

2617

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

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 1/27/10

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 2009

TABLE OF CONTENTS

	Statement	Page
Independent Auditor's Report		1
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Assets	A	4
Statement of Activities	B	5
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	8
Reconciliation of the Government Funds Balance Sheet to the Statement of Net Assets	D	10
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	12
Reconciliation of the Government Funds Statement Of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	14
Proprietary Funds:		
Statement of Net Assets	G	15
Statement of Revenues, Expenses, and Changes in Net Assets	H	16
Statement of Cash Flows	I	17
Fiduciary Fund:		
Statement of Assets and Liabilities – Agency Fund	J	18
Notes to the Financial Statements		20
	Exhibit	Page
Required Supplementary Information:		
Budgetary Comparison Schedule-General Fund	1	40
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP Basis) And Actual Major Special Revenue Fund-School Food Service	2	41
Schedule of Funding Progress – Other Post-Employment Benefits	3	42

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 2009

TABLE OF CONTENTS (CONCLUDED)

	Schedule	Page
Supplemental Information Schedules:		
Nonmajor Governmental Funds by Type:		
Combining Balance Sheet	1	43
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	2	44
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	3	46
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	4	48
Agency Fund:		
Schedule of Changes in Assets and Liabilities	5	50
Schedule of Changes in Deposits Due Others – School Activity Agency Funds	6	51
Schedule of Compensation Paid Board Members	7	53
Reports and Other Information Required by <i>Governmental Auditing Standards</i> and Single Audit Act Amendments of 1996:		
Report on internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		59
Independent Auditor’s Report of Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133		61
Schedule of Expenditures of Federal Awards		63
Notes to the Schedule of Expenditures of Federal Awards		64
Schedule of Findings and Questioned Costs		65
Schedule of Prior Year Findings		66

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

June 30, 2008

This page intentionally left blank.



J. Aaron Cooper , CPA, LLC

P.O. Box 967 • 768 Parish Line Road • DeRidder, Louisiana 70634

(337) 794-2470 • aaron@acoopercpa.com

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

President and Members of the
Beauregard Parish School Board
DeRidder, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beauregard Parish School Board (the School Board) as of and for the year ended June 30, 2009, 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. My responsibility is to express opinions on these financial statements based on my audit.

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

The Beauregard Parish School Board has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In my 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 Beauregard Parish School Board as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with generally accepted accounting principles of the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 30, 2009, on my consideration of the Beauregard Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of my 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 read in conjunction with this report in considering the results of my audit.

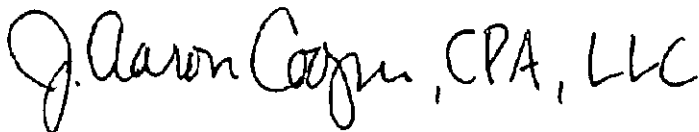
As further discussed in Note 17, the School Board did not record certain payables in the General Fund as of June 30, 2008, resulting in an overstatement of net assets/fund balance totaling \$773,310. A prior period adjustment has been recorded to restate beginning net assets/fund balance and is reflected in the accompanying financial statements.

Beauregard Parish School Board

Page 2

The budgetary comparison information on pages 39-40 is not a required part of the basic financial statements but is supplementary information required by the Governmental Auditing Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other supplementary information identified as Supplemental Information Schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Beauregard Parish School Board. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Beauregard Parish School Board. Such supplementary information and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive, flowing style.

Lake Charles, Louisiana

December 30, 2009

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement A

Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 14,467,963
Investments	2,250,000
Restricted investments	300,000
Receivables	1,996,603
Inventory	264,601
Prepaid expenses	186,866
Capital assets (net of accumulated depreciation):	
Land	305,618
Buildings	14,900,196
Improvements other than buildings	1,576,682
Furniture and equipment	2,382,106
Construction in progress	<u>170,779</u>
Total assets	38,801,414
LIABILITIES	
Accounts, salaries, and other payables	7,133,875
Estimated workers' compensation claims	346,440
Unearned revenue	28,240
Interest payable	176,081
Long-term liabilities:	
Due within one year	4,557,389
Due in more than one year	<u>17,332,300</u>
Total liabilities	<u>29,574,325</u>
NET ASSETS	
Invested in capital assets, net of related debt	5,669,300
Restricted for:	
Debt service	3,946,362
Future salaries from sales tax proceeds	1,710,519
Capital projects	629,595
Federal programs	144,486
Unrestricted	<u>(2,873,173)</u>
TOTAL NET ASSETS	<u>\$ 9,227,089</u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2009

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Governmental Activities - Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular programs	\$ 25,644,273	\$ -	\$ 606,242	\$ (25,038,031)
Special education programs	7,177,032	-	472,896	(6,704,136)
Vocational programs	2,001,613	-	62,294	(1,939,319)
Other instructional programs	1,197,440	-	94,582	(1,102,858)
Special programs	2,126,452	-	912,848	(1,213,604)
Adult and continuing education programs	116,862	-	38,297	(78,565)
Support services:				
Student services	3,365,706	-	298,000	(3,067,706)
Instructional staff support	3,956,811	-	690,817	(3,265,994)
General administration	1,541,685	-	-	(1,541,685)
School administration	3,959,323	-	-	(3,959,323)
Business services	643,646	-	256,971	(386,675)
Plant services	5,235,879	-	-	(5,235,879)
Student transportation services	3,552,955	-	1,503	(3,551,452)
Central services	538,235	-	174,831	(363,404)
Food services	3,514,081	492,247	1,584,557	(1,437,277)
Community service programs	18,155	-	-	(18,155)
Interest on long-term debt	556,687	-	-	(556,687)
Total governmental activities	<u>\$ 65,146,835</u>	<u>\$ 492,247</u>	<u>\$ 5,193,838</u>	<u>(59,460,750)</u>
Taxes:				
Property taxes, levied for general purposes				5,955,349
Property taxes, levied for debt services				3,088,688
Sales and use taxes, levied for general purposes				8,777,837
State revenue sharing, unrestricted				314,135
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				34,910,654
Other state funding				1,594,134
Interest and investment earnings				123,360
Special items:				
Miscellaneous				747,860
Loss on disposal of assets				(131,646)
Total general revenues and special items				<u>55,380,371</u>
Excess of revenues over expenses				(4,080,379)
Beginning net assets, as previously reported				14,080,778
Prior period adjustment				(773,310)
Beginning net assets, as restated				<u>13,307,468</u>
Ending net assets				<u>\$ 9,227,089</u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

June 30, 2008

This page intentionally left blank.

FUND FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Balance Sheet - Governmental Funds
June 30, 2009

	General Fund	School Food Service	Capital Projects Fund	Debt Service Fund
Assets				
Assets:				
Equity in pooled cash	\$ 9,148,053	\$ 338,156	\$ 910,153	\$ 3,938,051
Investments	2,250,000	-	-	-
Receivables	1,235,064	-	-	8,311
Interfund receivable	743,924	-	-	-
Inventory	189,168	75,433	-	-
Prepaid items	147,909	4,255	-	-
	<u>13,714,118</u>	<u>417,844</u>	<u>910,153</u>	<u>3,946,362</u>
Total assets	\$ 13,714,118	\$ 417,844	\$ 910,153	\$ 3,946,362
Liabilities and fund balances				
Liabilities:				
Accounts, salaries, and other payables	\$ 6,768,946	\$ 16,912	\$ 280,558	\$ -
Interfund payable	-	-	-	-
Unearned revenues	-	28,240	-	-
Total liabilities	<u>6,768,946</u>	<u>45,152</u>	<u>280,558</u>	<u>-</u>
Fund balances:				
Reserved for:				
Debt service	-	-	-	3,946,362
Capital improvements	-	-	629,595	-
Federal programs	-	-	-	-
Future salaries from sales tax proceeds	1,710,519	-	-	-
Unreserved:				
Designated for:				
Contingencies	2,602,207	106,075	-	-
Future purchases	-	-	-	-
Unreserved, undesignated	2,632,446	266,617	-	-
Total fund balances	<u>6,945,172</u>	<u>372,692</u>	<u>629,595</u>	<u>3,946,362</u>
	<u>13,714,118</u>	<u>417,844</u>	<u>910,153</u>	<u>3,946,362</u>
Total liabilities and fund balances	\$ 13,714,118	\$ 417,844	\$ 910,153	\$ 3,946,362

The accompanying notes are an integral part of this statement.

Statement C

Other Governmental Funds	Total Governmental Funds
\$ 133,550	\$ 14,467,963
-	2,250,000
753,228	1,996,603
-	743,924
-	264,601
-	152,164
<u>\$ 886,778</u>	<u>\$ 19,875,255</u>
\$ 57,459	\$ 7,123,875
684,833	684,833
-	28,240
<u>742,292</u>	<u>7,836,948</u>
-	3,946,362
-	629,595
144,486	144,486
-	1,710,519
-	2,708,282
-	-
-	2,899,063
<u>144,486</u>	<u>12,038,307</u>
<u>\$ 886,778</u>	<u>\$ 19,875,255</u>

**Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2009**

Total fund balances at year end - governmental funds		\$ 12,038,307
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets are not financial resources and, therefore, not reported in the funds.		
Cost of capital assets at year end	66,343,804	
Less - accumulated depreciation at year end	<u>(47,008,423)</u>	19,335,381
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Long-term liabilities at year end:		
Compensated absences	(1,075,389)	
Bonds payable	(13,490,000)	
Other post-employment benefits liability	(7,324,300)	
Accrued interest payable	<u>(176,081)</u>	(22,065,770)
Net assets of proprietary funds - governmental activities		<u>(80,829)</u>
Net assets at year end - governmental activities		<u>\$ 9,227,089</u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

June 30, 2008

This page intentionally left blank.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2009

	General Fund	School Food Service	Capital Projects Fund	Debt Service Fund
Revenues:				
Local sources:				
Ad valorem taxes	\$ 5,955,349	\$ -	\$ -	\$ 3,088,688
Sales and use taxes	8,777,837	-	-	-
Interest earnings	102,784	3,237	7,496	1,529
Food services	-	492,247	-	-
Other	430,697	-	-	-
State sources:				
Equalization	34,869,197	41,457	-	-
Other	1,908,269	-	-	-
Federal sources				
Total revenues	<u>52,044,133</u>	<u>2,121,498</u>	<u>7,496</u>	<u>3,090,217</u>
Expenditures:				
Instruction:				
Regular programs	20,465,237	-	78,172	-
Special education programs	5,348,575	-	-	-
Vocational educational programs	1,698,302	-	-	-
Other instructional programs	951,904	-	-	-
Special programs	718,064	-	-	-
Adult and continuing education programs	59,960	-	-	-
Support services:				
Student services	2,561,323	-	-	-
Instructional staff support	2,773,353	-	1,296	-
General administration	1,373,864	-	26,087	-
School administration	3,432,210	-	-	-
Business administration	553,450	-	4,935	-
Plant services	4,793,300	-	-	-
Student transportation services	3,581,029	-	-	-
Central services	281,882	-	-	-
Food services	604,725	2,445,647	-	-
Community service programs	12,530	-	-	-
Facilities acquisition and construction	109,356	-	480,494	-
Debt service	-	-	-	1,611,409
Total expenditures	<u>49,319,064</u>	<u>2,445,647</u>	<u>590,984</u>	<u>1,611,409</u>
Excess (deficiency) of revenues over (under) expenditures	2,725,069	(324,149)	(583,488)	1,478,808
Other financing sources (uses):				
Proceeds from sale of assets	18,103	-	-	-
Transfers in	267,167	411,584	-	-
Transfers out	(1,262,316)	-	-	-
Total other financing sources (uses)	<u>(977,046)</u>	<u>411,584</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,748,023	87,435	(583,488)	1,478,808
Beginning fund balances, as previously reported	<u>5,970,459</u>	<u>285,257</u>	<u>1,213,083</u>	<u>2,467,554</u>
Prior period adjustment	(773,310)	-	-	-
Beginning fund balances, as restated	<u>5,197,149</u>	<u>285,257</u>	<u>1,213,083</u>	<u>2,467,554</u>
Ending fund balances	<u>\$ 6,945,172</u>	<u>\$ 372,692</u>	<u>\$ 629,595</u>	<u>\$ 3,946,362</u>

The accompanying notes are an integral part of this statement.

Statement E

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 9,044,037
-	8,777,837
-	115,046
-	492,247
317,162	747,859
-	34,910,654
-	1,908,269
3,609,281	5,193,838
<u>3,926,443</u>	<u>61,189,787</u>
606,242	21,149,651
595,127	5,943,702
62,294	1,760,596
94,582	1,046,486
1,183,299	1,901,363
42,426	102,386
373,164	2,934,487
699,216	3,473,865
-	1,399,951
-	3,432,210
-	558,385
-	4,793,300
1,503	3,582,532
175,419	457,301
-	3,050,372
5,625	18,155
5,118	594,968
-	1,611,409
<u>3,844,015</u>	<u>57,811,119</u>
82,428	3,378,668
-	18,103
294,295	973,046
<u>(267,167)</u>	<u>(1,529,483)</u>
27,128	(538,334)
109,556	2,840,334
<u>34,930</u>	<u>9,971,283</u>
-	(773,310)
<u>34,930</u>	<u>9,197,973</u>
<u>\$ 144,486</u>	<u>\$ 12,038,307</u>

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, 2009

Total net change in fund balances - governmental funds \$ 2,840,334

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

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

Depreciation expense	\$ (1,818,379)	
Capital outlays	<u>1,165,182</u>	(653,197)
Add accumulated depreciation on capital assets retired during the year	1,416,395	
Less cost basis of capital assets retired during the year	<u>(1,566,144)</u>	(149,749)

Repayment of bond principal and certificates of indebtedness is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Proceeds of bond issues is an other source in the governmental funds but increases long-term liabilities in the Statement of Net Assets

Principal payments 1,040,000

In the Statement of Activities, certain operating expenses - compensated absences and other post-employment benefits - 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 is the amount by which the amounts earned exceeds the amount actually paid:

Change in compensated absences payable (28,776)

Change in compensated absences payable (7,324,300)

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.

Change in accrued interest payable 14,722

Change in net assets of proprietary funds 180,587

Change in net assets of governmental activities \$ (4,080,379)

The accompanying notes are an integral part of this statement.

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

Statement G

**Statement of Net Assets - Proprietary Funds
June 30, 2009**

	Internal Service Fund - Workers' Compensation Self-Insurance Fund*	Total - Governmental Activities
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Equity in pooled cash	\$ -	\$ -
Restricted investments	300,000	300,000
Prepaid expenses	<u>34,702</u>	<u>34,702</u>
Total assets	<u><u>\$ 334,702</u></u>	<u><u>\$ 334,702</u></u>
LIABILITIES		
Accounts payable	10,000	10,000
Estimated workers' compensation claims	346,440	346,440
Due to General Fund	<u>59,091</u>	<u>59,091</u>
Total liabilities	415,531	415,531
NET ASSETS		
Unrestricted	<u>(80,829)</u>	<u>(80,829)</u>
Total net assets	<u><u>(80,829)</u></u>	<u><u>(80,829)</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 334,702</u></u>	<u><u>\$ 334,702</u></u>

* Nonmajor proprietary fund

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds
For the Year Ended June 30, 2009

	Internal Service Fund - Workers' Compensation Self-Insurance Fund*	Total - Governmental Activities
Operating revenues:		
Charges for services	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>
Operating expenses:		
Workers' compensation claims	325,367	325,367
Contract services	100	100
Stop-loss premiums	58,697	58,697
Total operating expenses	<u>384,164</u>	<u>384,164</u>
Operating loss	(384,164)	(384,164)
Non-operating revenues (expenses)		
Interest income	8,314	8,314
Total non-operating revenues	<u>8,314</u>	<u>8,314</u>
Transfers in	<u>556,437</u>	<u>556,437</u>
Change in net assets	180,587	180,587
Net assets - beginning of year	<u>(261,416)</u>	<u>(261,416)</u>
Net assets - end of year	<u>\$ (80,829)</u>	<u>\$ (80,829)</u>

* Nonmajor proprietary fund

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement I

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2009

	<u>Internal Service Fund - Workers' Compensation Self-Insurance Fund</u>
Cash flows from operating activities:	
Payments to vendors	\$ (50,290)
Payments made on workers' compensation claims	<u>(255,519)</u>
Net cash used in operating activities	(305,809)
Cash flows from non-capital financing activities:	
Change in Due to General Fund	59,091
Transfers in	<u>556,437</u>
Net cash provided by non-capital financing activities	615,528
Cash flows from investing activities:	
Interest income	<u>8,314</u>
Net cash provided by investing activities	8,314
Net change in cash and cash equivalents	318,033
Cash and cash equivalents at beginning of year	<u>(318,033)</u>
Cash and cash equivalents at end of year	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operations	
Operating income (loss)	\$ (384,164)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Prepaid items	(1,493)
Accounts payable	10,000
Estimated workers' compensation claims	<u>69,848</u>
Net cash used in operating activities	<u>\$ (305,809)</u>

* Nonmajor proprietary fund

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement J

Statement of Assets and Liabilities - Agency Fund
June 30, 2009

	<u>School Activity Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 911,953</u>
Total assets	<u>\$ 911,953</u>
Liabilities	
Deposits due others	<u>\$ 911,953</u>
Total liabilities	<u>\$ 911,953</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2009**

INTRODUCTION

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
 - A. **BASIS OF PRESENTATION**
 - B. **REPORTING ENTITY**
 - C. **FUND ACCOUNTING**
 - D. **MEASUREMENT FOCUS/BASIS OF ACCOUNTING**
 - E. **BUDGETS**
 - F. **ENCUMBRANCES**
 - G. **CASH AND INTEREST-EARNING DEPOSITS**
 - H. **INVESTMENTS**
 - I. **SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**
 - J. **INVENTORIES AND PREPAID ITEMS**
 - K. **CAPITAL ASSETS**
 - L. **COMPENSATED ABSENCES**
 - M. **RESTRICTED NET ASSETS**
 - N. **FUND EQUITY**
 - O. **INTERFUND TRANSACTIONS**
 - P. **SALES AND USE TAXES**
 - Q. **ESTIMATES**
2. **LEVIED TAXES**
3. **DEPOSITS**
4. **INVESTMENTS**
5. **RECEIVABLES**
6. **CAPITAL ASSETS**
7. **ACCOUNTS, SALARIES, AND OTHER PAYABLES**
8. **RETIREMENT SYSTEMS**
9. **INTERFUND ACTIVITIES**
10. **LONG-TERM OBLIGATIONS**
11. **RESERVED AND DESIGNATED FUND BALANCES**
12. **RISK MANAGEMENT**
13. **LITIGATION, CLAIMS, AND OTHER CONTINGENT LIABILITIES**
14. **COMMITMENTS**
15. **OTHER POST-EMPLOYMENT BENEFITS**
16. **NEW PRONOUNCEMENTS**
17. **PRIOR PERIOD ADJUSTMENT**

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

The Beauregard Parish School Board was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Beauregard Parish. The School Board is authorized by 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 10 members who are elected from 10 districts for terms of four years.

The School Board operates 13 schools within the parish with a total enrollment of approximately 6,000 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the 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 No. 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 No. 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*.

C. FUND ACCOUNTING

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

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

Governmental Funds

Governmental funds account for all or most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. *Governmental funds include the following:*

1. The General Fund is the general operating fund of the School Board and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt service funds account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include the following:

1. The internal service fund accounts for the financing of goods or services provided by one department to other departments or governments on a cost-reimbursement basis.
2. The enterprise fund accounts for operations that are financed and operated in a manner similar to private business enterprises and for which the intent of the School Board is that the costs (expenses, including depreciation) of providing the services to the general public on a continuing basis be financed or recovered primarily through user charges.

The School Board applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 (unless those pronouncements conflict with or contradict GASB pronouncements) for its proprietary activities.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. The School Activity Agency Fund accounts for assets held by the School Board as an agent for the individual schools and school organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the school board, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Internal Activities - The Workers' Compensation Self-Insurance Internal Service Fund provides services primarily to the governmental funds. Accordingly, this fund's activities were rolled up into the governmental activities. Pursuant to GASB 34, as much as possible, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion. However, the effect of interfund services provided and used between functions are not eliminated in the statement of activities.

Enterprise Activities - The East Beauregard Food Processing Enterprise Fund is accounted for similar to a private enterprise as a proprietary fund. However, due to its purpose as a vocational education program and that it is only partially self-funding, the School Board considers this program a governmental activity.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the school board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the school board's general revenues.

Allocation of Indirect Expenses - The school board reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

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

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The School Board reports the general fund, the School Food Service Fund, the debt service fund, and the 1997 Parishwide Construction capital projects fund as its major governmental funds. The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The School Food Service Fund includes the school meal preparation operations. The debt service fund accounts for the collection of an ad valorem tax millage dedicated to servicing the debt of the District's outstanding general obligation bonds. The 1997 Parishwide Construction fund accounts for bonds issued under authority of a 1997 voter referendum to be used for capital projects and instructional equipment.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The school board generally considers all revenues available if they are collected within 60 days after the fiscal year end. For the year ended June 30, 2009, due to unusual circumstances certain revenues related to reimbursements under federal grant programs were not collected within the 60-day period, however, it has been the policy of the School Board to recognize these revenues when the expenditures are made. Management feels that the financial statements would be misleading if these revenues were not recorded. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants are recorded when the reimbursable expenditures have been incurred. Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December, January, and February of the fiscal year. Sales and use tax revenues are recorded in the month that the original taxable transaction occurred. Substantially all other revenues are recorded when received.

Expenditures

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not effect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Governmental fund expenditures include the following:

Salaries are recorded as earned. All nine-month employees are to be paid pro rata over twelve months. Thus, salaries paid to these employees in July and August are earned (and are accrued) as of fiscal year end. Principal and interest on general long-term obligations are recognized when due. Inventory is expensed when consumed. Compensated absences are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death. The cost of compensated absences not requiring current resources is recorded in the general long-term obligations account group. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

Other Financing Sources (Uses)

Increases (decreases) in net current assets arising from sources other than revenues (expenditures) are accounted for as other financing sources (uses). Such transactions include transfers between funds that are not expected to be repaid, capital lease transactions, sale of fixed assets, and long-term debt proceeds. These other financing sources (uses) are recognized at the time the underlying events occur.

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 before the incurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and the revenue is recognized.

Proprietary Funds - Like the government-wide statements, the proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the school board finances and meets the cash flow needs of this internal service fund. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses are items which result directly from the operations of the fund. Items such as interest income and operating transfers do not depend on fund activities and, therefore, are considered non-operating.

Agency Funds – Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for on the accrual basis of accounting.

E. BUDGETS

The School Board adopts budgets for all non-fiduciary funds under its control. The School Board uses the following budget practices:

1. The proposed budget for the fiscal year ended June 30, 2009, was published August 7, 2008. The budget was available for viewing from that date until the date of the public hearing September 11, 2008. The budget was formally adopted on September 11, 2008, by the School Board. The budget must be adopted no later than September 15th and submitted to the Louisiana Department of Education no later than September 30th each year for approval.
2. Appropriations (unexpended budget balances) lapse at year-end.
3. Budgets are prepared on a GAAP basis for all funds.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental, or project level. However, when projected revenues within a fund fail to meet budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. The superintendent of the School Board has the authority to transfer amounts between accounts within any fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances are recorded at the time the purchasing system generates a purchase order and are liquidated at the time the corresponding expenditure is recognized. Outstanding encumbrances lapse at year-end. To the extent the School Board intends to honor the purchase orders and commitments, they are disclosed in the financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

G. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and short-term investments with original maturities of three months or less, including deposits held by the Louisiana Asset Management Pool (LAMP). LAMP is a statewide investment pool in which the School Board participates and operates in accordance with appropriate state laws and regulations. The fair value of the School Board's position in the pool is the same as the value of the pool shares. LAMP is a component unit of the State of Louisiana and its operations are regulated by state law and are overseen by a board consisting of the state treasurer and members elected from the pool participants. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the School Board's investment policy. These laws and policies are designed to minimize credit risk. The School Board's investments include certificates of deposit with maturities greater than 90 days. These certificates of deposit are recorded at cost, which approximates fair value.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

J. INVENTORIES AND PREPAID ITEMS

Inventory of the General Fund consists of expendable supplies and are recorded on the consumption method. These items are recorded at the lower of cost (first-in, first-out) or market value.

Inventory of the School Lunch 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 (issued); however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

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

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The school board maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40 years
Furniture and fixtures	10 years
Vehicles	5 years
Equipment	3-10 years

L. COMPENSATED ABSENCES

The School Board has the following policies relating to compensated absences:

Annual Leave

Annual leave is earned for all twelve-month active employees at the following rates:

<u>Years of service</u>	<u>Rate</u>
0-3	1 day per month (12 days annually)
3-10	1 ¼ days per month (15 days annually)
Over 10	1 ½ days per month (18 days annually)

Accumulated annual leave is capped at 48 days.

Sick Leave

Sick leave is earned for active employees at the following rates:

Nine-month employees	10 days
Ten-month employees	11 days
Eleven- and twelve-month employees:	
0-10 years	12 days
Over 10 years	18 days

If a nine- or ten-month employee works additional time during the summer, the employee will receive one day additional sick leave (or portion thereof) for each additional month worked (or portion thereof). Sick leave can be accumulated without limitation. Upon retirement, unused sick leave up to 25 days is paid to employees at the employees' current rate of pay and all unused sick leave is used in the retirement computation as earned service. However, the School Board may pay, on a uniform basis, such unused sick leave beyond twenty-five days, not to exceed 45 days, at its discretion.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

Emergency Leave

Emergency leave shall be granted for the following reasons:

1. A maximum of three days continuous leave for illness in the immediate family unless there are extenuating circumstances.
2. A maximum of three days continuous leave for death in the immediate family unless there are extenuating circumstances.
3. A maximum of two days for the purpose of marriage.
4. *Circumstances beyond the control of the employee (i.e., fire, flood, tornado, etc.)*

The superintendent or his designee may grant emergency leave for reasons other than above. Two days of sick or emergency leave may be allowed for personal reasons.

Excess leave

Excess leave may be granted by the superintendent beyond the sick and emergency leave up to a maximum of five days. Any request beyond five days requires School Board approval.

Sabbatical Leave

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. According to GASB Statement No. 16, sabbatical leave which involves professional and cultural development provides a continuing benefit to the employer and should not be accrued.

The cost of current leave privileges is recognized as an expenditure in the governmental funds (typically the General Fund) when the leave is actually taken or, in the case of amounts due at termination, when payment is due. The expenditure is recorded in the fund from which the employee on leave is generally paid. The cost of leave privileges not requiring current resources is recorded in the government-wide financial statements. For the proprietary funds, the liability for compensated absences is accrued when the leave is earned by the employee.

M. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or
2. imposed by law through constitutional provisions or enabling legislation.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

N. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

O. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

P. SALES AND USE TAXES

A one-cent sales and use tax was approved by voters at a special election held July 23, 1966. The proceeds of the tax are to be used exclusively to supplement other revenues available to the School Board for the payment of salaries of teachers in the public elementary and secondary schools of the parish and for the expenses of operating said schools, such operating expenses to include payment of salaries of other personnel employed by the School Board in addition to teachers, but to exclude expenditures for capital improvements and purchases of automobiles.

Another one-cent sales and use tax was approved by voters at a special election held May 5, 1990. The proceeds of the tax are to be used for the purpose of supplementing salaries of teachers and other school employees and providing benefits for teachers, other school employees, and retirees.

Q. ESTIMATES

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

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	Authorized <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Parishwide taxes			
Constitutional	4.50	4.50	N/A
Maintenance and operations	8.28	8.28	2011
District taxes			
Maintenance and operations –			
Instructional	19.74	19.74	2013
Bond and Interest	17.80	17.80	N/A

The only taxpayer with assessed valuation in excess of 5% of total assessments was Boise Cascade Corporation. Boise's total assessed valuation was approximately \$45,700,000 generating approximately \$2,250,000 in ad valorem taxes.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

3. DEPOSITS

At June 30, 2009, the School Board has cash and interest-bearing deposits (book balances) as follows:

	Governmental Activities	Fiduciary Funds	Total
Interest-bearing demand deposits	\$ 13,350,735	\$ 619,251	\$ 13,969,986
Deposits with LAMP	1,117,228	292,702	1,409,930
Total	<u>\$ 14,467,963</u>	<u>\$ 911,953</u>	<u>\$ 15,379,916</u>

Additionally, the School Board has certificates of deposit totaling \$2,550,000 on deposit in local banks which are presented as investments in the financial statements. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2009, the School Board has \$16,547,645 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$1,793,928 of federal deposit insurance (GASB Custodial Credit Risk Category 1) and \$14,318,881 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Custodial Credit Risk Category 3). The remaining \$414,836 was not collateralized by FDIC insurance coverage or pledged securities.

Even though the pledged securities are not considered collateral (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the 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 for deposits.

4. INVESTMENTS

Investments at June 30, 2009 consisted of the certificates of deposit. All certificates have maturities of six months from their original purchase dates. Restricted investments consist of a certificate of deposit that is pledged to the state worker's compensation fund and is included in the self-insurance internal service fund.

As discussed in Note 3, certificates of deposit are considered uncollateralized (Category 3) under the provisions of GASB Statement 3. Deposits with LAMP are not categorized as those deposits are not evidenced by securities that exist in physical or book-entry form.

Although the School Board's policy does not formally address credit or interest rate risk, it does emphasize safety and liquidity over investment return. This policy does limit exposure to fluctuations in interest rates due to the short-term nature of securities purchased and the School Board's intent and ability to hold debt securities to maturity. Interest rates on certificates of deposit range from 1.2-2.5% and it is the practice of the School Board to generally purchase certificates with maturities of six months or less and never over one year. LAMP's investment policy also emphasizes safety and liquidity with a substantial portion of the underlying securities pool having maturities of less than 30 days. LAMP is rated AAAM with Standard & Pools.

The School Board entered into a security agreement with the State of Louisiana Office of Workers' Compensation (OWC) that grants to OWC a security interest in the School Board's \$300,000 certificate of deposit. The security interest is to secure the prompt payment of all obligations under the provisions of the Louisiana Workers' Compensation Act.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

5. RECEIVABLES

The receivables of \$1,996,603 at June 30, 2009, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 15,184	\$ -	\$ 8,311	\$ 23,495
Sales	768,790	-	-	768,790
Intergovernmental - grants:				
Federal	-	753,228	-	753,228
State	451,090	-	-	451,090
Total	\$ 1,235,064	\$ 753,228	\$ 8,311	\$ 1,996,603

6. CAPITAL ASSETS

The changes in capital assets follow:

<u>Governmental Activities</u>	<u>Balance, Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance, End of Year</u>
Capital assets not being depreciated:					
Land	\$ 309,598	\$ -	\$ (3,980)	\$ -	\$ 305,618
Construction in progress	281,232	437,547	-	(548,000)	170,779
	590,830	437,547	(3,980)	(548,000)	476,397
Capital assets being depreciated:					
Buildings and improvements	51,374,938	152,588	(1,108,072)	548,000	50,967,454
Furniture and equipment	14,778,998	575,047	(454,092)	-	14,899,953
	66,153,936	727,635	(1,562,164)	548,000	65,867,407
Less accumulated depreciation:					
Buildings and improvements	(34,487,387)	(965,492)	962,303	-	(34,490,576)
Furniture and equipment	(12,119,052)	(852,887)	454,092	-	(12,517,847)
	(46,606,439)	(1,818,379)	1,416,395	-	(47,008,423)
Total capital assets being depreciated, net	19,547,497	(1,090,744)	(145,769)	548,000	18,858,984
Governmental activities capital assets, net	\$ 20,138,327	\$ (653,197)	\$ (149,749)	\$ -	\$ 19,335,381

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

Depreciation expense of \$1,818,379 for the year ended June 30, 2009, was charged to the following governmental functions:

Instruction:	
Regular Education	\$ 1,310,404
Special Education	237,903
Support Services:	
Student Services	45,220
Instructional Staff Support	34,006
General Administration	2,384
School Administration	18,789
Business Services	5,301
Plant Services	13,281
Student Transportation Services	29,366
Central Services	629
School Food Services	121,096
Total	<u>\$ 1,818,379</u>

7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

Accounts, salaries, and other payables of \$7,133,874 at June 30, 2009, consists of the following:

	General Fund	Special Revenue Funds	Capital Projects Funds	Proprietary Funds	Total
Salaries, net	\$ 1,433,781	\$ -	\$ -	\$ -	\$ 1,433,781
Benefits and Withholdings	4,242,570	-	-	-	4,242,570
Accounts	1,165,095	74,371	108,057	10,000	1,357,523
Other	-	-	100,000	-	100,000
Total	<u>\$ 6,841,446</u>	<u>\$ 74,371</u>	<u>\$ 208,057</u>	<u>\$ 10,000</u>	<u>\$ 7,133,874</u>

8. RETIREMENT SYSTEMS

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

A. Teachers' Retirement System of Louisiana (TRS)

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

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

Funding Policy. Plan members are required to contribute 8.0%, 9.1%, and 5.0% of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School Board is required to contribute at an actuarially-determined rate. The current rate is 16.6% of annual covered payroll for all three membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. The School Board's contributions to the TRS for the years ending June 30, 2009, 2008, and 2007, were \$4,548,135, \$4,807,059, and \$4,076,848, respectively, equal to the required contributions for each year.

Trend information. Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Three-year trend information for the years ended June 30, is presented as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarial value of assets as percentages of actuarial accrued liability	70.2%	71.3%	67.5%
Unfunded actuarial accrued liability as percentages of covered payroll	179.1%	184.8%	217.9%
Employer contributions as percentages of covered payroll	17.9%	16.8%	18.3%

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute 7.5% of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 18.1% of annual covered payroll. Contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is set by state statute at the greater of 6% or the actuarially determined required rate. Since the statutory rate has been significantly greater than the actuarially required rate in recent years, employers have accumulated a contribution credit. The Public Retirement System's Actuarial Committee recommended during fiscal 2003 that employer contributions be made from past accumulated credits. During fiscal 2007, the contribution rate was 19.6%. As such, the School Board's contributions to the LSERS for the years ending June 30, 2009, 2008, and 2007, were \$580,802, \$602,100, and \$614,306, respectively, which is equal to the required contributions each year.

Trend information. Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Three-year trend information for the years ended June 30, is presented as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarial value of assets as percentages of actuarial accrued liability	76.6%	80.0%	79.1%
Employer contributions as percentages of covered payroll	17.9%	19.5%	18.2%

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

C. Louisiana Parochial Employees' Retirement System (LPERS)

Plan Description. Board members can elect to participate in the LPERS, which provides retirement benefits. Ten years of service credit is required to become vested for retirement benefits. Benefits are established and amended by state statute. The LPERS issues a publicly available financial report that includes financial statements and required supplementary information for the LPERS. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Plan members are required to contribute 9.5% of their annual salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 12.75% of covered payroll. The School Board's contributions to the LPERS for the years ending June 30, 2009, 2008, and 2007, were \$1,057, \$1,199, and \$1,071, respectively, equal to the required contributions each year.

Trend information. Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Three-year trend information for the years ended December 31, is presented as follows:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarial value of assets as percentages of			
actuarial accrued liability	96.8%	95.0%	94.3%
Employer contributions as percentages of covered payroll	13.3%	13.4%	13.7%

9. INTERFUND ACTIVITIES

The following is a summary of interfund receivables and payables at June 30, 2009:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-major special revenue funds	\$ 684,833
General Fund	Internal Service Fund	<u>59,091</u>
		<u>\$ 743,924</u>

Generally, interfund receivables/payables result from overdrafts of the common cash pool.

The following is a summary of interfund transfers for the year ended June 30, 2009:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General Fund	Non-major special revenue funds	\$ 267,167
General Fund	School Food Service Fund	411,584
Non-major special revenue funds	General Fund	294,295
Internal Service Fund	General Fund	<u>556,437</u>
		<u>\$ 1,529,483</u>

Generally, interfund transfers result from the 1) reimbursement of indirect costs from federal programs to the General Fund, or 2) reimbursement to other funds for expenditures paid on behalf of the General Fund. Additionally, a budgeted transfer was made to the Internal Service Fund.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

10. LONG-TERM LIABILITIES

The following is a summary of the long-term obligation transactions for the year ended June 30, 2009:

	Bonded Debt	Compensated Absences	OPEB Liability	Total
Long-term obligations at beginning of year	\$ 14,530,000	\$ 1,046,613	\$ -	\$ 15,576,613
Additions	-	1,183,212	9,801,300	10,984,512
Deductions	(1,040,000)	(1,154,436)	(2,477,000)	(4,671,436)
Long-term obligations at end of year	\$ 13,490,000	\$ 1,075,389	\$ 7,324,300	\$ 21,889,689
Due within one year	\$ 1,005,000	\$ 1,075,389	\$ 2,477,000	\$ 4,557,389

General Obligation Bonds

All School Board bonds outstanding at June 30, 2009, are general obligation bonds with maturities from 2010 to 2024 and interest rates from 2.5% to 5.5%. Bond principal and interest payable in the next fiscal year are \$1,005,000 and \$522,735 respectively. The individual issues are as follows:

Bond Issue	Original Issue	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding
Series 2001	\$ 2,000,000	4.5-5.5%	2021	\$ 480,200	\$ 1,485,000
Series 2004	5,000,000	3.3-4.3%	2024	1,386,901	4,170,000
Series 2005A	6,450,000	3.8%	2018	1,178,243	5,845,000
Series 2007	2,000,000	4.1%	2019	442,393	1,990,000
	\$ 15,450,000			\$ 3,487,737	\$ 13,490,000

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish (or other as indicated). At June 30, 2009 the School Board has accumulated \$3,946,362 in the debt service fund for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2010	\$ 1,005,000	\$ 522,735	\$ 1,527,735
2011	1,050,000	488,765	1,538,765
2012	1,100,000	445,914	1,545,914
2013	1,155,000	401,772	1,556,772
2014	1,210,000	357,378	1,567,378
2015-2019	5,900,000	1,040,062	6,940,062
2020-2024	2,070,000	231,111	2,301,111
Total	\$ 13,490,000	\$ 3,487,737	\$ 16,977,737

In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2009, the statutory limit is approximately \$104 million.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

11. RESERVED AND DESIGNATED FUND BALANCES

It is the Board's policy to reserve/designate a portion of fund balance in the general fund for subsequent year expenditures and contingencies. These reservations/designations were recorded in the general fund at June 30, 2009. Total fund balance in the debt service fund is reserved for debt service. Total fund balances in the capital projects funds have been reserved for capital projects.

12. RISK MANAGEMENT

The School Board maintains insurance coverage through commercial insurance carriers for liability, errors and omissions, employee bonds, and property insurance. The School Board is partially self-insured for workers' compensation claims.

An internal service fund was established to fund workers' compensation claims through interfund premiums, which are based primarily on the individual fund's payroll. Rates are determined by the School Board in consultation with its insurance expert. These premiums are reported as expenditures in the individual funds. No premiums were paid by the various funds during the year as it was determined that the self-insurance fund maintained adequate reserves. An insurance policy covers individual claims in excess of \$175,000. There were no instances during the past three years where settlements exceeded insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate, in consultation with its insurance expert, based on analysis of the known claims and historical loss data.

Changes in the liability for estimated workers' compensation claims for the year ended June 30, 2009 is as follows:

	2008	2007
Liability at beginning of year	\$ 276,592	\$ 334,526
Claims accrued	325,367	335,521
Claims paid	(255,519)	(393,455)
Liability at end of year	\$ 346,440	\$ 276,592

13. LITIGATION, CLAIMS, AND OTHER CONTINGENT LIABILITIES

The School Board is a defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the School Board and legal counsel, the outcomes of these lawsuits will not have a material adverse effect on the accompanying basic financial statements and, accordingly, no provision for losses has been recorded.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applied funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the School Board expects such amounts, if any, to be immaterial.

Under the Internal Revenue Code, interest earned on debt proceeds in excess of interest expense prior to the disbursement of such proceeds (called "arbitrage") must be rebated to the Internal Revenue Service. Management believes there is no arbitrage rebate liability at year end.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (continued)

14. COMMITMENTS

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, 2009, the School Board had outstanding purchase orders in the amount of approximately \$200,000.

15. OTHER POST-EMPLOYMENT BENEFITS

The School Board provides certain continuing health care and life insurance benefits for the School Board's 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 Office of Group Benefits whose monthly premiums are paid jointly the employee and by the School Board. The School Board pays the premiums on a "pay-as-you-go" basis. For the year ended June 30, 2009, there were 337 retirees and the costs of their benefits totaled \$2,477,000.

The School Board's Annual Required Contribution ("ARC") is an amount actuarially-determined in accordance with GASB 45, which is being implemented prospectively for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize the beginning Unfunded Actuarial Liability ("UAL") over a period of 30 years. A 30-year, closed amortization period has been used with a level-dollar amortization factor. The total ARC for the fiscal year 2009 is \$9,801,300 which consists of normal cost of \$4,658,800 and amortization of UAL of \$5,142,500.

Since this is the first year of implementation, no information for prior years is presented.

The following table presents the School Board's OPEB obligation for the year ended June 30, 2009:

Beginning OPEB obligation at July 1, 2008	\$	-
Annual Required Contribution		9,801,300
Interest on prior year obligation		-
Annual OPEB cost		9,801,300
Less: current year premiums paid		(2,477,000)
Increase in net OPEB obligation		7,324,300
Ending net OPEB obligation at June 30, 2009	<u>\$</u>	<u>7,324,300</u>

Utilizing the pay-as-you-go method, the School Board contributed 25.3% of the annual OPEB cost during 2009.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements (concluded)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses). An annual healthcare cost trend rate was used, using an initial rate of 9.0% for pre-Medicare participants and 10.1% for Medicare-Eligible participants, both reduced by decrements to an ultimate rate of 5.0% after twelve years. The actuarial assumptions used a payroll growth rate of 3.0%. The RP 2000 Mortality Table was used in the actuarial calculation. Disability rates for employees ranged from .03% for employees age 20 to 1.54% for employees over the age of 65. The actuarial assumptions used for withdrawal rates and retirement rates differ by employment group. Withdrawal rates ranged from 10% for teachers age 20 to 2.0% for teachers age 60 and 16.0% other-employees age 20 to 1.6% for other-employees age 60. Retirement rates ranged from 3.0% for teachers age 45 to 100% for teachers aged 75 and 0.0% other-employees age 45 to 100% for other-employees age 75. The remaining amortization period at June 30, 2009 was 29 years. In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. 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 Office of Group Benefits, whose monthly premiums are paid jointly by the employee and by the School Board. The cost of retiree benefits included in these expenditures was \$10,025,138 for 328 retirees and \$2,551,413 for 336 retirees during the year ended June 30, 2009 and 2008, respectively.

16. SUBSEQUENT EVENTS

In May 2009, the Financial Accounting Standards Board issued Statement 165, Subsequent Events, to incorporate the accounting and disclosure requirements for subsequent events into U.S. generally accepted accounting principles. Statement 165 introduces new terminology, defines a date through which management must evaluate subsequent events, and list the circumstances under which an entity must recognize and disclose events or transactions occurring after the balance-sheet date. The School Board adopted statement 165 as of June 30, 2009, which was the required effective date.

The City evaluated its June 30, 2009 financial statements for subsequent events through December 30, 2009, the date of the financial were available to be issued. The School Board issued two general obligation bonds totaling \$20,000,000. The School Board is not aware of any additional subsequent events which would require recognition or disclosure in the financial statements.

17. PRIOR PERIOD ADJUSTMENT

In the prior year, a wire transfer for employee benefits totaling \$773,310 was improperly recorded. As a result, employee benefits expense was understated. A prior period adjustment was recorded to reduce beginning fund balance by the amount of the wire.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Exhibit 1

Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 4,914,759	\$ 5,826,961	\$ 5,955,349	\$ 128,388
Sales and use taxes	8,639,617	9,245,936	8,777,837	(468,099)
Interest earnings	175,000	55,532	102,784	47,252
Other	85,450	120,403	430,697	310,294
State sources:				
Equalization	34,094,829	34,869,197	34,869,197	-
Other	1,111,642	1,683,111	1,908,269	225,158
Federal sources				
	-	-	-	-
Total revenues	49,021,297	51,801,140	52,044,133	242,993
Expenditures:				
Instruction:				
Regular programs	20,136,974	20,971,581	20,465,237	506,344
Special education programs	5,024,283	5,463,638	5,348,575	115,063
Vocational educational programs	1,719,186	1,747,933	1,698,302	49,631
Other instructional programs	899,815	1,001,262	951,904	49,358
Special programs	183,709	511,959	718,064	(206,105)
Adult and continuing education programs	77,078	55,618	59,960	(4,342)
Support services:				
Student services	2,471,472	2,868,809	2,561,323	307,486
Instructional staff support	2,607,797	2,743,550	2,773,353	(29,803)
General administration	1,195,039	1,376,847	1,373,864	2,983
School administration	3,619,370	3,544,300	3,432,210	112,090
Business administration	536,683	594,325	553,450	40,875
Plant services	5,225,373	5,347,219	4,793,300	553,919
Student transportation services	4,012,861	3,731,743	3,581,029	150,714
Central services	259,287	315,560	281,882	33,678
Food services	-	-	604,725	(604,725)
Community service programs	6,265	12,530	12,530	-
Facilities acquisition and construction	738,500	702,175	109,356	592,819
Debt service	-	-	-	-
Total expenditures	48,713,692	50,989,049	49,319,064	1,669,985
Excess (deficiency) of revenues over (under) expenditures	307,605	812,091	2,725,069	1,912,978
Other financing sources (uses)				
Proceeds of sale of capital assets	1,200	9,000	18,103	9,103
Operating transfers in	172,000	245,000	267,167	22,167
Operating transfers out	(478,405)	(968,055)	(1,262,316)	(294,261)
Total other financing sources (uses)	(305,205)	(714,055)	(977,046)	(262,991)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	2,400	98,036	1,748,023	1,649,987
Fund balances - beginning of year	5,197,149	5,197,149	5,197,149	-
Fund balances - end of year	\$ 5,199,549	\$ 5,295,185	\$ 6,945,172	\$ 1,649,987

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Exhibit 2

Budgetary (GAAP Basis) Comparison Schedule
Major Special Revenue Fund - School Food Service
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance Over/ (Under)
	Original	Final		
Revenues:				
Local sources:				
Sales and use taxes	\$ 365,000	\$ -	\$ -	\$ -
Interest earnings	12,000	-	3,237	3,237
Food services	555,000	496,527	492,247	(4,280)
Other	30	-	-	-
State sources:				
Equalization	879,000	41,457	41,457	-
Federal sources	1,522,000	1,560,259	1,584,557	24,298
Total revenues	3,333,030	2,098,243	2,121,498	23,255
Expenditures:				
Food services	3,245,325	2,605,381	2,445,647	159,734
Total expenditures	3,245,325	2,605,381	2,445,647	159,734
Excess (deficiency) of revenues over (under) expenditures	87,705	(507,138)	(324,149)	182,989
Other financing sources (uses):				
Operating transfers in	87,705	507,705	411,584	(96,121)
Total other financing sources (uses)	87,705	507,705	411,584	(96,121)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	175,410	567	87,435	86,868
Fund balances - beginning of year	285,257	285,257	285,257	-
Fund balances - end of year	\$ 460,667	\$ 285,824	\$ 372,692	\$ 86,868

Schedule of Funding Progress
Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)
07/01/08	\$ -	\$ 124,713,400	\$ 124,713,400	0%

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

**Notes to the Required Supplementary Information
As of and for the Year Ended June 30, 2009**

1. BUDGETS

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental, or project level. However, when projected revenues within a fund fail to meet budgeted revenues and/or projected expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting.

Budgets are prepared for all governmental funds of the School Board. The budgets are prepared on the modified accrual basis of accounting (GAAP). Budgeted amounts are as originally adopted or as 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 plus projected 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.

SUPPLEMENTAL INFORMATION SCHEDULES

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

Schedule 1

**Combining Balance Sheet - Nonmajor Governmental Funds by Type
June 30, 2009**

	Special Revenue Funds	Total Nonmajor Governmental Funds
Assets and other debits:		
Assets:		
Equity in pooled cash and investments	\$ 133,550	\$ 133,550
Receivables	753,228	753,228
Interfund receivable	-	-
Inventory	-	-
	<u> </u>	<u> </u>
Total assets	\$ 886,778	\$ 886,778
Liabilities and fund balances		
Liabilities:		
Accounts, salaries, and other payables	\$ 57,459	\$ 57,459
Interfund payable	684,833	684,833
Total liabilities	<u>742,292</u>	<u>742,292</u>
Fund balances:		
Reserved for:		
Federal programs	<u>144,486</u>	<u>144,486</u>
Total fund balances	<u>144,486</u>	<u>144,486</u>
	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ 886,778	\$ 886,778

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Schedule 2

**Combining Schedule of Revenues, Expenditures, and Changes
 In Fund Balances - Nonmajor Governmental Funds
 For the Year Ended June 30, 2009**

	Special Revenue Funds	Total Nonmajor Governmental Funds
Revenues:		
Local sources:		
Other	\$ 317,162	\$ 317,162
Federal sources	3,609,281	3,609,281
Total revenues	3,926,443	3,926,443
Expenditures:		
Instruction:		
Regular programs	606,242	606,242
Special education programs	595,127	595,127
Vocational educational programs	62,294	62,294
Other instructional programs	94,582	94,582
Special programs	1,183,299	1,183,299
Adult and continuing education programs	42,426	42,426
Support services:		
Student services	373,164	373,164
Instructional staff support	704,334	704,334
Plant services	-	-
Student transportation services	1,503	1,503
Community services	175,419	175,419
Central services	5,625	5,625
Total expenditures	3,844,015	3,844,015
Excess (deficiency) of revenues over {under} expenditures	82,428	82,428
Other financing sources (uses):		
Transfers in	294,295	294,295
Transfers out	(267,167)	(267,167)
Total other financing sources (uses)	27,128	27,128
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	109,556	109,556
Beginning fund balances	34,930	34,930
Ending fund balances	\$ 144,486	\$ 144,486

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes. The non-major special revenue funds consist of individual federal grant programs. Following is a description of the significant programs:

Title I. Federal program that provides funds for instructional activities and services to meet the educational needs of educationally deprived students. School must qualify as economically deprived. A qualified school may offer services to all students kindergarten through fifth grade. Services are offered at the following locations: Carver Elementary, Pinewood Elementary, East Beauregard Elementary, Hyatt High, Merryville High, Singer High, KR Hanchey Elementary, and South Beauregard Elementary.

Title V. Federal program that provides funds for the acquisition of instructional and educational materials used to improve the overall quality of instruction. Serves all schools and grades.

Title II. Federal program that focuses on reducing class sizes and preparing, training, and recruiting high-quality teachers. Serves all schools and grades.

Title IV. Federal program that provides funds to implement drug abuse education and prevention programs. Serves all grades and all schools.

Individuals with Disabilities Education Act (IDEA). Federal program that provides materials and supplies, equipment and related services. Serves special education population students age 3-22 at all schools.

Preschool. Federal program that provides materials and supplies, equipment and related services. Serves special education population students age 3-5 at all k-12 schools and KR Hanchey Elementary.

Medicaid. Generated by services provided by the school board for families of Medicaid recipients (for example, speech or occupational therapy). Serves Medicaid recipients and special education population in all schools.

Vocational Education Basic (Carl Perkins). Federal program that provides funds to implement a vigorous program to students pursuing a vocation.

Adult Education. To make available to educationally disadvantaged adults, an opportunity to acquire basic literacy skills necessary to function in society and become more employable, productive, and responsible citizens.

JROTC. A high school course given during regular school hours. Covers history, government, technology awareness, and current events. Services provided at DeRidder High School, East Beauregard High School, and South Beauregard High School.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Schedule 3

Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2009

	Title I	Title II	Enhancing Ed Thru Technology	Title IV	IDEA	Assistive Technology	Preschool	Hurricane Impact Aid	Adult Education
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ -	\$ -	\$ -
Receivables	53,818	130,835	24,185	-	381,804	-	4,281	58,868	11,465
Total assets	\$ 53,818	\$ 130,835	\$ 24,185	\$ -	\$ 381,804	\$ 296	\$ 4,281	\$ 58,868	\$ 11,465

Liabilities and fund equity

Liabilities:									
Accounts, salaries, and other payables	\$ 6,325	\$ 7,737	\$ -	\$ -	\$ 40,797	\$ -	\$ -	\$ -	\$ 775
Due to General Fund	47,493	123,098	24,185	-	341,007	-	4,281	58,868	10,690
Total liabilities	53,818	130,835	24,185	-	381,804	-	4,281	58,868	11,465
Fund equity:									
Fund balances:									
Reserved for federal programs	-	-	-	-	-	296	-	-	-
Total liabilities and fund equity	\$ 53,818	\$ 130,835	\$ 24,185	\$ -	\$ 381,804	\$ 296	\$ 4,281	\$ 58,868	\$ 11,465

BEAUREGARD PARISH SCHOOL BOARD
De Ridder, Louisiana

Combining Balance Sheet - Nonmajor Special Revenue Funds (Continued)
June 30, 2009

Assets	Carl Perkins		Imperial Consolidated		JROTC		Rural Education Assistance		Medicaid-Nurses		Medicaid-Direct Services		Title I-Local		Title IV-Local		Totals	
	Perkins	Consolidated	JROTC	Rural Education Assistance	Medicaid-Nurses	Medicaid-Direct Services	Title I-Local	Title IV-Local	Totals									
Equity in pooled cash and investments	\$ -	\$ 5,539	\$ -	\$ -	\$ 125,632	\$ -	\$ -	\$ -	\$ -	\$ 2,083	\$ 133,550							
Receivables	29,713	-	6,137	-	55	47,950	-	-	-	-	753,228							
Total assets	\$ 29,713	\$ 5,539	\$ 6,137	\$ -	\$ 125,687	\$ 47,950	\$ -	\$ 2,083	\$ 886,778									
Liabilities and fund equity																		
Liabilities:																		
Accounts, salaries, and other payables	\$ 218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,490	\$ -	\$ 57,459									
Interfund payable	29,495	-	9,809	-	-	26,103	5,804	-	684,833									
Total liabilities	29,713	-	9,809	-	-	26,103	7,294	-	742,292									
Fund equity:																		
Fund balances:																		
Reserved for federal programs	-	5,539	(3,672)	-	125,687	21,847	(7,294)	2,083	144,486									
Total liabilities and fund equity	\$ 29,713	\$ 5,539	\$ 6,137	\$ -	\$ 125,687	\$ 47,950	\$ -	\$ 2,083	\$ 886,778									

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

	Title I	Title II	Enhancing Ed Thru Technology	Title IV	IDEA	Assistive Technology	Preschool	Hurricane Impact Aid	Adult Education	Adult Ed One-Stop
Revenues:										
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	1,327,101	438,680	32,677	23,407	1,272,253	-	61,310	63,823	35,316	4,117
Total revenues	<u>1,327,101</u>	<u>438,680</u>	<u>32,677</u>	<u>23,407</u>	<u>1,272,253</u>	-	<u>61,310</u>	<u>63,823</u>	<u>35,316</u>	<u>4,117</u>
Expenditures:										
Instruction:										
Regular programs	59,935	338,602	-	-	207,705	-	-	-	-	-
Special education programs	-	-	-	-	472,896	-	-	-	-	-
Vocational educational programs	-	-	-	-	-	-	-	-	-	-
Other instructional programs	-	-	-	-	-	-	-	-	-	-
Special programs	-	-	-	-	-	-	-	-	-	-
Adult and continuing education programs	1,183,299	-	-	-	-	-	-	-	-	-
Support services:										
Student services	15,809	-	-	25,867	236,572	-	21,260	-	-	-
Instructional staff support	239,632	63,949	30,848	-	259,461	-	43,566	47,849	-	-
Plant services	-	-	-	-	-	-	-	-	-	-
Student transportation services	220	-	-	-	-	-	-	-	-	-
Central services	200	5,180	-	-	12,313	-	-	1,283	-	-
Community services	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>1,499,095</u>	<u>407,731</u>	<u>30,848</u>	<u>25,867</u>	<u>1,188,947</u>	-	<u>64,826</u>	<u>49,132</u>	<u>38,309</u>	<u>4,117</u>
Excess (deficiency) of revenues over (under) expenditures	(171,994)	30,949	1,829	(2,460)	83,306	-	(3,516)	14,691	(2,993)	-
Other financing sources (uses):										
Transfers in	279,425	-	-	3,145	-	-	7,596	-	4,129	-
Transfers out	(107,431)	(30,949)	(4,481)	(685)	(83,306)	-	(4,080)	(18,682)	(1,136)	-
Total other financing sources (uses)	171,994	(30,949)	(4,481)	2,460	(83,306)	-	3,516	(18,682)	2,993	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	(2,652)	-	-	-	-	(3,991)	-	-
Beginning fund balances	-	-	2,652	-	-	296	-	3,991	-	-
Ending fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 296	\$ -	\$ -	\$ -	\$ -

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds (continued)
For the Year Ended June 30, 2009

	Carl Perkins	Imperial Calcasieu Consolidated	JROTC	Rural Education Assistance	Medicaid-Nurses	Medicaid-Direct Services	Title I-Local	Title IV-Local	Total
Revenues:									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 121,229	\$ 190,137	\$ 5,696	\$ 100	\$ 317,162
Federal sources	75,008	-	94,969	180,620	-	-	-	-	3,609,281
Total revenues	<u>75,008</u>	<u>-</u>	<u>94,969</u>	<u>180,620</u>	<u>121,229</u>	<u>190,137</u>	<u>5,696</u>	<u>100</u>	<u>3,926,443</u>
Expenditures:									
Instruction:									
Regular programs	-	-	-	-	-	-	-	-	606,242
Special education programs	-	-	-	-	-	122,231	-	-	595,127
Vocational educational programs	62,294	-	-	-	-	-	-	-	62,294
Other instructional programs	-	-	94,582	-	-	-	-	-	94,582
Special programs	-	-	-	-	-	-	-	-	1,183,299
Adult and continuing education programs	-	-	-	-	-	-	-	-	42,426
Support services:									
Student services	1,933	-	-	7,300	64,323	-	-	100	373,164
Instructional staff support	10,630	-	-	-	-	3,674	4,725	-	704,334
Plant services	-	-	-	-	-	-	-	-	-
Student transportation services	-	-	-	-	-	-	-	-	1,503
Central services	-	-	-	157,138	588	-	-	-	175,419
Community services	-	-	-	-	-	-	5,625	-	5,625
Total expenditures	<u>74,857</u>	<u>-</u>	<u>94,582</u>	<u>164,438</u>	<u>64,911</u>	<u>125,905</u>	<u>10,350</u>	<u>100</u>	<u>3,844,015</u>
Excess (deficiency) of revenues over (under) expenditures	151	-	387	16,182	56,318	64,232	(4,654)	-	82,428
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	294,295
Transfers out	(2,122)	-	-	(14,295)	-	-	-	-	(267,167)
Total other financing sources (uses)	(2,122)	-	-	(14,295)	-	-	-	-	27,128
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,971)	-	387	1,887	56,318	64,232	(4,654)	-	109,556
Beginning fund balances	1,971	5,539	(4,059)	(1,887)	69,369	(42,385)	(2,640)	2,083	34,930
Ending fund balances	<u>\$ -</u>	<u>\$ 5,539</u>	<u>\$ (3,672)</u>	<u>\$ -</u>	<u>\$ 125,687</u>	<u>\$ 21,847</u>	<u>\$ (7,294)</u>	<u>\$ 2,083</u>	<u>\$ 144,486</u>

Schedule of Changes in Assets and Liabilities - Agency Fund
June 30, 2009

	STUDENT ACTIVITY FUND			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets				
Cash and cash equivalents	\$ 913,443	\$ 2,424,596	\$ (2,426,086)	\$ 911,953
Total assets	<u>\$ 913,443</u>	<u>\$ 2,424,596</u>	<u>\$ (2,426,086)</u>	<u>\$ 911,953</u>
Liabilities				
Deposits due others	\$ 913,443	\$ 2,424,596	\$ (2,426,086)	\$ 911,953
Total liabilities	<u>\$ 913,443</u>	<u>\$ 2,424,596</u>	<u>\$ (2,426,086)</u>	<u>\$ 911,953</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Schedule 6

**Schedule of Changes in Deposits Due Others -
School Activity Agency Fund
For the Year Ended June 30, 2009**

<u>School</u>	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
Beauregard Alternative School	\$ 20,301	\$ 7,740	\$ (15,253)	\$ 12,788
G.W. Carver Elementary School	37,207	72,490	(79,964)	29,733
DeRidder High School	154,141	563,034	(531,135)	186,040
DeRidder Junior High School	33,044	186,295	(192,515)	26,824
East Beauregard Elementary School	41,044	87,093	(93,617)	34,520
East Beauregard High School	177,709	270,517	(256,577)	191,649
Hyatt High School	15,303	470	(15,773)	-
K.R. Hanchey Elementary School	44,838	72,985	(92,995)	24,828
Merryville High School	97,423	274,692	(304,927)	67,188
Pinewood Elementary School	91,145	115,376	(113,076)	93,445
Singer High School	53,397	159,498	(138,259)	74,636
South Beauregard Elementary School	25,791	102,816	(110,095)	18,512
South Beauregard High School	122,100	511,590	(481,900)	151,790
	<u>\$ 913,443</u>	<u>\$ 2,424,596</u>	<u>\$ (2,426,086)</u>	<u>\$ 911,953</u>

BEAUREGARD PARISH SCHOOL BOARD

DeRidder, Louisiana

Agency Fund

Agency funds account for assets held in a fiduciary capacity by the School Board.

School Activity Funds

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

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

Schedule 7

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2009**

<u>MEMBERS</u>	<u>AMOUNT</u>
Jimmy Barrett	\$ 9,600
Anthony Carlson	8,400
Jerry Cooley	8,400
Don Gray	8,400
Russell Havens	8,400
Stuart Hayes	8,400
Gene Maddox	8,400
Darrin Manuel	8,400
Marvin Simmons	8,400
David Vidrine	<u>8,400</u>
	<u>\$ 85,200</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

June 30, 2009

This page intentionally left blank.

**REPORTS AND ADDITIONAL
INFORMATION REQUIRED BY
*GOVERNMENT AUDITING
STANDARDS AND
SINGLE AUDIT ACT
AMENDMENTS OF 1996***

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

June 30, 2009

This page intentionally left blank.



J. Aaron Cooper , CPA, LLC

P.O. Box 967 • 768 Parish Line Road • DeRidder, Louisiana 70634

(337) 794-2470 • aaron@acoopercpa.com

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants

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

Beauregard Parish School Board
DeRidder, Louisiana

I have audited the financial statements of governmental activities, the major funds, and the aggregate remaining fund information of the Beauregard Parish School Board as of and for the year ended June 30, 2009, which collectively comprise the Board's basic financial statements and have issued my report thereon dated December 30, 2009. I conducted my 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 my audit, I considered the School Board's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal controls over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

My 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 that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I 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 a combination of control deficiencies, that adversely affects the 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 financial statement that is more than inconsequential will not be prevented or detected by internal control. I consider the deficiencies described in the accompanying schedule of findings and questioned costs identified as 2009-01(IC) and 2009-02(IC) to be significant deficiencies in internal control over financial reporting.

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

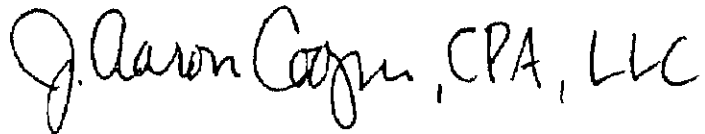
My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and could not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I 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 Board's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

The School Board's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the School Board's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of the Beauregard Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive, flowing style.

DeRidder, Louisiana
December 30, 2009



J. Aaron Cooper , CPA, LLC

P.O. Box 967 • 768 Parish Line Road • DeRidder, Louisiana 70634

(337) 794-2470 • aaron@acoopercpa.com

Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants

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

Beauregard Parish School Board
DeRidder, Louisiana

Compliance

I have audited the compliance of the Beauregard Parish School Board with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to its major federal program for the year ended June 30, 2009. 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 its major federal programs is the responsibility of the School Board's management. My responsibility is to express an opinion on the School Board's compliance based on my audit.

I conducted my 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 I 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 I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the School Board's compliance with those requirements.

In my opinion the Beauregard Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Beauregard Parish 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 my audit, I 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 my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the School Board's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

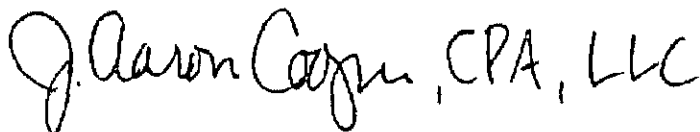
A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal 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. I consider the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-01 (IC), 2009-02 (IC), and 2009-01(FIC) to be significant deficiencies.

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

Schedule of Expenditures of Federal Awards

I have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beauregard Parish School Board as of and for the year ended June, 30, 2009, and have issued my report thereon dated December 30, 2009. My audit was performed for the purpose of forming my opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Beauregard Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	N/A	\$ 1,074,916
School Breakfast Program	10.553	N/A	343,749
Passed through Louisiana Department of Agriculture and Forestry:			
Food Distribution	10.550	N/A	<u>165,892</u>
Total United States Department of Agriculture			<u>1,584,557</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	28-09-44-06	35,304
Title I Grants to Local Educational Agencies*	84.010	09-T1-06	1,047,676
Special Education Cluster:*			
Individuals with Disabilities Education Act	84.027	09-B1-06	1,272,253
Preschool grants	84.173	09-P1-06	53,714
Vocational Education - Basic Grants to States	84.048	28-09-02-06	75,008
Enhancing Education Through Technology	84.318X	28-09-49-09	32,677
Improving Teacher Quality State Grants (Title II)*	84.367	09-50-06	438,680
Drug Free Schools and Communities - State Grants (Title IV)	84.186	09-70-06	20,262
Rural Education Achievement Program*	84.060	28-09-RE-06	<u>180,620</u>
Total United States Department of Education			3,156,194
United States Department of Homeland Security			
Passed through State of Louisiana:			
Disaster Grants - Public Assistance	97.036	N/A	63,823
United States Department of Defense			
JROTC	12.609	N/A	<u>94,969</u>
Total Expenditures of Federal Awards			<u>\$ 4,899,543</u>

* Denotes major Federal program

The accompanying notes are an integral part of this schedule.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Beauregard Parish School Board, DeRidder, Louisiana. The Beauregard Parish School Board (the "School Board") reporting entity is defined in Note 1 to the School Board's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are 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 financial statements.

NOTE 3 – RELATIONSHIP TO FINANCIAL STATEMENTS

Federal awards revenues are reported in the School Board's financial statements as follows:

Special Revenue:	
School Food Service	\$ 1,584,557
Non-major funds	<u>3,314,986</u>
Total	\$ <u>4,899,543</u>

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

The commodities received from the food distribution program, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2009

Section I - Summary of Audit Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over compliance:	
• Material weaknesses identified?	Yes
• Reportable conditions identified that are not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	No
Identification of major programs:	
• Title I Grants to Local Educational Agencies	
• Special Education Cluster	
• Improving Teacher Quality State Grants (Title II)	
• Rural Education Achievement Program	
Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee?	No

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Corrective Action Plan for Current Year Findings
For the Year Ended June 30, 2009

Internal Control:

Finding 2009-1(IC)

Description of Finding. The sales tax supplements related to employees working on Federal programs were charged to the Federal funds' budgets. Only regular pay is allowed to be charged to Federal programs.

Corrective Action Planned. This error was corrected at year end. Management feels that this was a one-time issue due to it being the first year on the new payroll system. The payroll system was corrected and the sales tax supplement for December 2009 was recorded correctly.

Contact Person. Lesia Casanovas, Director of Finance.

Finding 2009-2(IC)

Description of Finding. Although the School Board reconciled its requests for reimbursements under Federal programs to its accounting records, the reconciliation did not take into account some carryover amounts from the prior year. Additionally, the budgets for some of the Federal funds were not adjusted for those prior year items that had an effect on the current year. During 2008-2009, these issues resulted in several Federal funds going over budget. These overages had to be covered by the general fund.

The reconciliations and budgets should be reviewed to make sure these carryover items are taken into account.

Corrective Action Planned. Management concurs with the finding and will implement the recommendation.

Contact Person. Lesia Casanovas, Director of Finance.

Compliance – N/A

Federal Awards – Internal Control over Compliance

Finding 2009-1(FIC)

Description of Finding. Due to the issues described in 2009-2(IC), requests for reimbursement on one of the Federal programs (Title II) exceeded actual expenditures by \$5,629.

Corrective Action Planned. The School Board will reduce its requests for reimbursement from Title II by \$5,629 during the 2009-2010 program year to correct over-requested amount. Additionally, management feels that the corrections resulting from 2009-2(IC) above will prohibit this error from happening again.

Questioned Costs. \$5,629.

Contact Person. Lesia Casanovas, Director of Finance.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2009

Internal Control:

Finding 2008-1(IC) – Original Finding 2007

Description of Finding. The Beauregard Parish School Board did not reconcile its significant balance sheet accounts, including bank accounts, on a timely basis. When the accounts were reconciled after year end, material adjustments resulted.

Current Year Status. The School Board reconciled substantially all balance sheet accounts during its year-end close process.

Finding 2008-2(IC) – Original Finding 2008

Description of Finding. Significant improvements are necessary to ensure that all receipts have been deposited and correctly recorded in the accounting records. I recommend logging all receipts and reconciling such log to deposits made. This reconciliation should also be compared to deposits recorded in the accounting system to ensure accuracy. Monthly bank reconciliations will also improve this process.

Corrective Action Planned. The School Board improved its process of ensuring cash receipts are properly recorded. Additionally, monthly bank reconciliations have provided a second check to ensure that all cash receipts are recorded.

Finding 2008-3(IC) – Original Finding 2008

Description of Finding. The month-end and year-end close processes need to be formalized and communicated so that each accountant knows her responsibilities. Also, additional training is necessary to ensure staff persons know what procedures are to be done and how to perform them. Finally, the accounting records need to be reviewed to ensure that account balances are correct.

Current Year Status. The School Board has made substantial improvements in its accounting close process. Monthly bank reconciliations are being prepared and all the year-end balance sheet accounts were reconciled as of the beginning of the audit. Additionally, management intends to implement additional procedures that will improve the close process for 2009-2010. These procedures are currently informal but will be formalized in written form in 2009-2010.

Finding 2008-4(IC) – Original Finding 2008

Description of Finding. During October 2007, the two semi-monthly payrolls were posted twice and the monthly payroll was not posted at all. These errors were not discovered until the year end close. Controls need to be improved to ensure that payroll is properly recorded in the general ledger. Preparing timely bank reconciliations will also help identify improperly posted payroll.

Current Year Status. All payrolls were recorded in current year. See Finding 2009-1(IC) for additional information.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Prior Year Findings (continued)
For the Year Ended June 30, 2009

Compliance:

Finding 2008-1(C) – Original Finding 2007

Description of Finding. The Beauregard Parish School Board did not issue its annual financial audit within six months of its fiscal year end as required by state law.

Current Year Status. This year's annual financial audit was submitted in accordance with state law.

Contact Person. Lesia Casanovas, Director of Finance.

Federal Awards – Internal Control over Compliance:

Finding 2008-1(FIC) – Original Finding 2007

Description of Finding. The Beauregard Parish School Board did not reconcile its requests for reimbursement under various federal programs to the general ledger. This resulted in approximately \$400,000 of 2007-2008 program costs not being requested for reimbursement until March 2009. I also recommend that the reimbursement requests be prepared monthly and included in the month-end close process.

Current Year Status. Management reconciled its reimbursement requests to the general ledger. See Finding 2009-2(IC) for additional information.

Contact Person. Lesia Casanovas, Director of Finance.

Finding 2008-2(FIC) – Original Finding 2007

Description of Finding. The Beauregard Parish School Board overspent its 2007-2008 Title I budget by \$157,309. The problem seems to have originated in the budget revision process. The State of Louisiana has reimbursed these costs from the 2008-2009 program year. The budgeting process over federal funds, including budget revisions, needs to be improved to ensure that budgets are not overspent.

Current Year Status. The School Board overspent its Title I budget by \$279,425 in the current year which was reimbursed by the General Fund. See Finding 2009-2(IC) for additional information.

Contact Person. Lesia Casanovas, Director of Finance.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Prior Year (concluded)
For the Year Ended June 30, 2009

Finding 2008-3(FIC) – Original Finding 2008

Description of Finding. Several of the federal programs in which the School Board participates require that employees that are paid from the program certify the percentage of time expended performing program duties, usually on a semi-annual basis. The School Board was unable to locate certifications for numerous employees for certain periods. I recommend that procedures be developed and implemented to ensure that all certifications are prepared and on file.

Current Year Status. No exceptions were noted in current year.

Contact Person. Lesia Casanovas, Director of Finance.