, respectively, 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 opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other supplementary information on pages 56 through 74 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (pages 80-81) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and is also not a required part of the basic financial statements of the School Board. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 29, 2007

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2007

Management's Discussion and Analysis (MD&A) of the Acadia Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the financial statements and the notes to the basic financial statements, which are all included in this report, to enhance their understanding of the Acadia Parish School Board's financial performance.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 (Statement). Certain comparative information between the current year (2006-07) and the prior year (2005-06) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Acadia Parish School Board's financial position continues to improve as the result of a combination of factors. The staff is continually monitoring expenditures and restructuring departments and positions whenever possible to maximize our potential to deliver the optimum educational opportunities to our students. The Board has also continued to adjust staffing levels in light of enrollment trends, providing sufficient resources in times of change.

The School Board's net assets increased by \$6.1 million from July 1, 2006 to June 30, 2007 as reported in the Statement of Activities on page 18. An analysis of the major revenues components is as follows:

Minimum Foundation Program (MFP) – MFP is the funding formula from the state for school systems in Louisiana. The funding is based on a formula with many variables and two (2) levels of funding. Level one (1) funding is based on the number of students enrolled in the school system. Level two (2) funding is based on the dollar amount of local funding. The more local tax support received by a District, the more state support (MFP) we receive through level two funding. The School Board receives approximately \$4,172 for each student. The unrestricted portion of the MFP funding was \$42.5 million during 2006-07.

Operating Grants – Operating grants and contributions for the Acadia Parish School Board were \$18 million for 2006-07.

Ad Valorem Taxes – Ad valorem taxes collected for general and specific purposes, and for debt services was \$5.8 million for 2006-07.

Sales Taxes – Sales tax collections was \$11 million during the 2006-07 fiscal year. This amount includes an additional one-half cent sales tax that became effective on October 1, 2004. This new source of revenue is dedicated exclusively to salaries and benefits for employees and is accounted for in a separate fund. The first amount distribution of excess accumulations was made in March of 2006 and is expected to continue each year.

Interest – With a stabilized fund balance and increasing rates, interest income is rising steadily, totaling \$1,002,866 for 2006-07.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2007

Rentals, Leases and Royalties – 16th section revenues, which include oil and gas royalties, as well as agricultural crops, totaled \$147,745 for the 2006-07 fiscal year.

General – The other revenues of the School Board remained relatively stable when compared to prior years.

The expenses of the School Board, as reported in the Statement of Activities, were \$75.1 million in 2006-07. The major expense components are as follows:

Salaries and related benefits - Salaries and related benefits are the School Board's largest expense items. Salaries and related benefits account for \$59.1 million or 79% of total expenses.

Recent State Legislation provided that "not less than 50% of each school district's increased State funding from the implementation of the MFP formula is to be used to supplement and enhance full-time certificated staff salaries and retirement benefits". The cost to implement this increase during the 2006-07 fiscal year was \$593,704.

Group health insurance for active and retired employees continues to increase at an alarming rate. The board contributes over 60% of the cost. As a result of the premium increase, the School Board's contribution to the health insurance program increased from \$1.5 million in 2005-06 to \$1.8 million in 2006-07.

Debt Service Payments – The debt service activity remained relatively consistent with the previous year. The board has borrowed \$1 million through the Qualified Zone Academy Bond (QZAB) program, to be repaid over the next ten years.

Capital Projects – Only repairs and renovations with QZAB proceeds were accounted for in the Capital Projects Fund during the 2006-07 fiscal year.

USING THIS FINANCIAL REPORT

This financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Acadia Parish School Board as a whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Also included in the financial statements are the Fund Financial Statements, which report on governmental activities of the School Board. These statements provide more detail than the government-wide financial statements about the services that were financed in the short-term as well as what remains for future spending in the School Board's more significant funds as well as all other nonmajor funds. The General Fund is Acadia Parish School Board's most significant fund.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2007

REPORTING THE SCHOOL BOARD AS A WHOLE

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the School Board as a whole and its activities in a way to try to inform the reader as to how the School Board did financially during the 2006-07 fiscal year. In short, is the School Board better off financially or is it worse off financially than it was this time last year? These statements report all assets and liabilities of the School Board on the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net assets and the change in those assets. This change in net assets is important because it tells the reader that, for the School Board as a whole, the financial position of the School Board improved or declined. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors affecting the School Board include the state of the oil and gas industry, trends in agricultural, the parish's sales and property tax bases and the state and federal government's continued funding.

The Statement of Net Assets and the Statement of Activities report the governmental activities of the School Board. Most of the School Board's programs and services are reported here including instruction, support services, operating and maintenance of plant, student transportation, and child nutrition programs.

REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School Board's major fund begins on page 21. Fund Financial Statements provide detailed information about the School Board's major fund. The School Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School Board's most significant fund. The School Board's only major governmental fund for the 2006-07 fiscal year is the General Fund.

The Acadia Parish School Board's non-major governmental funds for the 2007 fiscal year are the Special Federal Funds, the No Child Left behind Funds, Special Education Fund, the State Programs, the School Lunch Fund, Head Start, the Debt Service Funds, and the Capital Projects Fund.

Governmental Funds

Most of the School Board's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds' statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2007

financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

THE SCHOOL BOARD AS TRUSTEE

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its School Activity Fund, Basile Tax Fund, and the Sales Tax Fund. All of the School Board's fiduciary activities are reported in a separate Comparative Statement of Assets and Liabilities, accompanied by supporting schedules on pages 72 through 74. These activities have been excluded from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School Board as a Whole

\$5.4 million of the \$39.4 million of net assets at June 30, 2007 were restricted. Restricted net assets are reported separately to show legal constraints from trust and debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. The following analysis focuses on the net assets (Table 1) and change in net assets (Table 2) of the School Board's governmental activities.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2007

Table 1
Governmental Activities
Net Assets
June 30, 2007

(With Comparative Totals for June 30, 2006)

	Year Ended June 30	
	2007	2006
Assets		
Current and other assets	\$37,635,546	\$32,168,005
Capital assets	<u>22,248,506</u>	<u>20,635,776</u>
Total assets	<u>59,884,052</u>	<u>52,803,781</u>
Liabilities		
Current and other liabilities	9,965,504	10,757,148
Long-term liabilities	<u>10,495,225</u>	<u>8,735,888</u>
Total liabilities	<u>20,460,729</u>	<u>19,493,036</u>
Net assets		
Invested in capital assets, net of debt	16,835,228	15,415,257
Restricted	5,394,456	2,514,285
Unrestricted	<u>17,193,639</u>	<u>15,381,203</u>
Total net assets	<u>\$39,423,323</u>	<u>\$33,310,745</u>

The balance of \$17.2 million in unrestricted-undesignated assets represents the accumulated results of all past years' operations.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities on page 18. Table 2 reports the information from the Statement of Activities in a different format so that total revenue for the year can be more easily identifiable.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2007

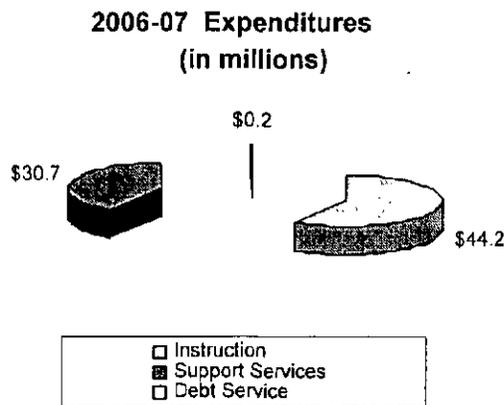
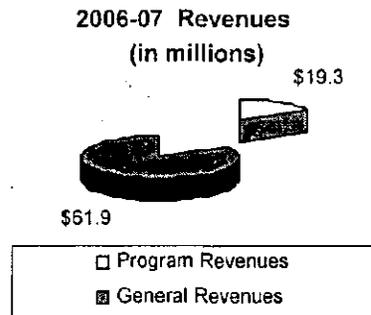
Table 2
Governmental Activities
Changes in Net Assets
Fiscal Year Ended June 30, 2007

(With Comparative Totals for June 30, 2006)

	Year Ended June 30	
	2007	2006
Revenues:		
Program revenues:		
Charges for services	\$ 1,271,816	\$ 1,292,493
Operating grants and contributions	18,013,945	17,551,445
General revenues:		
Ad valorem taxes	5,842,618	5,986,701
Sales taxes	10,987,789	9,774,841
State equalization	42,495,568	39,673,035
Other general revenues	<u>2,625,753</u>	<u>2,070,973</u>
Total revenues	<u>81,237,489</u>	<u>76,349,488</u>
Functions/Program Expenses:		
Instruction:		
Regular programs	31,145,152	27,195,008
Special education programs	8,175,067	8,426,062
Vocational programs	1,636,148	1,622,259
Other instructional programs	411,078	233,766
Special programs	2,657,371	2,641,356
Adult and continuing education programs	210,700	190,664
Support services:		
Pupil support services	4,947,510	4,988,568
Instructional staff support services	2,991,461	2,837,477
General administration	1,637,251	1,558,106
School administration	4,605,268	4,123,162
Business services	759,920	790,148
Plant services	6,545,549	5,661,580
Student transportation services	3,380,518	3,284,538
Central services	404,493	457,079
Food services	4,971,197	4,550,247
Facilities acquisition & construction	13,163	57,336
Community services programs	444,242	368,308
Debt service:		
Interest on long-term obligations	<u>188,823</u>	<u>209,460</u>
Total expenses	<u>75,124,911</u>	<u>69,195,124</u>
Increase (Decrease) in net assets	<u>\$ 6,112,578</u>	<u>\$ 7,154,364</u>

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2007

A summary of Acadia Parish School Board's 2006-07 revenues and expenditures is presented below:



Governmental Activities

As reported in the Statement of Activities on page 18, the net cost of governmental activities this year was \$55.8 million. The taxpayers in the parish provided \$16.8 million in ad valorem and sales tax revenues to help meet the total cost of governmental activities. The state contributed \$42.5 million through the Minimum Foundation Program (MFP), which is the main funding source for the School Board. The balance of the cost of governmental activities for the year was provided through state and Federal grants.

The cost of governmental activities exceeding restricted state and Federal grants and charges for services must be paid by the citizens of Acadia Parish and unrestricted state grants. The following presentation shows the portion of governmental activities that must be paid by the citizens of Acadia Parish and unrestricted state grants.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2007

Funding of Governmental Activities
2006-07
(in millions)

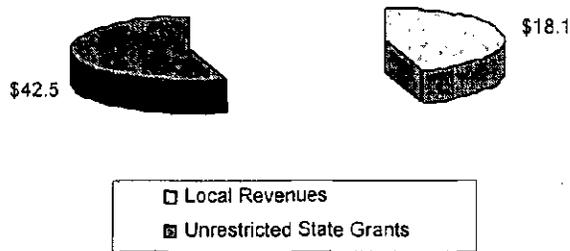


Table 3 presents the total cost of each of the School Board's five largest functions – regular programs, special education programs, school administration, plant services, and food services, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Governmental Activities
Fiscal Year Ended June 30, 2007

(With Comparative Totals for June 30, 2006)

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
Regular programs	\$31,145,152	\$27,195,008	\$28,137,349	\$24,985,929
Special education programs	8,175,067	8,426,062	5,505,325	5,929,003
Pupil support services	4,947,510	4,988,568	2,681,715	3,491,697
Plant services	6,545,549	5,661,580	5,520,088	5,007,768
Food services	4,971,197	4,550,247	908,210	572,456
Subtotal	\$55,784,475	\$50,821,465	\$42,752,687	\$39,986,853
All others	19,340,436	18,373,659	13,086,463	10,364,333
Total	<u>\$75,124,911</u>	<u>\$69,195,124</u>	<u>\$55,839,150</u>	<u>\$50,351,186</u>

The School Board Funds

The School Board uses funds to help it control and manage money for particular purposes. Accounting for money for particular purposes in different funds helps the reader to determine whether the School Board is being accountable for the resources taxpayers and others provide to it and it may also give the reader more insight into the School Board's overall financial health.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2007

General Fund - The General Fund is the School Board's only major fund. The General Fund increased its fund balance by \$4.2 million, from \$19.7 million at June 30, 2006 to \$23.9 million at June 30, 2007. This represents a 21 percent increase in fund balance. In the previous year, the fund balance increased by \$5.7 million or 40 percent. The increase in fund balance over the last 2 years is largely due to continued monitoring of staffing levels and a post-hurricane increase in sales tax collections. As discussed in the financial highlights, the MFP funding increased by around \$2.8 million in 2006-07. Ad valorem tax revenue shows a slight decrease from the previous fiscal year. Even though we incurred additional costs for health care, property insurance, and energy costs, the Board was able to increase the General Fund reserves.

The general recommendation is usually to have at least 10% of the General Fund's budgeted expenditures in unrestricted fund balance. However, because of uncertainties in federal and state funding as well as declining enrollment trends, a higher percentage is being maintained.

Non-major Governmental Funds – The non-major funds' fund balances were generally stable with small increases in their fund balances.

General Fund Budgetary Highlights

The School Board, in accordance with state law, must adopt a budget on the General Fund and all Special Revenue Funds prior to September 15 of each year. In accordance with state law the School Board may have variances of 5 percent of total revenues or expenditures in a fund before it is legally required to amend the budget. The School Board adopted its 2006-07 budget on July 10, 2006 and revised the budget on June 4, 2007. The original budgeted revenues increased by 5% or 2.6 million from 57 million to 59.6 million. The major change in budgeted revenue was an increase in federal revenues projected as the result of exacting program budgets after final approval by the Department of Education or other granting agencies. In accordance with State Law, 50% of the growth in MFP revenues was used to fund raise for certificated staff. The budgeted expenditures increased from the original budget to the final budget by 2.4 million or 4%. This increase was primarily generated by the raises granted as a result of the increase in MFP funding, building repairs, rising fuel costs, and the increase in federal program grant budgets.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets of the School Board used in performance of general School Board functions are recorded in the Fund Financial Statements as expenditures when purchased. The amount represents the original cost of the assets. Depreciation of capital assets is not recognized in the Fund Financial Statements as explained in the notes to the basic financial statements. In the Government-wide Financial Statements the capital assets are recorded as assets at their original cost at the time of purchase or fair market value, if donated. Depreciation of capital assets has been recognized in the Government-wide Financial Statements.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2007

At June 30, 2007 the School Board had \$22.2 million invested in land, buildings and improvements and furniture and equipment, net of depreciation. Net capital assets increased by \$1.6 million or 8 percent during the current fiscal year. In accordance with State guidelines, effective with the 2002-03 fiscal year, items costing less than \$1,000 are considered supplies and are not capitalized. Table 4 presents capital assets net of depreciation at June 30, 2007.

Table 4
Governmental Activities
Capital Assets at Year-end
Net of Depreciation
June 30, 2007

(With Comparative Totals for June 30, 2006)

	2007	2006
Land	\$ 1,068,245	\$ 1,068,245
Buildings and improvements	1,329,864	305,653
Furniture and equipment	18,645,595	18,331,481
Construction in progress	<u>1,204,802</u>	<u>930,397</u>
Total	<u>\$22,248,506</u>	<u>\$20,635,776</u>

Debt

At June 30, 2007, the school board had \$4,365,000 in general obligation bonds outstanding and \$1,000,000 in taxable certificates of indebtedness (Qualified Zone Academy Bond Program (QZAB)). Of this amount outstanding, \$1,327,649 is due within one year. Table 5 summarizes bonds outstanding at June 30, 2007.

Table 5
Governmental Activities
Outstanding Debt
June 30, 2007

(With Comparative Totals for June 30, 2006)

	2007	2006
General obligation bonds:		
Refunding Bonds, Series 2002 –		
Acadia Parish Consolidated School District No. 8	\$ -	\$ 180,000
Refunding Bonds, Series 2003 –		
Church Point School District No. 6	1,390,000	1,585,000
Refunding Bonds, Series 2003 –		
Church Point School District No. 6	1,720,000	1,930,000
Refunding Bonds, Series 2003 –		
Fifth Ward School District No. 7	1,255,000	1,470,000
Taxable Certificates of Indebtedness:		
Qualified Zone Academy Bond (QZAB)	<u>1,000,000</u>	<u> </u>
Total	<u>\$5,365,000</u>	<u>\$5,165,000</u>

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2007

The state limits the amount of general obligation debt that school boards can issue to 35 percent of the assessed value of all taxable property within the School Board's corporate limits. At June 30, 2007, Acadia Parish School Board's maximum legal debt limit was \$101,113,184. The District's outstanding general obligation bonded debt of \$5,365,000 is well below the maximum debt limit. The School Board does not presently anticipate issuing any general obligation bonds in the near future.

Other long-term obligations of the School Board include accrued vacation pay and sick leave. We present more detailed information about our long-term obligations in notes 7 to the basic financial statements.

FOR THE FUTURE

The Acadia Parish School Board is continuing to make financial progress. The fund balance of the General Fund has grown over the last few years. At the end of the 2006-07 fiscal year, the fund balance is almost 42% of the 2006-07 budgeted expenditures. The board is anticipating continued minimum increases in sales and property tax, and MFP funding which includes a nominal inflationary factor.

Even though the Board is experiencing an improved financial picture, there are some concerns for the near future. The board is continuing to experience an extraordinary increase in the cost of employee benefits. Health insurance, in particular, has increased significantly in each of the past few years. There is no indication that this trend will change. The board's share of group health insurance for active and retired employees increased by \$520,196 during the fiscal year. The board is now offering a high-deductible plan for its employees, which could eventually help to curtail this dramatic increase.

Also, the board has also adopted a "vesting" schedule for its contribution toward retirees insurance, upon an employee's retirement. The employer's share of health insurance will be commensurate with the years of coverage during employment. This change becomes effective July 1, 2007.

Other concerns include rising energy and maintenance costs as our buildings continue to age.

The Legislature has mandated, starting in the 2002-03 fiscal year, that 50 percent of "new growth" money in the Minimum Foundation Program funding formula shall be used for certificated staff pay raises. The certificated staff will receive an increase in pay of \$1,790 during the 2006-07 fiscal year from the "new growth" money. Additionally, the state funded permanent increases of \$2,375 and \$1,000 for certified and support personnel, respectively.

The Acadia Parish School Board has made a commitment to upgrade the use of computer aided instruction at the classroom level. Significant financial resources have been budgeted for this project, which will occur in stages over the next fiscal year.

Although we have some concerns about increasing expenditures in certain areas, overall, we feel that the future of the Acadia Parish School Board is steady, both financially and educationally.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information contact Michael A. Leonards, Business Director, Acadia Parish School Board, P.O. Drawer 309, Crowley, La. 70527

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Statement of Net Assets
Governmental Activities
June 30, 2007

ASSETS

Cash and interest-bearing deposits	\$ 13,420,844
Investments	19,642,382
Receivables	3,899,831
Inventories	440,298
Prepaid expenses	80,000
Deferred expense	152,191
Capital assets, net	<u>22,248,506</u>
Total assets	<u>59,884,052</u>

LIABILITIES

Accounts, salaries and other payables	9,327,362
Deferred revenue	589,864
Interest payable	48,278
Long-term liabilities	
Due within one year	1,327,649
Due in more than one year	<u>9,167,576</u>
Total liabilities	<u>20,460,729</u>

NET ASSETS

Invested in capital assets, net of related debt	16,835,228
Restricted for:	
Debt service	3,530,573
Fifth Ward maintenance	465,147
Construction projects	958,438
Other	440,298
Unrestricted	<u>17,193,639</u>
Total net assets	<u>\$ 39,423,323</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular programs	\$ 31,145,152	\$ 864	\$ 3,006,939	\$ (28,137,349)
Special education programs	8,175,067	-	2,669,742	(5,505,325)
Vocational education programs	1,636,148	-	191,528	(1,444,620)
Other instructional programs	411,078	13,639	228,178	(169,261)
Special programs	2,657,371	-	2,390,134	(267,237)
Adult and continuing education programs	210,700	-	146,313	(64,387)
Support services:				
Pupil support services	4,947,510	596,837	1,668,958	(2,681,715)
Instructional staff support services	2,991,461	-	1,334,765	(1,656,696)
General administration	1,637,251	-	722,826	(914,425)
School administration	4,605,268	-	168,951	(4,436,317)
Business services	759,920	-	138,415	(621,505)
Operation and maintenance of plant services	6,545,549	30,875	994,586	(5,520,088)
Student transportation services	3,380,518	-	491,707	(2,888,811)
Central services	404,493	-	4,373	(400,120)
Non-instructional service:				
Food services	4,971,197	629,601	3,433,386	(908,210)
Community service programs	444,242	-	423,144	(21,098)
Facilities acquisition and construction	13,163	-	-	(13,163)
Interest on long-term debt	188,823	-	-	(188,823)
Total governmental activities	\$ 75,124,911	\$ 1,271,816	\$ 18,013,945	\$ (55,839,150)
Taxes:				
Ad valorem taxes, levied for general purposes				4,807,496
Ad valorem taxes, levied for special purposes				155,396
Ad valorem taxes, levied for debt service				879,726
Sales and use taxes, levied for general purposes				7,628,000
Sales and use taxes, levied for special purposes				3,359,789
State revenue sharing				250,863
Grants and contributions not restricted to specific programs:				
State source - Minimum Foundation Program				42,495,568
Interest and investment earnings				1,002,866
Miscellaneous				1,307,544
Gain on disposal of capital assets				64,480
Total general revenues				61,951,728
Change in net assets				6,112,578
Net assets - July 1, 2006				33,310,745
Net assets - June 30, 2007				\$ 39,423,323

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTIONS

General Fund

The General fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Balance Sheet
Governmental Funds
June 30, 2007

	General	Other Governmental	Total
ASSETS			
Cash and interest-bearing deposits	\$12,057,628	\$ 1,363,216	\$13,420,844
Investments	18,172,284	1,470,098	19,642,382
Receivables	595,576	2,169,440	2,765,016
Due from other funds	1,116,416	103,624	1,220,040
Inventories	151,935	288,363	440,298
Prepaid expenses	80,000	-	80,000
Total assets	<u>\$32,173,839</u>	<u>\$ 5,394,741</u>	<u>\$37,568,580</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 202,387	\$ 70,168	\$ 272,555
Accrued salaries and related benefits	7,013,799	1,560,977	8,574,776
Contract payable	393,929	-	393,929
Retainage payable	86,102	-	86,102
Due to other funds	-	1,220,040	1,220,040
Deferred revenue	589,864	-	589,864
Total liabilities	<u>8,286,081</u>	<u>2,851,185</u>	<u>11,137,266</u>
Fund balances:			
Reserved for -			
Inventory	151,935	288,363	440,298
Debt service	-	578,851	578,851
Fifth Ward maintenance	465,147	-	465,147
Capital improvements	-	458,438	458,438
Workers compensation	863,146	-	863,146
Sales tax supplement	146,697	-	146,697
Total fund balances reserved	<u>1,626,925</u>	<u>1,325,652</u>	<u>2,952,577</u>
Unreserved -			
Designated for -			
Debt service	3,000,000	-	3,000,000
Insurance	824,127	-	824,127
Transportation	250,000	-	250,000
Roof repairs	696,570	-	696,570
Capital improvements	500,000	-	500,000
Undesignated, reported in major funds	16,990,136	-	16,990,136
Undesignated, reported in nonmajor funds:			
Special Revenue	-	1,217,904	1,217,904
Total fund balances unreserved	<u>22,260,833</u>	<u>1,217,904</u>	<u>23,478,737</u>
Total fund balances	<u>23,887,758</u>	<u>2,543,556</u>	<u>26,431,314</u>
Total liabilities and fund balances	<u>\$32,173,839</u>	<u>\$ 5,394,741</u>	<u>\$37,568,580</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2007

Total fund balances for governmental funds at June 30, 2007		\$ 26,431,314
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land and construction in progress	\$ 2,398,109	
Buildings and improvements, net of \$28,096,103 accumulated depreciation	18,645,595	
Machinery and equipment, net of \$1,442,390 accumulated depreciation	<u>1,204,802</u>	22,248,506
Long-term liabilities at June 30, 2007:		
Bonds payable	(5,365,000)	
Accrued interest payable	(48,278)	
Compensated absences payable	(4,186,942)	
Workers compensation claims payable	<u>(943,283)</u>	(10,543,503)
Sales taxes which are not "measurable" at year-end and therefore are not available soon enough to pay for current period expenditures.		
		1,134,815
Bond issue costs which are reported as expenditures in the year incurred in the governmental funds are deferred and amortized in the statement of activities.		
Bond issue costs, net of accumulated amortization		<u>152,191</u>
Net assets at June 30, 2007		<u>\$ 39,423,323</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For The Year Ended June 30, 2007

	General	Other Governmental	Totals
Revenues			
Local sources:			
Ad valorem taxes	\$ 4,962,892	\$ 879,726	\$ 5,842,618
Sales taxes	10,510,202	-	10,510,202
Sales tax fees	348,742	-	348,742
Other	<u>2,295,426</u>	<u>60,362</u>	<u>2,355,788</u>
Total local sources	18,117,262	940,088	19,057,350
State sources	43,111,072	2,606,594	45,717,666
Federal sources	513,245	15,159,066	15,672,311
Other sources	-	<u>596,837</u>	<u>596,837</u>
Total revenues	<u>61,741,579</u>	<u>19,302,585</u>	<u>81,044,164</u>
Expenditures			
Current:			
Instruction -			
Regular programs	27,788,299	2,794,735	30,583,034
Special education programs	5,522,646	2,496,521	8,019,167
Vocational education programs	1,420,837	191,528	1,612,365
Other instructional programs	174,495	228,178	402,673
Special programs	214,319	2,390,134	2,604,453
Adult and continuing education programs	60,138	146,313	206,451
Support services -			
Pupil support services	2,623,399	1,668,958	4,292,357
Instructional staff support services	1,601,012	1,330,520	2,931,532
General administration	842,992	260,618	1,103,610
School administration	4,342,827	168,951	4,511,778
Business services	606,481	138,415	744,896
Operation and maintenance of plant services	7,837,593	1,018,522	8,856,115
Student transportation services	3,218,319	339,270	3,557,589
Central services	392,519	4,373	396,892
Non-instructional services -			
Food services	141,446	4,808,375	4,949,821
Community service programs	12,091	423,144	435,235
Facilities acquisition and construction	79,256	23,626	102,882
Indirect cost	-	512,366	512,366
Inkind	-	596,837	596,837
Debt service:			
Principal retirement	-	800,000	800,000
Interest and fiscal charges	-	167,475	167,475
Total expenditures	<u>56,878,669</u>	<u>20,508,859</u>	<u>77,387,528</u>
Excess of revenues over expenditures	4,862,910	(1,206,274)	3,656,636
Other financing sources (uses):			
Proceeds from issuance of debt	-	1,000,000	1,000,000
Proceeds from sale of assets	69,355	683	70,038
Transfers in	2,614,994	718,660	3,333,654
Transfers out	<u>(3,333,654)</u>	-	<u>(3,333,654)</u>
Total other financing sources (uses)	<u>(649,305)</u>	<u>1,719,343</u>	<u>1,070,038</u>
Net change in fund balances	4,213,605	513,069	4,726,674
Fund balances, beginning	<u>19,674,153</u>	<u>2,030,487</u>	<u>21,704,640</u>
Fund balances, ending	<u>\$ 23,887,758</u>	<u>\$ 2,543,556</u>	<u>\$ 26,431,314</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

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

Total net change in fund balances for the year ended June 30, 2007 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 4,726,674
Add: Facilities acquisition and construction costs which are considered as expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 3,004,745	
Less: Depreciation expense for year ended June 30, 2007	<u>(1,386,456)</u>	1,618,289
Add: Bond principal retirement considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance		800,000
Less: Issuance of long-term debt (e.g., bonds and leases)		(1,000,000)
Less: Bond issue costs deferred and amortized in the statement of activities, where as governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is first issued		(28,589)
Add: Compensated absences used for year ended June 30, 2007		101,771
Less: Excess of insurance claims incurred over claims paid		(236,094)
Add: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		7,241
Add: Sales tax revenues which are collected several months after year-end and are not considered available in the governmental funds		128,844
Less: Proceeds from sale of assets		(70,038)
Add: Gains are not presented in this financial statement because they do not provide or use current financial resources, but they are presented in the statement of activities		<u>64,480</u>
Total change in net assets for the year ended June 30, 2007 per Statement of Activities		<u>\$ 6,112,578</u>

The accompanying notes are an integral part of the basic financial statements.

Acadia Parish School Board
Crowley, Louisiana

Statement of Fiduciary Net Assets
June 30, 2007

ASSETS

Cash and cash equivalents	<u>\$2,493,917</u>
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LIABILITIES

Accounts payable	\$1,108,335
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Deposits due others	<u>1,385,582</u>
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Total liabilities	<u>\$2,493,917</u>
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The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Acadia Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

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

The School Board operates 27 schools within the parish with a total enrollment of 9,113 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, the School Board is a separate governmental reporting entity, primary government.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the School Board, the primary government, as a whole. They include all funds of the reporting entity, which are considered to be governmental activities.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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

The various funds of the School Board are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the School Board or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The School Board reports the following major governmental fund:

The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Additionally, the School Board reports the following fund types:

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs.

Debt Service Funds

Debt service funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Capital projects funds

Capital projects funds are used to account for financial resources to be used to acquire, construct, or improve capital facilities not reported in other governmental funds.

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The funds accounted for in this category by the School Board are the agency funds. The agency funds are as follows:

School Activity Fund – accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Sales Tax Fund – accounts for monies collected on behalf of other taxing authorities within the parish.

Basile Tax Fund – accounts for the collection and distribution of property tax revenues that Acadia Parish School Board collects on behalf of the Evangeline Parish School Board.

C. Measurement Focus/ Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, the governmental activities are presented using the economic resources

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

measurement focus. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gain, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

Allocation of indirect expenses

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means being collectible within the current period or within 60 days after year-end. Expenditures (including facilities acquisition and construction) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The governmental funds use the following practices in recording revenues and expenditures:

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Revenues

Federal and state entitlements (unrestricted grants-in-aid, which include state equalization and state revenue sharing) are recorded when available and measurable. Expenditure-driven federal and state grants, which are restricted as to the purpose of the expenditures, are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received by the Vermilion Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned.

Sales and use tax revenues are recorded in the month collected by the School Board.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Principal and interest on general long-term obligations are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of capital assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

Deferred revenues arise when resources are received before the School Board has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when tuition is received in advance of the commencement of classes.

In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized. Recognition of revenue from ad valorem tax collections has been deferred in instances where the School Board has been advised by the tax collecting authority that certain amounts have been paid in protest. Recognition of revenue from minor federal and state grant advances has been deferred to the next fiscal year to allow proper matching of revenues and expenditures.

D. Assets, Liabilities and Equity

Cash and cash equivalents

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Investments

Trust fund investments are stated at fair value in accordance with GASB 31. Fair value is defined as the amount at which a financial instrument could be exchanged in a current asset transaction between willing parties. Fair value was determined based on quoted market prices.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and federal and state grants.

Inventories

The cost of inventories is recorded as expenditures when consumed rather than when purchased. Reserves are established for an amount equal to the carrying value of inventories.

Inventory of the General Fund consists of instructional supplies maintained in the central warehouse for use of all schools and janitorial and electrical supplies maintained in the central warehouse for the use of all departments and schools. All inventory purchased are valued at cost (first-in, first-out).

Inventory of the School Lunch/Breakfast Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventories are recorded as expenses when consumed. Commodities inventory at year-end is recorded as deferred revenue. All inventory items purchased are valued at the lower of cost or market (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	15 - 40 years
Furniture and equipment	5 - 10 years

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as facilities capital outlay expenditures of the governmental fund upon acquisition.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2003 were considered to be part of the cost of buildings and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other depreciable capital assets.

Compensated Absences

All 12-month employees earn from 5 to 15 days vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated up to a maximum of forty (40) days. Upon retirement or termination of employment, the employee may choose to be paid for any unused accumulated vacation days or may convert such unused accumulated vacation leave to service credit for retirement purposes if allowed by the retirement system.

All employees earn from 10 days of sick leave each year, depending on the number of months of the school year they are employed by the School Board. Sick leave may be accumulated without limitation. Upon death or retirement, unused accumulated sick leave of up to 45 days is paid to employees (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Lunch Employees Retirement System, the total unused accumulated sick leave, including the 45 days paid, is used in the retirement benefit computation as earned service. 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 45 days paid, is used in the retirement benefit computation as earned service.

Act 1341 of 1999 changed the extended sick leave (gayle pay) regulations for public school employees. The Act provides that if teachers and school bus operators

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

have no remaining sick leave, they are allowed up to 90 days extended sick leave in a six year period. During these 90 days, the employee is paid 65% of their pay at the time that the leave begins.

Act 1342 of 1999 changed the sabbatical leave regulation. The Act allows both sabbatical medical leave and professional and cultural development sabbatical for teachers. It provides for two sabbatical semesters immediately following twelve or more consecutive semesters of consecutive service or one semester immediately following six semesters of consecutive service. Sabbatical medical leave may be granted if the teacher's regular sick leave balance is forty-five days or less at the beginning of the sabbatical. No more than 5% of the work force can be on sabbatical at the same time. During sabbatical, the employee is paid 65% of their pay at the time the leave begins.

In the government-wide statements, the School Board accrues accumulated unpaid sick leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. In accordance with GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements," no compensated absences liability is recorded in the governmental fund financial statements.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, accrued compensated absences, and workers' compensation claims payable. For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest reported as expenditures. For fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Bond discounts/issuance costs

In governmental funds, bond discounts and issuance costs are recognized in the current period. In the government-wide statements, bond discounts and issuance costs are deferred and amortized over the terms of the bonds to which such discounts and costs apply.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. At June 30, 2007, the School Board reported \$5,394,456 of restricted net assets, which is restricted by debt covenants or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

E. Budget Practices

The proposed budget for 2007 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2007 budget on July 10, 2006. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds' was published in the official journal ten days prior to the public hearing.

The budgets for the General and Special Revenue Funds for the fiscal year 2007 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

The level of control over the budget is exercised at the function or program level for the General and Special Revenue. The Superintendent and/or assistant superintendents are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

F. Encumbrances

Encumbrance accounting, under which purchases orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized for the General Fund and Special Revenue Funds. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbered appropriations lapse at the close of the fiscal year but are appropriately provided for in the subsequent year's budget.

G. Revenue Restrictions

The School Board has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions on Use</u>
Ad valorem taxes	See Note 3
Sales taxes	See Note 8

The School Board uses unrestricted resources only when restricted resources are fully depleted.

H. Capitalization of Interest Expense

It is the policy of the School Board to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2007, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. Interfund transfers

Permanent reallocation of resources between funds is classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual funds have been eliminated.

K. Impairments

The School Board evaluates long-term assets to be held and used for impairment when events or changes in economic circumstances indicate the carrying value of such assets may be unrecoverable. The School Board uses an estimate of the future undiscovered net cash flows to measure whether the assets are recoverable and measured for impairment by reference to fair value. Fair value is generally estimated using the School Board's expectations of discounted net cash flows. Long-term assets to be disposed of are carried at the lower of cost or fair value less the costs of disposal.

(2) Cash and Investments

A. Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2007, the School Board has cash and interest-bearing deposits (book balances) totaling \$15,914,761 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 13,420,694	\$ 1,108,335	\$ 14,529,029
Interest-bearing accounts	-	1,014,441	1,014,441
Time Deposits	-	371,141	371,141
Petty cash	150	-	150
Total	\$ 13,420,844	\$ 2,493,917	\$ 15,914,761

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the School Board's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. 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 market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

As of June 30, 2007, the School Board has \$22,793,274 in deposits (collected bank balances). These deposits are secured from risk by \$855,430 of federal deposit insurance and \$21,468,171 of pledged securities held by the custodial bank in the name of the pledging financial institution's agent (GASB Category 3). The remaining balance of \$469,673 is not secured by the pledge of securities and, therefore, was exposed to custodial credit risk.

B. Investments

The School Board can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The School Board's investments are categorized to give an indication of the level of risk assumed by it at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School Board or its agent in the School Board's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the School Board's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the School Board's name.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. 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-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S.

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. 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 market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. The fair value of the School Board's investment in LAMP is the same as the value of the pool shares. Normally, investments are required to be reported at fair value. For purposes of determining participants' shares, investments are valued at amortized cost. Investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

At June 30, 2007, the School Board's investments (book balance) totaled \$19,642,382. The carrying amounts and approximate market values of investments at June 30, 2007 are summarized as follows:

Fund	Description	Interest Rate	Reported Amount	Unrealized Gains	Fair Value	
General	U.S. Treasury Notes and Securities	3.02% - 5.38%	\$ 1,888,783	\$ 4,482	\$ 1,893,265	
	U.S. Treasury Bills	0.00%	1,116,184	-	1,116,184	
	Education Excellence Fund	4.24%	589,864	-	589,864	
	LAMP	Variable 4.50%-	11,589,443	-	11,589,443	
	Time deposits	5.00%	2,988,010	-	2,988,010	
	Capital Projects	LAMP	Variable	985,420	-	985,420
	Debt Service					
Church Point	LAMP	Variable	177,195	-	177,195	
Fifth Ward	LAMP	Variable	260,030	-	260,030	
Iota	LAMP	Variable	47,453	-	47,453	
			<u>\$ 19,642,382</u>	<u>\$ 4,482</u>	<u>\$ 19,646,864</u>	

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

(3) Ad Valorem Taxes

The following ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2007, taxes were levied by the School Board in August 2006 and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of Acadia Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

For the year ended June 30, 2007, taxes were levied on property with net assessed valuations totaling \$288,894,810 and were dedicated as follows:

Parishwide Taxes:	
Constitutional	5.14 mills
Maintenance	15.02 mills
School Tax	<u>5.01</u> mills
Total Special Revenue Funds	25.17 mills
School District No. 6 (Church Point) - debt service	24.00 mills
School District No. 7 (5th. Ward) - debt service	16.80 mills
School District No. 7 (5th. Ward) - maintenance	13.45 mills
School District No. 8 (Iota-Egan) - debt service	<u>3.50</u> mills
Total assessment	<u>82.92</u> mills

Gross taxes levied for the current fiscal year totaled \$5,931,801. After deductions for various pension distributions and uncollectible taxes and collections of back taxes, net taxes remitted to the School Board amounted to \$5,642,063.

(4) Receivables

Receivables at June 30, 2007 of \$3,899,831 consisted of the following:

Grants	\$ 2,306,036
Ad valorem taxes	312,933
Sales taxes	1,134,815
Accrued interest	116,843
Other	<u>29,204</u>
Total receivables	<u>\$ 3,899,831</u>

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

(5) Capital Assets

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

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Capital assets not being depreciated:				
Land	\$ 1,068,245	\$ -	\$ -	\$ 1,068,245
Construction in progress	305,653	1,329,864	(305,653)	1,329,864
Other capital assets:				
Building and improvements	45,339,725	1,414,001	(12,028)	46,741,698
Furniture and equipment	2,205,972	566,533	(125,313)	2,647,192
Total	48,919,595	3,310,398	(442,994)	51,786,999
Less accumulated depreciation:				
Buildings and improvements	26,858,126	1,250,005	(12,028)	28,096,103
Furniture and equipment	1,425,603	136,451	(119,664)	1,442,390
Total	28,283,729	1,386,456	(131,692)	29,538,493
Net capital assets	\$ 20,635,866	\$ 1,923,942	\$ (311,302)	\$ 22,248,506

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 563,028
Special education programs	147,631
Vocational education programs	29,683
Other instructional programs	7,413
Special programs	47,948
Adult and continuing education programs	3,800
Pupil support services	79,021
Instructional staff support services	53,969
General administration	20,317
School administration	83,061
Business services	13,713
Operation and maintenance of plant services	163,039
Student transportation services	65,495
Central services	7,307
Food services	91,125
Facility acquisition and construction	1,894
Community service programs	8,012
Total depreciation expense	\$1,386,456

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

(6) Accounts, Salaries, and Other Payables

At June 30, 2007, accounts, salaries, and other payables of \$9,327,362 consisted of the following:

Salaries and related benefits payable	\$8,574,776
Accounts payable	272,555
Contract payable	393,929
Retainage payable	86,102
Total payables	<u>\$9,327,362</u>

(7) Long-Term Liabilities

The School Board issued general obligation bonds to provide funds for the acquisition, construction or improvement of major capital facilities. During the fiscal year ended June 30, 2007, the School Board received loan proceeds in the amount of \$1,000,000 from a Louisiana Qualified Zone Academy Bond Program (QZAB). The funds from these bonds will be used to make improvements to existing schools. These bonds are direct obligations and pledge the full faith and credit of the School Board. Long-term debt outstanding at June 30, 2007 is as follows:

\$2,160,00 General Obligation School Refunding Bonds, Series 2003, due in annual installments of \$185,000 to \$260,000 through March 1, 2013; at interest rates of 2.10% to 4.25% (to be retired from the proceeds of ad valorem taxes).	\$ 1,390,000
\$2,350,00 General Obligation School Refunding Bonds, Series 2003, due in annual installments of \$200,000 to \$280,000 through March 1, 2014; at interest rates of 1.30% to 3.75% (to be retired from the proceeds of ad valorem taxes).	1,720,000
\$1,905,00 General Obligation School Refunding Bonds, Series 2003, due in annual installments of \$205,000 to \$275,000 through March 1, 2012; at interest rates of 1.30% to 3.40% (to be retired from the proceeds of ad valorem taxes).	1,255,000
\$1,000,00 Taxable Certificates of Indebtedness (Qualified Zone Academy Bond - QZAB), Series 2006, due October 16, 2016; at 0% interest rate (to be retired from the interest earned on investments).	<u>1,000,000</u>
	<u>\$ 5,365,000</u>

Other liabilities:

Accrued compensated absences	\$4,186,942
Claims payable	<u>943,283</u>
	<u>\$5,130,225</u>

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

The bonds are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2008	\$ 655,000	\$ 145,633	\$ 800,633
2009	680,000	128,128	808,128
2010	710,000	108,208	818,208
2011	735,000	85,142	820,142
2012	775,000	59,625	834,625
2013-2016	<u>1,810,000</u>	<u>41,837</u>	<u>1,851,837</u>
Totals	<u>\$5,365,000</u>	<u>\$568,573</u>	<u>\$ 5,933,573</u>

Changes in General Long-Term Liabilities

During the year ended June 30, 2007, the following changes occurred in long-term liabilities transactions and balances:

	Balance 7/1/2006	Additions	Reductions	Balance 6/30/2007	Due Within One Year
General Obligation Bonds	\$ 5,165,000	\$ -	\$ 800,000	\$ 4,365,000	\$ 655,000
Qualified Zone Academy Bond	-	1,000,000	-	1,000,000	-
Compensated Absences	4,288,713	186,388	288,159	4,186,942	273,044
Claims Payable	<u>707,189</u>	<u>796,044</u>	<u>559,950</u>	<u>943,283</u>	<u>399,605</u>
	<u>\$10,160,902</u>	<u>\$ 1,982,432</u>	<u>\$ 1,648,109</u>	<u>\$10,495,225</u>	<u>\$ 1,327,649</u>

Compensated absences typically have been liquidated by the general fund and a few other governmental funds. Claims liabilities typically have been liquidated by the general fund.

All principal interest requirements on the general obligation bonds are funded in accordance with Louisiana law by an annual ad valorem tax levy on taxable property within the parish. At June 30, 2007, the School Board has accumulated \$530,573 in debt service funds for the future debt requirements.

(8) Sales and Use Taxes

The School Board is authorized to collect within the parish a one percent sales and use tax. The proceeds of the tax are dedicated to supplement salaries of teachers, school bus operators, and the expenditures of operating the schools, including salaries of other personnel. Also, effective October 1, 2004, the School Board is authorized to collect within the parish an additional one-half cent sales tax to supplement salaries and benefits of employees.

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

The sales tax department of the School Board is also authorized to collect sales and use taxes levied by various municipalities located in Acadia Parish. The municipalities pay the School Board a one and one-half percent fee for collecting their sales and use taxes. The collection and distribution of the above sales taxes are accounted for in the Sales Tax Agency Fund.

(9) Retirement Plans

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description: The TRS consists of four membership plans: Regular Plan, Plan A, Plan B, and Optional Retirement Plan. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for the retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy: Plan members are required to contribute 8.0 percent and 9.1 percent of their annual covered salary for the Regular and Optional Retirement Plans and Plan A, respectively. The School Board is required to contribute an actuarially determined rate. The current rate is 15.8 percent of annual covered payroll for the Regular Plan and Plan A. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deducting from local ad valorem taxes, and by remittances from the School Board. The School Board's contributions to the TRS for the years ending June 30, 2007, 2006, and 2005 were \$6,183,311, \$5,843,135, and \$5,207,329, respectively, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LASERS)

Plan Description: The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established by state statute. The LASERS issues a publicly available financial report that included financial statements are required

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Notes to Basic Financial Statements (Continued)

supplemental information for the LASERS. That report may be obtained by writing to Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy: Plan members are required to contribute 7.5 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 19.6 percent of annual covered payroll. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LASERS is funded by the State of Louisiana through annual appropriations. The School Board's contributions to the LASERS for the years ending June 30, 2007, 2006, and 2005 were \$492,113, \$408,146, and \$321,181, respectively, which equal the required contributions for each year.

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

The School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee (approximately 40 percent) and the School Board (approximately 60 percent). The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the monthly premiums are due. The School Board's cost of providing these benefits to retirees totaled \$1,787,601 for 2007 and encompasses 582 former employees receiving such benefits as of the end of the year.

(11) Operating Leases

The School Board is obligated under twelve operating leases. Two of the leases are leases of premises for the purpose of Head Start centers. These leases are for a term of twelve months, beginning July 1, 2006 and ending June 30, 2007 with a monthly payment of \$1,950 and \$1,250. These leases will continue monthly thereafter. Six of the remaining leases were entered into as of September 2005 for a total of ten school buses for a period of five years with annual payments of \$10,475 per bus. Two leases were entered into in September 2006 for a total of five buses for a period of four years with annual payments of \$10,475 per bus. In November 2006 and January 2007, two leases were entered into for one bus each for a period of five years with annual payments of \$10,475 per bus. Rental expense for the year ended June 30, 2007 was \$207,454.

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Notes to Basic Financial Statements (Continued)

The minimum future payments for these agreements are as follows:

2008	\$178,075
2009	178,075
2010	178,075
2011	20,950
2012	<u>9,021</u>
 Total	 <u>\$564,196</u>

The School Board also entered into two Educational Broadband Service (EBS) excess capacity leases with Nextel Spectrum Acquisition Corporation covering two EBS stations on July 10, 2006. These leases are for an initial term of five years. Under these leases the School Board receives a one-time, upfront royalty payment of \$100,000 per lease. Each month beginning with the effective date and throughout the first year, the School Board receives \$3,000 per lease. Each year thereafter, for the remainder of the initial term, the monthly royalty fee for each lease shall increase by four and one-half percent (4.5%) of the amount paid the previous year. The agreements will automatically renew for five years. There shall be a total of five of the renewal terms for a maximum duration of thirty years. Income received for the year ended June 30, 2007 was \$258,065. The future minimum rentals for these agreements are as follows:

2008	\$ 75,240
2009	78,626
2010	82,164
2011	<u>85,861</u>
 Total	 <u>\$321,891</u>

(12) Commitments and Contingencies

A. Litigation

At June 30, 2007, the Acadia Parish School Board is a defendant in a lawsuit. In the opinion of management and legal counsel, this lawsuit will not result in a significant monetary loss. Therefore, there has been no accrual on the balance sheet at June 30, 2007.

B. Grant Audits

The School Board receives federal and state grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the School Board, such disallowances, if any, will not be significant.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(13) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2007 are as follows:

	Interfund Receivables	Interfund Payables
Major funds:		
General Fund	\$ 1,096,567	\$ -
Nonmajor funds:		
No Child Left Behind	-	351,380
Special Education	-	237,053
Headstart	19,849	-
Debt Service Funds	103,624	104,625
Capital Projects Fund	-	526,982
Total nonmajor funds	123,473	1,220,040
Total	\$ 1,220,040	\$ 1,220,040

The amounts due to the General Fund from various other funds are for reimbursements owed for expenditures paid for those funds.

B. Transfers consisted of the following at June 30, 2007:

	Transfers In	Transfers Out
Major funds:		
General Fund	\$ 2,614,994	\$ 3,333,654
Nonmajor funds:		
State Programs	36,346	-
School Lunch	682,314	-
Total nonmajor funds	718,660	-
Total	\$ 3,333,654	\$ 3,333,654

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(14) Risk Management

A. Commercial Insurance Coverage

The School Board purchases commercial insurance for property coverage, general liability, and automobile liability. The deductibles per occurrence are \$100,000 for most perils and up to 2% of value for wind and storm damage, \$25,000 for general liability, and \$25,000 for automobile liability. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

B. Workers' Compensation

Acadia Parish School Board has established a Workers' Compensation Self-Insurance Program for the purpose of providing medical and indemnity payments as required by law for on-the-job related injuries. The School Board has a contract with F.A. Richard for plan administration services. Under the program, the School Board has obtained reinsurance coverage for the excess workers' compensation and employer's liability. The retention for the policy for fiscal year ended June 30, 2007, is \$400,000 per occurrence.

At June 30, 2007, the amount of the workers' compensation benefits liability was \$943,283. This liability is the School Board's best estimate based on available information. Changes in the unpaid claims liability during the last three years ended June 30, are as follows:

	2007	2006	2005
Unpaid claims, beginning	\$ 707,189	\$ 779,658	\$ 1,339,224
Current year claims and changes in estimates	796,044	474,624	156,014
Claims paid	<u>(559,950)</u>	<u>(547,093)</u>	<u>(715,580)</u>
Unpaid claims, ending	<u>\$ 943,283</u>	<u>\$ 707,189</u>	<u>\$ 779,658</u>

(15) U.S.D.A. Commodities

The School Board receives U.S.D.A. commodities from the U.S. Department of Agriculture. During the year, the School Board received \$220,422 in commodities, consumed \$158,733 and had a balance of \$61,689 of commodities in inventory at June 30, 2007. The commodities are reflected in inventory in the School Lunch Fund.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(16) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2007 follows:

	Amount
Roland Boudreaux	\$ 4,800
Gene Daigle	4,200
James Higginbotham	2,100
Douglas Lacombe	2,100
Abraham Shamsie	4,200
Milton Simar	2,100
John Suire	4,200
Israel Syria	2,100
Lyle Johnson (term expired 12/31/06)	2,700
Robert Mcmanus (term expired 12/31/06)	2,100
Ezora Proctor (term expired 12/31/06)	2,100
Shirley F. Vige, Jr. (term expired 12/31/06)	2,100
	\$ 34,800

(17) Education Excellence Fund

On August 27, 2003, the Joint Education Committee approved the School Board's plans regarding their share of the Millennium Trust Fund, referred to as the Education Excellence Trust Fund. For each fiscal year through the end of fiscal year 2006-2007, appropriations shall be made to the state superintendent of education and distributed to city, parish, and other local school systems in accordance with the formulas stipulated in the Millennium Trust. Such monies appropriated shall be restricted to expenditure for pre-kindergarten through twelfth grade instructional enhancement for students, including early childhood educational programs focused on enhancing the preparation of at-risk children for school, remedial instruction, and assistance to children who fail to achieve the required scores on any test passage of which are required pursuant to state law or rule for advancement to a succeeding grade or other educational programs approved by the legislature. For the year ended June 30, 2007, \$589,864 is included in deferred revenue for future expenditure in accordance with the Millennium Trust document.

(18) Headstart Funding

At June 30, 2007, the School Board had no Headstart funds available under the current project period which were unexpended.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(19) New Accounting Pronouncements

In November 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement requires the accrual of postemployment benefits for retired employees. The School Board is required to implement this standard for the fiscal year ending June 30, 2009. The School Board has not yet determined the full impact that adoption of GASB Statement No. 45 will have on the financial statements.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2007

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Parish sources:				
Ad valorem taxes	\$ 4,634,000	\$ 4,415,000	\$ 4,962,892	\$ 547,892
Sales and use taxes	8,370,000	9,400,000	10,510,202	1,110,202
Sales tax fees	290,000	325,000	348,742	23,742
Other	<u>1,125,900</u>	<u>1,729,200</u>	<u>2,295,426</u>	<u>566,226</u>
Total parish sources	14,419,900	15,869,200	18,117,262	2,248,062
State sources	42,599,892	43,150,135	43,111,072	(39,063)
Federal sources	-	459,500	513,245	53,745
Total revenues	<u>57,019,792</u>	<u>59,478,835</u>	<u>61,741,579</u>	<u>2,262,744</u>
Expenditures				
Current:				
Instruction -				
Regular programs	25,676,650	27,357,276	27,788,299	(431,023)
Special education programs	6,218,400	5,601,100	5,522,646	78,454
Vocational education programs	1,599,400	1,440,500	1,420,837	19,663
Other instructional programs	32,200	203,500	174,495	29,005
Special programs	80,900	232,400	214,319	18,081
Adult and continuing education programs	40,000	68,348	60,138	8,210
Support services -				
Pupil support services	2,720,000	2,679,000	2,623,399	55,601
Instructional staff support services	1,690,700	1,635,400	1,601,012	34,388
General administration	929,700	934,900	842,992	91,908
School administration	4,320,600	4,319,200	4,342,827	(23,627)
Business services	625,700	631,700	606,481	25,219
Operation and maintenance of plant services	6,565,000	7,946,120	7,837,593	108,527
Student transportation services	3,491,600	3,330,400	3,218,319	112,081
Central services	425,900	401,500	392,519	8,981
Non-instructional services -				
Food services	180,220	152,320	141,446	10,874
Community service programs	14,300	14,300	12,091	2,209
Facilities acquisition and construction	<u>56,000</u>	<u>105,000</u>	<u>79,256</u>	<u>25,744</u>
Total expenditures	<u>54,667,270</u>	<u>57,052,964</u>	<u>56,878,669</u>	<u>174,295</u>
Excess of revenues over expenditures	<u>2,352,522</u>	<u>2,425,871</u>	<u>4,862,910</u>	<u>2,437,039</u>
Other financing sources (uses)				
Proceeds from sale of assets	4,000	69,000	69,355	355
Transfers in	3,135,750	3,135,750	2,614,994	(520,756)
Transfers out	<u>(3,791,083)</u>	<u>(4,061,083)</u>	<u>(3,333,654)</u>	<u>727,429</u>
Total other financing sources (uses)	<u>(651,333)</u>	<u>(856,333)</u>	<u>(649,305)</u>	<u>207,028</u>
Net change in fund balance	<u>1,701,189</u>	<u>1,569,538</u>	<u>4,213,605</u>	<u>2,644,067</u>
Fund balances, beginning	<u>19,674,153</u>	<u>19,674,153</u>	<u>19,674,153</u>	<u>-</u>
Fund balances, ending	<u>\$21,375,342</u>	<u>\$21,243,691</u>	<u>\$23,887,758</u>	<u>\$ 2,644,067</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2007

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest-bearing deposits	\$ 1,302,078	\$ 61,138	\$ -	\$ 1,363,216
Investments	-	484,678	985,420	1,470,098
Receivables	2,135,404	34,036	-	2,169,440
Due from other funds	-	103,624	-	103,624
Inventories	288,363	-	-	288,363
Total assets	\$ 3,725,845	\$ 683,476	\$ 985,420	\$ 5,394,741
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 70,168	\$ -	\$ -	\$ 70,168
Accrued salaries payable	1,560,977	-	-	1,560,977
Due to other funds	588,433	104,625	526,982	1,220,040
Total liabilities	2,219,578	104,625	526,982	2,851,185
Fund balances:				
Reserved for inventory	288,363	-	-	288,363
Reserved for debt service	-	578,851	-	578,851
Reserved for capital improvements	-	-	458,438	458,438
Unreserved	1,217,904	-	-	1,217,904
Total fund balances	1,506,267	578,851	458,438	2,543,556
Total liabilities and fund balances	\$ 3,725,845	\$ 683,476	\$ 985,420	\$ 5,394,741

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2007

	Special Revenue	Debt Service	Capital Projects	Totals
Local sources -				
Ad valorem taxes	\$ -	\$ 879,726	\$ -	\$ 879,726
Interest income	-	24,942	35,420	60,362
State sources	2,606,594	-	-	2,606,594
Federal sources	15,159,066	-	-	15,159,066
Other sources	596,837	-	-	596,837
Total revenues	<u>18,362,497</u>	<u>904,668</u>	<u>35,420</u>	<u>19,302,585</u>
Expenditures				
Current:				
Instruction -				
Regular programs	2,794,735	-	-	2,794,735
Special education programs	2,496,521	-	-	2,496,521
Vocational education programs	191,528	-	-	191,528
Other instructional programs	228,178	-	-	228,178
Special programs	2,390,134	-	-	2,390,134
Adult and continuing education programs	146,313	-	-	146,313
Support services -				
Pupil support services	1,668,958	-	-	1,668,958
Instructional staff support services	1,330,520	-	-	1,330,520
General administration	210,460	33,983	16,175	260,618
School administration	168,951	-	-	168,951
Business services	138,415	-	-	138,415
Operation and maintenance of plant services	481,341	-	537,181	1,018,522
Student transportation services	339,270	-	-	339,270
Central services	4,373	-	-	4,373
Non-instructional services -				
Food service operations	4,808,375	-	-	4,808,375
Community Service Programs	423,144	-	-	423,144
Facilities acquisition and construction	-	-	23,626	23,626
Indirect cost	512,366	-	-	512,366
Inkind	596,837	-	-	596,837
Debt service:				
Principal retirement	-	800,000	-	800,000
Interest and fiscal charges	-	167,475	-	167,475
Total expenditures	<u>18,930,419</u>	<u>1,001,458</u>	<u>576,982</u>	<u>20,508,859</u>
Deficiency of revenues over expenditures	<u>(567,922)</u>	<u>(96,790)</u>	<u>(541,562)</u>	<u>(1,206,274)</u>

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Year Ended June 30, 2007

	Special Revenue	Debt Service	Capital Projects	Totals
Other financing sources:				
Proceeds from issuance of debt	-	-	1,000,000	1,000,000
Proceeds from sale of assets	683	-	-	683
Transfers in	718,660	-	-	718,660
Total other financing sources	719,343	-	1,000,000	1,719,343
Excess (deficiency) of revenues and other sources over expenditures and other uses	151,421	(96,790)	458,438	513,069
Fund balances, beginning	1,354,846	675,641	-	2,030,487
Fund balances, ending	\$ 1,506,267	\$578,851	\$ 458,438	\$ 2,543,556

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for special revenues that are legally restricted to expenditures for expenditures for specific purposes.

SPECIAL FEDERAL FUNDS -

This category accounts for federal grants such as Title III, Adult Education Basic Grants, Family Literacy Grants, Technology and professional development grants, Carl Perkins, and Impact Aid Recovery.

NO CHILD LEFT BEHIND -

Improving America's Schools Act (IASA):

Title I

Title I of the Improving America's Schools Act (IASA) is a program for economically and educationally deprived children which is federally financed, state administered, and locally operated by the School board. The Title I services are provided through various projects which are designed to supplement services rather than replace state and locally mandated programs.

Title II

Title II of the IASA is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers in the areas of mathematics, science, computer learning, and to increase the accessibility of such instructions to all students.

Title IV

Title IV of the IASA is a program by which the federal government provides funds to the School Board for the Drug Free Schools program.

Title VI

Title VI of the IASA is a program by which the federal government provides funds to the School Board for an afterschool tutorial homework assistance program and staff development. This fund also accounts for revenues and expenditures of the Class Size Reduction program designed to help local elementary schools reduce class size by hiring additional highly qualified teachers.

Migrant

An educational program which focuses on the needs of children of migratory workers.

(continued)

NONMAJOR SPECIAL REVENUE FUNDS (continued)

SPECIAL EDUCATION -

Individuals With Disabilities Education Act (IDEA) Fund

The IDEA Fund is a federally funded program which provides for special education services to accommodate children with disabilities.

Preschool Fund

Preschool Fund is a program by which funds are used to provide special education handicapped services for preschool aged children. The fund also provides for pre-kindergarten and kindergarten classes designed to prepare at-risk four-year old children for kindergarten.

STATE PROGRAMS -

Medicaid Special Education

Funds are generated by providing services to medicaid-eligible students. This money is used to provide health-related services and for special needs students sent to other parishes.

CACFP

Provides meals for Headstart classes.

In addition to Medicaid Special Education and CACFP, this category also accounts for state funded programs which provide for summer remediation, instructional enhancements for students, state mandated Pre-Ged/Options 3 program, and other programs which are not accounted for in other special revenue funds.

SCHOOL LUNCH FUND

The School Food Service makes nutritious breakfasts and lunches available to all students at 12 central kitchens and 13 satellite locations. Funding is provided through collections at the schools from students and teachers, federal reimbursement of certain costs, USDA commodities, and transfer from the General Fund.

HEADSTART

Headstart provides an early childhood environment for 400 three and four year old at-risk children in the communities of Church Point, Rayne, Crowley, and Estherwood. This federal program, which receives funding through the regional Headstart office in Dallas, offers an additional source of preschool experience for children in the parish. This fund also accounts for funds for training/technical assistance for staff development and Headstart training conferences for employees, parents, and policy council members.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet
June 30, 2007

	Special Federal Funds	No Child Left Behind	Special Education	State Programs
ASSETS				
Cash and interest-bearing deposits	\$ 302,132	\$ -	\$ -	\$ 88,728
Receivables	101,899	1,032,088	384,006	325,305
Due from other funds	-	-	-	-
Inventories	-	-	-	-
	<u>\$ 404,031</u>	<u>\$ 1,032,088</u>	<u>\$ 384,006</u>	<u>\$ 414,033</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 8,224	\$ 4,128	\$ 522	\$ 2,582
Accrued salaries and related benefits	33,324	676,259	148,171	87,276
Due to other funds	-	351,380	237,053	-
Total liabilities	<u>41,548</u>	<u>1,031,767</u>	<u>385,746</u>	<u>89,858</u>
Fund balances:				
Reserved for inventory	-	-	-	-
Unreserved	362,483	321	(1,740)	324,175
Total fund balances	<u>362,483</u>	<u>321</u>	<u>(1,740)</u>	<u>324,175</u>
Total liabilities and fund balances	<u>\$ 404,031</u>	<u>\$ 1,032,088</u>	<u>\$ 384,006</u>	<u>\$ 414,033</u>

School Lunch Fund	Headstart	Total
\$ 891,369	\$ 19,849	\$ 1,302,078
-	292,106	2,135,404
-	-	-
<u>288,363</u>	<u>-</u>	<u>288,363</u>
<u>\$ 1,179,732</u>	<u>\$ 311,955</u>	<u>\$ 3,725,845</u>
\$ 27,570	\$ 27,142	\$ 70,168
331,134	284,813	1,560,977
-	-	588,433
<u>358,704</u>	<u>311,955</u>	<u>2,219,578</u>
288,363	-	288,363
532,665	-	1,217,904
<u>821,028</u>	<u>-</u>	<u>1,506,267</u>
<u>\$ 1,179,732</u>	<u>\$ 311,955</u>	<u>\$ 3,725,845</u>

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2007

	Special Federal Funds	No Child Left Behind	Special Education	State Programs
Revenues				
State sources	\$ -	\$ -	\$ -	\$1,912,726
Federal sources	687,504	5,303,636	3,415,813	-
Other sources	-	-	-	-
Total revenues	<u>687,504</u>	<u>5,303,636</u>	<u>3,415,813</u>	<u>1,912,726</u>
Expenditures				
Current:				
Instruction -				
Regular programs	154,465	2,309,935	7,696	319,369
Special education programs	-	490,196	1,808,199	120,134
Vocational education programs	191,528	-	-	-
Other instructional programs	-	-	-	228,178
Special programs	178,901	450,830	63,421	537,935
Adult and continuing education programs	98,245	2,708	-	45,360
Support services -				
Pupil support services	-	488,184	1,067,851	6,538
Instructional staff support services	39,237	868,454	228,194	149,073
General administration	251	7,159	8,511	42,064
School administration	281	-	726	-
Business services	-	108,773	-	-
Operation and maintenance of plant services	4,180	116,516	59,080	22,085
Student transportation services	5,198	-	19,284	-
Central services	-	-	-	-
Food service operations	-	-	-	266,585
Community service programs	-	225,495	-	-
Indirect cost	10,973	235,650	154,591	180
Inkind	-	-	-	-
Total expenditures	<u>683,259</u>	<u>5,303,900</u>	<u>3,417,553</u>	<u>1,737,501</u>
Excess (deficiency) of revenues over expenditures	<u>4,245</u>	<u>(264)</u>	<u>(1,740)</u>	<u>175,225</u>
Other financing sources				
Proceeds from the sale of assets	246	-	-	-
Transfers in	-	-	-	36,346
Total other financing sources	<u>246</u>	<u>-</u>	<u>-</u>	<u>36,346</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>4,491</u>	<u>(264)</u>	<u>(1,740)</u>	<u>211,571</u>
Fund balances, beginning	<u>357,992</u>	<u>585</u>	<u>-</u>	<u>112,604</u>
Fund balances, ending	<u>\$ 362,483</u>	<u>\$ 321</u>	<u>\$ (1,740)</u>	<u>\$ 324,175</u>

School Lunch Fund	Headstart	Total
\$ 693,868	\$ -	\$ 2,606,594
3,024,403	2,727,710	15,159,066
-	596,837	596,837
<u>3,718,271</u>	<u>3,324,547</u>	<u>18,362,497</u>
-	3,270	2,794,735
-	77,992	2,496,521
-	-	191,528
-	-	228,178
-	1,159,047	2,390,134
-	-	146,313
-	106,385	1,668,958
-	45,562	1,330,520
-	152,475	210,460
-	167,944	168,951
-	29,642	138,415
-	279,480	481,341
-	314,788	339,270
-	4,373	4,373
4,463,659	78,131	4,808,375
-	197,649	423,144
-	110,972	512,366
-	596,837	596,837
<u>4,463,659</u>	<u>3,324,547</u>	<u>18,930,419</u>
<u>(745,388)</u>	<u>-</u>	<u>(567,922)</u>
437	-	683
<u>682,314</u>	<u>-</u>	<u>718,660</u>
<u>682,751</u>	<u>-</u>	<u>719,343</u>
(62,637)	-	151,421
<u>883,665</u>	<u>-</u>	<u>1,354,846</u>
<u>\$ 821,028</u>	<u>\$ -</u>	<u>\$ 1,506,267</u>

NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for the payment of bonded debt principal, interest, and related costs.

Church Point School District No. 6

To accumulate monies for the payment of the General Obligation School Refunding Bonds, Series 2002 and 2003 issued in the amounts of \$2,160,000 and \$2,350,000, respectively. The bonds were issued for the purpose of refinancing the 1993 and 1994 bond issuances initially used for capital improvements. The bonds are financed by specifically dedicated ad valorem tax levies.

Fifth Ward School District No. 7

To accumulate monies for the payment of the General Obligation School Refunding Bonds, Series 2003 issued in the amount of \$1,905,000. The bonds were issued for the purpose of refinancing the 1997 bond issuance initially used for capital improvements. The bonds are financed by specifically dedicated ad valorem tax levies.

Iota - Egan School District No. 8

To accumulate monies for the payment of the General Obligation School Refunding Bonds, Series 2002 issued in the amount of \$840,000. The bonds were issued for the purpose of refinancing the 1992 bond issuance initially used for capital improvements. The bonds are financed by specifically dedicated ad valorem tax levies.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Debt Service Funds

Combining Balance Sheet
June 30, 2007

	<u>Church Point School District No. 6</u>	<u>Fifth Ward School District No. 7</u>	<u>Iota - Egan School District No. 8</u>	<u>Total</u>
ASSETS				
Cash and interest-bearing deposits	\$ 61,138	\$ -	\$ -	\$ 61,138
Investments	177,195	260,030	47,453	484,678
Accounts receivable	19,304	5,338	9,394	34,036
Due from other funds	<u>103,624</u>	<u>-</u>	<u>-</u>	<u>103,624</u>
Total assets	<u>\$ 361,261</u>	<u>\$ 265,368</u>	<u>\$ 56,847</u>	<u>\$ 683,476</u>
LIABILITIES AND FUND BALANCE				
Due to other funds	\$ -	\$ 83,020	\$ 21,605	\$ 104,625
Fund balance:				
Reserved for debt retirement	<u>361,261</u>	<u>182,348</u>	<u>35,242</u>	<u>578,851</u>
Total liabilities and fund balance	<u>\$ 361,261</u>	<u>\$ 265,368</u>	<u>\$ 56,847</u>	<u>\$ 683,476</u>

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2007

	Church Point School District No. 6	Fifth Ward School District No. 7	Iota - Egan School District No. 8	Total
Revenues				
Local Sources:				
Taxes:				
Ad valorem tax	\$513,944	\$ 194,097	\$ 171,685	\$ 879,726
Interest income	9,318	13,213	2,411	24,942
Total revenues	<u>523,262</u>	<u>207,310</u>	<u>174,096</u>	<u>904,668</u>
Expenditures				
Current:				
Support services -				
General administration	19,616	7,691	6,676	33,983
Debt service:				
Principal retirement	405,000	215,000	180,000	800,000
Interest and fiscal charges	<u>119,760</u>	<u>40,515</u>	<u>7,200</u>	<u>167,475</u>
Total expenditures	<u>544,376</u>	<u>263,206</u>	<u>193,876</u>	<u>1,001,458</u>
Deficiency of revenues over expenditures	(21,114)	(55,896)	(19,780)	(96,790)
Fund balance, beginning	<u>382,375</u>	<u>238,244</u>	<u>55,022</u>	<u>675,641</u>
Fund balance, ending	<u>\$361,261</u>	<u>\$ 182,348</u>	<u>\$ 35,242</u>	<u>\$ 578,851</u>

NONMAJOR CAPITAL PROJECTS

Capital projects are used to account for capital asset acquisition, construction, and improvements of public school facilities and is currently funded by \$1,000,000 of proceeds from a Qualified Zone Academy Bond, which was received in fiscal year ended June 30, 2007.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Capital Projects Fund

Balance Sheet
June 30, 2007

ASSETS

Investments	<u>\$ 985,420</u>
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LIABILITIES AND FUND BALANCE

Liabilities:

Due to other funds	\$ 526,982
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Fund balance:

Designated for construction projects	<u>458,438</u>
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Total liabilities and fund balance	<u>\$ 985,420</u>
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ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Capital Projects

Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2007

Revenues	
Interest income	<u>\$ 35,420</u>
Expenditures	
Current:	
Support services -	
General administration	16,175
Operation and maintenance of plant services	537,181
Non-instructional services -	
Facilities acquisition and construction	<u>23,626</u>
Total expenditures	<u>576,982</u>
Deficiency of revenues over expenditures	(541,562)
Other financing sources:	
Proceeds from issuance of debt	<u>1,000,000</u>
Excess of revenues and other sources over expenditures	458,438
Fund balance, beginning	<u>-</u>
Fund balance, ending	<u>\$ 458,438</u>

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore can not be used to support the School Boards own programs.

Agency Funds

School Activity Fund

The School Activity Fund accounts for monies generated by the individual schools and school organizations within the parish. While the school activity accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and is not available for use by the School Board.

Sales Tax Fund

The Sales Tax Fund accounts for the collection and distribution of sales tax that the School Board has the responsibility of collecting. Effective December 1, 1967, the School Board was appointed the central sales tax collecting agency for all taxing bodies within Acadia Parish. The cost of collecting the taxes is divided among all of the taxing bodies based upon their respective sales and use tax in relation to the combined total.

Basile Tax Fund

The Basile Tax Fund accounts for the collection and distribution of property tax revenues that the Acadia Parish School Board collects for the Evangeline Parish School Board.

Acadia Parish School Board
Crowley, Louisiana
Agency Funds

Combining Statement of Assets and Liabilities
June 30, 2007

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Basile Tax</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	<u>\$1,385,582</u>	<u>\$1,107,772</u>	<u>\$ 563</u>	<u>\$2,493,917</u>
LIABILITIES				
Accounts payable	\$ -	\$1,107,772	\$ 563	\$1,108,335
Deposits due others	<u>1,385,582</u>	<u>-</u>	<u>-</u>	<u>1,385,582</u>
Total liabilities	<u>\$1,385,582</u>	<u>\$1,107,772</u>	<u>\$ 563</u>	<u>\$2,493,917</u>

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
School Activity Agency Fund

Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2007

Schools	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
Alternative School	\$ 390	\$ 123	\$ 513	\$ -
Armstrong Middle	51,461	131,763	126,225	56,999
Branch Elementary	46,334	81,837	83,066	45,105
Central Rayne Kindergarten	83,190	56,246	59,204	80,232
Church Point Elementary	17,877	118,981	105,279	31,579
Church Point High	86,964	331,290	337,267	80,987
Church Point Middle	15,136	76,236	74,320	17,052
Crowley High	77,175	404,801	404,971	77,005
Crowley Middle	43,904	98,417	93,030	49,291
Crowley Kindergarten	25,818	28,331	26,570	27,579
Egan Elementary	32,347	83,516	75,664	40,199
Estherwood Elementary	38,406	81,765	83,338	36,833
Evangeline Elementary	18,965	69,153	58,200	29,918
Iota Elementary	40,723	118,712	117,434	42,001
Iota High	85,537	262,823	254,206	94,154
Iota Middle	52,350	67,573	59,965	59,958
Martin Petitjean Elementary	25,273	69,171	72,438	22,006
Mermentau Elementary	32,393	38,878	34,820	36,451
Midland High	158,830	227,457	221,413	164,874
Mire Elementary	19,342	156,093	153,068	22,367
Morse Elementary	16,278	51,220	49,720	17,778
North Crowley Elementary	47,075	76,068	77,478	45,665
Rayne High	185,669	414,416	390,574	209,511
Richard Elementary	14,903	80,552	79,116	16,339
Ross Elementary	17,654	53,830	50,923	20,561
South Crowley Elementary	39,731	85,388	87,603	37,516
South Rayne Elementary	32,237	66,267	74,882	23,622
Total balances	<u>\$ 1,305,962</u>	<u>\$ 3,330,907</u>	<u>\$ 3,251,287</u>	<u>\$ 1,385,582</u>

Acadia Parish School Board
Crowley, Louisiana
Agency Funds

Combining Schedule of Cash Receipts and Disbursements
June 30, 2007

	<u>Sales Tax</u>	<u>Basile Tax</u>	<u>Totals</u>
Receipts:			
Sales taxes	\$33,773,020	\$ -	\$33,773,020
Ad valorem taxes	<u>-</u>	<u>315,986</u>	<u>315,986</u>
Total receipts	<u>33,773,020</u>	<u>315,986</u>	<u>34,089,006</u>
Disbursements:			
Tax proceeds distributed to taxing authorities, net of collection costs	<u>32,679,208</u>	<u>315,423</u>	<u>32,994,631</u>
Increase in cash	1,093,812	563	1,094,375
Cash balance, beginning	<u>13,960</u>	<u>-</u>	<u>13,960</u>
Cash balance, ending	<u>\$ 1,107,772</u>	<u>\$ 563</u>	<u>\$ 1,108,335</u>

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

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

Mr. John Bourque, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Acadia Parish School Board, (the School Board) as of and for the year ended June 30, 2007, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated October 29, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principals such that there is more than a remote likelihood that a misstatement of the School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's internal control. We consider the deficiency described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan to be a significant deficiency in internal control over financial reporting. The deficiency is described in the summary schedule of current and prior year audit findings and management's corrective action plan as item 07-3(IC).

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above as item 07-3(IC) to be a material weakness.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 07-1(C) and 07-2(C).

Acadia Parish School Board's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. We did not audit the School Board's response and, accordingly, we express no opinion on it

This report is intended solely for the information and use of the School Board, the School Board's management, 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 29, 2007

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mr. John Bourque, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

Compliance

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

Member of:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Member of:
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended solely for the information and use of the School Board, the School Board's management, 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 29, 2007

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Expenditures
<u>United States Department of Education</u>			
Passed through State Department of Education:			
ESEA Title I	28-06-T1-01	84.010A	<u>3,790,736</u>
Migrant Education	28-07-M1-27	84.011	<u>32,721</u>
ESEA Title V	28-06-80-01	84.298A	<u>68,077</u>
Special Education Cluster			
IDEA *	28-06-B1-01	84.027A	3,368,012
Preschool *	H173A060082	84.173A	<u>47,801</u>
Total Special Education Cluster			<u>3,415,813</u>
Adult Education			
	28-06-44-01	84.002A	74,092
	28-05-44-01	84.002A	<u>27,686</u>
Total for Adult Education			<u>101,778</u>
Drug Free Schools			
	28-05-70-01	84.186A	<u>117,146</u>
Vocational Education			
	28-06-02-01	84.048	170,232
	28-05-02-01C	84.048	<u>34,790</u>
Total for Vocational Education			<u>205,022</u>
Technology Improvement			
	28-06-49-01	84.318X	43,438
	28-05-49-01	84.318X	2,173
	28-06-49-01	84.318X	30,534
	28-07-S5-01	84.318X	<u>91,832</u>
Total for Technology Improvement			<u>167,977</u>
Reading First Professional Development			
	28-05-RD-01	84.357A	<u>5,510</u>
Rural Education			
	28-06-RE-01	84.358B	<u>226,573</u>
English Language Acquisition Grants			
	28-06-S3-01	84.365A	9,015
	28-05-S3-01	84.365A	<u>249</u>
Total for English Language Acquisition			<u>9,264</u>
Improving Teacher Quality			
	28-06-50-01	84.367A	<u>1,068,383</u>
Even Start			
	28-06-F1-01	84.213C	<u>41,856</u>
Hurricane Education Recovery Act Programs:			
Homeless Youth	28-06-[H-01	84.938B	<u>10,564</u>
Total United States Department of Education			<u>9,261,420</u>

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Expenditures
<u>United States Department of Health & Human Services</u>			
Headstart *	N/A	93.600	2,727,710
Passed through State Department of Education: Starting Points Preschool/TANF	28-06-EP-01	93.558	<u>145,533</u>
Total United States Department of Health & Human Services			<u>2,873,243</u>
<u>United States Department of Homeland Security</u>			
Passed through State Department of Homeland Security Emergency Preparedness: Public Assistance Grants *	N/A	97.036	<u>513,245</u>
<u>United States Department of Agriculture</u>			
Passed through State Department of Education: National School Lunch & School Milk Program *	N/A	10.555	2,803,981
Passed through State Department of Agriculture: USDA Commodities	N/A	10.550	<u>220,422</u>
Total Department of Agriculture			<u>3,024,403</u>
TOTAL FEDERAL AWARDS			<u>\$15,672,311</u>

* Denotes major funds.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Acadia Parish School Board (the School Board). The School Board reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2007. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The following programs are considered major federal programs of the School Board: Headstart, IDEA and Preschool, National School Lunch and Milk Program, and Public Assistance Grants.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2007.

(3) Noncash Programs

The commodities received, which are noncash revenues, are valued using pricing provided by the United States Department of Agriculture.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2007

Part I. Summary of Auditor's Results:

1. An unqualified report was issued on the basic financial statements.
2. A significant deficiency in internal control was disclosed by the audit of the basic financial statements. The significant deficiency noted is considered a material weakness.
3. There were material instances of noncompliance.
4. No reportable conditions in internal control over the major programs were disclosed by the audit of the basic financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no findings required to be reported under Section 510(a) of Circular A-133.
7. The following programs were considered to be major programs:
 - U.S. Department of Health and Human Services: Headstart, CFDA 93.600.
 - U.S. Department of Education/State Department of Education: IDEA and Preschool, CFDA 84.027A and 84.173A.
 - U.S. Department of Agriculture/State Department of Education: National School Lunch and Milk Program, CFDA 10.555.
 - U.S. Department of Homeland Security/State Department of Homeland Security Emergency Preparedness: Public Assistance Grants, CFDA 97.036.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$470,169.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings –

See compliance findings 07-1(C) and 07-2(C) on the schedule of current and prior year audit findings and management's corrective action plan.

B. Internal Control Findings –

See internal control finding 07-3(IC) on the schedule of current and prior year audit findings and management's corrective action plan.

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2007

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings and questioned costs related to federal programs.

ACADIA PARISH SCHOOL BOARD

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2007

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
----------	--	------------------------	-------------------------	---------------------------	------------------------	-----------------------------

CURRENT YEAR (6/30/07) --

Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

07-1(C)	6/30/2007	<u>Non-compliance with Public Bid Law</u> Acadia Parish School Board did not comply with Louisiana Revised Statute 38:2211 and 38:2212 when it did not obtain bids for a public works project which exceeded \$100,000 and did not obtain three quotes for purchases which exceeded \$10,000 but less than \$20,000. Procedures need to be in place to make sure Public Bid Law is followed.	No	The maintenance department will be notified that public works projects which may exceed \$100,000 must be formally bid. If the initial estimated cost is below the threshold, close monitoring is necessary to insure that any change during construction does not push the cost beyond \$100,000. Also, Supervisors will be reminded that equipment purchases between \$10,000 and \$20,000 require documentation that quotes were received and that any purchases of \$20,000 or more requires formal bids.	Michael Leonards, Business Director	10/31/2007
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07-2(C)	6/30/2007	<u>Cash Management</u> Acadia Parish School Board was not in compliance with the Louisiana Fiscal Agency and Cash Management Laws due to unsecured deposits at one financial institution as of June 30, 2007.	Yes	Every month, bank balances for the school board and all school accounts are aggregated and compared to amounts pledged by each respective bank. Whenever a shortage is found, the bank is contacted about the deficiency so that additional amounts may be pledged. Due to the timing of this process, we are not able to complete this task until several weeks after the end of the month. The finding noted was remedied by the bank with additional pledging on July 9, 2007.	Michael Leonards, Business Director	Completed
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ACADIA PARISH SCHOOL BOARD

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2007

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/07) --						
<u>Internal Control Over Financial Reporting:</u>						
07-3(C)	6/30/2007	<u>Inadequate Bank Reconciliations</u> When examining bank reconciliations, it was noted that bank accounts were not accurately reconciled throughout the year. Bank accounts need to be reconciled accurately, timely, and reviewed monthly.	No	Additional steps have been added to insure the accuracy of bank balances, including a review of voided checks, writing off old outstanding checks (over 12 months), a report showing checks that have been re-issued, peer review of bank reconciliations by another accountant, and oversight by the business director. We will collectively review bank reconciliations before the end of the following month.	Michael Leonards, Business Director	10/31/2007

PRIOR YEAR (6/30/06) --

Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported.

Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

Compliance

There are no compliance findings to be reported.

Internal Control Over Financial Reporting:

There are no findings to be reported.

Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported.

**SUPPLEMENTAL SCHEDULES
OF
PERFORMANCE MEASURES**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. John Bourque, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Acadia Parish School Board and the Legislative Auditor, State of Louisiana, for the year ended June 30, 2007. 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 those parties specified in 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.

Our procedures and findings are as follows:

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

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

There were no exceptions noted.

II. Education Levels of Public School Staff (Schedule 2)

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

There were no exceptions noted.

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

There were no exceptions noted.

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

There were no exceptions noted.

III. Number and Type of Public Schools (Schedule 3)

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

There were no exceptions noted.

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

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

There were no exceptions noted.

V. Public Staff Data (Schedule 5)

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

There were no exceptions noted.

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

There were no exceptions noted.

VI. Class Size Characteristics (Schedule 6)

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

There was one exception noted.

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

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

There were no exceptions noted.

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

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

There were no exceptions noted.

IX. The IOWA and iLEAP Tests (Schedule 9)

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

There were no exceptions noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. 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 management of Acadia Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 29, 2007

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule I

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2007

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities -

Classroom teacher salaries	\$24,321,708
Other instructional staff salaries	1,655,245
Employee benefits	7,686,069
Purchased professional and technical services	17,604
Instructional materials and supplies	991,550
Instructional equipment	<u>208,579</u>

Total teacher and student interaction activities \$34,880,755

Other instructional activities:

Pupil support activities	2,623,399	64,438
Less: Equipment for pupil support activities	<u>-</u>	
Net pupil support activities		2,623,399
Instructional staff services	1,601,470	
Less: Equipment for instructional staff services	<u>-</u>	
Net instructional staff services		<u>1,601,470</u>

Total general fund instructional expenditures \$39,170,062

Total general fund equipment expenditures \$ 208,579

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 981,748
Renewable ad valorem tax	3,981,157
Debt service ad valorem tax	879,726
Up to 1% of collections by the Sheriff on taxes other than school taxes	182,331
Sales and use taxes	<u>10,510,202</u>
Total local taxation revenue	<u>\$16,535,164</u>

Local earnings on investment in real property:

Earnings from 16th section property	\$ 35,562
Earnings from other real property	<u>112,183</u>
Total local earnings on investment in real property	<u>\$ 147,745</u>

State revenue in lieu of taxes:

Revenue sharing - constitutional tax	\$ 133,206
Revenue sharing - other taxes	<u>117,657</u>
Total state revenue in lieu of taxes	<u>\$ 250,863</u>

Nonpublic textbook revenue

\$ 57,909

Nonpublic transportation revenue

\$ 152,437

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 2

Education Levels of Public School Staff
As of October 1, 2006

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a bachelor's degree	-	0%	-	0%	-	0%	-	0%
Bachelor's degree	500	85%	12	100%	-	0%	-	0%
Master's degree	74	13%	-	0%	9	23%	-	0%
Master's degree + 30	11	2%	-	0%	19	48%	-	0%
Specialist in education	2	0%	-	0%	11	27%	-	0%
Ph. D. or Ed. D.	3	0%	-	0%	1	2%	-	0%
Total	590	100%	12	100%	40	100%	-	0%

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 3

Number and Type of Public Schools
For the Year Ended June 30, 2007

Type	Number
Elementary	17
Middle/Junior high	4
Secondary	5
Combination	1
Total	27

Note: Schools opened or closed during the fiscal year are included in this schedule.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 4

Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2006

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant principals	-	-	2	2	2	2	5	13
Principals	-	-	-	1	1	4	21	27
Classroom teachers	59	59	189	79	71	48	97	602
Total	59	59	191	82	74	54	123	642

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 5

Public School Staff Data
For the Year Ended June 30, 2007

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average classroom teachers' salary including extra compensation	\$39,004	\$39,004
Average classroom teachers' salary excluding extra compensation	\$38,676	\$38,676
Number of teacher full-time equivalents (FTEs) used in computation of average salaries	597	597

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees and any teacher on sabbatical leave during any part of the school year.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 6

Class Size Characteristics
As of October 1, 2006

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	51%	953	33%	608	5%	83	0%	2
Elementary activity classes	7%	122	4%	74	0%	8	1%	12
Middle/Junior high	54%	349	23%	150	5%	33	0%	-
Middle/Junior high activity classes	11%	74	3%	19	2%	16	0%	1
High	51%	638	21%	261	9%	109	0%	4
High activity classes	17%	220	1%	12	1%	9	1%	5
Combination	94%	75	0%	-	5%	4	0%	-
Combination activity classes	1%	1	0%	-	0%	-	0%	-

Note: The 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.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 7

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2007

District Achievement Level Results	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	18	2%	22	3%	8	1%	9	1%	23	3%	15	2%
Mastery	120	16%	102	13%	149	19%	65	9%	144	18%	105	13%
Basic	327	45%	372	48%	359	45%	365	50%	350	45%	410	51%
Approaching basic	159	22%	186	24%	203	25%	166	23%	160	21%	165	21%
Unsatisfactory	105	15%	98	12%	79	10%	124	17%	103	13%	103	13%
Total	729	100%	780	100%	798	100%	729	100%	780	100%	798	100%

District Achievement Level Results	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	10	1%	17	2%	25	3%	6	1%	5	1%	2	0%
Mastery	97	13%	102	13%	128	16%	65	9%	99	13%	52	6%
Basic	369	51%	342	44%	426	53%	407	56%	428	55%	434	55%
Approaching basic	175	24%	245	31%	183	23%	147	20%	153	19%	223	28%
Unsatisfactory	76	11%	73	10%	36	5%	102	14%	93	12%	85	11%
Total	727	100%	779	100%	798	100%	727	100%	778	100%	796	100%

(continued)

ACADIA PARISH SCHOOL BOARD

Crowley, Louisiana

Schedule 7 (Continued)

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2007

District Achievement Level Results	English Language Arts						Mathematics							
	2007		2006		2005		2007		2006		2005			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 8														
Advanced	8	1%	12	2%	5	1%	43	7%	17	3%	13	2%		
Mastery	81	13%	79	13%	77	11%	43	7%	29	5%	31	4%		
Basic	337	54%	255	42%	298	42%	346	55%	337	53%	374	52%		
Approaching basic	178	29%	220	36%	239	34%	131	21%	161	24%	171	24%		
Unsatisfactory	21	3%	43	7%	86	12%	61	10%	97	15%	130	18%		
Total	625	100%	609	100%	705	100%	624	100%	641	100%	719	100%		

District Achievement Level Results	Science						Social Studies							
	2007		2006		2005		2007		2006		2005			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 8														
Advanced	9	1%	6	1%	9	1%	3	0%	5	1%	-	0%		
Mastery	106	17%	83	14%	100	14%	77	12%	54	9%	65	9%		
Basic	297	48%	250	41%	275	40%	314	51%	278	46%	317	46%		
Approaching basic	141	23%	178	30%	209	30%	154	25%	171	28%	155	22%		
Unsatisfactory	68	11%	87	14%	105	15%	72	12%	94	16%	161	23%		
Total	621	100%	604	100%	698	100%	620	100%	602	100%	698	100%		

ACADIA PARISH SCHOOL BOARD

Crowley, Louisiana

Schedule 8

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2007

District Achievement Level Results	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	8	1%	4	1%	6	1%	28	5%	37	6%	32	5%
Mastery	69	12%	59	11%	78	13%	84	14%	90	16%	94	15%
Basic	273	46%	303	55%	279	46%	260	43%	244	43%	248	41%
Approaching basic	145	24%	125	22%	152	25%	94	16%	102	18%	71	12%
Unsatisfactory	104	17%	63	11%	93	15%	131	22%	98	17%	164	27%
Total	599	100%	554	100%	608	100%	597	100%	571	100%	609	100%

District Achievement Level Results	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	14	3%	7	1%	16	3%	3	1%	1	0%	5	1%
Mastery	83	17%	57	11%	56	12%	38	8%	29	6%	34	7%
Basic	201	41%	217	42%	193	41%	270	56%	287	56%	249	52%
Approaching basic	129	27%	148	29%	123	26%	112	23%	127	25%	111	24%
Unsatisfactory	56	12%	87	17%	88	18%	60	12%	69	13%	77	16%
Total	483	100%	516	100%	476	100%	483	100%	513	100%	476	100%

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 9

The IOWA and iLEAP Tests
For the Year Ended June 30, 2007

	Composite	
	2005	2004
Test of basic skills (ITBS)		
Grade 3	57	55
Grade 5	61	57
Grade 6	48	47
Grade 7	50	48
Tests of educational development (ITED)		
Grade 9	47	45

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.

2005 was the last year of IOWA testing, from 2006 onwards iLEAP has taken its place.

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule 9 (Continued)
The IOWA and iLEAP Tests
For the Year Ended June 30, 2007

iLEAP District Achievement Level Results	English Language Arts				Mathematics			
	2007		2006		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	15	2%	4	1%	22	3%	16	2%
Mastery	102	14%	114	15%	104	14%	108	15%
Basic	372	51%	322	43%	352	48%	329	44%
Approaching basic	154	21%	182	25%	152	21%	194	26%
Unsatisfactory	86	12%	120	16%	100	14%	95	13%
Total	729	100%	742	100%	730	100%	742	100%

iLEAP District Achievement Level Results	Science				Social Studies			
	2007		2006		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	10	1%	3	0%	10	1%	9	1%
Mastery	73	10%	64	9%	70	10%	84	10%
Basic	327	45%	338	46%	381	52%	376	52%
Approaching basic	238	33%	253	34%	168	23%	171	23%
Unsatisfactory	81	11%	82	11%	99	14%	100	14%
Total	729	100%	740	100%	728	100%	740	100%

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule 9 (Continued)
The IOWA and iLEAP Tests
For the Year Ended June 30, 2007

Students	English Language Arts						Mathematics					
	2007			2006			2007			2006		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 5	13	2%		10	1%		26	4%		19	3%	
Advanced	80	11%		85	13%		65	9%		69	10%	
Mastery	304	44%		322	48%		330	48%		351	52%	
Basic	190	27%		191	28%		146	21%		132	20%	
Approaching basic	109	16%		65	10%		128	18%		102	15%	
Unsatisfactory												
Total	696	100%		673	100%		695	100%		673	100%	

Students	Science						Social Studies					
	2007			2006			2007			2006		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 5	10	1%		5	1%		16	2%		13	2%	
Advanced	91	13%		79	12%		82	12%		50	7%	
Mastery	296	43%		271	40%		353	51%		354	53%	
Basic	211	31%		240	36%		165	24%		160	24%	
Approaching basic	85	12%		77	11%		78	11%		94	14%	
Unsatisfactory												
Total	693	100%		672	100%		694	100%		671	100%	

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule 9 (Continued)

The IOWA and iLEAP Tests

For the Year Ended June 30, 2007

iLEAP District Achievement Level Results	English Language Arts				Mathematics			
	2007		2006		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 6								
Advanced	13	2%	11	2%	16	2%	13	2%
Mastery	69	10%	94	14%	66	9%	70	10%
Basic	367	52%	353	51%	376	54%	384	56%
Approaching basic	170	24%	154	22%	132	19%	130	19%
Unsatisfactory	84	12%	73	11%	113	16%	88	13%
Total	703	100%	685	100%	703	100%	685	100%

iLEAP District Achievement Level Results	Science				Social Studies			
	2007		2006		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 6								
Advanced	7	1%	5	1%	20	3%	17	2%
Mastery	85	12%	88	13%	46	6%	42	6%
Basic	304	43%	287	41%	299	43%	303	45%
Approaching basic	202	29%	204	30%	208	30%	198	29%
Unsatisfactory	104	15%	100	15%	129	18%	124	18%
Total	702	100%	684	100%	702	100%	684	100%

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule 9 (Continued)
The IOWA and iLEAP Tests
For the Year Ended June 30, 2007

Students	English Language Arts						Mathematics						
	2007			2006			2007			2006			
	Number	Percent		Number	Percent		Number	Percent		Number	Percent		
Grade 7													
Advanced	11	2%		23	3%		15	2%		15	2%		2%
Mastery	69	11%		92	13%		44	7%		39	6%		6%
Basic	310	49%		305	45%		343	54%		359	51%		51%
Approaching basic	188	29%		198	29%		147	23%		157	23%		23%
Unsatisfactory	56	9%		72	10%		85	14%		121	18%		18%
Total	634	100%		690	100%		634	100%		691	100%		100%

Students	Science						Social Studies						
	2007			2006			2007			2006			
	Number	Percent		Number	Percent		Number	Percent		Number	Percent		
Grade 7													
Advanced	6	1%		9	2%		1	0%		5	1%		1%
Mastery	82	13%		72	10%		56	9%		72	10%		10%
Basic	253	40%		277	40%		313	50%		335	49%		49%
Approaching basic	192	30%		225	33%		166	26%		162	24%		24%
Unsatisfactory	99	16%		105	15%		96	15%		112	16%		16%
Total	632	100%		688	100%		632	100%		686	100%		100%

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule 9 (Continued)
The IOWA and iLEAP Tests
For the Year Ended June 30, 2007

iLEAP District Achievement Level Results	English Language Arts						Mathematics					
	2007			2006			2007			2006		
	Number	Percent		Number	Percent		Number	Percent		Number	Percent	
Grade 9												
Advanced	4	1%		9	1%		30	4%		24	3%	
Mastery	64	9%		59	8%		47	7%		64	9%	
Basic	319	47%		322	47%		338	50%		327	48%	
Approaching basic	205	30%		209	30%		128	19%		136	19%	
Unsatisfactory	88	13%		100	14%		137	20%		147	21%	
Total	680	100%		699	100%		680	100%		698	100%	