

Morehouse Parish School Board

Bastrop, Louisiana



Annual Financial Report

for the year ended June 30, 2007

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

Release Date 1/23/08

**Morehouse Parish School Board
Bastrop, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2007**

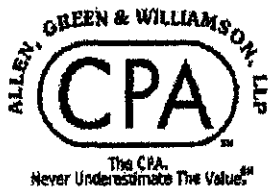
**Morehouse Parish School Board
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ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

Phone: (318) 388-4422

Fax: (318) 388-4664

2414 Ferrand Street
Monroe, LA 71201

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Marge Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Rusty Bryan, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Independent Auditors' Report

Board Members

Morehouse Parish School Board
Bastrop, Louisiana

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2007, 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 Schedules, as listed in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The supplemental information and the Schedule of Expenditures of Federal Awards as required by OMB Circular A-133, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as Other Information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 14, 2007

Morehouse Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)**

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

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

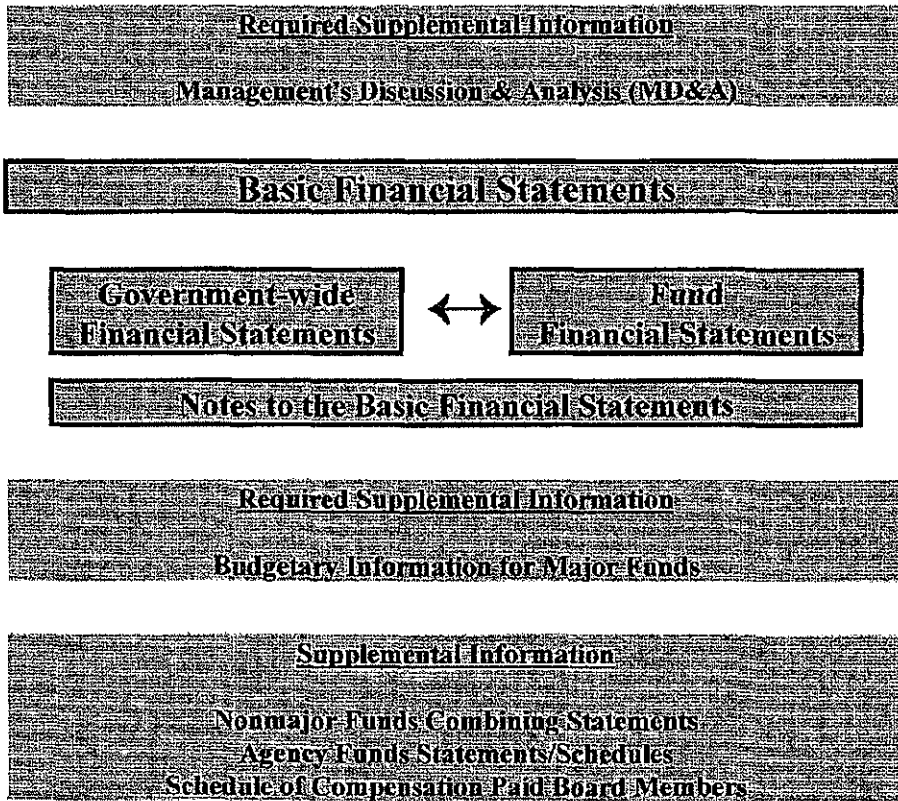
FINANCIAL HIGHLIGHTS The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily minimum foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

Total revenues increased \$1,029,732 for the year ended June 30, 2007 due mainly to an increase in the MFP. Federal sources decreased slightly by \$223,532, state sources increased \$119,417, the state minimum foundation funding increased \$1,206,672 and other local sources decreased \$10,154. The decrease in federal sources is due primarily to a slight decrease in the student population. The state and federal programs are cost reimbursement programs and any increase in revenues is offset by an equal increase in expenses. Ad valorem taxes for 2007 decreased by \$120,095 and sales tax decreased by \$152,837.

Total expenditures of the governmental funds decreased by \$3,660,010 from prior year. The decrease was mainly due to strict adherence to budgeted amounts.

ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the general fund, school food service fund, and debt service fund. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)**



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

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

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

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statements

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

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

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

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

**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)**

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were \$8,813,390 at June 30, 2007. Of this amount \$769,701 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

**Table 1
Net Assets
June 30, 2007**

	<u>2007</u>	<u>Governmental Activities</u>	
		<u>2006</u>	<u>Variance</u>
Current and other assets	\$ 6,097,956	\$ 5,024,190	\$ 1,073,766
Capital assets	<u>21,971,011</u>	<u>22,536,942</u>	<u>(565,931)</u>
Total assets	<u>28,068,967</u>	<u>27,561,132</u>	<u>507,835</u>
Current and other liabilities	3,982,670	4,446,480	(463,810)
Long-term liabilities	<u>15,272,907</u>	<u>15,615,047</u>	<u>(342,140)</u>
Total liabilities	<u>19,255,577</u>	<u>20,061,527</u>	<u>(805,950)</u>
Net assets			
Invested in capital assets, net of debt	8,043,689	8,726,530	(682,841)
Unrestricted	<u>769,701</u>	<u>(1,226,925)</u>	<u>1,996,626</u>
Total net assets	<u>\$ 8,813,390</u>	<u>\$ 7,499,605</u>	<u>\$ 1,313,785</u>

The \$769,701 in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. The net assets of the School Board increased by \$1,313,785.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)**

**Table 2
Changes in Net Assets
For the Year Ended June 30, 2007**

	<u>2007</u>	<u>Governmental Activities 2006</u>	<u>Variance</u>
Net Assets - beginning	\$17,494,821	\$17,010,300	\$ 484,521
Prior Period Adjustment	<u>(9,995,216)</u>	<u>0</u>	<u>(9,995,216)</u>
Net Assets - beginning (restated)	<u>7,499,605</u>	<u>17,010,300</u>	<u>(9,510,695)</u>
Revenues:			
Program revenues			
Charges for services	226,187	219,612	6,575
Operating grants and contributions	8,851,468	8,946,493	(95,025)
General Revenues			
Ad valorem taxes	5,400,873	5,520,968	(120,095)
Sales taxes	6,028,186	6,181,023	(152,837)
State equalization	23,750,068	22,543,396	1,206,672
Other general revenues	<u>1,480,570</u>	<u>1,248,449</u>	<u>232,121</u>
Total revenues before extra ordinary item	45,737,352	44,659,941	1,077,411
Extraordinary item (insurance proceeds)	<u>0</u>	<u>803,075</u>	<u>(803,075)</u>
Total revenues	<u>45,737,352</u>	<u>45,463,016</u>	<u>274,336</u>
Functions/Program Expenses:			
Instruction			
Regular programs	16,669,248	17,735,118	(1,065,870)
Special programs	4,983,021	5,569,988	(586,967)
Other instructional programs	4,083,972	4,167,575	(83,603)
Support services			
Student services	2,240,235	1,640,580	599,655
Instructional staff support	2,635,178	2,097,484	537,694
General administration	869,414	766,185	103,229
School administration	2,385,782	2,503,370	(117,588)
Business services	716,313	569,952	146,361
Plant services	3,258,187	3,281,832	(23,645)
Student transportation services	2,422,942	2,039,502	383,440
Central services	670,610	690,112	(19,502)
Food Services	2,803,615	3,214,935	(411,320)
Community Service Programs	1,154	446	708
Interest on long-term debt	<u>683,896</u>	<u>701,416</u>	<u>(17,520)</u>
Total expenses	<u>44,423,567</u>	<u>44,978,495</u>	<u>(554,928)</u>
Increase (decrease) in net assets	<u>1,313,785</u>	<u>484,521</u>	<u>829,264</u>
Net Assets - ending	<u>\$ 8,813,390</u>	<u>\$17,494,821</u>	<u>\$(8,681,431)</u>

Governmental Activities As reported in the Statement of Activities, the cost of all governmental activities this year was \$44,423,567. The amount that taxpayers ultimately financed for these activities through School Board taxes was only \$35,345,912 because some of the cost was paid by those who benefited from the programs (\$226,187) or by other governments and organizations who subsidized certain programs with grants and contributions (\$8,851,468). The School Board paid for the remaining "public benefit" portion of its governmental activities with \$11,429,059 in taxes, \$23,750,068 in Minimum Foundation Program funds, \$1,480,570 in other revenues such as interest and other local sources.

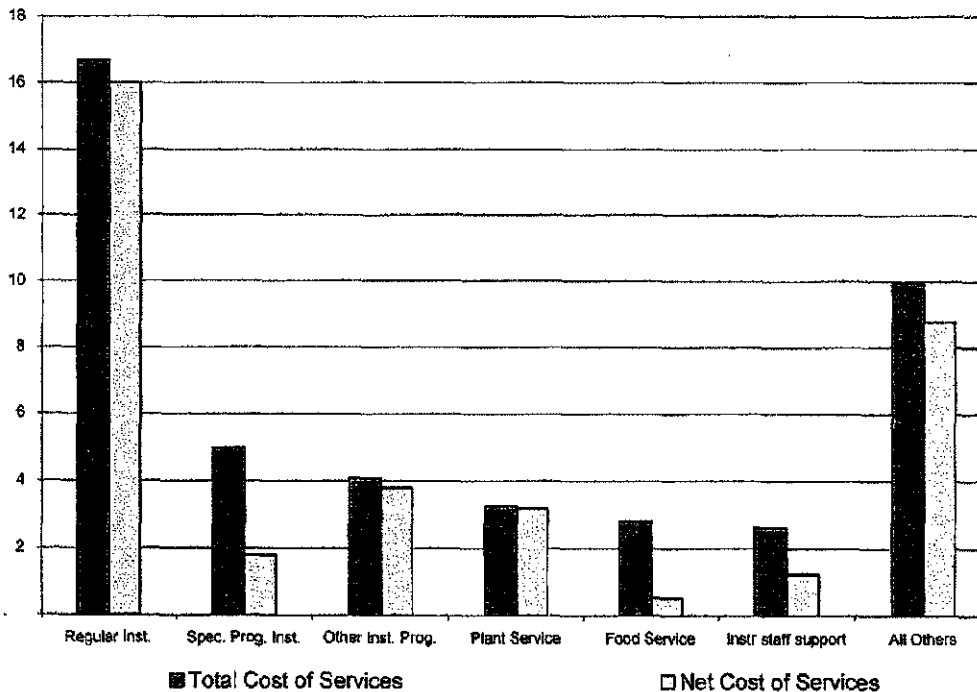
**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)**

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

**For the Years Ended June 30,
Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Regular programs instruction	\$16,669,248	\$17,735,118	\$16,017,802	\$16,611,672
Special programs instruction	4,983,021	5,569,988	1,782,167	2,547,105
Other instructional programs	4,083,972	4,167,575	3,792,028	3,563,847
Plant services	3,258,187	3,281,832	3,188,154	3,167,156
Food services	2,803,615	3,214,935	538,018	949,380
Instructional staff support	2,635,178	2,097,484	1,251,200	925,039
All others	9,990,346	8,911,563	8,776,543	8,048,191
Totals	<u>\$44,423,567</u>	<u>\$44,978,495</u>	<u>\$35,345,912</u>	<u>\$35,812,390</u>

2007
Total Cost of Services
Versus
Net Cost of Services
For the Year Ended June 30, 2007



**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)**

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

The fund balance of the general fund increased \$1,273,828 due mainly to a increase in Minimum Foundation Program revenues of \$1,183,824 and expenditures increasing slightly by \$252,319 over the 2006 amount.

The fund balance of the school service fund decreased \$136,127 although expenditures were reduced by \$414,261 over 2006. Revenues were increased by \$22,890 in 2007 over the 2006 amount.

Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.)

The General Fund's actual revenue were \$89,992 less than projected budgeted revenue amounts. This was mainly due to ad valorem and sales tax revenue declining in 2007 by \$158,995. Total expenditures for the General Fund were \$571,818 less than projected budgeted amounts.

The School Food Service had actual revenues which were less than projected budgeted revenues by \$170,415, while actual expenditures were \$27,787 less than budgeted expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2007, the School Board had \$21,971,011 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$565,931 or approximately 3%, from last year. For further detailed information, please refer to Notes to the Financials (Note 6).

Capital Assets at June 30,

	<u>2007</u>	<u>2006</u>
Land	\$ 240,013	\$ 240,013
Buildings	19,420,721	14,292,944
Furniture and Equipment	2,310,277	2,345,157
Construction and Progress	<u>0</u>	<u>5,658,828</u>
Totals	<u>\$21,971,011</u>	<u>\$22,536,942</u>

DEBT ADMINISTRATION At June 30, 2007, the School Board had \$130,000 in Certificates of Indebtedness maturing on March 1, 2014 with an interest rate of 3.55 percent. General obligations bonds, Series 2003 have a balance of \$8,930,000 and mature on March 1, 2028 with an interest rate of 4.58 percent. The school board also has general obligation bonds, series 2004, totaling \$4,585,000 which matures March 1, 2029 with an interest rate of 4.30 percent. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2007, the School Board's net bonded debt of \$11,860,082 (total bonded debt of \$13,645,000 less assets in debt service funds of \$1,784,918) was well below the legal limit of \$59,063,270. For more detailed information, please refer to the Notes to the Financial Statement (Note 12).

**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES There are no major changes anticipated in revenues for 2007-2008. Strict adherence will be maintained to budgeted amounts so as to maintain the gains made during the 2006-2007 year.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Ms. Renee Hinton, Business Manager, at the Morehouse Parish School Board, P. O. Box 872, Bastrop, Louisiana 71221-0872, telephone number (318) 281-5784.

Morehouse Parish School Board

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

MOREHOUSE PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS
June 30, 2007

Statement A

**GOVERNMENTAL
ACTIVITIES**

ASSETS

Cash and cash equivalents	\$ 3,814,892
Investments	71,870
Receivables (net)	2,052,450
Inventory	112,938
Investment in land and buildings	45,806
Capital assets:	
Land	240,013
Capital assets, net of depreciation	<u>21,730,998</u>

TOTAL ASSETS 28,068,967

LIABILITIES

Accounts, salaries and other payables	3,758,726
Unearned revenue	21,092
Interest payable	202,852
Long-term liabilities	
Due within one year	1,045,791
Due in more than one year	<u>14,227,116</u>

TOTAL LIABILITIES 19,255,577

NET ASSETS

Invested in capital assets, net of related debt	8,043,689
Unrestricted	<u>769,701</u>

TOTAL NET ASSETS \$ 8,813,390

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MOREHOUSE PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 16,669,248	\$ 0	\$ 651,446	\$ 0 (16,017,802)
Special education programs	4,983,021		3,200,854	(1,782,167)
Other instructional programs	4,083,972	0	291,944	(3,792,028)
Support services:				
Student services	2,240,235		436,427	(1,803,808)
Instructional staff support	2,635,178		1,383,978	(1,251,200)
General administration	869,414		386,671	(482,743)
School administration	2,385,782		0	(2,385,782)
Business services	716,313		98,220	(618,093)
Plant services	3,258,187		70,033	(3,188,154)
Student transportation services	2,422,942	0	35,481	(2,387,461)
Central services	670,810		257,004	(413,806)
Food services	2,803,815	226,187	2,039,410	(538,018)
Community service programs	1,154			(1,154)
Interest on long-term debt	683,896	0	0	(683,896)
Total Governmental Activities	44,423,567	226,187	8,851,468	0 (35,345,912)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				5,400,873
Sales taxes, levied for general purposes				6,028,188
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				23,750,088
Other unrestricted state				203,878
Interest and investment earnings				625,801
Miscellaneous				650,891
Total general revenues				36,659,697
Changes in net assets				1,313,785
Net assets - beginning, as originally stated				17,494,821
Prior period adjustment				(9,995,216)
Net assets - beginning, as restated				7,499,605
Net assets - ending				\$ 8,813,390

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Morehouse Parish School Board

**BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)**

MOREHOUSE PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2007**

	<u>GENERAL</u>	<u>SCHOOL FOOD SERVICE</u>	<u>DEBT SERVICE</u>
ASSETS			
Cash and cash equivalents	\$ 1,721,232	\$ 0	\$ 1,784,607
Investments	71,870	0	0
Receivables	757,131	172,214	311
Interfund receivables	1,816,928	0	0
Inventory	38,242	74,696	0
TOTAL ASSETS	<u>4,405,403</u>	<u>246,910</u>	<u>1,784,918</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	3,202,394	102,511	0
Interfund payables	0	1,121,412	0
Unearned revenue	0	21,092	0
Incurred but not reported claims	0	0	0
Revenue recognition notes	0	0	0
Total Liabilities	<u>3,202,394</u>	<u>1,245,015</u>	<u>0</u>
Fund Balances:			
Reserved for:			
Inventory	0	53,604	0
Debt Service	0	0	1,784,918
Workers' compensation claims	0	0	0
Unreserved, reported in:			
General Fund - Undesignated	1,203,009	0	0
Special Revenue	0	(1,051,709)	0
Capital Projects	0	0	0
Total Fund Balances	<u>1,203,009</u>	<u>(998,105)</u>	<u>1,784,918</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,405,403</u>	<u>\$ 246,910</u>	<u>\$ 1,784,918</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

OTHER			
<u>GOVERNMENTAL</u>		<u>TOTAL</u>	
\$ 309,053	\$	3,814,892	
0		71,870	
1,122,794		2,052,450	
0		1,816,928	
<u>0</u>		<u>112,938</u>	
<u>1,431,847</u>		<u>7,869,078</u>	

453,821		3,758,726	
695,516		1,816,928	
0		21,092	
0		0	
<u>0</u>		<u>0</u>	
<u>1,149,337</u>		<u>5,596,746</u>	

0		53,604	
0		1,784,918	
0		0	
0		1,203,009	
63,329		(988,380)	
<u>219,181</u>		<u>219,181</u>	
<u>282,510</u>		<u>2,272,332</u>	
<u>\$ 1,431,847</u>	<u>\$</u>	<u>7,869,078</u>	

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MOREHOUSE PARISH SCHOOL BOARD

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

Statement D

Total fund balances - governmental funds \$ 2,272,332

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

Costs of capital assets	\$ 44,162,290	
Depreciation expense to date	<u>(22,191,279)</u>	
		21,971,011

Investment in land and school building that is closed. 45,806

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

Balances at June 30, 2007 are:

Long-term liabilities		
Compensated absences payable	(1,345,585)	
Bonds payable	(13,845,000)	
Notes payable	(282,322)	
Interest payable	<u>(202,852)</u>	
		<u>(15,475,759)</u>

Net Assets - Governmental Activities \$ 8,813,390

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MOREHOUSE PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007**

	<u>GENERAL</u>	<u>SCHOOL FOOD SERVICE</u>	<u>DEBT SERVICE</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 3,779,365	\$ 0	\$ 1,332,327
Sales and use	6,013,814	0	0
Interest earnings	541,703	0	71,402
Food services	0	226,187	0
Other	592,997	0	0
State sources:			
Equalization	23,681,341	68,727	0
Other	360,400	0	0
Federal sources	0	2,039,410	0
Total Revenues	<u>34,969,620</u>	<u>2,334,324</u>	<u>1,403,729</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	15,197,838	0	0
Special programs	4,026,006	0	0
Other instructional programs	1,372,314	0	0
Support services:			
Student services	1,961,769	0	0
Instructional staff support	949,093	0	0
General administration	428,917	0	43,257
School administration	2,368,103	0	0
Business services	598,188	0	0
Plant services	3,045,015	0	0
Student transportation services	2,263,893	0	0
Central services	395,775	0	0
Food services	277,015	2,497,722	0
Community service programs	708	0	0
Capital outlay	668,174	0	0
Debt service:			
Principal retirement	37,003	0	345,000
Interest and bank charges	61,230	0	624,770
Total Expenditures	<u>33,651,041</u>	<u>2,497,722</u>	<u>1,013,027</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 1,318,579</u>	<u>\$ (163,398)</u>	<u>\$ 390,702</u>

Statement E

OTHER			
<u>GOVERNMENTAL</u>		<u>TOTAL</u>	
\$ 289,181	\$	5,400,873	
14,372		6,028,186	
12,696		625,801	
0		226,187	
38,462		631,459	
0		23,750,068	
983,818		1,344,218	
<u>5,671,718</u>		<u>7,711,128</u>	
<u>7,010,247</u>		<u>45,717,920</u>	
566,487		15,764,325	
903,703		4,929,709	
2,645,665		4,017,979	
221,663		2,183,432	
1,652,152		2,601,245	
396,103		868,277	
17,679		2,385,782	
98,220		696,408	
183,213		3,228,228	
78,750		2,342,643	
257,004		652,779	
2,778		2,777,515	
0		708	
36,338		704,512	
15,000		397,003	
<u>4,435</u>		<u>690,435</u>	
<u>7,079,190</u>		<u>44,240,980</u>	
<u>\$ (68,943)</u>	<u>\$</u>	<u>1,476,940</u>	

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007**

	<u>GENERAL</u>	<u>SCHOOL FOOD SERVICE</u>	<u>DEBT SERVICE</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 0	\$ 0	\$ 0
Transfers out	(71,577)	0	0
Proceeds from insurance	<u>26,826</u>	<u>27,271</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(44,751)</u>	<u>27,271</u>	<u>0</u>
Net Change in Fund Balances	<u>1,273,828</u>	<u>(136,127)</u>	<u>390,702</u>
Fund Balances (Deficit) - Beginning, as originally stated	(292,350)	(861,978)	1,394,216
Prior period adjustment	<u>221,531</u>	<u>0</u>	<u>0</u>
Fund Balances (Deficit) - Beginning, as restated	<u>(70,819)</u>	<u>(861,978)</u>	<u>1,394,216</u>
Fund Balances (Deficit) - Ending	<u>\$ 1,203,009</u>	<u>\$ (998,105)</u>	<u>\$ 1,784,918</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E

OTHER	
<u>GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 71,577	\$ 71,577
0	(71,577)
<u>0</u>	<u>54,097</u>
<u>71,577</u>	<u>54,097</u>
<u>2,634</u>	<u>1,531,037</u>
279,876	519,764
<u>0</u>	<u>221,531</u>
<u>279,876</u>	<u>741,295</u>
<u>\$ 282,510</u>	<u>\$ 2,272,332</u>

(CONCLUDED)

MOREHOUSE PARISH 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, 2007**

Statement F

Total net change in fund balances - governmental funds \$ 1,531,037

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

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

Depreciation expense	\$ (1,235,778)	
Capital outlays	<u>704,512</u>	
Net capital outlays		(531,266)

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 397,003

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$688,651) exceeded the amounts used (\$633,788) by \$54,863. (54,863)

In the Statement of Activities, scrapping of capital assets are reported as a gain or loss net of the book value. Whereas in the governmental funds there is no recognition because there is no inflow/outflow of current financial resources:

Cost of assets scrapped	\$181,452	
Accumulated depreciation	<u>(146,787)</u>	
Net loss		(34,665)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The change in accrued interest payable for the current year was \$6,539. 6,539

Change in net assets of governmental activities \$ 1,313,785

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

MOREHOUSE PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2007

Statement G

	<u>AGENCY FUND</u>
ASSETS	
Cash and cash equivalents	\$ <u>346,124</u>
Total assets	<u>346,124</u>
LIABILITIES	
Deposits due others	<u>346,124</u>
Total liabilities	<u>\$ 346,124</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Morehouse Parish School Board
Notes to the Financial Statements**

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Morehouse Parish School Board
Notes to the Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The School Board operates twelve schools within the parish with a total enrollment of approximately 4,865 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

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

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

Governmental Funds Governmental funds account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of fixed assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General fund - the primary operating fund of the School Board accounts for all financial resources except those required to be accounted for in other funds.

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

Debt Service - revenues received from ad valorem taxes and interest earnings are used to make principal and interest payments on bond indebtedness.

Morehouse Parish School Board
Notes to the Basic Financial Statements

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

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

Cox Scholarship fund – accounts for assets held for an endowed scholarship fund.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from 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 include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

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

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "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 government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when the obligations are expected to be liquidated with expendable available financial resources.

Morehouse Parish School Board
Notes to the Basic Financial Statements

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized when all applicable eligibility requirements have been met and the resources are available.

Sales taxes are recognized when the underlying transaction occurs and the resources are available.

Entitlements and shared revenue (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible and accrual criteria are met.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability has been incurred.

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

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

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

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

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31: Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

**Morehouse Parish School Board
Notes to the Basic Financial Statements**

The School Board reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

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

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

E. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet.

F. INVENTORIES Inventories of the governmental fund type are recorded as expenditures when purchased, except for inventory of the school food service fund.

Inventory of the school food service (special revenue fund) consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditure when consumed. Unused commodities at June 30 are reported as deferred revenue. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture. In 2007, School Food Service also implemented an inventory for all paper products purchased which are recorded as expenditure when consumed.

G. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	10 - 40 years
Furniture and equipment	3 - 10 years

Interest during construction is not capitalized on capital assets.

H. UNEARNED REVENUES The School Board reports unearned revenues on its combined balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

I. COMPENSATED ABSENCES All twelve-month employees earn from twelve to eighteen days of sick leave each year, depending on their length of service. All employees working on a nine-month basis earn ten days of sick leave each year. Nine-month employees who work during the summer receive an additional one day of sick leave for each four weeks of summer work. Sick leave may be accumulated and carried forward to succeeding years without limitation. Upon retirement or death, employees or their heirs are paid for the value of accumulated sick leave not to exceed twenty-five days at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

Morehouse Parish School Board
Notes to the Basic Financial Statements

All twelve-month employees earn from ten to fifteen days of vacation leave each year, depending upon their length of service with the School Board. Twelve-month employees may accumulate and carry forward a maximum of fifteen days' vacation time to succeeding years. Any employee's vacation leave in excess of fifteen days is forfeited at year end without compensation. Upon separation of employment, all employees are paid for unused vacation leave.

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

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

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

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

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

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The School Board uses approach B to calculate the accrued sick leave liability.

J. LONG-TERM OBLIGATIONS For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**Morehouse Parish School Board
Notes to the Basic Financial Statements**

L. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Reserves Reservations of fund balance represent those amounts that are not appropriable or are legally segregated for a specific purpose.

Designated Fund Balances Designated fund balances represent tentative management plans that are subject to change.

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. SALES TAXES The Morehouse Parish School Board has four sales tax ordinances as follows:

The School Board has a one cent parish-wide sales and use tax as authorized in a special election held November 18, 1989. In accordance with the proposition approved by the voters of the parish, the net "revenues derived from said sales and use tax is to be dedicated and used solely for the purpose of providing funds for the payment of salaries of school employees in the Parish of Morehouse."

The School Board has a one half cent parish-wide sales and use tax. It was authorized in a special election held July 18, 1992. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is "to be dedicated and used for the purpose of acquiring, constructing, renovating, improving, equipping, furnishing, maintaining and operating public schools and school-related facilities in Morehouse parish and for paying salaries and benefits for teachers and other personnel employed by the Morehouse Parish School Board." The tax was renewed in a special election held July 19, 2003 for a period of ten years ending September 30, 2014.

An additional ½% sales tax was approved by the voters in a special election held July 19, 2003. The net revenues derived from this additional tax are "to be dedicated and used for acquiring, constructing, renovating, improving, equipping, furnishing, maintaining and operating public schools and school-related facilities in Morehouse Parish, and for paying salaries and benefits for teachers and other personnel employed by the Morehouse Parish School Board". The new sales tax is effective for eleven years commencing on October 1, 2003 and ending on September 30, 2014.

O. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

P. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

**Morehouse Parish School Board
Notes to the Basic Financial Statements**

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. **Deficit Fund Balance** The following fund has a deficit in the fund balance at June 30, 2007:

<u>Fund</u>	<u>Deficit Amount</u>
School Food Service	\$998,105

Management expects to correct this deficit by reducing expenditures.

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Morehouse Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Morehouse Parish Tax Assessor and approved by the state of Louisiana Tax Commission. The Morehouse Parish Sheriff's Office bills and collects all property taxes for the School Board except for the property located in the city of Bastrop which is billed and collected by the city of Bastrop. Collections are remitted to the School Board monthly.

Property Tax Calendar

	<u>Parish (Except City of Bastrop)</u>	<u>City of Bastrop</u>
Tax bills mailed	November 2, 2006	November 2, 2006
Total taxes are due	December 31, 2006	December 31, 2006
Lien date	January 1, 2007	March 15, 2007
Penalties and interest are added	January 1, 2007	March 15, 2007

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

10% land	25% public service properties, excluding land
10% residential improvements	15% other property
15% electronic cooperative properties, excluding land	

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2004. Total assessed value was \$168,752,200 in calendar year 2006. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$34,005,674 of the assessed value in calendar year 2006.

State law requires the Morehouse Parish Sheriff's Department to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 and March 15 as noted in the above property tax calendar of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Morehouse Parish Sheriff's Department is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund and debt service fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments

**Morehouse Parish School Board
Notes to the Basic Financial Statements**

to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. No receivable has been recorded for 2007 property taxes because the lien date is subsequent to year end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	5.57	5.22	Statutory
Maintenance and operation	6.45	6.45	2014
Special leeway maintenance and operations	6.01	6.01	2014
Special 1998 capital program tax	10.00	10.00	2013
East Morehouse School District	9.95	9.95	2014
General obligation bonds debt service	Variable	10.00	2027
District taxes:			
Beekman (District 12)	5.00	5.00	2013

NOTE 4 - DEPOSITS At June 30, 2007, the School Board has deposits as follows:

Interest Rate Risk: The School Board's policy does not address interest rate risk.

Credit Risk: The School Board invests in certificates of deposit which do not have credit ratings. The School Board's policy does not address credit rate risk.

Custodial credit risk-Deposits: *In the case of deposits, this is the risk that in the event of a bank failure, the School Board's deposits may not be returned to it. At year end, the School Board's carrying amount of deposits was \$4,232,886 (Statement A -Cash and cash equivalents of \$3,814,892, Investments of \$71,870 and Statement G - \$346,124) and the bank balance was \$7,528,688. Of the bank balance, \$287,819 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining \$7,240,869 of the bank balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand. The School Board's policy does not address custodial credit risk.*

Morehouse Parish School Board
Notes to the Basic Financial Statements

NOTE 5 - RECEIVABLES The receivables at June 30, 2007, are as follows:

Class of Receivables	General	School Food Service	Debt Service	Other Governmental	Total
Taxes:					
Ad Valorem	\$ 608	\$ -	\$ 311	\$ -	\$ 919
Sales Tax	625,910	-	-	-	625,910
Intergovernmental - grants:					
Federal	80,913	172,214	-	948,392	1,201,519
State	10,394	-	-	151,016	161,410
Other	39,306	-	-	23,386	62,692
Total	<u>\$ 757,131</u>	<u>\$ 172,214</u>	<u>\$ 311</u>	<u>\$ 1,122,794</u>	<u>\$ 2,052,450</u>

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

NOTE 6 - CAPITAL ASSETS Capital assets balances and activity for the year ended June 30, 2007, are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Capital asset not being depreciated				
Land	\$ 240,013	\$ -	\$ -	\$ 240,013
Construction in progress	5,658,828	-	5,658,828	-
Total capital assets not being depreciated	<u>5,898,841</u>	<u>-</u>	<u>5,658,828</u>	<u>240,013</u>
Capital assets being depreciated				
Buildings	31,182,274	5,678,077	88,060	36,772,291
Furniture and equipment	6,558,115	685,263	93,392	7,149,986
Total capital assets being depreciated	<u>37,740,389</u>	<u>6,363,340</u>	<u>181,452</u>	<u>43,922,277</u>
Less accumulated depreciation				
Buildings	16,889,330	523,224	60,984	17,351,570
Furniture and equipment	4,212,958	712,554	85,803	4,839,709
Total accumulated depreciation	<u>21,102,288</u>	<u>1,235,778</u>	<u>146,787</u>	<u>22,191,279</u>
Total capital assets being depreciated, net	<u>16,638,101</u>	<u>5,127,562</u>	<u>34,665</u>	<u>21,730,998</u>
Governmental activities				
Capital assets, net	<u>\$ 22,536,942</u>	<u>\$ 5,127,562</u>	<u>\$ 5,693,493</u>	<u>\$ 21,971,011</u>

**Morehouse Parish School Board
Notes to the Basic Financial Statements**

Accumulated depreciation was adjusted for prior years in the amount of \$9,665,995 due to calculation of depreciation including a 50% salvage value for all capital assets in prior years.

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 850,060
Special programs	53,312
Vocational programs	20,792
Other instructional programs	45,201
Student services	56,803
Instructional staff support	33,933
General administration	278
School administration	860
Business services	19,905
Plant services	29,959
Student transportation services	80,299
Central services	17,831
Food services	26,100
Community services	445
Total depreciation expense	\$ 1,235,778

NOTE 7 - RETIREMENT SYSTEMS

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

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

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with ten years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally 2% (with less than 25 years of service) or 2.5% (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan B, normal retirement is at age 55 with at least 30 years of creditable service or at age 60 with at least ten years of creditable service. The retirement benefit formula is generally 2% times the years of creditable service times the retirees' average salary of the 36 highest successive months.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after ten years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Morehouse Parish School Board
Notes to the Basic Financial Statements

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

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 (225) 925-6484
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Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by annual appropriations.

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

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

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.0%	15.80%
Plan B	5.0%	15.80%
Louisiana School Employees' Retirement System	7.5%	19.60%

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan B, and LSERS for the year ended June 30, 2007, amounted to \$20,531,824, \$709,507 and \$1,517,756, respectively. Employer contributions for the year ended June 30, 2007, and each of the two preceding years are as follows:

<u>Fiscal year ended</u>	TRS	LSERS
June 30, 2005	\$3,213,012	\$242,489
June 30, 2006	3,311,875	280,381
June 30, 2007	3,355,363	297,479

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS State statutes require the School Board to provide the certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Benefits Program. The cost of benefits for current retired employees is paid jointly by the employee and by the School Board. The School Board's portion of the cost is recognized as expenditure when the monthly premiums are paid. The cost of retiree benefits for 2007 totaled \$2,462,933 for 490 retirees.

Morehouse Parish School Board
Notes to the Basic Financial Statements

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2007, are as follows:

	General	School Food Service	Other Governmental	Total
Salaries and withholding	\$ 3,056,741	\$ 95,958	\$ 423,427	\$ 3,576,126
Accounts	145,653	6,553	30,394	182,600
Total	<u>\$ 3,202,394</u>	<u>\$ 102,511</u>	<u>\$ 453,821</u>	<u>\$ 3,758,726</u>

NOTE 10 - COMPENSATED ABSENCES At June 30, 2007, employees of the School Board have accumulated and vested \$1,345,585 of employee leave benefits, including \$19,232 of salary related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore, the liability of \$1,345,585 is recorded as a long-term liability.

NOTE 11 - AGENCY FUND - DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others for the year ended June 30, 2007, are as follows:

Balance, beginning	\$ 347,642
Additions	1,616,057
Deductions	<u>1,617,575</u>
Balance, ending	<u>\$ 346,124</u>

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2007:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities					
Bonds payable:					
General Obligation debt	\$ 14,005,000	\$ -	\$ 360,000	\$ 13,645,000	\$ 375,000
Notes payable	319,325	-	37,003	282,322	37,003
Revenue Recognition Note	-	2,000,000	2,000,000	-	-
Other liabilities:					
Compensated absences	<u>1,290,722</u>	<u>688,651</u>	<u>633,788</u>	<u>1,345,585</u>	<u>633,788</u>
Governmental activities					
Long-term liabilities	<u>\$ 15,615,047</u>	<u>\$ 2,688,651</u>	<u>\$ 3,030,791</u>	<u>\$ 15,272,907</u>	<u>\$ 1,045,791</u>

In the past, the liability for compensated absences has been liquidated by the general fund.

Morehouse Parish School Board
Notes to the Basic Financial Statements

Individual obligation issues are as follows:

<u>General obligation</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Outstanding</u>	<u>Interest Outstanding</u>
Certificate of indebtedness					
Series 2004	\$ 175,000	3.55%	1-Mar-14	\$ 130,000	\$ 22,665
General Obligation Bonds					
Series 2003	9,800,000	4.58%	1-Mar-28	8,930,000	5,222,218
General Obligation Bonds					
Series 2004	4,900,000	4.30%	1-Mar-29	4,585,000	2,657,154
<u>Notes payable</u>					
EPA note	98,364	4.55%	December 31, 2009	9,697	-
QZAB note	440,040		1-Nov-15	272,024	-
Total				<u><u>\$ 13,926,721</u></u>	<u><u>\$ 7,902,037</u></u>

The obligations are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2008	\$ 375,000	\$ 608,556	\$ 983,556
2009	395,000	588,091	983,091
2010	425,000	568,866	993,866
2011	440,000	548,116	988,116
2012	460,000	528,410	988,410
2013-2017	2,630,000	2,324,353	4,954,353
2018-2020	3,325,000	1,737,740	5,062,740
2023-2027	4,270,000	921,354	5,191,354
2028-2029	1,325,000	76,551	1,401,551
Total	<u><u>\$ 13,645,000</u></u>	<u><u>\$ 7,902,037</u></u>	<u><u>\$ 21,547,037</u></u>

The School Board was loaned \$98,364 from the Environmental Protection Agency to fund asbestos clean-up. The loan has no stated interest rate. Accounting principles generally accepted in the United States of America require that interest be imputed on loans with no stated rate. Interest was imputed at the rate of 4.551%, which was the effective rate available for the Certificates of Indebtedness that were used to finance similar projects.

Also, in November 2001, the School Board entered into a Qualified Zone Academy Bond Program (QZAB), with the Louisiana Local Government Environmental Facilities and Community Development Authority. This program allows qualified public schools within the state of Louisiana to borrow monies for various projects authorized under the QZAB Regulations. In November 2001, the School Board received \$440,040 from Qualified Zone Academy Bonds. The Qualified Zone Academy Bond Program is a federal program offered to school districts to acquire interest-free debt for selected projects. The federal government covers all the interest on the bonds.

**Morehouse Parish School Board
Notes to the Basic Financial Statements**

The annual requirements to amortize these notes outstanding as of June 30, 2007, are as follows:

Year Ending June 30,	EPA Principal Payments	EPA Interest Payments	Total	QZAB Principal Payments
2008	\$ 4,593	\$ 407	\$ 5,000	\$ 32,003
2009	4,818	182	5,000	32,003
2010	286	12	298	32,003
2011	0	0	0	32,003
Thereafter	0	0	0	144,012
Total	<u>\$ 9,697</u>	<u>\$ 601</u>	<u>\$ 10,298</u>	<u>\$ 272,024</u>

In August, 2006, the School Board received a bank loan in the amount of \$2,000,000 for operating purposes. The loan was in the form of a Revenue Anticipation Note, Series 2006. In March, 2007, the School Board paid principal of \$1,500,000, with the remaining \$500,000 principal being paid in June, 2007. Interest paid on the loan was \$61,230 paid in June, 2007. See Note 18 – Subsequent Events for further details of new debt issued by the School Board.

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2007, the statutory limit is \$59,063,270 and outstanding net bonded debt totals \$11,860,082.

NOTE 13 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)

Due from/to others:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	School Food Service	\$ 1,121,412
	Other Governmental	695,516
Total		<u>\$ 1,816,928</u>

The general fund receivable from other governmental funds is to cover expenditures for cost reimbursement programs until the money is received from the grantor. The payable from school food service to the general fund is to cover expenditures which were paid by the general fund because of the deficit in school food service. This payable will not be repaid in a year.

Transfers in/out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Total</u>
Other Governmental	General Fund	\$ 71,577

The transfer to the ROTC fund is to cover a deficit for the past two years in that fund.

Morehouse Parish School Board
Notes to the Basic Financial Statements

NOTE 14 - RESERVED FUND BALANCES (FFS LEVEL ONLY)

Reservations:

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

NOTE 15 - LITIGATION AND CONTINGENCIES

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

Grant Disallowance The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The School Board's management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

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

NOTE 16 - RISK MANAGEMENT The School Board is at risk for worker's compensation, property damage, liability and theft which are covered by insurance policies. There were no substantial reduction of insurance coverage during 2007.

NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$11,819 for the 2006-2007 year. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 18 - SUBSEQUENT EVENTS The School Board received a loan from a bank in August, 2007 in the amount of \$2,000,000 for current operating purposes. The loan is in the form of a Revenue Anticipation Note, Series 2007, with principal and interest due June 30, 2008. The stated interest rate is 4.27%. The note is secured by and payable from all revenues accruing to the School Board for the year ending June 30, 2008.

Also, General Obligation School Bonds, Series 2007 were issued in October, 2007. The bonds are for \$5,070,000 with an interest rate ranging from 4.30% to 6.00%. The bonds are for twenty-five years, with repayment beginning in 2008 and continuing until 2032.

**Morehouse Parish School Board
Notes to the Basic Financial Statements**

NOTE 19 - ECONOMIC DEPENDENCY Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than ten percent of the audited entity's revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$23,750,068 which is 52% of total revenues.

NOTE 20 - ENCUMBRANCES (FFS LEVEL ONLY) Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are re-appropriated in the next year. At June 30, 2007, the School Board had entered into purchase orders and commitments as follows:

<u>Fund</u>	<u>General</u>	<u>School Food Service</u>	<u>Other Governmental</u>	<u>Total</u>
Totals	<u>\$46,457</u>	<u>\$38,584</u>	<u>\$10,953</u>	<u>\$95,994</u>

NOTE 21 - PRIOR PERIOD ADJUSTMENT A prior period adjustment in the amount of \$221,531 is reflected on Statement E in the General Fund column. This adjustment was to write off payroll liabilities which were over stated in prior years. A prior year adjust of \$10,216,747 was made to the full accrual financial statements. This adjustment increased beginning accumulated depreciation by \$9,665,995. Prior year accumulated depreciation was calculated using a 50% salvage value for each asset. The cost of capital assets was reduced \$550,752 due to a difference in construction in progress for the prior year.

Morehouse Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION

**Morehouse Parish School Board
Budgetary Comparison Schedule**

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

SCHOOL FOOD SERVICE - Through cash grants and food donations, the school food service fund assist in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

MOREHOUSE PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2007**

Exhibit 1-1

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ (1,526,764)	\$ (292,350)	\$ (292,350)	0
Resources (inflows)				
Local sources:				
Ad valorem	3,833,493	3,797,174	3,779,365	(17,809)
Sales tax	6,017,213	6,155,000	6,013,814	(141,186)
Interest earnings	306,370	524,600	541,703	17,103
Other	602,035	534,933	592,997	58,064
State sources:				
Equalization	23,765,087	23,705,926	23,681,341	(24,585)
Other	350,204	342,664	360,400	17,736
Federal sources	21,245	0	0	
Transfers from other funds	0	0	0	0
Insurance proceeds from loss	0	26,141	26,826	685
Proceeds from loan	2,000,000	2,000,000	2,000,000	0
Amounts available for appropriations	<u>35,368,883</u>	<u>36,794,088</u>	<u>36,704,096</u>	<u>(89,992)</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	15,278,572	16,502,740	15,197,838	1,304,902
Special programs	3,899,836	4,022,161	4,026,006	(3,845)
Other instructional programs	1,207,604	1,313,197	1,372,314	(59,117)
Support services:				
Student services	1,919,314	1,909,552	1,961,769	(52,217)
Instructional staff support	903,640	941,308	949,093	(7,785)
General administration	255,828	358,389	428,917	(72,528)
School administration	2,373,704	2,410,189	2,368,103	42,086
Business services	561,589	580,394	598,188	(17,794)
Plant services	2,702,904	3,028,791	3,045,015	(16,224)
Student transportation services	1,844,010	2,332,660	2,263,893	68,767
Central services	364,573	415,332	395,775	19,557
Community services	500	500	708	(208)
Food services	268,313	265,587	277,015	(11,428)
Capital Outlay	0	88,633	668,174	(579,541)
Debt service:				
Principal retirement	2,037,003	2,037,003	2,037,003	0
Interest and bank charges	90,000	90,000	61,230	28,770
Transfers to other funds	0	0	71,577	(71,577)
Total charges to appropriations	<u>33,707,390</u>	<u>36,294,436</u>	<u>35,722,618</u>	<u>571,818</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>1,661,493</u>	\$ <u>499,652</u>	\$ <u>981,478</u>	\$ <u>481,826</u>

MOREHOUSE PARISH SCHOOL BOARD

**SCHOOL FOOD SERVICE
Budgetary Comparison Schedule
For the Year Ended June 30, 2007**

Exhibit 1-2

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 557,085	\$ (861,978)	\$ (861,978)	0
Resources (inflows)				
Local sources:				
Food services	242,900	242,512	226,187	(16,325)
State sources:				
Equalization	0	68,727	68,727	0
Federal sources	1,813,000	2,193,500	2,039,410	(154,090)
Proceeds from insurance	<u>27,271</u>	<u>27,271</u>	<u>27,271</u>	<u>0</u>
Amounts available for appropriations	<u>2,585,714</u>	<u>1,670,032</u>	<u>1,499,617</u>	<u>(170,415)</u>
Charges to appropriations (outflows)				
Support services:				
Food services	2,586,488	2,525,509	2,497,722	27,787
Transfers to other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total charges to appropriations	<u>2,586,488</u>	<u>2,525,509</u>	<u>2,497,722</u>	<u>27,787</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>(774)</u>	\$ <u>(855,477)</u>	\$ <u>(998,105)</u>	\$ <u>(142,628)</u>

Morehouse Parish School Board
Notes to the Budgetary Comparison Schedule

A. BUDGETS

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

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

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

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

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. There were no budget revisions during the year.

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

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

MOREHOUSE PARISH SCHOOL BOARD

**Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2007**

Note B - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>GENERAL FUND</u>	<u>SCHOOL FOOD SERVICE</u>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 38,704,096	\$ 1,499,617
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	292,350	861,978
Proceeds from insurance are inflows of budgetary resources but are not revenue for reporting purposes	(26,828)	(27,271)
Proceeds from revenue recognition loan are inflows of budgetary resources but are not revenue for reporting purposes	<u>(2,000,000)</u>	<u>0</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>34,969,620</u>	<u>2,334,324</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	35,722,618	2,497,722
Transfers to other funds are outflows of budgetary resources but are not expenses for financial reporting purposes	(71,577)	0
Principal retirement of revenue recognition loan is an outflow of resources for budgetary purposes but not for reporting purposes	<u>(2,000,000)</u>	<u>0</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 33,651,041</u>	<u>\$ 2,497,722</u>

Morehouse Parish School Board

OTHER SUPPLEMENTAL INFORMATION

Morehouse Parish School Board

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

MOREHOUSE PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2007

Exhibit 2

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
ASSETS			
Cash and cash equivalents	\$ 88,839	\$ 220,214	\$ 309,053
Receivables	1,122,762	32	1,122,794
Interfund receivables	0	0	0
TOTAL ASSETS	1,211,601	220,246	1,431,847
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	452,756	1,065	453,821
Interfund payables	695,516	0	695,516
Total Liabilities	1,148,272	1,065	1,149,337
 Fund Balances:			
Unreserved and reported in special revenue and capital projects	63,329	219,181	282,510
Total Fund Balances	63,329	219,181	282,510
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,211,601	\$ 220,246	\$ 1,431,847

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended June 30, 2007

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 0	\$ 289,181	\$ 289,181
Sales and use	0	14,372	14,372
Interest earnings	0	12,696	12,696
Other	35,160	3,302	38,462
State sources:			
Other	983,818	0	983,818
Federal sources			
	5,671,718	0	5,671,718
Total Revenues	<u>6,690,696</u>	<u>319,551</u>	<u>7,010,247</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	494,925	71,562	566,487
Special programs	880,202	23,501	903,703
Other instructional programs	2,608,629	37,036	2,645,665
Support services:			
Student services	218,732	2,931	221,663
Instructional staff support	1,836,833	15,319	1,852,152
General administration	386,380	9,723	396,103
School administration	0	17,679	17,679
Business services	98,220	0	98,220
Plant services	52,944	130,269	183,213
Student transportation services	35,480	43,270	78,750
Central services	257,004	0	257,004
Food services	0	2,778	2,778
Capital outlay	17,089	19,249	36,338
Debt service:			
Principal retirement	0	15,000	15,000
Interest and bank charges	0	4,435	4,435
Total Expenditures	<u>6,686,438</u>	<u>392,752</u>	<u>7,079,190</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 4,258</u>	<u>\$ (73,201)</u>	<u>\$ (68,943)</u>

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances- By Fund Type
 For the Year Ended June 30, 2007

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 71,577	\$ 0	\$ 71,577
Transfers out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>71,577</u>	<u>0</u>	<u>71,577</u>
Net Change in Fund Balances	75,835	(73,201)	2,634
FUND BALANCES (Deficit) - BEGINNING	<u>(12,506)</u>	<u>292,382</u>	<u>279,876</u>
FUND BALANCES - ENDING	<u>\$ 63,329</u>	<u>\$ 219,181</u>	<u>\$ 282,510</u>

(CONCLUDED)

**Morehouse Parish School Board
Nonmajor Special Revenue Funds**

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

TITLE VI This grant assists state and local educational agencies in improving elementary and secondary education. Grants are awarded for students at risk of failure in school; instructional materials; school-wide improvements and effective school programs; training and professional development; early identification of children with reading disabilities, personal excellence of students and student achievements; and innovative enhancements projects to the educational program and climate of the school.

MATH AND SCIENCE - TITLE II This program is designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

TITLE III This program is designed to ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging state academic content and student academic achievement standards as all children and youth are expected to meet.

TITLE V This grant assists state and local educational agencies in the reform of elementary and secondary education

SPECIAL EDUCATION These grants to states assist them in providing a free appropriate public education to all children with disabilities.

MISCELLANEOUS STATE GRANTS These funds provide financial assistance for contracted services such as speech, physical and occupational therapy.

PRESCHOOL These grants to states assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

ADULT EDUCATION - STATE-ADMINISTERED BASIC GRANT PROGRAM This program was designed to improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

VOCATIONAL EDUCATION The purpose of these grants are to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

DRUG FREE - TITLE IV This program was designed to establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) The purpose of this program is to provide grants to states, territories, or tribes to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.

**Morehouse Parish School Board
Nonmajor Special Revenue Funds**

8G These grants are used to improve student academic achievement or vocational-technical skills. Other uses are the purchase of superior textbooks and providing support for teachers in critical shortage areas.

EDUCATION EXCELLENCE This fund accounts for the tobacco settlement money received from the state.

RURAL EDUCATION ACHIEVEMENT This grant provides financial assistance to carry out activities to help improve the quality of teaching and learning.

MISCELLANEOUS FUNDS These include various small federal and state grants.

SPECIAL FEDERAL

TECH-PREP EDUCATION The purpose of this grant is to develop and operate a four-year program designed to provide a tech-prep education program leading to a two-year associate degree or a two-year certification and to provide links between secondary schools and post-secondary educational institutions.

WORKPLACE INVESTMENT ACT (WIA) The WIA program provides job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers. The ultimate goal of the Workforce Investment Act is to move trainees into permanent, self-sustaining employment.

ROTC ROTC is a federally funded program through the Department of Defense.

COMPREHENSIVE SCHOOL REFORM DEMONSTRATION The purpose of this program aims to enable all children in the schools served, particularly low-achieving children, to meet challenging state content and student performance standards.

SCHOOL TECHNOLOGY The purpose of this program aims to enable children to meet the changing environment for technology.

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2007

	MATH AND SCIENCE -				
	TITLE I	TITLE VI	TITLE II	TITLE III	TITLE V
ASSETS					
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0	0
Receivables	418,067	4,148	31,756	0	0
TOTAL ASSETS	418,067	4,148	31,756	0	0
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	163,198	2,204	7,444	0	0
Interfund payable	254,869	1,944	24,312	0	0
Total Liabilities	418,067	4,148	31,756	0	0
Fund Balances:					
Unreserved - undesignated	0	0	0	0	0
Total Fund Balances	0	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 418,067	\$ 4,148	\$ 31,756	\$ 0	0

Exhibit 4

SPECIAL EDUCATION	MISCELLANEOUS STATE GRANTS	PRESCHOOL	ADULT EDUCATION	VOCATIONAL EDUCATION	DRUG FREE- TITLE IV	TANF
\$ 0	\$ 2,170	\$ 0	\$ 0	\$ 0	\$ 0	32,068
<u>196,815</u>	<u>9,124</u>	<u>10,418</u>	<u>20,208</u>	<u>113,274</u>	<u>387</u>	<u>33,390</u>
<u>196,815</u>	<u>11,294</u>	<u>10,418</u>	<u>20,208</u>	<u>113,274</u>	<u>387</u>	<u>65,458</u>
92,238	8,014	1,777	0	67,299	0	14,385
<u>104,577</u>	<u>3,280</u>	<u>8,641</u>	<u>20,208</u>	<u>45,975</u>	<u>387</u>	<u>19,005</u>
<u>196,815</u>	<u>11,294</u>	<u>10,418</u>	<u>20,208</u>	<u>113,274</u>	<u>387</u>	<u>33,390</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,068</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,068</u>
<u>\$ 196,815</u>	<u>\$ 11,294</u>	<u>\$ 10,418</u>	<u>\$ 20,208</u>	<u>\$ 113,274</u>	<u>\$ 387</u>	<u>\$ 65,458</u>

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2007

	<u>§ (a)</u>	<u>EDUCATIONAL EXCELLENCE</u>	<u>RURAL EDUCATION ACHIEVEMENT</u>	<u>MISCELLANEOUS FUNDS</u>
ASSETS				
Cash and cash equivalents	\$ 0	\$ 49,132	\$ 0	\$ 0
Receivables	<u>33,111</u>	<u>340</u>	<u>19,443</u>	<u>75,919</u>
TOTAL ASSETS	<u>33,111</u>	<u>49,472</u>	<u>19,443</u>	<u>75,919</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	16,001	39,980	1,344	1,541
Interfund payable	<u>17,110</u>	<u>0</u>	<u>18,099</u>	<u>74,378</u>
Total Liabilities	<u>33,111</u>	<u>39,980</u>	<u>19,443</u>	<u>75,919</u>
Fund Balances:				
Unreserved - undesignated	<u>0</u>	<u>9,492</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>0</u>	<u>9,492</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 33,111</u>	<u>\$ 49,472</u>	<u>\$ 19,443</u>	<u>\$ 75,919</u>

Exhibit 4

<u>SPECIAL</u>	<u>SCHOOL</u>	
<u>FEDERAL</u>	<u>TECHNOLOGY</u>	<u>TOTAL</u>
\$ 5,469	\$ 0	\$ 88,839
<u>166,362</u>	<u>0</u>	<u>1,122,762</u>
<u>161,831</u>	<u>0</u>	<u>1,211,601</u>
37,331	0	452,756
<u>102,731</u>	<u>0</u>	<u>695,516</u>
<u>140,062</u>	<u>0</u>	<u>1,148,272</u>
<u>21,769</u>	<u>0</u>	<u>63,329</u>
<u>21,769</u>	<u>0</u>	<u>63,329</u>
<u>\$ 161,831</u>	<u>\$ 0</u>	<u>\$ 1,211,601</u>

(CONCLUDED)

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007

	MATH AND SCIENCE -				
	TITLE I	TITLE VI	TITLE II	TITLE III	TITLE V
REVENUES					
Local sources:					
Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State sources:					
Other	0	0	0	0	0
Federal sources	2,656,133	61,280	372,540	3,059	17,860
Total Revenues	2,656,133	61,280	372,540	3,059	17,860
EXPENDITURES					
Current:					
Instruction:					
Regular programs	2,619	0	120,785	177	0
Special programs	0	0	171	0	0
Other instructional programs	1,353,813	56,348	2,456	2,595	16,980
Support services:					
Student services	0	0	0	0	0
Instructional staff support	885,013	0	217,695	0	0
General administration	206,716	4,932	29,130	287	880
Business services	66,475	0	0	0	0
Plant services	52,444	0	0	0	0
Student transportation services	10,289	0	431	0	0
Central services	78,764	0	1,872	0	0
Capital outlay	0	0	0	0	0
Total Expenditures	2,656,133	61,280	372,540	3,059	17,860
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0	0
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	0	0	0	0	0
FUND BALANCES (Deficit) - BEGINNING	0	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit 5

	MISCELLANEOUS						
SPECIAL	STATE		ADULT	VOCATIONAL	DRUG FREE-		
EDUCATION	GRANTS	PRESCHOOL	EDUCATION	EDUCATION	TITLE IV	TANF	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
24,492	108,162	0	24,516	150,850	0	0	
<u>1,274,710</u>	<u>0</u>	<u>83,471</u>	<u>65,326</u>	<u>125,394</u>	<u>13,224</u>	<u>91,932</u>	
<u>1,299,202</u>	<u>108,162</u>	<u>83,471</u>	<u>89,842</u>	<u>276,244</u>	<u>13,224</u>	<u>91,932</u>	
5,023	39,857	0	0	99,670	2,382	0	
823,502	0	45,001	0	11,428	0	0	
0	9,811	13,284	86,173	160,057	0	84,744	
206,921	0	0	0	3,906	7,905	0	
120,256	41,405	18,659	733	0	2,678	0	
98,314	0	6,527	2,936	1,183	259	7,188	
23,229	0	0	0	0	0	0	
0	0	0	0	0	0	0	
21,967	0	0	0	0	0	0	
0	0	0	0	0	0	0	
<u>0</u>	<u>17,089</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<u>1,299,202</u>	<u>108,162</u>	<u>83,471</u>	<u>89,842</u>	<u>276,244</u>	<u>13,224</u>	<u>91,932</u>	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,068</u>	
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,068</u>	

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007

	<u>B (g)</u>	<u>EDUCATIONAL EXCELLENCE</u>	<u>RURAL EDUCATION ACHIEVEMENT</u>	<u>MISCELLANEOUS FUNDS</u>
REVENUES				
Local sources:				
Other	\$ 0	\$ 0	\$ 0	\$ 35,160
State sources:				
Other	153,878	467,398	0	24,630
Federal sources:	<u>0</u>	<u>0</u>	<u>168,755</u>	<u>152,128</u>
Total Revenues	<u>153,878</u>	<u>467,398</u>	<u>168,755</u>	<u>211,918</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	15,192	48,452	7,300	141,363
Special Programs	0	0	0	100
Other instructional programs	135,488	182,811	62,472	0
Support services:				
Student services	0	0	0	0
Instructional staff support	3,198	100,960	85,551	61,503
General administration	0	0	13,432	8,952
Business services	0	0	0	0
Plant services	0	0	0	0
Student transportation services	0	1,262	0	0
Central services	0	135,913	0	0
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>153,878</u>	<u>467,398</u>	<u>168,755</u>	<u>211,918</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balances	0	0	0	0
FUND BALANCES (Deficit) - BEGINNING	<u>0</u>	<u>9,492</u>	<u>0</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 0</u>	<u>\$ 9,492</u>	<u>\$ 0</u>	<u>\$ 0</u>

Exhibit 5

<u>SPECIAL</u>	<u>SCHOOL</u>	
<u>FEDERAL</u>	<u>TECHNOLOGY</u>	<u>TOTAL</u>
\$ 0	\$ 0	\$ 35,160
0	29,892	983,818
<u>585,686</u>	<u>220</u>	<u>5,671,718</u>
<u>585,686</u>	<u>30,112</u>	<u>6,690,696</u>
12,814	1,291	494,925
0	0	880,202
441,597	0	2,608,629
0	0	218,732
99,011	171	1,636,833
3,797	1,847	386,380
8,516	0	98,220
500	0	52,944
1,541	0	35,480
13,652	26,803	257,004
<u>0</u>	<u>0</u>	<u>17,089</u>
<u>581,428</u>	<u>30,112</u>	<u>6,686,438</u>
<u>4,258</u>	<u>0</u>	<u>4,258</u>
<u>71,577</u>	<u>0</u>	<u>71,577</u>
<u>71,577</u>	<u>0</u>	<u>71,577</u>
75,835	0	75,835
<u>(54,066)</u>	<u>0</u>	<u>(12,506)</u>
<u>\$ 21,769</u>	<u>\$ 0</u>	<u>\$ 63,329</u>

(CONCLUDED)

**Morehouse Parish School Board
Nonmajor Capital Projects Funds**

SCHOOL DISTRICT 12 CONSTRUCTION

The capital projects funds are used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

CAPITAL IMPROVEMENTS

The capital improvements fund is used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

EAST MOREHOUSE PARISH TAX DISTRICT

The capital projects funds are used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

MOREHOUSE PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 2007

Exhibit 6

	SCHOOL DISTRICT 12 CONSTRUCTION	CAPITAL IMPROVEMENTS	EAST MOREHOUSE PARISH TAX DISTRICT	TOTAL
ASSETS				
Cash and cash equivalents	\$ 89,865	\$ 50,208	\$ 80,141	\$ 220,214
Receivables	0	0	32	32
Interfund receivables	0	0	0	0
TOTAL ASSETS	89,865	50,208	80,173	220,246
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	0	0	1,065	1,065
Interfund payables	0	0	0	0
Total Liabilities	0	0	1,065	1,065
Fund Balances:				
Unreserved	89,865	50,208	79,108	219,181
Total Fund Balances	89,865	50,208	79,108	219,181
TOTAL LIABILITIES AND FUND BALANCES	\$ 89,865	\$ 50,208	\$ 80,173	\$ 220,246

MOREHOUSE PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007

Exhibit 7

	SCHOOL DISTRICT 12 CONSTRUCTION	CAPITAL IMPROVEMENTS	EAST MOREHOUSE PARISH TAX DISTRICT	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 43,184	\$ 0	\$ 245,997	\$ 289,181
Sales and use	0	0	14,372	14,372
Interest earnings	4,786	2,316	5,594	12,696
Other	0	3,302	0	3,302
Total Revenues	47,970	5,618	265,963	319,551
EXPENDITURES				
Current:				
Instruction:				
Regular programs	0	0	71,562	71,562
Special programs	0	0	23,501	23,501
Other instructional programs	2,008	7,388	27,640	37,036
Support services:				
Student services	0	0	2,931	2,931
Instructional staff support	0	0	15,319	15,319
General administration	1,406	0	8,317	9,723
School administration	0	0	17,679	17,679
Plant services	21,900	93,790	14,579	130,269
Student transportation	0	0	43,270	43,270
Food services	0	0	2,778	2,778
Capital outlay	0	19,249	0	19,249
Debt service:				
Principal retirement	15,000	0	0	15,000
Interest and bank charges	4,435	0	0	4,435
Total Expenditures	44,749	120,427	227,576	392,752
Net changes in fund balances	3,221	(114,809)	38,387	(73,201)
FUND BALANCES - BEGINNING	86,644	165,017	40,721	292,382
FUND BALANCES - ENDING	\$ 89,865	\$ 50,208	\$ 79,108	\$ 219,181

**Morehouse Parish School Board
Agency Funds**

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

COX SCHOLARSHIP FUND The proceeds are used to provide scholarships.

MOREHOUSE PARISH SCHOOL BOARD

AGENCY FUNDS
Statement of Changes In Assets and Liabilities
For the Year Ended June 30, 2007

Exhibit 8

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 346,442	\$ 1,614,857	\$ 1,615,875	\$ 345,424
	<u>346,442</u>	<u>1,614,857</u>	<u>1,615,875</u>	<u>345,424</u>
LIABILITIES				
Deposits due others	<u>346,442</u>	<u>1,614,857</u>	<u>1,615,875</u>	<u>345,424</u>
	<u>346,442</u>	<u>1,614,857</u>	<u>1,615,875</u>	<u>345,424</u>
*****COX SCHOLARSHIP FUND*****				
ASSETS				
Cash and cash equivalents	<u>1,200</u>	<u>1,200</u>	<u>1,700</u>	<u>700</u>
	<u>1,200</u>	<u>1,200</u>	<u>1,700</u>	<u>700</u>
LIABILITIES				
Deposits due others	<u>1,200</u>	<u>1,200</u>	<u>1,700</u>	<u>700</u>
	<u>1,200</u>	<u>1,200</u>	<u>1,700</u>	<u>700</u>
*****TOTAL*****				
ASSETS				
Cash and cash equivalents	<u>347,642</u>	<u>1,616,057</u>	<u>1,617,575</u>	<u>346,124</u>
	<u>347,642</u>	<u>1,616,057</u>	<u>1,617,575</u>	<u>346,124</u>
LIABILITIES				
Deposits due others	<u>347,642</u>	<u>1,616,057</u>	<u>1,617,575</u>	<u>346,124</u>
	<u>\$ 347,642</u>	<u>\$ 1,616,057</u>	<u>\$ 1,617,575</u>	<u>\$ 346,124</u>

MOREHOUSE PARISH SCHOOL BOARD
SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2007

Exhibit 9

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
H. V. ADAMS	\$ 9,331	\$ 33,913	\$ 31,113	\$ 12,131
MOREHOUSE JUNIOR HIGH	12,275	89,151	64,963	16,463
BASTROP JUNIOR HIGH	253,684	889,328	903,671	239,341
BEEKMAN	1,556	88,790	84,957	5,389
CARVER	10,307	60,655	65,062	5,900
CHERRY RIDGE	1,942	39,340	36,646	4,634
COLLINGSTON	3,698	0	3,698	0
DELTA HIGH	3,301	74,108	66,452	10,957
EAST SIDE	3,257	51,338	50,375	4,220
MOREHOUSE MAGNET SCHOOL	10,873	128,022	138,643	252
OAK HILL	4,014	37,988	40,506	1,496
PINE GROVE	1,931	91,919	84,649	9,201
SOUTH SIDE	<u>30,273</u>	<u>50,305</u>	<u>45,138</u>	<u>35,440</u>
TOTAL	<u>\$ 346,442</u>	<u>\$ 1,614,857</u>	<u>\$ 1,615,875</u>	<u>\$ 345,424</u>

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

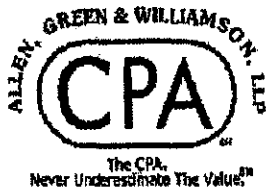
Exhibit 10

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$200 per month, and the president receives an additional \$50 per month for performing the duties of his office.

<u>Board Member</u>	<u>Amount</u>
* Kris McKoin	\$ 1,500
Sylvia Reese	2,400
Hamp Lenoir	2,400
* Susie Cox	1,200
Loe Dunn, President, January, 2007 forward	2,700
* James T. Pullin	1,200
* Louis W. Warner	1,200
** Richard W. Hixon	1,200
Phillip W. McCready, Vice-President, January, 2007 forward	1,200
** Melissa Chain	1,200
** Jeffrey S. Churchwell	<u>1,200</u>
Total	<u>\$17,400</u>

* Term ended December 31, 2006

**Term began January 1, 2007



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

Phone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Rusty Bryan, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

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

Board Members

Morehouse Parish School Board
Bastrop, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Morehouse Parish School Board, as of and for the year ended June 30, 2007, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 14, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 07-F2 to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Boards' 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is reported in the accompanying Schedule of Findings and Questioned Costs as item 07-F1.

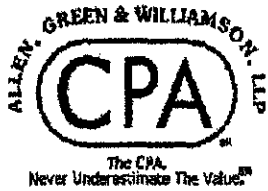
The School Board's response to the findings identified in our audit are described in the accompanying corrective action plan for current-year findings. We did not audit the School Board's responses and, accordingly, we express no opinion on it.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 14, 2007



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

Phone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

2414 Ferrand Street
Monroe, LA 71201

Tim Green, CPA
Marge Williams, CPA

Diane Ferschoff, CPA
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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board Members

Morehouse Parish School Board

Bastrop, Louisiana

Compliance

We have audited the compliance of Morehouse Parish School Board with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

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

Internal Control Over Compliance

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

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

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

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

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

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 14, 2007

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

Exhibit 11

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
School Breakfast Program	10.553	N/A	\$ 525,105
National School Lunch Program	10.555	N/A	<u>1,369,053</u>
Total United States Department of Agriculture			<u>1,894,158</u>
United States Department of Education			
Direct: Migrant Evenstart in NE LA	84.214	N/A	202,018
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	07-AE-34-F	65,326
Title I Grants to Local Educational Agencies	84.010	07-IASA-34-I	2,656,133
Special Education			
Grants to States (Part B)	84.027	07-1B-34-S	1,287,321
Preschool Grants	84.173	07-IP-34-S	83,471
Vocational Education			
Basic Grants to States	84.048	07-VE-34- 2B/BG	112,783
Tech-Prep Education	84.243	07-VE-34-3-FE	148,339
Title II (Mathematics and Science Partnerships)	84.366		126,908
Title II (Improving Teacher Quality)	84.367		372,540
Title IV (Safe and Drug-Free Schools - State Grant)	84.186	07-IASA-34-4	13,224
English Language Acquisition Grant (Title III)	84.365		3,059
Comprehensive School Reform Demonstration	84.332		61,280
Rural Education Achievement Program (REAP)	84.358	N/A	168,755
Technology Literacy Challenge	84.318	07-L1-34	54,584
Reading First State Grant	84.357		790
LEARN Teacher Grant	84.267	N/A	25,220
Title V (State Grants For Innovative Programs)	84.298	N/A	<u>17,860</u>
Total United States Department of Education			<u>5,399,611</u>
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
TANF	93.558	CFMS533847	<u>184,612</u>
United States Department of Defense			
Direct Programs			
Department of The Army			
ROTC	12.UNK	N/A	<u>87,495</u>
Total Cash Awards			
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution (Commodities)	10.550	N/A	<u>145,252</u>
TOTAL FEDERAL AWARDS			<u>\$7,711,128</u>

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

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

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

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

Federal Sources

School Food Service	\$ 2,039,410
Title I	2,656,133
Title VI	61,280
Math & Science – Title II	372,540
Title III	3,059
Title V	17,860
Special Education	1,274,710
Preschool	83,471
Adult Education	65,326
Vocational Education	125,394
Drug Free – Title IV	13,224
TANF	91,932
Rural Education Achievement	168,755
Miscellaneous Funds	152,128
Special Federal	585,686
School Technology	220
Total	\$ 7,711,128

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

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

NOTE 6 - NONCASH PROGRAMS AND LOANS OUTSTANDING The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture. The School Board has an outstanding loan with the United States Environmental Protection Agency. The loan was for asbestos abatement and the amount outstanding at June 30, 2007, is \$10,298.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2007**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There was one significant deficiency required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.

The significant deficiency was not considered to be a material weakness.

- iii. There was one instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA #84.214 Migrant Evenstart in NE LA
 - Child Nutrition Cluster:
 - CFDA #10.553 School Breakfast Program
 - CFDA #10.555 National School Lunch Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2007**

PART II – Findings related to the basic financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **07-F1** **Local Government Budget Act**

Criteria or specific requirement: The Louisiana Local Government Budget Act calls for amendments to be made to the budget when budgeted revenues exceed actual revenues by a variance of greater than 5% or actual expenditures exceeds budgeted expenditures by a variance of greater than 5%. The adopted budget should be balanced with approved expenditures not exceeding the total of estimated funds available.

Condition: Actual revenue of the School Food Service Fund was less than budgeted revenue by an amount greater than 5% which is in violation of the Louisiana Local Government Budget Act. Also, an ending deficit was budgeted.

Possible asserted effect (cause and effect):

Cause: The School Food Service Fund budget was not amended when the variance between budgeted and actual revenues were greater than 5%.

Effect: The School Food Service budget is in violation of Louisiana Local Government Budget Act.

Recommendations to prevent future occurrences: The School Board should amend the budget for funds when variances between actual revenues and budgeted revenues is 5% or greater to ensure compliance with the Louisiana Local Government Budget Act. A plan should be developed to bring School Food Service out of a deficit.

Reference # and title: **07-F2** **School Activity Funds**

Criteria or specific requirement: Schools should follow the best practices stated in the Louisiana Legislative Auditor's School Accounting Procedures Manual.

Condition: The follow findings were found at the six schools audited for the 2006-2007 school year:

- Three schools lacked adequate internal control over check disbursements
- Three schools did not maintain physical inventory over concessions
- Two schools did not pay invoices timely
- One school did not have adequate controls over teacher collections of monies
- One school did not have adequate controls over school fundraising events
- One school maintained a non-interest bearing bank account
- One school did not reconcile bank account with receipts and disbursements records and did not have adequate control over deposits (collections)
- One school did not have adequate control over athletic ticket sales

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2007**

PART II – Findings related to the basic financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Possible asserted effect (cause and effect):

Cause: *Unknown*

Effect: *The schools are not maintaining adequate internal control over student activity funds.*

Recommendations to prevent future occurrences: All schools should adhere to the best practices stated for student activity funds in the Louisiana Legislative Auditor's School Accounting Procedures Manual.

**Morehouse Parish School Board
Summary Status of Prior Audit Findings
June 30, 2007**

Finding reference # and title: **06-F1** **Budgeted a Deficit Fund Balance**

Fiscal Year Initially Reported: June 30, 2004

Condition: The School Board budgeted an ending deficit balance of \$567,695 in the General Fund. The budget for the School Food Service Fund should have begun with a deficit budget from prior year, but began with a positive amount of \$557,085 which resulted in the variances between budgeted and actual revenues and expenditures greater than the 5% provided by the Local Government Budget Act.

Corrective action planned: See Current-Year Finding 07-F1.

Finding reference # and title: **06-F2** **Unauthorized Cash Withdrawals of School Activity Funds**

Fiscal Year Initially Reported: June 30, 2006

Condition: Unauthorized cash withdrawals were made by the bookkeeper of one school in the amount of \$17,872.16.

Corrective action taken: Schools are audited by a retired legislative auditor (CPA). Principals are in-serviced on proper procedures for internal control. A claim was filed with the insurance company that issues the School Board's crime bond. The insurance company paid the claim amount less the \$5,000 deductible. Also, the judge ordered restitution payments to be made to the School Board and to the insurance company by the bookkeeper. This finding is cleared.

Finding reference # and title: **06-F3** **School Activity Funds Bank Reconciliations Not Prepared Timely**

Fiscal Year Initially Reported: June 30, 2006

Condition: The schools are not reconciling bank statements to the general ledger monthly and submitting to the School Board as required by the "School Accounting Procedures Manual".

Corrective action taken: Principals are being given a manual that shows what they are responsible for completing monthly as required. Follow-up is being performed by the business manager and their supervisors to ensure they are in compliance with all internal control procedures and accounting policies established by the School Board. This finding is cleared.

**Morehouse Parish School Board
Corrective Action Plan for Current-year Findings
As of and for the Year Ended June 30, 2007**

Finding reference # and title: **07-F1** **Local Government Budget Act**

Condition: The Louisiana Local Government Budget Act calls for amendments to be made to the budget when budgeted revenues exceed actual revenues by a variance of greater than 5% or actual expenditures exceeds budgeted expenditures by a variance of greater than 5%. The adopted budget should be balanced with approved expenditures not exceeding the total of estimated funds available. Actual revenue of the School Food Service Fund was less than budgeted revenue by an amount greater than 5% which is in violation of the Louisiana Local Government Budget Act. Also, an ending deficit was budgeted.

Corrective action planned: The School Food Service Fund has been in a deficit situation for several years. The amounts budgeted for the current year, have revenues and expenditures almost zeroing out with not much excess to offset the current deficit. The supervisor, business manager, and superintendent are trying different ways to generate more revenues while decreasing expenses to help overcome the deficit. It is probable that the General Fund will have to help the Lunch Fund over the next several years by transferring more dollars in as operating transfers. The law does not allow budgeting a deficit fund balance. But reality is that there is a deficit fund balance that cannot be overcome in only one year.

Person responsible for corrective action:

Tom Thrower, Acting Superintendent	Telephone: (318) 281-5784
Morehouse Parish School Board	Fax: (318) 283-3456
P. O. Box 872	
Bastrop, LA 71221-0872	

Anticipated completion date: As soon as possible financially.

Finding reference # and title: **07-F2** **School Activity Funds**

Condition: Schools should follow the best practices stated in the Louisiana Legislative Auditor's School Accounting Procedures Manual. The follow findings were found at the six schools audited for the 2006-2007 school year:

- Three schools lacked adequate internal control over check disbursements
- Three schools did not maintain physical inventory over concessions
- Two schools did not pay invoices timely
- One school did not have adequate controls over teacher collections of monies
- One school did not have adequate controls over school fundraising events
- One school maintained a non-interest bearing bank account
- One school did not reconcile bank account with receipts and disbursements records and did not have adequate control over deposits (collections)
- One school did not have adequate control over athletic ticket sales

Corrective action planned: Schools are being audited consistently. They have had training in accounting procedures. They now have a new software program to aid them in their accounting. They are being held more accountable. Therefore, I anticipate that the internal control and accounting of school activity funds will continue to improve annually.

**Morehouse Parish School Board
Corrective Action Plan for Current-year Findings
As of and for the Year Ended June 30, 2007**

Person responsible for corrective action:

Tom Thrower, Acting Superintendent
Morehouse Parish School Board
P. O. Box 872
Bastrop, LA 71221-0872

Telephone: (318) 281-5784
Fax: (318) 283-3456

Anticipated completion date: June 30, 2008.

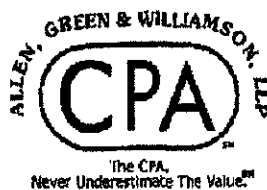
**Morehouse Parish School Board
Status of Prior Year Management Letter Item
As of and for the Year Ended June 30, 2007**

06-M1 Issuance of 1099's

Comment: The School Board is not issuing 1099s to all individuals as defined by IRS laws and regulations.

Recommendation: The School Board should ensure that all individuals as defined by IRS laws and regulations receive a 1099 for monies received from the School Board.

Management's response: The guidelines for issuing 1099's have been misunderstood in the past. The guidelines have been explained to the employees in the accounts payable department.



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Rusty Bryan, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

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

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

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

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

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

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.

Comment: The following exceptions were noted:

- The number of certified teachers with a bachelor's degree was 1 less than the PEP report.
- The number of certified teachers with a master's degree was 2 more than the PEP report.
- The number of certified teachers with a master plus 30 was 2 less than the PEP report.
- The number of certified teachers with a specialist in education was 1 less than the PEP report.

Management's Response: The counting of teachers, principals, and their degrees is currently done manually. However, in the future (effective 10/1/07) we will use a software program to assist in getting an accurate count.

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

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

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

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

Number and Type of Public Schools (Schedule 3)

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

Comment: The alternative school was included with another school instead of being reported as a separate school.

Management's Response: The personnel/PEP secretary failed to count the Alternative School separately from the Morehouse Jr. High School. In the future, the schools will be counted separately.

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 reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: One instance was noted where the experience was understated on the schedule by 1 year.

Management's Response: The employee's experience of 22 years is correct. Her experience of one year at Edison Elementary should not be counted because she was a PE aide, not a teacher.

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.

Comment: In 7 of the 25 files tested the extra compensation was included with the base compensation.

Management's Response: This is a programming error. We will work with our software provider to get this corrected.

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

Comment: The number of FTEs were understated due to the omission of part time employees.

Management's Response: In the past, we have never counted part-time teachers in the FTEs. Also, the auditor used minutes to calculate the FTEs, but the Payroll Accountant used days as required by our payroll software and the retirement systems.

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 roll books for those classes and determined if the class was properly classified on the schedule.

Comment: There were 4 exceptions noted in which the class size per the roll book did not agree to the class count report.

Management's Response: The class rosters for October 2, 2006, could not be printed from the old software as of the exact date, so we just printed the first grading period (6 weeks). We have changed to JPAMS software as of July, 2007. This should enable us to print more accurate data in the future.

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.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

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.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

The Iowa 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.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 20, 2007

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

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

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 13,277,090	
Other Instructional Staff Activities	\$ 994,024	
Employee Benefits	\$ 6,637,709	
Purchased Professional and Technical Services	\$ 56,766	
Instructional Materials and Supplies	\$ 248,939	
Instructional Equipment	\$ 89,006	
Total Teacher and Student Interaction Activities		\$ 21,303,534

Other Instructional Activities		\$ 8,027
--------------------------------	--	----------

Pupil Support Activities	\$ 1,981,358	
Less: Equipment for Pupil Support Activities	\$ -	
Net Pupil Support Activities		\$ 1,981,358

Instructional Staff Services	\$ 973,392	
Less: Equipment for Instructional Staff Services	\$ -	
Net Instructional Staff Services		\$ 973,392

School Administration	\$ 2,388,917	
Less: Equipment for School Administration	\$ -	
Net School Administration		\$ 2,388,917

Total General Fund Instructional Expenditures		<u>\$ 26,655,226</u>
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Total General Fund Equipment Expenditures		<u>\$ 434,038</u>
---	--	-------------------

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 595,500
Renewable Ad Valorem Tax	\$ 3,281,873
Debt Service Ad Valorem Tax	\$ 1,332,327
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	\$ 91,174
Sales and Use Taxes	\$ 6,028,186
Total Local Taxation Revenue	<u>\$ 11,429,060</u>

Local Earnings on Investment in Real Property:

Earnings from 18th Section Property	\$ 366,081
Earnings from Other Real Property	\$ -
Total Local Earnings on Investment in Real Property	<u>\$ 366,081</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 75,476
Revenue Sharing - Other Taxes	\$ 128,402
Revenue Sharing - Excess Portion	\$ -
Other Revenue in Lieu of Taxes	\$ -
Total State Revenue in Lieu of Taxes	<u>\$ 203,878</u>

Nonpublic Textbook Revenue	<u>\$ 8,850</u>
Nonpublic Transportation Revenue	<u>\$ -</u>

Morehouse
Bastrop

 PARISH SCHOOL BOARD
 , Louisiana

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0.00%	3	1.00%	0	0.00%	0	0.00%
Bachelor's Degree	238	0.71%	0	0.00%	0	0.00%	0	0.00%
Master's Degree	70	0.21%	0	0.00%	3	0.15%	0	0.00%
Master's Degree + 30	21	0.06%	0	0.00%	16	0.80%	0	0.00%
Specialist in Education	2	0.01%	0	0.00%	1	0.05%	0	0.00%
Ph. D. or Ed. D.	2	0.01%	0	0.00%	0	0.00%	0	0.00%
Total	333	1.00%	3	1.00%	20	1.00%	0	0.00%

Morehouse Parish School Board
Bastrop, Louisiana

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

Type	Number
Elementary	10
Middle/Jr. High	1
Secondary	1
Combination	0
Total	12

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

Morehouse Parish School Board
Bastrop, Louisiana

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

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals			1			2	5	8
Principals					3	2	7	12
Classroom Teachers	36	39	113	40	51	18	39	336
Total	36	39	114	40	54	22	51	356

**Morehouse Parish School Board
Bastrop, Louisiana**

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

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$40,930.00	\$40,495.00
Average Classroom Teachers' Salary Excluding Extra Compensation	\$40,050.00	\$39,653.00
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	344	331

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 because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Class Size Characteristics
As of October 2, 2006

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	50	396	43	347	7	57		
Elementary Activity Classes	49	59	43	51	6	9	2	2
Middle/Jr. High	67	103	38	88	5	9		
Middle/Jr. High Activity Classes	70	31	26	11	6	2		
High	55	283	34	172	11	57	<1	1
High Activity Classes	86	90	13	14	1	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.

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

**Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2007**

District Achievement Level Results	English Language Arts						Mathematics							
	2007		2006		2005		2007		2006		2005			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 4														
Advanced	12	3	6	1	3	1	14	3	5	1	10	2		
Mastery	48	11	31	6	58	12	29	7	52	13	56	12		
Basic	169	39	179	44	236	50	190	43	161	39	238	50		
Approaching Basic	127	29	131	32	132	28	108	25	119	29	107	23		
Unsatisfactory	82	19	64	16	44	9	97	22	74	18	62	13		
Total	438	101	411	101	473	100	438	100	411	100	473	100		

District Achievement Level Results	Science						Social Studies							
	2007		2006		2005		2007		2006		2005			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent		
Grade 4														
Advanced	7	2	9	2	8	2	9	2	2	0	0	0		
Mastery	50	11	25	6	42	9	46	11	26	6	19	4		
Basic	175	40	157	38	210	44	202	46	181	44	200	42		
Approaching Basic	137	31	163	40	184	39	107	24	121	29	165	35		
Unsatisfactory	69	16	57	14	29	6	74	17	81	20	88	19		
Total	438	100	411	100	473	100	438	100	411	99	472	100		

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

**Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2007**

District Achievement Level Results	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	2	1	1	0	2	1	6	2	5	2	4	1
Mastery	39	11	23	7	38	12	15	4	7	2	14	4
Basic	143	41	131	42	138	43	144	41	150	48	144	44
Approaching Basic	129	37	127	40	101	32	96	28	83	26	90	27
Unsatisfactory	36	10	32	10	40	13	87	25	69	22	79	24
Total	349	100	314	99	319	101	348	100	314	100	331	100

District Achievement Level Results	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	3	1	1	0	3	1	2	1	4	1	2	1
Mastery	45	13	28	9	38	12	43	12	26	8	35	11
Basic	127	37	108	35	134	42	157	45	114	36	141	44
Approaching Basic	108	31	104	33	98	31	90	26	89	28	81	26
Unsatisfactory	64	18	71	23	44	14	55	16	80	26	12	4
Total	347	100	313	100	317	100	347	100	313	99	271	100

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

The Graduation Exit Exam (GEE)
For the Year Ended June 30, 2007

District Achievement Level Results	English Language Arts						Mathematics					
	2007		2008		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	2	1	1	0	3	1	9	4	8	4	6	3
Mastery	21	10	21	9	32	15	27	13	31	14	19	9
Basic	91	43	123	55	113	53	90	42	107	48	114	53
Approaching Basic	70	33	57	25	49	23	47	22	40	18	34	16
Unsatisfactory	29	14	23	10	18	8	40	19	38	17	42	20
Total	213	101	225	99	215	100	213	100	224	101	215	101

District Achievement Level Results	Science						Social Studies					
	2007		2008		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	3	1	2	1	5	2	1	0	1	0	5	2
Mastery	18	9	7	3	27	12	17	8	24	12	26	12
Basic	69	34	74	37	88	40	10	50	97	48	107	49
Approaching Basic	71	35	70	35	67	31	46	23	46	23	55	25
Unsatisfactory	41	20	48	24	31	14	37	18	33	16	25	11
Total	202	99	201	100	218	99	202	99	201	99	218	99

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

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

IOWA Test	Composite	
	2005	2004
Iowa Test of Basic Skills (ITBS)		
Grade 3	54	54
Grade 5	56	52
Grade 6	50	48
Grade 7	49	50
Tests of Educational Development (ITED)		
Grade 9	42	45

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

i LEAP Test

Students	English Language Arts		Mathematics		Science		Social Studies	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	3	1	9	2	14	3	3	1
Mastery	47	11	53	12	38	9	57	13
Basic	176	41	181	42	201	46	183	42
Approaching Basic	136	31	118	27	132	30	125	29
Unsatisfactory	71	16	72	17	48	11	65	15
Total	433	100	433	100	433	99	433	100

District Achievement Level Results											
Students	English Language Arts		Mathematics		Science		Social Studies				
	2006	2006	2006	2006	2006	2006	2006	2006			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent			
Grade 5											
Advanced	0	0	17	4	2	1	1	0			
Mastery	25	6	29	7	34	9	19	5			
Basic	169	43	178	45	134	34	176	45			
Approaching Basic	130	33	88	22	156	39	124	32			
Unsatisfactory	69	18	81	21	68	17	73	19			
Total	393	100	393	99	393	100	393	101			

District Achievement Level Results											
Students	English Language Arts		Mathematics		Science		Social Studies				
	2006	2006	2006	2006	2006	2006	2006	2006			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent			
Grade 6											
Advanced	4	1	13	4	10	3	22	7			
Mastery	47	16	35	12	40	14	33	11			
Basic	173	59	149	51	138	47	116	39			
Approaching Basic	58	20	66	22	86	29	81	27			
Unsatisfactory	13	4	32	11	21	7	43	15			
Total	295	100	295	100	295	100	295	99			

District Achievement Level Results											
Students	English Language Arts		Mathematics		Science		Social Studies				
	2006	2006	2006	2006	2006	2006	2006	2006			
	Number	Percent	Number	Percent	Number	Percent	Number	Percent			
Grade 7											
Advanced	9	2	8	2	4	1	0	0			
Mastery	46	11	27	6	44	10	30	7			
Basic	223	53	184	43	142	34	209	50			
Approaching Basic	111	26	120	28	170	40	119	28			
Unsatisfactory	34	8	85	20	62	15	63	15			
Total	423	100	424	99	422	100	421	100			

Students	District Achievement Level Results							
	English Language Arts			Mathematics				
	2006		2007		2006		2007	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 3								
Advanced	3	1	11	4				
Mastery	29	11	31	11				
Basic	149	55	138	51				
Approaching Basic	78	28	59	22				
Unsatisfactory	13	5	33	12				
Total	272	101	272	100				

i LEAP Test

Students	District Achievement Level Results											
	English Language Arts			Mathematics			Science			Social Studies		
	2007		2007		2007		2007		2007		2006	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 3												
Advanced	7	2	13	3	11	3	2	0				
Mastery	50	12	44	11	44	11	41	10				
Basic	180	43	167	40	166	40	183	44				
Approaching Basic	120	29	117	28	146	35	114	27				
Unsatisfactory	60	14	76	18	50	12	76	18				
Total	417	100	417	100	417	101	416	99				

Students	District Achievement Level Results											
	English Language Arts			Mathematics			Science			Social Studies		
	2007		2007		2007		2007		2007		2007	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 5												
Advanced	4	1	7	2	5	1	2	1				
Mastery	22	6	30	8	33	9	15	4				
Basic	132	36	138	38	113	31	139	38				
Approaching Basic	120	33	93	25	148	40	115	31				
Unsatisfactory	90	24	100	27	69	19	97	26				
Total	368	100	368	100	368	100	368	100				

District Achievement Level Results									
Students	English Language Arts		Mathematics		Science		Social Studies		
	2007	2007	2007	2007	2007	2007	2007	2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 6									
Advanced	2	1	13	4	5	1	18	5	
Mastery	31	9	31	9	37	10	20	6	
Basic	180	50	175	48	145	40	151	42	
Approaching Basic	122	34	86	24	132	36	115	32	
Unsatisfactory	27	7	58	16	43	12	58	16	
Total	362	101	363	101	362	99	362	101	

District Achievement Level Results									
Students	English Language Arts		Mathematics		Science		Social Studies		
	2007	2007	2007	2007	2007	2007	2007	2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 7									
Advanced	6	2	14	4	2	1	1	0	
Mastery	36	10	20	5	27	7	27	8	
Basic	174	47	177	48	142	39	172	48	
Approaching Basic	104	28	104	28	141	39	106	29	
Unsatisfactory	47	13	62	14	51	14	54	15	
Total	367	100	367	99	363	100	360	100	

District Achievement Level Results									
Students	English Language Arts		Mathematics						
	2007	2007	2007	2007					
	Number	Percent	Number	Percent					
Grade 9									
Advanced	1	0	6	2					
Mastery	24	8	28	10					
Basic	155	54	131	48					
Approaching Basic	78	27	54	19					
Unsatisfactory	29	10	67	23					
Total	287	99	286	100					