

**CITY OF BOGALUSA SCHOOL BOARD****FINANCIAL STATEMENTS  
AND SINGLE AUDIT REPORTS****For the Year Ended June 30, 2006**

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 1-17-07

# CITY OF BOGALUSA SCHOOL BOARD

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**CITY OF BOGALUSA SCHOOL BOARD**

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## **FINANCIAL SECTION**

# **REBOWE & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Board Members  
City of Bogalusa School Board  
1705 Sullivan Drive  
Bogalusa, LA 70429

Members of the Board:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bogalusa School Board (the "School Board") as of and for the year ended June 30, 2006, 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 an opinion 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2006, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 11 and 39 through 43, 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 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. This additional information is the responsibility of the School Board's management. The accompanying Schedule of Expenditures of Federal Awards 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. The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Rebowe & Company*

December 29, 2006

**REQUIRED SUPPLEMENTARY INFORMATION -  
PART I**



**BOGALUSA CITY SCHOOL BOARD**  
**BOGALUSA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2006**

The Management's Discussion and Analysis (MD&A) of the Bogalusa City School Board (School Board) financial performance provides an overall review and an objective, easily readable analysis of the School Board's financial activities for the fiscal year ended June 30, 2006. The intent of the MD&A is to look at the School Board's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. Therefore, readers should read the MD&A in conjunction with the School Board's Basic Financial Statements and the Notes to the Financial Statements.

The MD&A is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the years ending June 30, 2006 and 2005 include the following:

Net assets amounted to \$4,776,123 and \$7,907,966 for the years ended June 30, 2005 and 2006, respectively. The net assets were composed of the following elements:

**Net Assets**

	<u>2006</u>	<u>2005</u>
Invested in capital assets, net of related debt	\$ 5,514,937	\$ 4,798,597
Unrestricted:	<u>2,393,029</u>	<u>(22,474)</u>
	<u>\$ 7,907,966</u>	<u>\$ 4,776,123</u>

Net Assets increased from July 1, 2005 to June 30, 2006 by \$3,131,843. Although there are many factors that make up this increase; the largest factor is the increase in minimum foundation funds. The amount "Invested in capital assets, net of related debt", represents the Board's net book value of its fixed assets. It is the accumulation of years of investments in capital projects. The Unrestricted portion of net assets reflects a surplus of \$2,393,029, representing several years of reduced expenditures and the reduction of non-essential personnel.

**BOGALUSA CITY SCHOOL BOARD**  
**BOGALUSA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2006**

As of June 30, 2006 and 2005, total assets amounted to \$10,508,052 and \$8,125,580, respectively, attributed to the following elements:

	<u>2006</u>	<u>2005</u>
Cash and cash equivalents	\$ 2,851,132	\$ 1,620,822
Other receivables	647,511	295,177
Due from other governments	1,420,977	1,354,322
Inventory	73,495	56,662
Capital assets (net of accumulated depreciation)	<u>5,514,937</u>	<u>4,798,597</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 10,508,052</u></b>	<b><u>\$ 8,125,580</u></b>

Due from other governments represents federal and state grant monies due at year end. Capital assets represent the investment in capital projects over the history of the board.

As of June 30, 2006 and 2005, total liabilities amounted to \$2,600,086 and \$3,349,457, respectively, due to the following items:

	<u>2006</u>	<u>2005</u>
Accounts, salaries, and other payables	\$ 1,062,874	\$ 1,981,555
Liabilities due within one year	1,035,632	459,178
Due in over a year	<u>501,580</u>	<u>908,724</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 2,600,086</u></b>	<b><u>\$ 3,349,457</u></b>

Accounts, salaries, and other payables represent normal year end payables and the accrued summer payroll. The remainder represents compensated absences and a capital lease payable.

**BOGALUSA CITY SCHOOL BOARD**  
**BOGALUSA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2006**

As of June 30, 2006 and 2005, total revenues amounted to \$28,481,177 and \$27,288,702, respectively, due to the following items:

	<u>2006</u>	<u>2005</u>
Minimum Foundation Program	\$ 13,600,765	\$ 13,942,604
Sales Taxes	2,449,306	2,124,049
Operating Grants	6,843,028	7,344,814
Ad Valorem Taxes	3,593,269	3,387,100
Other Revenue	1,994,809	490,135
Capital Grant	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 28,481,177</u></b>	<b><u>\$ 27,288,702</u></b>

The largest single revenue source continues to be the Minimum Foundation Program (MFP) distribution from the state, amounting to \$13,600,765. This MFP formula establishes a standard of local support for each school system based on the state average local support relative to the system's capacity to raise local funds.

The School Lunch Program and Title I continue to be the largest federally funded programs with \$1,113,142 and \$1,737,731 in grant revenue, respectively.

As of June 30, 2006 and 2005, total expenses amounted to \$25,349,335 and \$26,576,632, respectively, due to the following items:

	<u>2006</u>	<u>2005</u>
Instruction related expenses	\$ 14,111,453	\$ 15,260,731
Support services	11,204,251	11,272,303
Construction and land improvement	33,631	13,516
Interest	<u>-</u>	<u>30,082</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 25,349,335</u></b>	<b><u>\$ 26,576,632</u></b>

Expenditure increases are the result of an increase in expenditure driven grants. This, however, was countered by a reduction in personnel, the closure of schools, and the application of cost saving measures in the fiscal budget to eliminate deficit spending, which in turn led to an overall increase in Net Assets at year end.

**BOGALUSA CITY SCHOOL BOARD**  
**BOGALUSA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2006**

**USING THE BASIC FINANCIAL STATEMENTS**

The School Board's Basic Financial Statements consist of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a financial whole, i.e., an entire operating entity, its funds, and its fiduciary responsibilities. The "Basic Financial Statements" Section, consisting of the Statement of Net Assets, and the Statement of Activities provide highly consolidated financial information, and render a government-wide perspective of the School Board's financial condition. The Fund Financial Statements provide the next level of detail and look at the School Board's most significant funds and a total of all other nonmajor funds.

*Reporting the School District as a Whole*

*Statement of Net Assets and the Statement of Activities (Government-wide)*

The Statement of Net Assets and the Statement of Activities present an aggregate view of the School Board's finances and a longer-term view of those finances. These statements seek to answer the question, "How did the School Board do financially during the 2005-2006 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private-sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

These two statements report the School Board's net assets and changes in those assets. By showing the change in net assets for the year, the reader may ascertain whether the School Board's financial condition has improved or deteriorated. The causes of the change may be the result of many factors, both financial and non-financial in nature. Non-financial factors which may have an impact on the School Board's financial condition include the School Board's property and sales tax base, student enrollment, facility conditions, required educational programs for which little or no funding is provided, or other external factors.

*Reporting the School District's Most Significant Funds*

*Fund Financial Statements*

The analysis of the School Board's major funds provide more in-depth reporting of the School Board's financial position and the results of operations. Fund basis financial information is presented in the "Fund Financial Statements" Section. The School Board uses many funds to account for the numerous funding sources provided annually. However, the Fund Financial Statements look at the School Board's most significant funds with all non-major funds presented in total in one column. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods.

**BOGALUSA CITY SCHOOL BOARD**  
**BOGALUSA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2006**

Fund Financial Statements provide more in-depth data on the School Board's most significant funds, such as its General Fund. This fund is considered a "major fund" under GASB Statement No. 34.

*Governmental Funds* - Most of the School District's activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year-end and the amount available for spending in future periods.

These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

The relationship between governmental activities reported in the Government-wide Financial Statements and the governmental funds reported in the Fund Financial Statements are reconciled in the financial statements.

*Statement of Fiduciary Net Assets* - This statement presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust.

*Governmental Activities*

As reported in the Statement of Activities, the cost of the School Board's governmental activities for the year ended June 30, 2006 was \$25,349,335. The Statement of Activities shows the cost of program services and the charges and grants offsetting some of those services. Grants of \$6,757,093 subsidized certain programs, and charges for services for school lunches was the only contributor of charges for services totaling \$85,935. The remaining amount was financed by the taxpayers in the parish through ad valorem and sales and use taxes totaling \$6,042,575 and \$263,025 in State Revenue Sharing. The Minimum Foundation Program (MFP) from the State of Louisiana funded \$13,600,765 and other general revenues contributed the remainder. In Table I, shown on the following page, the cost of the School Board's largest categories of expenses are presented as well as each program's net cost (total cost less revenues generated by the activities). This "net cost" presentation allows the parish taxpayers to determine the remaining cost of the various categories, and also allows them the opportunity to assess the cost of each function in comparison to the benefits they believe are provided by the function. The net cost also reflects the amount needed to finance these functions from general sources such as taxes and MFP.

**BOGALUSA CITY SCHOOL BOARD**  
**BOGALUSA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2006**

Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Governmental activities:		
Instruction:		
Regular programs	\$ 8,581,486	\$ (8,569,180)
Special programs	4,607,272	(387,190)
Vocational programs	409,779	(409,779)
Adult Programs	-	8,976
All other programs	512,916	621,803
Support services:		
Student services	1,910,877	(1,910,877)
Instructional staff support	1,505,807	(1,403,318)
General administration	513,866	(422,457)
School administration	1,570,289	(1,570,289)
Business services	607,794	(607,794)
Plant services	2,690,838	(2,690,838)
Student transportation services	498,012	(488,869)
Central services	83,702	(83,702)
Food services	1,684,288	(420,384)
Community service programs	138,778	(138,778)
Construction and land improvement	33,631	(33,631)
Interest	<u>-</u>	<u>-</u>
 Total Governmental Activities	 <u>\$ 25,349,335</u>	 <u>\$(18,506,307)</u>

**THE SCHOOL BOARD'S FUNDS**

The School Board uses funds to control and permit measurement in the short term of the revenues and expenditures of a particular activity or purpose (e.g., dedicated taxes and grant programs). The Fund Financial Statements allow the School Board to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial management of the School Board and assess further the School Board's overall financial stability.

As the School Board completed the fiscal year ended June 30, 2006, its combined fund balance was \$3,930,241 as compared to a combined fund balance of \$1,345,428 as of June 30, 2005. The General Fund's fund balance increased by \$2,925,835 mainly as a result of a cost savings plan implemented in 2005. This cost savings plan consisted of closing schools and eliminating various personnel positions.

**BOGALUSA CITY SCHOOL BOARD**  
**BOGALUSA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2006**

**General Fund Budgetary Highlights**

The School Board's budget is prepared according to Louisiana law. During the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The original budget for the School Board was adopted in November 2005 and the amended budget was adopted in May 2006. A statement showing the School Board's original and final budget compared with actual operating results is provided in this financial report. The General Fund's actual revenues exceeded projected revenues by \$3,045,279. Total expenditures were more than projected by \$340,193.

Significant variations between the original budget and the final budget for the General Fund are as follows:

Original and Final Amended Budget Comparison  
June 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Difference</u>
Total Revenues	\$ 19,148,362	\$ 19,258,257	\$ 109,895
Total Expenditures	(19,431,362)	(19,262,561)	168,801
Other Financing Sources	<u>283,000</u>	<u>4,304</u>	<u>(278,696)</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

A comparison of actual results as of June 30, 2006 and the final amended budget for the General Fund are as follows:

Final Budget Comparison  
June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Difference</u>
Total Revenues	\$ 19,258,257	\$ 22,303,536	\$ 3,045,279
Total Expenditures	(19,262,561)	(19,613,354)	(350,793)
Other Financing Sources	<u>4,304</u>	<u>235,653</u>	<u>231,349</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>2,925,835</u>	\$ <u>2,925,835</u>

**BOGALUSA CITY SCHOOL BOARD**  
**BOGALUSA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2006**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital Assets*

At June 30, 2006, the School Board has approximately \$16.5 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment.

Capital Assets at  
June 30, 2006

	<u>2006</u>
Land	\$ 185,626
Buildings and improvements	13,286,555
Furniture and equipment	<u>2,978,991</u>
Totals	<u>\$ 16,451,172</u>

During the current year, additions of \$1,305,160 of fixed assets were capitalized while \$5,095 were deleted. Other long-term obligations include accrued sick leave and annual leave at June 30, 2006 of both current and long-term obligations was \$968,336, and a capital lease payable of \$568,876.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Bogalusa School Board through the leadership of the Superintendent and the School Board have significantly improved the District's infrastructure through the task of rebuilding our schools in the aftermath of Katrina.

The close monitoring of the District's budget and eliminating the general fund deficit allowed the District to restore our buildings to pre-Katrina status.

The impact on future ad valorem and sales taxes seem to have a positive and bright future for the School District.

A major concern of the School Board is tied in large measure to the state funding formula. The financial well being of the School Board is based upon the student count and with the loss of student population the School Board will rely on the general fund to maintain current levels of operation.



**BOGALUSA CITY SCHOOL BOARD**  
**BOGALUSA, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**June 30, 2006**

**CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT**

While this financial report is designed to provide full and complete disclosure of the financial condition and operations of the School Board, citizens groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Bogalusa City School District, 1705 Sullivan Dr., Bogalusa, LA 70427, or by calling (985) 281-2100 during regular office hours, Monday through Friday, 8:00 a.m. to 4:00 p.m., Central Standard Time, or e-mail at [deloriswalker@bogalusaschools.org](mailto:deloriswalker@bogalusaschools.org).

## **BASIC FINANCIAL STATEMENTS**

**CITY OF BOGALUSA SCHOOL BOARD**  
**STATEMENT OF NET ASSETS**  
**June 30, 2006**

**ASSETS**

Cash and cash equivalents	\$ 2,851,132
Other receivables	647,511
Due from other governments	1,420,977
Inventory	73,495
Capital assets (net of accumulated depreciation)	<u>5,514,937</u>
 Total Assets	 <u>10,508,052</u>

**LIABILITIES**

Accounts, salaries, and other payables	1,062,874
Long-term liabilities:	
Due within one year	1,035,632
Due in more than one year	<u>501,580</u>
 Total Liabilities	 <u>2,600,086</u>

**NET ASSETS**

Invested in capital assets, net of related debt	5,514,937
Unrestricted	<u>2,393,029</u>
 <b>TOTAL NET ASSETS</b>	 <u><u>\$ 7,907,966</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BOGALUSA SCHOOL BOARD**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2006**

	PROGRAM REVENUES				NET (EXPENSE)
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET ASSETS
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction:					
Regular programs	\$ 8,581,486	\$ -	\$ 12,306	\$ -	\$ (8,569,180)
Special programs	4,607,272	-	4,220,082	-	(387,190)
Vocational programs	409,779	-	0	-	(409,779)
Adult programs	0	-	8,976	-	8,976
All other programs	512,916	-	1,134,719	-	621,803
Support services:					
Student services	1,910,877	-	-	-	(1,910,877)
Instructional staff support	1,505,807	-	102,489	-	(1,403,318)
General administration	513,866	-	91,409	-	(422,457)
School administration	1,570,289	-	-	-	(1,570,289)
Business services	607,794	-	-	-	(607,794)
Plant services	2,690,838	-	-	-	(2,690,838)
Student transportation services	498,012	-	9,143	-	(488,869)
Central services	83,702	-	-	-	(83,702)
Food services	1,684,288	85,936	1,177,969	-	(420,383)
Community service programs	138,778	-	-	-	(138,778)
Construction and land improvement	33,631	-	-	-	(33,631)
Interest	0	-	-	-	-
Total Governmental Activities	\$ 25,349,335	\$ 85,936	\$ 6,757,093	\$ -	\$ (18,506,306)
Taxes:					
Property taxes				\$	3,593,269
Sales and use taxes					2,449,306
State revenue sharing					263,025
Grants and contributions not restricted to specific purposes:					
Minimum Foundation Program					13,600,765
Unrestricted investment earnings					63,393
Miscellaneous					1,668,391
Total general revenues and special items					21,638,149
Change in net assets					3,131,843
Net assets - July 1, 2005					4,776,123
Net assets - June 30, 2006				\$	7,907,966

The notes to the financial statements are an integral part of this statement.

**CITY OF BOGALUSA SCHOOL BOARD**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2006**

	General Fund	Food Services	Other Governmental Funds	TOTAL
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,814,897	\$ 36,235	\$ -	\$ 2,851,132
Receivables	950,604	5,073	1,112,811	2,068,488
Due from other funds	1,202,432	5,923	-	1,208,355
Inventory	-	73,495	-	73,495
<b>TOTAL ASSETS</b>	<b>\$ 4,967,933</b>	<b>\$ 120,726</b>	<b>\$ 1,112,811</b>	<b>\$ 6,201,470</b>

**LIABILITIES AND FUND BALANCES**

Liabilities:				
Accounts, salaries, and other payables	\$ 1,062,031	\$ -	\$ 135	\$ 1,062,166
Bank overdraft	-	-	708	708
Due to other funds	-	96,387	1,111,968	1,208,355
Total Liabilities	1,062,031	96,387	1,112,811	2,271,229

Fund balances:				
Reserved for:				
Inventory	-	73,495	-	73,495
Unreserved, Undesignated Reported In:				
General Fund	3,905,902	-	-	3,905,902
Special Revenue Funds	-	(49,156)	-	(49,156)
Total Fund Balances	3,905,902	24,339	-	3,930,241

<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,967,933</b>	<b>\$ 120,726</b>	<b>\$ 1,112,811</b>	<b>\$ 6,201,470</b>
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The notes to the financial statements are an integral part of this statement.

**CITY OF BOGALUSA SCHOOL BOARD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**June 30, 2006**

Total Fund Balances at June 30, 2006 - Governmental Funds		<u>\$ 3,930,241</u>
Cost of capital assets at June 30, 2006	\$ 16,451,172	
Less - accumulated depreciation as of June 30, 2006:		
Buildings and improvements	(9,595,869)	
Furniture and equipment	<u>(1,340,366)</u>	<u>5,514,937</u>
Elimination of interfund assets and liabilities:		
Due from other funds	1,208,355	
Due to other funds	<u>(1,208,355)</u>	<u>-</u>
Long-term liabilities at June 30, 2006:		
Capital lease payable		(568,876)
Compensated absences		<u>(968,336)</u>
Net Assets at June 30, 2006		<u>\$ 7,907,966</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BOGALUSA SCHOOL BOARD  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2006**

	General Fund	Food Services	Other Governmental Funds	Total
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 3,593,269	\$ -	\$ -	\$ 3,593,269
Sales and use	2,449,306	-	-	2,449,306
Interest earnings	60,863	2,530	-	63,393
Charges for services	-	85,786	149	85,935
Other	1,543,159	-	-	1,543,159
Total Local Sources	<u>7,646,597</u>	<u>88,316</u>	<u>149</u>	<u>7,735,062</u>
State sources:				
Minimum Foundation Program	13,562,112	38,653	-	13,600,765
Revenue Sharing	263,025	-	-	263,025
Other	299,678	-	558,620	858,298
Total State Sources	<u>14,124,815</u>	<u>38,653</u>	<u>558,620</u>	<u>14,722,088</u>
Federal Sources	<u>532,124</u>	<u>1,113,142</u>	<u>4,379,448</u>	<u>6,024,714</u>
<b>TOTAL REVENUES</b>	<u>22,303,536</u>	<u>1,240,111</u>	<u>4,938,217</u>	<u>28,481,864</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	8,002,248	-	306,909	8,309,157
Special programs	2,063,371	-	2,441,648	4,505,019
Vocational programs	400,684	-	79,555	480,239
All other programs	421,977	-	-	421,977
Adult programs	-	-	-	-
Support services:				
Student services	1,769,570	-	98,897	1,868,467
Instructional staff support	453,403	-	1,018,984	1,472,387
General administration	427,702	-	140,562	568,264
School administration	1,155,392	-	380,046	1,535,438
Business services	594,305	-	-	594,305
Plant services	2,731,304	-	17,004	2,748,308
Student transportation services	468,674	-	18,285	486,959
Central services	81,844	-	-	81,844
School food services	800	1,580,998	65,109	1,646,907
Community service programs	-	-	135,698	135,698
Construction and land improvement	1,042,080	14,592	-	1,056,672
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>19,613,354</u>	<u>1,595,590</u>	<u>4,702,697</u>	<u>25,911,641</u>

(Continued)

**CITY OF BOGALUSA SCHOOL BOARD**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE (CONTINUED)**  
**For the Year Ended June 30, 2006**

	General Fund	Food Services	Other Governmental Funds	Total
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,690,182	(355,479)	235,520	2,570,223
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	235,653	-	-	235,653
Transfers out	-	-	(235,653)	(235,653)
Debt issued	-	14,592	-	14,592
Total Other Financing Sources (Uses)	235,653	14,592	(235,653)	14,592
<b>NET CHANGES IN FUND BALANCES</b>	2,925,835	(340,887)	(133)	2,584,815
<b>FUND BALANCES - BEGINNING</b>	980,067	365,226	133	1,345,426
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,905,902</u>	<u>\$ 24,339</u>	<u>\$ -</u>	<u>\$ 3,930,241</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF BOGALUSA SCHOOL BOARD**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2006**

Total net change in fund balances - governmental funds \$ 2,584,815

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

Capital outlays are reported in governmental funds as expenditures.  
However, in the Statement of Activities, the cost of those assets is  
allocated over their estimated useful lives and reported as depreciation  
expense. This is the amount by which capital outlays exceeded  
depreciation in the current year:

Depreciation expense	\$ (588,130)	
Capital outlays	<u>1,166,875</u>	578,745

Loss on disposal of fixed assets is recorded as a loss in the Statement of  
Activities. (687)

In the statement of activities, certain operating expense-compensated  
absences are measured by the amounts earned during the year. In the  
governmental funds, however, expenditures for these items are measured  
by the amount of financial resources used (amounts actually paid).  
Compensated absences earned exceeded the amounts used by \$83,731.

(83,731)

In the statement of activities, debt proceeds are recorded as an increase  
in long-term liabilities. In governmental funds however, debt proceeds  
are recorded as other financing sources and principal payments are  
recorded as other financing sources and principal payments are recorded  
as debt service expenditures. Debt proceeds and payments are:

Debt proceeds	(14,592)	
Principal portion of debt service payments	<u>67,293</u>	52,701

Change in net assets of governmental activities \$ 3,131,843

The notes to the financial statements are an integral part of this statement.

**CITY OF BOGALUSA SCHOOL BOARD**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**June 30, 2006**

	<u>AGENCY FUND</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 177,247
Fixed assets	<u>12,696</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 189,943</u></u>
<b>LIABILITIES</b>	
Deposits due others	\$ 177,247
Capital lease payable	<u>12,696</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 189,943</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2006**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Bogalusa School Board (the "School Board") is an independent special district created for the purpose of providing elementary and secondary education to the citizens of Bogalusa, Louisiana. The School Board is governed by an elected board comprised of seven members.

The following is a summary of the School Board's significant accounting policies which conform to generally accepted accounting principles as applicable to governmental units:

**Reporting Entity** - In conformity with the Governmental Accounting Standards Board's definition of a reporting entity, the basic financial statements of the School Board include the accounts of all School Board operations. The School Board is considered a stand-alone reporting entity based on the following criteria:

- a. *Responsibility for surpluses/deficits.* The School Board is solely responsible for its surpluses/deficits. No other governmental unit is responsible for its deficits or has a claim to its surpluses.
- b. *Budget Approval.* The School Board is solely responsible for reviewing, approving and revising its budget.
- c. *Responsibility for Debt.* The School Board is authorized to issue bonds. The School Board is solely responsible for payments to the bondholders. No other governmental unit is required by statute to make any payments to bondholders nor have any payments to bondholders ever been made by any governmental unit, except the School Board.
- d. *Designation of Management.* The School Board controls the hiring of management and employees.
- e. *Special Financial Relationship.* The School Board has no special financial relationships with any other governmental unit.
- f. *Statutory Authority.* The School Board's statutory authority was created by the State of Louisiana as an independent governmental unit. Only an amendment to state statutes can change or abolish the School Board's authority.

Additionally, the School Board is a legally separate governmental organization that has a separately elected governing body and does not meet the definition of a component unit.

The School Board operates 7 schools within the City with a total enrollment of approximately 2500 pupils. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. The School Board members, who are elected by the public, have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. Certain units of local government, over which the School Board exercises no financial accountability, such as other independently elected parish officials and municipalities within the parish, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity and does not have any component units which require inclusion in the basic financial statements.

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

**Governmental Funds**

Governmental funds account for all or most of the School Board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School Board. The following are the School Board's primary governmental funds:

**General Fund** - to account for all financial resources and expenditures except those required to be accounted for in another fund.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Special Revenue Funds** - to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.

**Fiduciary Fund Types**

The Fiduciary Fund is used to account for assets held by the School Board in a trustee or agency capacity. The School Board maintains one fiduciary fund type, an agency fund. An agency fund is custodial in nature and does not present results of operations or have a measurement focus.

**Agency Funds** - to account for assets held by the School Board as an agent for others.

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

**Measurement Focus/Basis of Accounting**

**Government-wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities - Agency Funds. The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange 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 derive directly 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.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

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, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

Revenues from local sources consist primarily of sales, use and property taxes. Year-end accrual of sales and use tax revenue is based upon June and prior months' sales and use taxes collected during July and August of the following year. Property tax revenues and revenues received from the State of Louisiana (the "State") are recognized as revenue primarily when received except at year end when they are accrued for a period not exceeding 60 days. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Generally, investment earnings are recorded as earned since they are measurable and available. Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant.

Expenditures

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees; (2) general long-term obligations principal and interest payments are recognized when due. Commitments under construction contracts are recognized as expenditures when earned by the contractor. 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. The cost of earned leave privileges not requiring current resources is not recorded in the FFS but is recorded in the GWFS as long-term liabilities.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budget and Budgetary Accounting** - Under Louisiana Revised Statutes 39:1304, the School Board adopts an annual budget of expected revenues and probable expenditures for the General Fund and Special Revenue Funds. The budgetary process includes public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. The budget is adopted and submitted to the State Department of Education no later than September 15th each year. Once a budget is approved by the State Department of Education, it can be amended at the function level at the discretion of management unless it becomes evident that receipts or disbursements will vary substantially from those budgeted. Then, the School Board shall prepare and adopt an amended budget. During the year, several discretionary amendments were necessary. Generally, such discretionary amendments were of an insignificant nature.

Budgetary control is exercised at the revenue and expenditure function level. Budgeted amounts reflected in the accompanying basic financial statements were adopted by the School Board in September 2005 and include amendments made through May 2006.

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is not employed by the School Board, and encumbrances outstanding at year-end are not reported.

**Cash and Cash Equivalents** - Cash and cash equivalents include all short-term, highly liquid investments (including certificates of deposit) with original maturity of three months or less when purchased.

**Investments** - Investments are stated at market value, which is based on published prices.

**Intergovernmental Receivables** - Intergovernmental receivables consist of receivables for reimbursement of expenditures under various state and federal programs and grants. All amounts are expected to be collected within the next twelve months.

**Interfund Transactions** - During the normal course of operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables, as well as short-term interfund loans, are classified as interfund receivables or interfund payables on the balance sheet.

**Inventories** - The Food Service Fund inventories consist of purchased food and supplies and commodities received as donations through the federal school lunch program. Such inventories are priced at cost (except for commodities received as donations which are priced using the USDA price list for commodities) on a first-in, first-out basis. The commodities are recorded as revenues when received. However, all inventories consumed are recorded as commodities expenditure (consumption method).



**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets** - Capital assets that are purchased are recorded at cost or estimated historical cost. Actual historical cost data was not available for certain assets acquired prior to June 30, 1989. In those cases where it was not feasible to determine the actual cost, the assets were valued at estimated historical cost. Capital assets which are donated are recorded at their fair market value on the date received.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. All capital assets with an original cost of \$5,000 or greater, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	15-30 years
Furniture and equipment	5 years

**Compensated Absences**

- A. Vacation and Sick Leave - All full-time employees of the School Board are permitted to accrue vacation days (annual leave) and sick pay (sick leave). Annual leave can be accumulated up to a maximum of 15 days at the end of each fiscal year. Sick leave may accrue up to an unlimited number of days. Upon retirement of employment, the employee is paid for all accrued sick leave up to a maximum of 25 days. In the governmental funds, only that portion which will be liquidated within one year with expendable available financial resources is accrued at year-end. The term "expendable available financial resources" as used in this context means unreserved, undesignated fund balance. The remainder of the accrued liability which is applicable to governmental fund types is reported in the GWFS as long-term liabilities. Only that portion of accumulated sick leave which is vested is accrued.
- B. Sabbatical Leave - Any employee with a teaching certificate is entitled, subject to approval, to one semester of sabbatical leave after three or more years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leaves may be granted for rest and recuperation or professional and cultural improvement and must be approved by the School Board. Unused sabbatical leave may be carried forward to periods subsequent to that in which it is earned. Sabbatical leave does not vest. Sabbatical leave benefits are recorded as expenditures in the period paid.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

The cost of current leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when an employee (heir) is paid for accrued leave upon retirement or death.

The compensated absence liability is reported on the GWFS.

For the FFS, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported.

**Restricted Net Assets**

For GWFS Statement of Net Assets, net assets are reported as restricted when constraints placed on net assets used are either:

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

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**2. CASH AND INVESTMENTS**

**Deposits** - Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under state law and national banks having their principal offices in Louisiana. In accordance with Louisiana Statutes, the School Board maintains deposits at those depository banks authorized by the School Board. All such depositories are members of the Federal Reserve System.

Louisiana Statutes require that all School Board deposits be protected by insurance or collateral. The market value of collateral pledged must equal 100% of the deposits not covered by insurance.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**2. CASH AND INVESTMENTS (CONTINUED)**

**Cash and Cash Equivalents**

At June 30, 2006, the School Board had cash and cash equivalents as follows:

Bank accounts as reported on Balance Sheet	<u>\$2,851,132</u>
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Under state law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

At year-end, the bank balance deposits totaled \$4,209,756.

The bank balance is categorized as follows:

Amount insured by the FDIC, or collateralized with securities held by the School Board's agent in the School Board's name.	\$4,209,756
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The School Board does not have a deposit policy for custodial credit risk.

**Investments**

Cash balances of the School Board's funds are pooled and invested to the extent possible in authorized investments. Interest earned on invested cash is distributed to the various funds on the basis of the actual invested cash balances of the participating funds during the year.

The School Board invests idle funds as authorized by Louisiana Statutes in direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States. The investments are in the name of the School Board and are held in the trust department of a custodial bank.

At June 30, 2006, the School Board held no investments.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**3. RECEIVABLES**

The receivables at June 30, 2006, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Sales and use taxes	\$ -	\$ -	\$ -
Grants:			
Federal	236,992	1,004,383	1,241,375
State	66,101	108,460	174,561
Other	<u>647,511</u>	<u>5,041</u>	<u>652,552</u>
Total	<u>\$ 950,604</u>	<u>\$1,117,884</u>	<u>\$2,668,488</u>

**4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Individual balances due from/to other funds at June 30, 2006 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund		
	EETT	\$ 19,660
	First Tech	31,843
	GEE Remediation	7,784
	LATAAP	90
	LEAP Remediation	45,302
	SFS	96,387
	SFS Summer	15,214
	SPED Idea B	110,569
	SPED Preschool	27,235
	SPED ESYP	14,691
	Title I	365,931
	Title II	81,758
	Title III	7,985
	Title IV	29,918
	Title V	1,243
	REAP	64,519
	Local Teacher Quality	8,750
	Reading First	241,201
	TANF After School	10,986
	TANF LA 4	20,000
	HIPPY	1,366
Food Service Special Revenue Fund	Summer Food	<u>5,923</u>
	Total	<u>\$1,208,385</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED):**

Interfund transfers for the year ended June 30, 2006 are as follows:

Transfers Out to General Fund:

EETT	\$ 1,954
First Tech	5,857
TANF La 4 Pre-School	7,874
TANF After School	3,222
IDEA B Special Education	44,570
Reading First	30,749
SPED Pre-School	4,204
Title I	119,431
Title II	16,720
Title III	157
Title IV	492
Title V	<u>423</u>
Total Transfer to General Fund	<u>\$235,653</u>

General Fund received indirect cost allocations from federal award programs for the funds indicated for the year ended June 30, 2006.

**5. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance June 30, 2005	Additions	Deletions	Balance June 30, 2006
Land	\$ 185,626	\$ -	\$ -	\$ 185,626
Buildings and improvements	12,101,245	1,185,310	-	13,286,555
Furniture and equipment	2,864,235	119,850	(5,095)	2,978,991
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 15,151,106</u>	<u>\$ 1,305,160</u>	<u>\$ (5,095)</u>	<u>\$ 16,451,171</u>
Less accumulated depreciation:				
Building and improvements	\$ 9,304,738	\$ 291,127	\$ -	\$ 9,595,865
Furniture and equipment	<u>1,047,771</u>	<u>297,006</u>	<u>(4,408)</u>	<u>1,340,369</u>
Total	<u>10,352,509</u>	<u>588,133</u>	<u>(4,408)</u>	<u>10,936,234</u>
Capital assets, net	<u>\$ 4,798,597</u>	<u>\$ 717,027</u>	<u>\$ (687)</u>	<u>\$ 5,514,937</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**5. CAPITAL ASSETS (CONTINUED)**

Depreciation expense of \$588,130 for the year ended June 30, 2006, was charged to the following governmental functions:

<b>Instruction:</b>	
Regular Education	\$ 188,598
Special Education	102,253
Vocational Education	9,095
Adult Programs	-
Other Educational Programs	11,384
<b>Support Services:</b>	
Student Services:	42,410
Instructional Staff Support	33,420
General Administration	12,898
School Administration	34,851
Business Services	13,489
Plant Services	62,380
Student Transportation	11,053
Central Services	1,858
School Food Services	37,381
Community Service	3,080
Construction and Land improvement	23,984
<b>Total</b>	<b>\$ 588,134</b>

**6. SALES AND USE TAX**

For the year ended June 30, 2006, a one cent local sales and use tax was levied and collected within Washington Parish by the Washington Parish Sheriff's Office of which 55% was received by the School Board. All of the sales tax proceeds are used to pay payroll related expenditures of the School Board.

**7. SALARIES AND OTHER PAYABLES**

Payables at June 30, 2006 are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Accounts payable	\$ 86,462	\$ 843	\$ 87,305
Salaries and withholdings	975,569	-	975,569
Employer's portion of retirement payable	-	-	-
<b>Total</b>	<b><u>\$ 1,062,031</u></b>	<b><u>\$ 843</u></b>	<b><u>\$ 1,062,874</u></b>

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**8. CHANGES IN LONG-TERM DEBT**

The following is a summary of the changes to general long-term obligations for the year ended June 30, 2006:

	<u>Compensated Absences</u>	<u>Capital Lease Payable</u>	<u>Total</u>
Balance at June 30, 2005	\$ 884,605	\$ 621,580	\$ 1,506,185
Additions	496,765	14,592	511,357
Deductions - payments and retirements	<u>(413,034)</u>	<u>(67,296)</u>	<u>(480,330)</u>
Balance at June 30, 2006	<u>\$ 968,336</u>	<u>\$ 568,876</u>	<u>\$1,537,212</u>

The School Board entered into a lease agreement with Lanier Worldwide for the lease of two copy machines. The lease agreements are for five years beginning in March and May of 2005 respectively. The leases are recorded as capital assets and depreciated on a straight-line basis. The balances of the leases at June 30, 2006 are \$ 12,696 and \$11,674.

The School Board entered into a lease agreement for the lease of Energy Performance Lighting Systems. This lease is considered a capital lease for accounting purposes. The lighting system was recorded as a capital asset in the amount of \$486,481 and depreciated on a straight-line basis over a period of 15 years. The capital lease payable is recorded in the government-wide financial statements in the Statement of Net Assets. The lease began on December 15, 2004 and expires on May 15, 2015. The balance of the lease at June 30, 2006 was \$544,506.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**8. CHANGES IN LONG-TERM DEBT (CONTINUED)**

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2006, was as follows:

	<u>Year Ending June 30</u>
2007	\$ 61,066
2008	61,066
2009	61,066
2010	61,066
2011	61,066
Thereafter	<u>239,176</u>
Total minimum lease payments	<u>\$544,506</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2006:

	<u>Compensated Absences</u>	<u>Capital Lease Payable</u>	<u>Total</u>
Current portion	\$ 968,336	\$ 67,296	\$ 1,035,632
Long-term portion	<u>-</u>	<u>501,580</u>	<u>501,580</u>
Total	<u>\$ 968,336</u>	<u>\$ 568,876</u>	<u>\$1,537,212</u>

The current portion of the compensated absences is based on an average of amounts used in previous periods. Compensated absences are liquidated by the General Fund and Special Revenue Funds.

**9. RESERVATION OF FUND BALANCES**

At June 30, 2006, the Food Services Fund had a reservation of fund balance for inventory in the amount of \$73,495. This reservation indicates that the balance does not constitute available expendable resources even though inventory is a component of net current assets.



**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**10. PROPERTY TAXES**

The School Board levies taxes on real and business personal property located within Ward 4 of Washington Parish. Property taxes are levied by the School Board on property values assessed by the Washington Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Washington Parish Sheriff's Office bills and collects property taxes for the School Board.

Property Tax Calendar

Assessment date	January 1
Total taxes are due	About November 15
Penalties and interest are added	December 31
Lien date	January 1
Tax sale - delinquent property	About June 1

The following is a summary of levied ad valorem taxes for the year ended June 30, 2006:

	<u>Levied Millage</u>	<u>Expiration Date</u>
Bogalusa School Board taxes:		
Constitutional	6.43	Indef.
Operations	6.43	2015
Construction, operation, and maintenance	5.02	2012
Operations	3.11	2008
Special Leeway Maintenance	7.76	2008
Operations	22.06	2008

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**11. RETIREMENT SYSTEMS**

Substantially all employees of the School Board are required by State law to belong to retirement plans administered by the Teachers' Retirement System ("TRS") or the Louisiana School Employees' Retirement System ("LSERS"), both of which are administered on a statewide basis. Each plan issues a separate financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana  
Post Office Box 94123  
Baton Rouge, Louisiana 70804-9123  
(225) 925-6446

Louisiana School Employees' Retirement System  
Post Office Box 44516  
Baton Rouge, Louisiana 70804-4516  
(225) 924-6484

Disclosures relating to these plans follow:

**A. TEACHERS' RETIREMENT SYSTEM**

1. *Plan Description* - All teachers, administrators, and school lunch employees of the School Board are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are cost-sharing multiple-employer public employee retirement systems.

All teachers, administrators, and school lunch employees are eligible to participate in the TRS plans. Teachers and administrators belong to the Teachers' Regular Plan, and school lunch employees belong to the Teachers' Plan A plan. Benefits are established by State statute.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**11. RETIREMENT SYSTEMS (CONTINUED)**

TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. For the Teachers' Plan A plan members, normal retirement is at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service, and at age 60 with at least 10 years of creditable service. Retirement benefits are based upon the following formula percentages.

<u>Years of Service</u>	<u>Minimum Age</u>	<u>Teachers' Regular</u>	<u>Teachers' Plan A</u>
10	60	2.0% per year	1.0% or 3.0% per year
20	Any age	2.0% per year	1.0% or 3.0% per year
25	55	2.5% per year	1.0% or 3.0% per year
30	Any age	2.5% per year	1.0% or 3.0% per year
20	65	2.5% per year	1.0% or 3.0% per year

The percentage formula is applied to the average of the highest three successive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined in accordance with the plan.

*Contributions Required and Made* - Covered employees and the School Board are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Contribution rates for the plans are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer Contribution</u>
Teachers' Regular	8.00%	16.9%	\$1,987,707
Teachers' Plan A	9.10%	16.9%	\$ 1,932

The School Board's contributions to TRS for the years ended June 30, 2006, 2005 and 2004 were \$1,989,639, \$2,139,606, and \$1,910,148, respectively, equal to the required contributions for each year.

**B. SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

1. *Plan Description* - Employees who are not teachers, administrators, or school lunch employees are covered by defined benefit contribution pension plans administered and controlled on a statewide basis by a separate Board of Trustees. The Board of Trustees administers this plan which is a cost-sharing multiple-employer public employees retirement system.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**11. RETIREMENT SYSTEMS (CONTINUED)**

All employees, other than teachers, administrators, and food services employees, are eligible to participate in the LSERS. Benefits are established by State statute.

LSERS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service, and at age 60 with at least 10 years of creditable service. The maximum retirement and disability benefit is an amount equal to 2 1/2% of the average compensation for the three highest consecutive years of credited service, multiplied by the number of years of service, plus a supplementary allowance of \$2.00 per month for each month of service. The plan also provides various death benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined in accordance with the plan.

2. *Contributions Required and Made* - Covered employees and the School Board are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Contribution rates for the plan are 7.50% for participating employees and 18.4% for the School Board.

**12. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

In accordance with State statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. Currently, retirees are eligible to participate in these benefits. These benefits for retirees are provided through the State Employees Group Benefits Program whose monthly premiums are paid jointly by the retirees and by the School Board.

During fiscal year 2006, the School Board contributed 52% of the total premiums for health care insurance provided to the retirees. The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure on a pay-as-you-go basis when the monthly premiums are due. The School Board's net cost of providing all health care benefits to the approximately 351 active and 235 retired participating employees amounted to \$2,529,806 for 2006. For 2005, the School Board's cost of premiums paid for retirees totaled \$3,006,537.

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2006**

**13. LITIGATION**

At June 30, 2006, the School Board was a defendant in several lawsuits arising principally from the normal course of operations. The ultimate resolution of these lawsuits would not materially affect the financial statements in the opinion of the legal advisor of the School Board.

**14. RISK MANAGEMENT**

The School Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the School Board carries commercial insurance.

**REQUIRED SUPPLEMENTARY INFORMATION -  
PART II**

**CITY OF BOGALUSA SCHOOL BOARD  
BUDGETARY COMPARISON SCHEDULES  
GENERAL FUND AND MAJOR SPECIAL REVENUE  
FUNDS WITH LEGALLY ADOPTED BUDGETS**

**GENERAL FUND**

To account for resources traditionally associated with the School Board which are not required legally or by sound financial management to be accounted for in another fund.

**SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

**Food Services** - A program that provides nourishing meals to students in all grades. This program is supplemented by both federal and state funds that are based on reimbursement and participation.

**CITY OF BOGALUSA SCHOOL BOARD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive/ (Negative)
	Original	Final		
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 3,432,000	\$ 3,790,059	\$ 3,593,269	\$ (196,790)
Sales and use	2,023,000	1,525,363	2,449,306	923,943
Interest earnings	20,000	38,300	60,863	22,563
Other	210,000	893,340	1,543,159	649,819
Total local sources	5,685,000	6,247,062	7,646,597	1,399,535
State sources:				
Minimum Foundation Program	13,036,638	12,525,312	13,562,112	1,036,800
Revenue sharing	211,724	190,059	263,025	72,966
Professional improvement program	-	-	0	-
Other state support	165,000	-	299,678	299,678
Total state sources	13,413,362	12,715,371	14,124,815	1,409,444
Federal sources	50,000	295,824	532,124	236,300
Total revenues	19,148,362	19,258,257	22,303,536	3,045,279
EXPENDITURES				
Current:				
Instruction:				
Regular programs	7,798,778	7,689,591	8,002,248	(312,657)
Special Education programs	2,299,249	2,262,759	2,063,371	199,388
Vocational programs	311,318	302,106	400,684	(98,578)
Other instructional	346,892	356,583	421,977	(65,394)
Adult education	0	0	-	0
Support services:				
Student services	960,144	993,216	1,769,570	(776,354)
Instructional staff support	463,063	416,452	453,403	(36,951)
General administration	2,062,323	333,856	427,702	(93,846)
School administration	1,174,799	1,059,282	1,155,392	(96,110)
Business services	384,146	492,614	594,305	(101,691)
Plant services	1,821,248	2,683,958	2,731,304	(47,346)
Student transportation services	779,840	734,396	468,674	265,722
Central services	135,062	71,244	81,844	(10,600)
School food services	-	800	800	-
Community service programs	25,000	-	-	-
Construction and land improvement	869,500	1,865,704	1,042,080	823,624
Interest	-	-	-	0
Principal payments	-	-	-	0
Total expenditures	19,431,362	19,262,561	19,613,354	(350,793)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(283,000)	(4,304)	2,690,182	2,694,486

(Continued)



**CITY OF BOGALUSA SCHOOL BOARD**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL (CONTINUED)**  
**For the Year Ended June 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget - Positive/ (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	283,000	4,304	235,653	231,349
Transfers out	-	-	-	-
Debt proceeds	-	-	-	-
Total other financing sources (uses)	<u>283,000</u>	<u>4,304</u>	<u>235,653</u>	<u>231,349</u>
<b>NET CHANGES IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>2,925,835</u>	<u>2,925,835</u>
<b>FUND BALANCE - Beginning</b>	<u>980,067</u>	<u>980,067</u>	<u>980,067</u>	<u>-</u>
<b>FUND BALANCE - Ending</b>	<u>\$ 980,067</u>	<u>\$ 980,067</u>	<u>\$ 3,905,902</u>	<u>\$ 2,925,835</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**FOOD SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2006**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Food Services	\$ 115,149	\$ 89,609	\$ 85,786	\$ (3,823)
Interest on cash and investments	155	151	2,530	2,379
Other local sources	-	-	-	-
State equalization	38,653	96,653	38,653	(58,000)
Grants	1,258,566	1,108,660	1,113,142	4,482
Total revenues	<u>1,412,523</u>	<u>1,295,073</u>	<u>1,240,111</u>	<u>(54,962)</u>
<b>EXPENDITURES</b>				
Food services	<u>1,664,983</u>	<u>1,648,656</u>	<u>1,580,998</u>	<u>67,658</u>
Total expenditures	<u>1,664,983</u>	<u>1,648,656</u>	<u>1,580,998</u>	<u>67,658</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(252,460)</u>	<u>(353,583)</u>	<u>(340,887)</u>	<u>12,696</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>(252,460)</u>	<u>(353,583)</u>	<u>(340,887)</u>	<u>12,696</u>
<b>FUND BALANCE - Beginning</b>	<u>513,460</u>	<u>365,226</u>	<u>365,226</u>	<u>-</u>
<b>FUND BALANCE - Ending</b>	<u>\$ 261,000</u>	<u>\$ 11,643</u>	<u>\$ 24,339</u>	<u>\$ 12,696</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**1. BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS**

Generally accepted accounting principles require the disclosures of excess of expenditures over appropriations in individual funds. The following major funds had expenditures in excess of appropriations:

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>	<u>Percentage Difference</u>
General Fund	\$ 19,613,354	\$ 19,262,561	\$ 350,793	1.82%

## **SUPPLEMENTAL INFORMATION SCHEDULES**

**CITY OF BOGALUSA SCHOOL BOARD  
NONMAJOR FUNDS DESCRIPTIONS**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

**Summer Food Program** - The Summer Food Program is a program that provides nourishing meals to students in summer school sessions.

**Title II of the Education for Economic Security Act (EESA)** - Authorizes federal funding to improve the quality of instruction and to improve in-service training of teachers and other appropriate school personnel in the field of mathematics and science.

**Title V** - A program by which federal funding is used for the reform of elementary and secondary education.

**REAP** - A program designed to improve the quality of teaching and learning in rural school districts.

**Idea B Special Education Fund** - Individuals with Disabilities Education Act (IDEA), Public Laws (PL) 101-476, is a federally financed program of free public education in the least restrictive environment for children with exceptionalities.

**Preschool Special Education Fund** - Federal programs for children at the preschool level which provide a free, appropriate, publicly supported education to every exceptional child in a least restricted environment

**Idea B Pre-GED** - A program by which federal funding is used for the purchase of materials and supplies for students with disabilities.

**Extended School Year Program Special Education Fund** - Federal programs which provide a free, appropriate, publicly supported education to every exceptional child in a least restricted environment during the summer.

**Corrective Action** - Federal program that focuses on resolving deficiencies in special population programs.

**Home Instruction Program for Preschool Youngsters (HIPPY)** - HIPPY is a two-year program in which parents participate with their 3 or 4 year old child in pre-school activities at home to stress the importance of a parent's role in a child's transition from preschool to kindergarten.

**EEF - Educational Excellence Funding** - State funding used to increase student achievement in Math, Science, English, and Social Studies through technology enhancement programs.

**CITY OF BOGALUSA SCHOOL BOARD  
NONMAJOR FUNDS DESCRIPTIONS (CONTINUED)**

**SPECIAL REVENUE FUNDS (CONTINUED)**

**EETT** - A program by which federal funding is used to improve high school student achievement through technology integration into core subject area.

**First Tech** - A program by which federal funding is used to assist teachers in induction and retention in the LATAAP program through technology.

**GEE 21 Remediation** - A program by which state funds provide remediation to high school students in Math, Science, English, and Social Studies.

**LATAAP** - A program by which state funds provides to new teachers professional development and assigns mentors.

**LEAP Remediation** - A program by which state funds are used to provide remediation to grades 4 and 8 in reading and math.

**K-3 Reading Math** - A program by which state funds are used to enhance and improve student academic achievement in areas of reading and math.

**8G Local Teacher Quality** - State funds used to provide tuition assistance for teachers to become certified and highly qualified.

**8G GLEE and Textbook** - State funds used to improve achievement for grades 5 and 6 English, Language Arts, and Math.

**8G Preschool** - A program by which state funds are used to provide developmental appropriate classes to those who score low on the Brigance screening instrument.

**Carl Perkins** - A program by which federal funds are used to provide supplies, equipment, and travel to all vocational education programs.

**Reading First** - A program by which federal funds are used to focus students to achieve grade level reading by grade 3.

**Tanf ASFA** - A program by which federal funds are used to provide to students K-5 enrichment activities, after school, to include arts and physical activities.

**Tanf LA4** - A program by which federal funds are used to provide developmental appropriate classes to those who score low on the Brigance screening instrument.

**Title 4** - A program by which federal funds are used to provide students with safe and drug free schools.

**CITY OF BOGALUSA SCHOOL BOARD  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2006**

**Special Revenue Funds**

	Summer Food	Title I	Title II	Title III	Title IV	Title V
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-
Receivables	21,980	365,931	81,758	7,985	29,918	1,243
Inventory	0	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 21,980</b>	<b>\$ 365,931</b>	<b>\$ 81,758</b>	<b>\$ 7,985</b>	<b>\$ 29,918</b>	<b>\$ 1,243</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts, salaries, and other payables	\$ 135	\$ -	\$ -	\$ -	\$ -	\$ -
Bank overdraft	708	-	-	-	-	-
Due to other funds	21,137	365,931	81,758	7,985	29,918	1,243
<b>Total Liabilities</b>	<b>21,980</b>	<b>365,931</b>	<b>81,758</b>	<b>7,985</b>	<b>29,918</b>	<b>1,243</b>
<b>Fund balances:</b>						
<b>Unreserved:</b>						
Undesignated	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 21,980</b>	<b>\$ 365,931</b>	<b>\$ 81,758</b>	<b>\$ 7,985</b>	<b>\$ 29,918</b>	<b>\$ 1,243</b>

REAP	Idea B Special Education	Preschool Special Education	Idea B Pre - GED	Extended School Year Program Special Education	Corrective Action	Home Instruction for Preschool Youngster (HIPPY)	Adult Education	EEF	EET
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64,519	110,569	27,235	-	14,691	-	1,366	-	-	19,660
\$ 64,519	\$ 110,569	\$ 27,235	\$ -	\$ 14,691	\$ -	\$ 1,366	\$ -	\$ -	\$ 19,660
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64,519	110,569	27,235	-	14,691	-	1,366	-	-	19,660
64,519	110,569	27,235	-	14,691	-	1,366	-	-	19,660
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
\$ 64,519	\$ 110,569	\$ 27,235	\$ -	\$ 14,691	\$ -	\$ 1,366	\$ -	\$ -	\$ 19,660



**CITY OF BOGALUSA SCHOOL BOARD  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
June 30, 2006**

**Special Revenue Funds**

	First Tech	GEE Remediation	LATAAP	LEAP Remediation	STEP Adult Education	K-3 Reading & Math Initiative State	Local Teacher Quality Tuition
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-
Receivables	31,843	7,784	90	45,302	-	-	8,750
Inventory	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 31,843</b>	<b>\$ 7,784</b>	<b>\$ 90</b>	<b>\$ 45,302</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,750</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts, salaries, and other payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank overdraft	-	-	-	-	-	-	-
Due to other funds	31,843	7,784	90	45,302	-	-	8,750
<b>Total Liabilities</b>	<b>31,843</b>	<b>7,784</b>	<b>90</b>	<b>45,302</b>	<b>-</b>	<b>-</b>	<b>8,750</b>
<b>Fund balances:</b>							
<b>Unreserved:</b>							
Undesignated	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 31,843</b>	<b>\$ 7,784</b>	<b>\$ 90</b>	<b>\$ 45,302</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,750</b>

State Grants	Student Enhancement Preschool	Reading First	TANF After School Fed	TANF LA 4 Preschool	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	241,201	10,986	20,000	1,112,811
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,201</u>	<u>\$ 10,986</u>	<u>\$ 20,000</u>	<u>\$ 1,112,811</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135
-	-	-	-	-	708
-	-	241,201	10,986	20,000	1,111,968
-	-	241,201	10,986	20,000	1,112,811
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,201</u>	<u>\$ 10,986</u>	<u>\$ 20,000</u>	<u>\$ 1,112,811</u>

**CITY OF BOGALUSA SCHOOL BOARD  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2006**

**Special Revenue**

	Summer Food	Title I	Title II	Title III	Title IV	Title V	REAP
<b>REVENUES</b>							
Local sources:							
Charges for services	\$ 149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Local Sources	149	-	-	-	-	-	-
State sources:							
Other	-	-	-	-	-	-	-
Total State Sources	-	-	-	-	-	-	-
Federal Sources	64,827	1,737,731	245,693	7,985	30,889	5,463	87,059
Total Revenues	64,976	1,737,731	245,693	7,985	30,889	5,463	87,059
<b>EXPENDITURES</b>							
Current:							
Instruction:							
Regular programs	-	-	-	-	-	-	-
Special programs	-	1,152,770	1,288	7,828	6,244	5,041	-
All other programs	-	-	-	-	-	-	-
Support services:							
Student services	-	-	-	-	-	-	50,630
Instructional staff support	-	240,809	227,685	-	24,153	-	36,429
General administration	-	72,396	-	-	-	-	-
School administration	-	-	-	-	-	-	-
Plant services	-	17,004	-	-	-	-	-
Student transportation services	-	-	-	-	-	-	-
School food services	65,109	-	-	-	-	-	-
Community service programs	-	135,320	-	-	-	-	-
Total Expenditures	65,109	1,618,299	228,973	7,828	30,397	5,041	87,059
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(133)	119,432	16,720	157	492	422	-
<b>OTHER FINANCING SOURCES (Uses)</b>							
Transfers out - General Fund	-	(119,432)	(16,720)	(157)	(492)	(422)	-
Total Other Financing Uses	-	(119,432)	(16,720)	(157)	(492)	(422)	-
<b>NET CHANGES IN FUND BALANCES</b>	(133)	-	-	-	-	-	-
<b>FUND BALANCES - BEGINNING</b>	133	-	-	-	-	-	-
<b>FUND BALANCES - ENDING</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Idea B Special Education	Preschool Special Education	Idea B Pre - GED	Extended School Year Program Special Education	Corrective Action	Home Instruction for Preschool Youngsters (HIPPIY)	Adult Education	EEF	EETT	First Tech	GEE Remediation	LATAAP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	17,823	-	92,858	-	106,911	-	-	10,111	11,435
-	-	-	17,823	-	92,858	-	106,911	-	-	10,111	11,435
662,272	56,610	-	-	-	421	3,527	-	29,664	149,242	-	-
662,272	56,610	-	17,823	-	93,279	3,527	106,911	29,664	149,242	10,111	11,435
-	-	-	-	-	-	-	-	27,710	-	-	-
354,721	50,707	-	16,987	-	37,914	-	27,356	-	-	10,111	-
-	-	-	-	-	-	-	79,555	-	-	-	-
48,267	-	-	-	-	-	-	-	-	-	-	-
186,954	-	-	-	-	54,787	3,527	-	-	143,385	-	11,435
-	1,699	-	-	-	-	-	-	-	-	-	-
10,511	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
17,249	-	-	836	-	200	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	378	-	-	-	-	-	-
617,702	52,406	-	17,823	-	93,279	3,527	106,911	27,710	143,385	10,111	11,435
44,570	4,204	-	-	-	-	-	-	1,954	5,857	-	-
(44,570)	(4,204)	-	-	-	-	-	-	(1,954)	(5,857)	-	-
(44,570)	(4,204)	-	-	-	-	-	-	(1,954)	(5,857)	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF BOGALUSA SCHOOL BOARD  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (CONTINUED)  
For the Year Ended June 30, 2006**

**Special Revenue**

	LEAP Remediation	STEP Adult Education	K-3 Reading & Math Initiative State	Local Teacher Quality Tuition	State Grants	Student Enhancement Preschool
<b>REVENUES</b>						
Local sources:						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Local Sources	-	-	-	-	-	-
State sources:						
Other	74,879	-	60,665	3,995	69,807	110,136
Total State Sources	74,879	-	60,665	3,995	69,807	110,136
Federal Sources	-	5,449	-	-	-	-
Total Revenues	74,879	5,449	60,665	3,995	69,807	110,136
<b>EXPENDITURES</b>						
Current:						
Instruction:						
Regular programs	-	-	-	3,995	-	-
Special programs	74,879	5,449	60,665	-	-	110,136
All other programs	-	-	-	-	-	-
Support services:						
Student services	-	-	-	-	-	-
Instructional staff support	-	-	-	-	69,807	-
General administration	-	-	-	-	-	-
School administration	-	-	-	-	-	-
Plant services	-	-	-	-	-	-
Student transportation services	-	-	-	-	-	-
School food services	-	-	-	-	-	-
Community service programs	-	-	-	-	-	-
Total Expenditures	74,879	5,449	60,665	3,995	69,807	110,136
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-
OTHER FINANCING SOURCES (Uses)						
Transfers out - General Fund	-	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-	-
NET CHANGES IN FUND BALANCES	-	-	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Reading First	TANF After School Fed	TANF LA 4 Preschool	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ 149
-	-	-	149
-	-	-	558,620
-	-	-	558,620
964,412	40,415	287,789	4,379,448
964,412	40,415	287,789	4,938,217
275,204	-	-	306,909
249,093	850	269,609	2,441,648
-	-	-	79,555
-	-	-	-
-	-	-	98,897
1,500	18,513	-	1,018,984
63,228	1,738	1,501	140,562
344,638	16,092	8,805	380,046
-	-	-	17,004
-	-	-	18,285
-	-	-	65,109
-	-	-	135,698
933,663	37,193	279,915	4,702,697
30,749	3,222	7,874	235,520
(30,749)	(3,222)	(7,874)	(235,653)
(30,749)	(3,222)	(7,874)	(235,653)
-	-	-	(133)
-	-	-	133
\$ -	\$ -	\$ -	\$ -

**CITY OF BOGALUSA SCHOOL BOARD  
FIDUCIARY FUNDS DESCRIPTION**

**FIDUCIARY FUNDS - AGENCY FUNDS**

Agency funds are established to account for all monies held by the School Board in an agency capacity. Disbursements are made only in accordance with the purpose for which assets are received.

**School Activity Funds** - The School Activity Agency Fund accounts are used to account for monies generated by the schools and organizations within the schools. While these accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

**CITY OF BOGALUSA SCHOOL BOARD**  
**COMBINING STATEMENT OF CHANGES IN**  
**ASSETS AND LIABILITIES - AGENCY FUNDS**  
**June 30, 2006**

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2006</u>
<b>School Activity Fund</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 160,261	\$ 645,001	\$ 628,015	\$ 177,247
Fixed assets	<u>9,673</u>	<u>6,335</u>	<u>3,312</u>	<u>12,696</u>
<b>Total Assets</b>	<u>\$ 169,934</u>	<u>\$ 651,336</u>	<u>\$ 631,327</u>	<u>\$ 189,943</u>
<b>Liabilities:</b>				
Amounts held				
for school activities	\$ 160,261	\$ 645,001	\$ 628,015	\$ 177,247
Capital lease payable	<u>9,673</u>	<u>6,335</u>	<u>3,312</u>	<u>12,696</u>
<b>Total liabilities</b>	<u>\$ 169,934</u>	<u>\$ 651,336</u>	<u>\$ 631,327</u>	<u>\$ 189,943</u>



**CITY OF BOGALUSA SCHOOL BOARD**  
**SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS**  
**For the Year Ended June 30, 2006**

Michael Applewhite	\$ 9,600
Eleanor Duke	9,600
Paul Kates	9,600
Doneen McCullough	9,600
Reverend Raymond E. Mims	9,600
Ray Reeves	9,600
Howard Stewart	<u>10,800</u>
	<u>\$ 68,400</u>

**INDEPENDENT AUDITOR'S REPORT AND INFORMATION REQUIRED  
BY THE SINGLE AUDIT ACT AND *GOVERNMENTAL AUDITING  
STANDARDS***

# **REBOWE & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S 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**

Members of the  
**City of Bogalusa School Board**  
Bogalusa, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bogalusa School Board (the "School Board"), as of and for the year ended June 30, 2006, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 29, 2006. 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the School Board in a separate letter dated December 29, 2006.

### 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*Rebowe & Company*

December 29, 2006

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the  
**City of Bogalusa School Board**  
Bogalusa, Louisiana

### Compliance

We have audited the compliance of the City of Bogalusa 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, 2006. 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, 2006.

#### Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

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

*Reboue & Company*

December 29, 2006

**CITY OF BOGALUSA SCHOOL BOARD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2006**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's number	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through Louisiana Department of Agriculture and Forestry:			
Food Distribution (non-cash)	10.550	-	\$ 114,751
Passed through Louisiana Department of Education:			
School Breakfast Program *	10.553	-	283,261
National School Lunch Program *	10.555	-	717,137
Summer Food Service Program *	10.559	-	62,820
Total United States Department of Agriculture			<u>1,177,969</u>
<u>U.S. Department of Education</u>			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies (05-06) *	84.010A	06-TI-66	1,479,705
Title I Grants to Local Educational Agencies (04-05 ext) *	84.010A	05-TI-66	258,026
Title II, Part A, Teacher and Principal Training & Recruiting Fund (05-06)	84.367A	06-50-66	203,096
Title II, Part A, Teacher and Principal Training & Recruiting Fund (04-05 ext)	84.367A	05-50-66	42,597
Title III	84.365A	06-S3-66	7,985
Title IV - Safe and Drug-Free Schools and Communities - State Grants (05-06)	84.186A	06-70+66	30,888
Title V Innovative Education Program Strategies (05-06)	84.298A	06-80-66	5,463

**CITY OF BOGALUSA SCHOOL BOARD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**For the Year Ended June 30, 2006**

	Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's number	Expenditures
U.S. Department of Education (Continued)				
Passed through Louisiana Department of Education:				
	Rural and Low Income Schools - Rural Education Achievement Program (05-06)	84.358B	06-RE-66	38,824
	Rural and Low Income Schools - Rural Education Achievement Program (04-05 ext)	84.358B	05-RE-66	8,922
	Rural and Low Income Schools - Rural Education Achievement Program (04-05 c/o)	84.358B	05-RE-66-C	39,313
	Special Education Grants to States - IDEA - Part B (05-06)	84.027A	06-B1-66	538,045
	Special Education Grants to States - IDEA - Part B (04-05 ext)	84.027A	05-B1-66	124,227
	Special Education - Preschool Grants (05-06)	84.173A	06-P1-66	53,424
	Special Education - Preschool Grants (04-05)	84.173A	05-P1-66	3,186
	Adult Education - State Grant Program and Federal Funds	84.002A	05-44-66	3,527
	Vocational Education - Basic Grants to States Carl Perkins Grant (05-06)	84.048	06-02 66	43,347
	Vocational Education - Basic Grants to States Carl Perkins Grant (04-05 c/o)	84.048	05-02 66	7,773
	Educational Technology State Grants - FIRST Tech (05-06)	84.318X	06-03-66	125,592
	Educational Technology State Grants - FIRST Tech (04-05 c/o)	84.318X	05-03-66	23,650
	Educational Technology State Grants - Enhancing Education Through Technology (05-06)	84.318X	06-49-66	23,308
	Educational Technology State Grants - Enhancing Education Through Technology (04-05)	84.318X	05-49-66	6,356
	Reading First State Grants	84.357A	06-RS-66	424,975
	Reading First State Grants	84.357A	05-RS-66	343,404
	Reading First State Grants	84.357A	04-RS-66	196,033
	HIPPY Americorp	99.9999	06-27-66	421
	Hurricane Education Recovery Act Programs	84.938		185,873
				<u>4,217,960</u>
Passed through Louisiana Office of Family Support:				
	Temporary Assistance for Needy Families - After School For All *	93.558	06-0S-66	40,415
	Temporary Assistance for Needy Families - LA41 *	93.558	06-35-66	287,789
	Temporary Assistance for Needy Families - Strategies to Empower People - STEP Program *	93.558	05-BP-66	5,449
				<u>333,653</u>
	Total United States Department of Education			<u>4,551,613</u>



**CITY OF BOGALUSA SCHOOL BOARD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**For the Year Ended June 30, 2006**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's number	Expenditures
<u>U.S. Department of the Army</u>			
Junior Reserve Officers Training Corps	-	-	<u>69,150</u>
Total United States Department of the Army			
<u>United States Department of Homeland Security</u>			
FEMA - Public Works	97.036	-	<u>225,981</u>
Total United States Department of Homeland Security			<u>225,981</u>
Total Federal Financial Assistance			<u>\$ 6,024,713</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

**CITY OF BOGALUSA SCHOOL BOARD**  
**BOGALUSA, LOUISIANA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School System has met the qualifications for the respective grants. Several programs are funded jointly by the State of Louisiana appropriations and federal funds. Cost incurred in programs partially funded by federal grants are applicable against federal grant funds to the extent of revenue available when they properly apply to the grant. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts are presented in, or used in the preparation of, the basic financial statements.

**CITY OF BOGALUSA SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2006**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the City of Bogalusa School Board (the "School Board").
2. No reportable conditions in internal control relating to the audit of the financial statements of the School Board are reported in the *Independent Auditor's 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*.
3. No instances of noncompliance material to the basic financial statements of the School Board are reported in the *Independent Auditor's 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*.
4. No reportable conditions in internal control relating to the audit of major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the School Board expresses an unqualified opinion.
6. The auditor's report on compliance for the major federal award programs disclosed no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. A management letter dated December 29, 2006 was issued for the year ended June 30, 2006.
8. The programs tested as major programs include:

	<u>CFDA No.</u>
Title I	84.010A
National School Lunch Program	10.555
School Breakfast Program	10.553
Summer Food Service Program	10.559
TANF – After School For All	93.558
9. The threshold for distinguishing between type A and type B programs was \$300,000.
10. The School Board was not determined to be a low-risk auditee.

**CITY OF BOGALUSA SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**For the Year Ended June 30, 2006**

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

There were no findings required to be reported in this section.

**C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS**

There were no findings required to be reported in this section.

**CITY OF BOGALUSA SCHOOL BOARD  
SUMMARY SCHEDULE OF PRIOR YEAR  
FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2006**

**SECTION I FINDINGS RELATED TO THE FINANCIAL STATEMENT**

Finding 05-01 Bank Reconciliations	Resolved.
Finding 05-02 Financial Reporting	Resolved.
Finding 05-03 Fixed Assets	Resolved.
Finding 05-04 Payroll Fund	Resolved.
Finding 05-05 Interfund Transactions	Resolved.
Finding 05-06 Budgetary Compliance	Resolved.

**SECTION II FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR  
FEDERAL AWARD PROGRAMS**

Finding 05-7 Time Documentation	Resolved.
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**SECTION III OBSERVATIONS REPORTED IN THE MANAGEMENT LETTER**

Observation 05-01 Bank Accounts	Resolved.
Observation 05-02 Payroll	Resolved.
Observation 05-03 General Business Office Procedures	Partially Resolved.. See Observation 06-01.
Observation 05-04 Revenue	Resolved.

**CITY OF BOGALUSA SCHOOL BOARD  
CORRECTIVE ACTION PLAN (CONTINUED)  
For the Year Ended June 30, 2006**

There are no compliance and/or internal control findings as described in the Schedule of Findings and Questioned Costs. Accordingly, no corrective action plan is required as part of this section.

## **STATE REPORTING SECTION**

**SCHEDULES REQUIRED BY STATE LAW**

**(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)**



# **REBOWE & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

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## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

**Members of the School Board of  
City of Bogalusa School Board**

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the City of Bogalusa School Board ("School Board") and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education. The School Board management is responsible for the selected performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the 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 relate to the accompanying schedules of supplemental information and are as follows:

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

1. We selected a random sample of 25 transactions and 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.

### **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 1, 2005.
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.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2005 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the schedule.

### **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.

### **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, 2005 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.

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

### **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 1, 2004 roll books for those classes and determined if the class was properly classified on the schedule.

**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 the School Board.

**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 the School Board.

**The 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 the School Board.

No exceptions were found as a result of applying the above procedures.

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

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

*Rebowe & Company*

December 29, 2006

**CITY OF BOGALUSA SCHOOL BOARD**  
**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES**  
**AND CERTAIN LOCAL REVENUE SOURCES**  
**For the Year Ended June 30, 2006**  
**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

General fund instructional expenditures:

Teacher and student interaction activities:

Classroom teacher salaries	\$ 7,490,453	
Other instructional staff activities	0	
Employee benefits	4,758,449	
Purchased professional and technical services	0	
Instructional materials and supplies	0	
Instructional equipment	<u>25,847</u>	
Total teacher and student interaction activities		\$ 12,274,749

Other instructional activities

Pupil support activities	15,752	
Less: equipment for pupil support activities	<u>(15,752)</u>	
Net pupil support activities		0

Instructional staff services	1,255,781	
Less: Equipment for instructional staff services	<u>-</u>	
Net instructional staff services		<u>1,255,781</u>

Total general fund instructional expenditures \$ 13,530,530

Total general fund equipment expenditures \$ 41,599

**Certain Local Revenue Sources**

Local taxation revenue:

Constitutional ad valorem taxes	3,593,269	
Renewable ad valorem tax	-	
Debt service ad valorem tax		
Up to 1% of collections by the Sheriff on taxes other than school taxes		
Sales and use taxes	<u>2,449,306</u>	
Total local taxation revenue		<u>\$ 6,042,575</u>

State revenue in lieu of taxes:

Revenue sharing - constitutional tax	263,025	
Total state revenue in lieu of taxes		<u>\$ 263,025</u>

Nonpublic transportation revenue 9,143

**CITY OF BOGALUSA SCHOOL BOARD**  
**EDUCATION LEVELS OF PUBLIC SCHOOL STAFF**  
As of October 1, 2005  
Schedule 2

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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bachelor's Degree	114	72%	7	100%	0	0%	N/A	N/A
Master's Degree	25	16%	0	0%	5	45%	N/A	N/A
Master's Degree + 30	17	11%	0	0%	6	55%	N/A	N/A
Specialist in Education	2	1%	0	0%	0	0%	N/A	N/A
Ph. D. or Ed. D.	1	1%	0	0%	0	0%	N/A	N/A
Total	159	100	7	100	11	100	N/A	N/A

**CITY OF BOGALUSA SCHOOL BOARD**  
**NUMBER AND TYPE OF PUBLIC SCHOOLS**  
**For the Year Ended June 30, 2006**  
**Schedule 3**

Type	Number
Elementary	5
Middle/Jr. High	1
Secondary	1
Combination	0
Total	7

**CITY OF BOGALUSA SCHOOL BOARD**  
**EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS**  
**As of October 1, 2005**  
**Schedule 4**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	2	1	0	1	4
Principals	0	0	0	0	1	2	4	7
Classroom Teachers	22	10	34	35	22	12	44	179
Total	22	10	34	37	24	14	49	190

**CITY OF BOGALUSA SCHOOL BOARD  
PUBLIC SCHOOL STAFF DATA  
For the Year Ended June 30, 2006  
Schedule 5**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$36,775	\$36,216
Average Classroom Teachers' Salary Excluding Extra Compensation	\$36,488	\$36,006
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	154	142

**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 and ROTC teachers receive more compensation.



**CITY OF BOGALUSA SCHOOL BOARD**  
**CLASS SIZE CHARACTERISTICS**

As of October 1, 2005

**Schedule 6**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	0.7	276	0.3	108	0.0	1	0.0	2
Elementary Activity Classes	0.7	36	0.3	16	0.0	-	0.0	2
Middle/Jr. High	0.7	113	0.3	56	-	-	-	-
Middle/Jr. High Activity Classes	0.4	8	0.4	8	0.2	4	-	-
High	0.8	225	0.2	49	0.0	12	0.0	4
High Activity Classes	0.8	36	0.1	5	0.0	1	0.0	1
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

**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.

**CITY OF BOGALUSA SCHOOL BOARD**  
**LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP)**  
**FOR THE 21ST CENTURY**  
**For the Year Ended June 30, 2006**  
**Schedule 7**

District Achievement Level Results Students	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	4	2.0	2	1.0	0	0.0	5	2.0	5	2.0	3	1.0
Mastery	11	5.0	22	9.0	25	10.0	21	10.0	23	10.0	22	10.0
Basic	81	38.0	106	44.0	89	39.0	76	36.0	107	45.0	93	41.0
Approaching Basic	58	27.0	69	29.0	61	27.0	54	25.0	59	25.0	58	25.0
Unsatisfactory	60	28.0	40	17.0	54	24.0	57	27.0	45	18.0	53	23.0
<b>Total</b>	<b>214</b>	<b>100</b>	<b>239</b>	<b>100</b>	<b>229</b>	<b>100</b>	<b>213</b>	<b>100</b>	<b>239</b>	<b>100</b>	<b>229</b>	<b>100</b>

District Achievement Level Results Students	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	0	0.0	0	0.0	1	0.0	1	1.0	0	0.0	0	0.0
Mastery	11	7.0	22	11.0	8	4.0	7	5.0	14	7.0	8	4.0
Basic	41	27.0	73	36.0	64	29.0	60	39.0	85	42.0	81	36.0
Approaching Basic	50	32.0	57	28.0	61	28.0	36	23.0	50	25.0	59	27.0
Unsatisfactory	52	34.0	49	25.0	85	39.0	50	32.0	52	26.0	72	33.0
<b>Total</b>	<b>154</b>	<b>100</b>	<b>201</b>	<b>100</b>	<b>219</b>	<b>100</b>	<b>154</b>	<b>100</b>	<b>201</b>	<b>100</b>	<b>220</b>	<b>100</b>

**CITY OF BOGALUSA SCHOOL BOARD**  
**THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY**  
**For the Year Ended June 30, 2006**  
**Schedule 8**

District Achievement Level Results Students	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>												
Advanced	1	1.0	1	1.0	3	2.0	3	2.0	3	2.0	6	4.0
Mastery	13	13.0	19	13.0	14	10.0	8	8.0	15	10.0	11	8.0
Basic	41	39.0	61	42.0	59	40.0	47	44.0	40	27.0	45	31.0
Approaching Basic	32	31.0	49	34.0	39	27.0	23	22.0	28	19.0	36	25.0
Unsatisfactory	17	16.0	14	10.0	31	21.0	25	24.0	60	42	47	32.0
<b>Total</b>	<b>104</b>	<b>100</b>	<b>144</b>	<b>100</b>	<b>146</b>	<b>100</b>	<b>106</b>	<b>100</b>	<b>146</b>	<b>100</b>	<b>145</b>	<b>100</b>

District Achievement Level Results Students	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>												
Advanced	1	1.0	3	2.0	0	0.0	0	0.0	0	0.0	0	0.0
Mastery	4	3.0	6	5.0	8	4.0	2	2.0	10	7.0	6	4.0
Basic	30	24.0	44	32.0	66	39.0	51	41.0	51	37.0	89	52.0
Approaching Basic	39	32.0	43	31.0	56	33.0	33	26.0	39	28.0	43	25.0
Unsatisfactory	49	40.0	41	30.0	41	24.0	39	31.0	38	28.0	32	19.0
<b>Total</b>	<b>123</b>	<b>100</b>	<b>137</b>	<b>100</b>	<b>171</b>	<b>100</b>	<b>125</b>	<b>100</b>	<b>138</b>	<b>100</b>	<b>170</b>	<b>100</b>

**CITY OF BOGALUSA SCHOOL BOARD**  
**THE ILEAP TEST**  
**For the Year Ended June 30, 2006**  
**Schedule 9**

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	0	0.0	2	1.0	0	0.0	0	0.0
Mastery	7	4.0	4	2.0	3	2.0	5	3.0
Basic	82	43.0	58	31.0	42	22.0	62	33.0
Approaching Basic	58	31.0	67	35.0	94	50.0	73	39.0
Unsatisfactory	42	22.0	58	31.0	50	26.0	49	26.0
<b>Total</b>	<b>189</b>	<b>100</b>	<b>189</b>	<b>100</b>	<b>189</b>	<b>100</b>	<b>189</b>	<b>101</b>

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	3	3.0	3	2.0	3	3.0	1	1.0
Mastery	4	2.0	12	7.0	4	2.0	10	6.0
Basic	50	29.0	81	47.0	50	29.0	64	37.0
Approaching Basic	79	46.0	32	19.0	79	46.0	57	33.0
Unsatisfactory	35	20.0	43	25.0	35	20.0	39	23.0
<b>Total</b>	<b>171</b>	<b>100</b>	<b>171</b>	<b>100</b>	<b>171</b>	<b>100</b>	<b>171</b>	<b>100</b>

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	1	1.0	0	0.0	0	0.0	2	1.0
Mastery	21	14.0	9	6.0	7	5.0	10	7.0
Basic	58	38.0	58	38.0	59	39.0	48	32.0
Approaching Basic	50	33.0	35	23.0	59	39.0	56	37.0
Unsatisfactory	22	14.0	50	33.0	26	17.0	35	23.0
<b>Total</b>	<b>152</b>	<b>100</b>	<b>152</b>	<b>100</b>	<b>151</b>	<b>100</b>	<b>151</b>	<b>100</b>

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	4	2.0	2	1.0	1	1.0	0	0.0
Mastery	19	10.0	8	4.0	10	6.0	10	6.0
Basic	68	38.0	66	37.0	49	27.0	81	45.0
Approaching Basic	65	36.0	57	32.0	64	36.0	58	32.0
Unsatisfactory	25	14.0	46	26.0	56	31.0	31	17.0
<b>Total</b>	<b>181</b>	<b>100</b>	<b>179</b>	<b>100</b>	<b>180</b>	<b>101</b>	<b>180</b>	<b>100</b>

District Achievement Level Results	English		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 9</b>								
Advanced	0	0.0	6	4.0	N/A	N/A	N/A	N/A
Mastery	12	7.0	10	6.0	N/A	N/A	N/A	N/A
Basic	75	46.0	67	41.0	N/A	N/A	N/A	N/A
Approaching Basic	52	32.0	40	24.0	N/A	N/A	N/A	N/A
Unsatisfactory	25	15.0	42	25.0	N/A	N/A	N/A	N/A
<b>Total</b>	<b>164</b>	<b>100</b>	<b>165</b>	<b>100</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

Note: Percent totals may not add up to 100% due to rounding.

**CITY OF BOGALUSA SCHOOL BOARD  
BOGALUSA, LOUISIANA**

**MEMORANDUM OF ADVISORY COMMENTS**

**For the Year Ending June 30, 2006**

Contact: Deloris Walker  
Director of Finance  
(985) 281-2126

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# REBOWE & COMPANY

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December 29, 2006

Members of the  
**City of Bogalusa School Board**  
Bogalusa, Louisiana

We have audited the basic financial statements of the City of Bogalusa School Board (the "School Board") for the year ended June 30, 2006 and have issued our report thereon dated December 29, 2006. As part of our audit, we considered the School Board's internal control over financial reporting in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our observations and recommendations regarding these matters. We previously reported on the School Board's internal control in a separately issued report entitled *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated December 29, 2006. This letter does not affect our report dated December 29, 2006 on the financial statements of the School Board.

We will review the status of these matters during our next audit engagement. We have discussed our recommendations with management of the School Board and have included their Corrective Action Plan. We will be pleased to discuss these recommendations with you in further detail at your convenience, perform any additional analysis of these matters, or assist you in implementing our recommendations.

Sincerely,

*Rebowe & Company*

**CITY OF BOGALUSA SCHOOL BOARD  
OBSERVATIONS, RECOMMENDATIONS, AND  
CORRECTIVE ACTION PLAN  
June 30, 2006**

**OBSERVATION 06-01: GENERAL OFFICE PROCEDURES**

We observed employees are not being provided with the current employee manual. Therefore, some employees are not familiar with the School Board's policies and procedures.

**RECOMMENDATION**

We recommend the School Board develop and distribute, to all employees, a new employee manual, in either a hard copy form or electronically. The employee manual should be periodically updated as necessary. A comprehensive and up-to-date employee manual can help communicate, and encourage adherence to, the School Board's policies; prevent possible confusion or misunderstandings among personnel; and provide a measure of liability protection to the School Board in case an employee legally challenges the School Board's actions.

**CORRECTIVE ACTION PLAN**

Implementation Date - Immediately

Person Responsible - Deloris Walker, Director of Finance, (985) 281-2126.

Action Planned - The recommendations above will be included the overall policy manual currently under review for adoption. The recommendations are sound and will be implemented.

**OBSERVATION 06-02: PAYROLL FUND**

The School Board is accounting for payroll expenditures through a payroll fund and a payroll bank account. The payroll fund should close out to the General Fund at the end of each fiscal year. However, the payroll fund was not closed out to the General Fund in the current year. Further, the interfund payables and receivables between the General Fund and the Payroll Fund did not reconcile.

**RECOMMENDATION**

We recommend that the payroll fund be closed to the General Fund timely and reconciled on a regular basis.

**CORRECTIVE ACTION PLAN**

Implementation Date - Immediately

Person Responsible - Deloris Walker, Director of Finance, (985) 281-2126.

Action Planned - The recommendation above will be implemented.