

**East Carroll Parish School Board
Lake Providence, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2005**

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 4-12-06

**East Carroll Parish School Board
Annual Financial Report**

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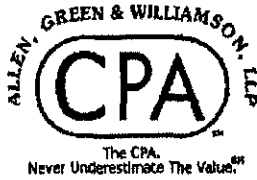
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**East Carroll Parish School Board
Annual Financial Report**

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ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

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

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

Tim Green, CPA

Margie Williamson, CPA

Diane Ferschoff, CPA

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

INDEPENDENT AUDITORS' REPORT

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the East Carroll Parish School Board, as of and for the year ended June 30, 2005, which collectively comprise the School Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School Board as of June 30, 2005, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 10, 2006, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules as listed in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying information identified in the table of contents as supplemental information and the Schedule of Expenditures of Federal Awards, as required by the OMB Circular A-133 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information identified in the table of contents as other information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on it.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
February 10, 2006

East Carroll Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION:

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

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

Our discussion and analysis of East Carroll Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2005. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

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

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

FUND FINANCIAL STATEMENTS Total revenues for all governmental funds increased \$566,795. The fund balances of all governmental funds increased \$523,149. The fund balance of the general fund decreased \$203,748. Total expenditures in the general fund increased \$335,141 due mainly to the purchase of a new software program, retirement cost increased, purchased two new buses and utilities increased. Capital outlay expenditures increased \$855,372 because of major repairs to all buildings for energy performance purposes.

The Title I fund balances neither increased nor decreased since it is a cost-reimbursement fund.

The Child Nutrition fund balance decreased by \$22,467.

The Other Miscellaneous fund balance increased \$452.

Other governmental fund balance decreased \$114,341.

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

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

Required Supplemental Information
Management's Discussion & Analysis (MD&A)

Basic Financial Statements



Notes to the Basic Financial Statements

Required Supplemental Information
Budgetary Information for Major Funds

Supplemental Information
Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members

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

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

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

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

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statements

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

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

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

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

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

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were \$8,442,892 at June 30, 2005. Of this amount \$904,240 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

**Table 1
Net Assets
June 30**

	<u>2005</u>	<u>Governmental Activities 2004</u>	<u>Variance</u>
Current and other assets	\$ 5,853,650	\$ 5,105,976	\$ 747,674
Capital assets	<u>6,893,330</u>	<u>6,280,529</u>	<u>612,801</u>
Total assets	<u>12,746,980</u>	<u>11,386,505</u>	<u>1,360,475</u>
Current and other liabilities	2,064,186	1,806,334	(257,852)
Long-term liabilities	<u>2,239,902</u>	<u>543,060</u>	<u>(1,696,842)</u>
Total liabilities	<u>4,304,088</u>	<u>2,349,394</u>	<u>(1,954,694)</u>
Net assets			
Invested in capital assets, net of debt	5,111,330	6,280,529	(1,169,199)
Restricted	2,427,322	1,954,465	472,857
Unrestricted	<u>904,240</u>	<u>802,117</u>	<u>102,123</u>
Total net assets	<u>\$ 8,442,892</u>	<u>\$ 9,037,111</u>	<u>\$ (594,219)</u>

The \$904,240 in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its noncapital liabilities such as compensated absences, there would be \$904,240 left.

The net assets of the School Board decreased by \$594,219 due mainly to a decrease in MFP and increase in expenses which is spread over several functions.

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

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

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

	<u>2005</u>	<u>2004</u>	<u>Variance</u>
Net Assets - beginning	\$ 9,037,111	\$ 8,822,446	\$ 214,665
Revenues:			
Program revenues			
Charges for services	26,409	26,224	185
Federal grants	3,738,420	3,023,128	715,292
State grants and entitlements	455,020	844,232	(389,212)
General Revenues			
Ad valorem taxes	383,186	348,173	35,013
Sales taxes	1,400,953	1,407,345	(6,392)
State minimum foundation program	8,094,241	7,938,029	156,212
Other general revenues	<u>467,859</u>	<u>412,162</u>	<u>55,697</u>
Total revenues	<u>14,566,088</u>	<u>13,999,293</u>	<u>566,795</u>
Functions/Program Expenses:			
Instruction			
Regular programs	5,839,744	5,108,502	731,242
Special programs	1,252,595	1,169,201	83,394
Other instructional programs	1,766,061	1,744,821	21,240
Support services			
Student services	519,342	507,676	11,666
Instructional staff support	665,106	702,250	(37,144)
General administration	367,665	357,315	10,350
School administration	823,431	787,433	35,998
Business services	432,278	229,792	202,486
Plant services	1,532,781	1,261,584	271,197
Student transportation services	707,917	590,570	117,347
Central services	494	4,702	(4,208)
Food Services	1,214,549	1,320,782	(106,233)
Community Service Programs	4,960	0	4,960
Interest and bank charges	<u>33,384</u>	<u>0</u>	<u>33,384</u>
Total expenses	<u>15,160,307</u>	<u>13,784,628</u>	<u>1,375,679</u>
Increase (decrease) in net assets	<u>(594,219)</u>	<u>214,665</u>	<u>(808,884)</u>
Net Assets - ending	<u>\$ 8,442,892</u>	<u>\$ 9,037,111</u>	<u>\$ (594,219)</u>

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

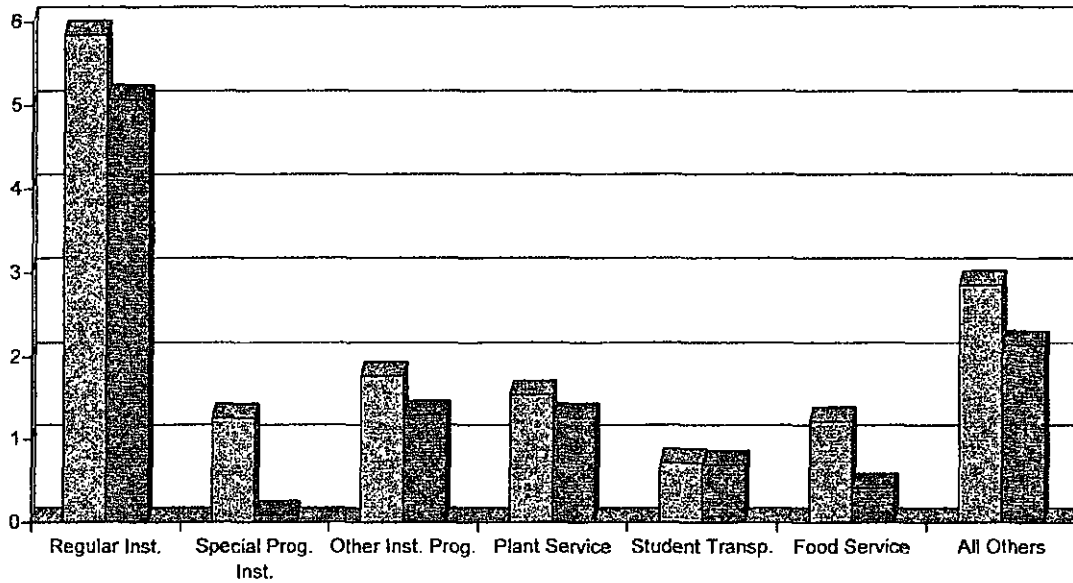
**East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)**

Year Ended June 30, 2005 Year Ended June 30, 2004
Governmental Activities Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Regular programs instruction	\$ 5,839,744	\$ 5,070,477	\$ 5,108,502	\$4,669,076
Special programs instruction	1,252,595	84,118	1,169,201	119,715
Other instructional programs	1,766,061	1,287,968	1,744,821	1,228,604
Plant services	1,532,781	1,258,165	1,261,584	1,108,948
Student transportation services	707,917	688,230	590,570	569,891
Food services	1,214,549	413,246	1,320,782	458,021
All others	<u>2,846,660</u>	<u>2,138,254</u>	<u>2,570,218</u>	<u>1,736,789</u>
Totals	<u>\$15,160,307</u>	<u>\$10,940,458</u>	<u>\$13,784,628</u>	<u>\$9,891,044</u>

2005

**Total Cost of Services
Versus
Net Cost of Services**



▨ Total Cost of Services ■ Net Cost of Services

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

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

General Fund Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.) MFP funding was reduced, therefore expenditures were reduced accordingly. Revenue for GEE 21, Teacher Assessors, Title V, Enhancing Education Through Technology, and Basic Adult Education awards were reduced during the year, therefore expenditures were also reduced. Title II, State Adult Education, LEAP 21 Summer Remediation, Tech Prep, REAP, and Title IV awards increased, therefore expenditures also increased.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2005, the School Board had \$6,893,330 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of just over \$612,801 or ten percent, from last year.

Capital Assets at June 30, 2005

	<u>2005</u>	<u>Governmental Activities 2004</u>	<u>Variance</u>
Land	\$ 318,180	\$ 318,180	\$ 0
Construction in progress	937,027	0	937,027
Buildings and improvements	4,777,848	4,932,059	(154,211)
Furniture and equipment	<u>860,275</u>	<u>1,030,290</u>	<u>(170,015)</u>
Totals	<u>\$6,893,330</u>	<u>\$6,280,529</u>	<u>\$ 612,801</u>

Debt Administration At June 30, 2005, the School Board had \$1,782,000 in a certificate of indebtedness outstanding maturing in 2019 with a 5.375% interest rate.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES General Fund budget decreased because there is a reduction in MFP for 2005-2006 and several grants are not being funded.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Theresa Thomas, Business Manager, at East Carroll Parish School Board, P. O. Box 972, Lake Providence, Louisiana 71254-0792, telephone number (318) 559-2222.

East Carroll Parish School Board

BASIC FINANCIAL STATEMENTS:

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

EAST CARROLL PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS
June 30, 2005

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 4,266,777
Investments	169,199
Receivables, net	1,412,184
Inventory	5,490
Capital assets:	
<i>Land and construction in progress</i>	1,255,207
Depreciable capital assets, net of depreciation	<u>5,638,123</u>
TOTAL ASSETS	<u>12,746,980</u>
LIABILITIES	
Accounts, salaries and other payables	1,946,239
Interest payable	33,327
Deferred revenue	84,620
Long-term liabilities	
Due within one year	388,451
Due in more than one year	<u>1,851,451</u>
TOTAL LIABILITIES	<u>4,304,088</u>
NET ASSETS	
Invested in capital assets, net of related debt	5,111,330
Restricted for:	
Salary enhancements	336,738
Salary enhancements and construction and maintenance	2,090,584
Unrestricted	<u>904,240</u>
TOTAL NET ASSETS	<u>\$ 8,442,892</u>

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

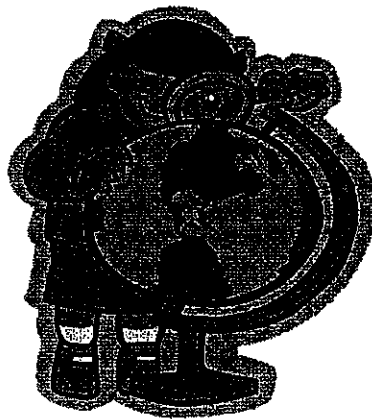
EAST CARROLL PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2005

	PROGRAM REVENUES			Statement B
	CHARGES FOR	OPERATING		NET (EXPENSE)
FUNCTIONS/PROGRAMS	EXPENSES	SERVICES	GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET ASSETS
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 5,839,744		\$ 769,267	\$ (5,070,477)
Special programs	1,252,595		1,168,477	(84,118)
Other instructional programs	1,766,061		478,093	(1,287,968)
Support services:				
Student services	519,342		142,640	(376,702)
Instructional staff support	665,106		473,540	(191,566)
General administration	367,665		67,019	(300,646)
School administration	823,431		20,073	(803,358)
Business services	432,278		5,134	(427,144)
Plant services	1,532,781		274,616	(1,258,165)
Student transportation services	707,917		19,687	(688,230)
Central services	494			(494)
Food services	1,214,549	26,409	774,894	(413,246)
Community service programs	4,960	0	0	(4,960)
Interest and bank charges	33,384	0	0	(33,384)
Total Governmental Activities	<u>15,160,307</u>	<u>26,409</u>	<u>4,193,440</u>	<u>10,940,458</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				383,186
Sales taxes, levied for general purposes				1,400,953
State revenue sharing				20,331
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				8,094,241
Interest and investment earnings				102,354
Miscellaneous				<u>345,174</u>
Total general revenues				<u>10,346,239</u>
Changes in net assets				(594,219)
Net assets - beginning				<u>9,037,111</u>
Net assets - ending				<u>\$ 8,442,892</u>

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

East Carroll Parish School Board



East Carroll Parish School Board

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2005

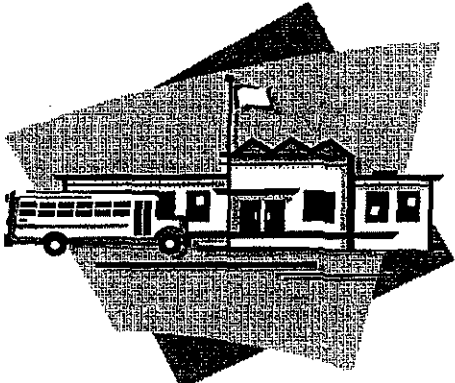
	GENERAL	TITLE I	CHILD NUTRITION	OTHER MISCELLANEOUS
ASSETS				
Cash and cash equivalents	\$ 2,940,388	\$ 149,385	\$ 16,390	\$ 75,445
Investments	169,199	0	0	0
Receivables	557,171	289,237	61,410	257,090
Interfund receivables	951,460	58,349	9,987	16,587
Inventory	0	0	5,490	0
TOTAL ASSETS	4,618,218	496,971	93,277	349,122
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts, salaries and other payables	1,474,641	140,223	166,063	73,255
Interfund payable	47,004	356,748	168,152	256,646
Deferred revenue	45,654	0	6,217	0
Total Liabilities	1,567,299	496,971	340,432	329,901
<i>Fund Balances:</i>				
<i>Restricted for:</i>				
Inventory	0	0	(727)	0
Salary enhancements	336,738	0	0	0
Salary enhancements and construction and maintenance	2,090,584	0	0	0
<i>Unreserved, reported in:</i>				
General Fund - Undesignated	623,597	0	0	0
Special Revenue	0	0	(246,428)	19,221
Capital Projects	0	0	0	0
Total Fund Balances	3,050,919	0	(247,155)	19,221
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,618,218	\$ 496,971	\$ 93,277	\$ 349,122

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

Statement C

ENERGY PERFORMANCE	OTHER GOVERNMENTAL	TOTAL
\$ 863,253	\$ 221,916	\$ 4,266,777
0	0	169,199
0	247,276	1,412,184
0	65,406	1,101,789
0	0	5,490
<u>863,253</u>	<u>534,598</u>	<u>6,955,439</u>
0	92,057	1,946,239
0	273,239	1,101,789
0	32,749	84,620
<u>0</u>	<u>398,045</u>	<u>3,132,648</u>
0	0	(727)
0	0	336,738
0	0	2,090,584
0	0	623,597
0	63,142	(164,065)
<u>863,253</u>	<u>73,411</u>	<u>936,664</u>
<u>863,253</u>	<u>136,553</u>	<u>3,822,791</u>
<u>\$ 863,253</u>	<u>\$ 534,598</u>	<u>\$ 6,955,439</u>

East Carroll Parish School Board



EAST CARROLL PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2005**

Statement D

Total fund balances - governmental funds \$ 3,822,791

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

Costs of capital assets	\$ 11,948,174	
Depreciation expense to date	<u>(5,054,844)</u>	
		6,893,330

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

Balances at June 30, 2005 are:

Long-term liabilities		
Compensated absences payable	(457,902)	
Certificate of indebtedness	(1,782,000)	
Interest payable	<u>(33,327)</u>	
		<u>(2,273,229)</u>

Net Assets - Governmental Activities \$ 8,442,892

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

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
June 30, 2005

	GENERAL	TITLE I	CHILD NUTRITION	OTHER MISCELLANEOUS
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 383,186	\$ 0	\$ 0	\$ 0
Sales and use	1,400,953	0	0	0
Interest earnings	81,395	0	920	0
Food services	0	0	26,409	0
Other	263,856	0	79,959	1,359
State sources:				
Equalization	7,901,226	0	193,015	0
Other	135,521	0	0	218,740
Federal sources	0	1,464,325	774,607	572,211
Total Revenues	10,166,137	1,464,325	1,074,910	792,310
EXPENDITURES				
Current:				
Instruction:				
Regular programs	4,876,393	0	0	613,975
Special programs	869,996	0	0	247
Other instructional programs	366,550	991,701	0	2,759
Support services:				
Student services	253,097	0	0	120,408
Instructional staff support	277,121	188,156	0	27,948
General administration	298,576	53,335	0	1,109
School administration	794,870	0	0	17,422
Business services	427,144	0	0	0
Plant services	1,250,629	231,108	0	337
Student transportation services	673,671	0	0	7,391
Central services	494	0	0	0
Food services	80,009	25	1,097,377	262
Community service programs	4,960	0	0	0
Capital outlay	196,375	0	0	0
Debt Service:				
Interest and bank charges	0	0	0	0
Total Expenditures	10,369,885	1,464,325	1,097,377	791,858
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (203,748)	\$ 0	(22,467)	\$ 452

STATEMENT E

ENERGY PERFORMANCE	OTHER GOVERNMENTAL	TOTAL
\$ 0	\$ 0	\$ 383,186
0	0	1,400,953
18,337	1,702	102,354
0	0	26,409
0	0	345,174
0	0	8,094,241
0	121,090	475,351
0	927,277	3,738,420
<u>18,337</u>	<u>1,050,069</u>	<u>14,566,088</u>
0	120,497	5,810,865
0	333,103	1,203,346
0	404,562	1,765,572
0	58,122	432,627
0	171,881	665,106
0	12,575	365,595
0	0	812,292
0	5,134	432,278
0	43,379	1,525,453
0	14,061	695,123
0	0	494
0	96	1,177,769
0	0	4,960
937,027	0	1,133,402
<u>57</u>	<u>0</u>	<u>57</u>
<u>937,084</u>	<u>1,164,410</u>	<u>15,824,939</u>
<u>\$ (918,747)</u>	<u>\$ (114,341)</u>	<u>\$ (1,258,851)</u>

(CONTINUED)

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 June 30, 2005

	<u>GENERAL</u>	<u>TITLE I</u>	<u>CHILD NUTRITION</u>	<u>OTHER MISCELLANEOUS</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(203,748)	0	(22,467)	452
FUND BALANCES - BEGINNING	3,254,667	0	(224,688)	18,769
FUND BALANCES - ENDING	\$ 3,050,919	\$ 0	\$ (247,155)	\$ 19,221

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

STATEMENT E		
ENERGY PERFORMANCE	OTHER GOVERNMENTAL	TOTAL
\$ 1,782,000	\$ 0	\$ 1,782,000
<u>1,782,000</u>	<u>0</u>	<u>1,782,000</u>
863,253	(114,341)	523,149
<u>0</u>	<u>250,894</u>	<u>3,299,642</u>
\$ 863,253	\$ 136,553	\$ 3,822,791

(CONCLUDED)

EAST CARROLL PARISH SCHOOL BOARD

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2005

Statement F

Total net change in fund balances - governmental funds \$ 523,149

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

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

Depreciation expense	\$ (498,697)	
<u>Capital outlays</u>	<u>1,133,402</u>	634,705

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used \$274,451 exceeded the amounts earned \$189,293 by \$85,158.

85,158

In the Statement of Activities, scrapping of assets are reported as a gain or loss net of the book value.

Costs of assets scrapped	\$74,144
<u>Accumulated depreciation</u>	<u>(52,240)</u>

Net loss (21,904)

Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities.

(1,782,000)

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.

(33,327)

Change in net assets of governmental activities

\$ (594,219)

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

EAST CARROLL PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2005

Statement G

	<u>AGENCY FUND</u>
ASSETS	
Cash and cash equivalents	\$ <u>147,387</u>
Total assets	<u>147,387</u>
LIABILITIES	
Deposits due others	<u>147,387</u>
Total liabilities	<u>\$ 147,387</u>

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

East Carroll Parish School Board
Notes to the Basic Financial Statements

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**East Carroll Parish School Board
Notes to the Basic Financial Statements**

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

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

The School Board operates six schools within the parish with a total enrollment of approximately 1619 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

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

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general capital assets. The School Board reports the following major governmental funds:

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

Title I – This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

Child Nutrition – The basic goals of the Child Nutrition Programs are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influence to homes of school children, and to provide learning experiences that will improve the children's food habits with the ultimate goal of physically fit adults.

East Carroll Parish School Board
Notes to the Basic Financial Statements

Other Miscellaneous

Vocational Education – Basic Grants to States – This program was designed to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

K-3 Reading Initiative – The goal of this program is to improve the reading and math skills of Louisiana public school students in kindergarten through third grade.

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

Miscellaneous state/federal grants – These include various small federal and state grants.

Energy Performance – The Energy Performance fund accounts for funds used to make repairs to all buildings for energy efficiency purposes.

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

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

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

Retirement insurance fund – accounts for assets held by the School Board as an agent for individual retirees of the School Board.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

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

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when 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.

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

Revenues

Ad valorem and sales taxes are susceptible to accrual.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

Substantially all other expenditures are recognized when the related liability has been incurred.

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

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

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

E. INVESTMENTS investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The investments are reflected at quoted market prices except for the following which are permitted per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

Definitions:

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

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

G. INVENTORIES Inventories of the governmental fund type are recorded as expenditures as purchased except for inventory of the child nutrition fund.

Inventory of the child nutrition special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. Unused commodities at June 30, 2005, are reported as deferred revenue. All purchased inventory items are valued at cost (first in, first out) and commodities are assigned values provided by the United States Department of Agriculture.

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

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

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

J. COMPENSATED ABSENCES The School Board has the following policies for vacation and sick leave:

All 12-month employees earn 10 days of vacation leave each year. Vacations must be taken during the fiscal year or otherwise forfeited. All School Board employees earn 10 days of sick leave each year. Sick leave may be accumulated and carried forward to succeeding years without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees when both of the following conditions are met:

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

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

The liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

L. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Reserves Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific purpose.

Designated fund balances Designated fund balances represent tentative management plans for future use of financial resources that are subject to change.

M. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues or expenditures. 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 deductions of expenditures in the fund that is reimbursed.

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

N. SALES TAXES The East Carroll Parish School Board has three sales tax ordinances as follows:

The School Board has a one-percent parish-wide sales and use tax as authorized in a special election held December 1967. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used exclusively to supplement the payment of salaries for teachers in the public elementary and secondary schools of the parish and/or for the expenses of operating the schools. Such operating expenses include payment of salaries of other personnel employed by the School Board.

The School Board also has an additional one percent sales and use tax as authorized in a special election held July 17, 1993. In accordance with the proposition approved by voters of the Parish, the net proceeds of the tax are to be used for the purpose of salary enhancement for teachers and other employees of the School Board, to be divided annually on an equal basis among all employees.

In October 1998, voters approved a new one-percent sales and use tax. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used for salary enhancements for teachers and other employees of the School Board, construction, improvement, and maintenance of schools.

O. BUDGETS

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

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

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

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets that are not grant oriented. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the governor. The operating budgets include proposed expenditures and the means of financing them.

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

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

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

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2005:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General	\$10,361,540	\$10,369,885	\$8,345
Title II	283,814	305,943	22,129
Child Nutrition	1,003,620	1,097,377	93,757
Other Miscellaneous	595,767	791,858	196,091

Actual expenditures exceeded appropriations as a result of unanticipated accruals occurring after the last budget revision.

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

Deficit Fund Balances The following funds have a deficit in the fund balance at June 30, 2005:

<u>Fund</u>	<u>Deficit Amount</u>
Child Nutrition	\$247,155
TANF	\$ 4,186

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within East Carroll Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the East Carroll Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

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

Property Tax Calendar

Millage rates adopted	August 2004
Levy date	August 2004
Tax bills mailed	On or about November 1, 2004
Due date	December 31, 2004
Lien date	January 1, 2005

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2004. Total assessed value was \$33,804,490 in calendar year 2004. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,092,067 of the assessed value in calendar year 2004.

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

All property taxes are recorded in the general fund. Revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2005 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 2005 taxes is included on the accompanying balance sheet because it is not available within 60 days of the School Board's year-end.

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

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	6.73	6.73	Statutory
Maintenance and operation	6.98	6.98	2008

NOTE 4 - DEPOSITS AND INVESTMENTS At June 30, 2005, the School Board has cash and cash equivalents (book balances) as follows:

Interest-bearing demand deposits	\$ 4,266,777
Time deposits	169,199
Total deposits	<u>4,435,976</u>
Less: Time deposits classified as investments	169,199
Total cash and cash equivalents	<u>\$ 4,266,777</u>

These deposits are stated at cost, which approximates market. 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 year-end, the School Board's carrying amount of deposits was \$4,435,976 and the bank balance was \$5,122,044. Of the bank balance, \$321,917 is covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). \$4,218,887 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3). The School Board was under-collateralized by \$581,240.

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

Credit Rate Risk: The School Board's investments are in Certificates of Deposits which do not have credit ratings; however, the School Board's policy does not address credit rate risk.

Custodial Credit Risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2005 the School Board's balance of \$4,800,127 was exposed to custodial credit risk because \$4,218,887 of it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School Board's name and \$581,240 was uninsured and uncollateralized. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 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 request.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the School Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School Board does maintain investment accounts at a financial institution. As of June 30, 2005 the School Board had \$169,199 in certificates of deposit which are insured by the FDIC for \$100,000. The remaining \$69,199 are collateralized by securities which are not in the School Board's name.

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 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.

NOTE 5 - RECEIVABLES The receivables at June 30, 2005, are as follows:

	General	Title I	Child Nutrition	Other Miscellaneous	Other Governmental	TOTAL
Taxes:						
Sales tax	\$ 116,709	\$ 0	\$ 0	\$ 0	\$ 0	\$ 116,709
Intergovernmental - grants:						
Federal	0	289,237	61,410	155,790	245,267	751,704
State	374,520	0	0	101,300	0	475,820
Other	65,942	0	0	0	2,009	67,951
Total	\$ 557,171	\$ 289,237	\$ 61,410	\$ 257,090	\$ 247,276	\$ 1,412,184

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

NOTE 6 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2005 is as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Non depreciable capital assets				
Land	\$ 318,180	\$ -	\$ -	\$ 318,180
Construction in Progress	-	937,027	-	937,027
Capital assets				
Depreciable				
Buildings and improvements	8,095,582	30,405	-	8,125,987
Furniture and equipment	2,475,154	165,970	74,144	2,566,980
Total	10,888,916	1,133,402	74,144	11,948,174
Less accumulated depreciation				
Buildings	3,163,523	184,616	-	3,348,139
Furniture and equipment	1,444,864	314,081	52,240	1,706,705
Total	4,608,387	498,697	52,240	5,054,844
Governmental activities				
Capital assets, net	\$ 6,280,529	\$ 634,705	\$ 21,904	\$ 6,893,330

East Carroll Parish School Board
Notes to the Basic Financial Statements

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$292,133
Special programs	49,249
Other instructional programs	489
Instructional staff support	0
School administration	11,139
Business services	2,070
Plant services	7,328
Student transportation services	12,794
Food services	36,780
Student services	<u>86,715</u>
Total depreciation expense	<u>\$498,697</u>

NOTE 7 - RETIREMENT SYSTEMS

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

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

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

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after 10 years of service at age 60. The maximum retirement allowance is computed at 3½ percent times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

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

Teachers' Retirement System of Louisiana Post Office Box 94123 Baton Rouge, Louisiana 70804-9123 (225) 925-6446	Louisiana School Employees' Retirement System Post Office Box 44516 Baton Rouge, Louisiana 70804 (225) 925-6484
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Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded

East Carroll Parish School Board
Notes to the Basic Financial Statements

through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by annual appropriations.

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

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2005, are as follows:

	Employee	Employer
Louisiana Teachers' Retirement System:	8.00%	15.50%
Regular	9.10%	15.50%
Plan A	7.50%	14.80%
Louisiana School Employees' Retirement System		

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 2005, amounted to \$7,092,973, \$56,449 and \$575,324, respectively. Employer contributions for the year ended June 30, 2005, and each of the two preceding years are as follows:

TRS.....	LSERS.....	
	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid
Fiscal Year Ended				
June 30, 2003	\$1,030,770	86.39	\$0	100.00
June 30, 2004	1,105,373	85.75	63,489	78.77
June 30, 2005	1,371,791	79.66	104,616	81.39

Annual actuarially required contributions for each plan above is based on the plan's annual financial report for that year except for the year ended June 30, 2005. Each annual actuarially required contribution for the year ended June 30, 2005, is based upon each plan's annual financial report for the year ended June 30, 2004, which is the latest information available.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS The East Carroll Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees are provided through Blue Cross/Blue Shield. The cost of benefits for retirees is paid jointly by the employee and the School Board. The School Board's portion of the cost for 2005 totaled \$273,545 for 130 retirees, and was recognized as an expenditure when the monthly premium was paid.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2005, are as follows:

	General	Title I	Child Nutrition	Other Miscellaneous	Other Governmental	TOTAL
Salaries	\$ 865,141	\$ 69,276	\$ 55,993	\$ 46,977	\$ 31,028	\$ 1,068,415
Accounts	609,500	70,947	110,070	26,278	61,029	877,824
Total	\$ 1,474,641	\$ 140,223	\$ 166,063	\$ 73,255	\$ 92,057	\$ 1,946,239

NOTE 10 - COMPENSATED ABSENCES At June 30, 2005, employees of the School Board have accumulated and vested \$457,902 of employee leave benefits, including \$2,706 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others follows:

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, Ending</u>
Agency funds:				
School activities fund	\$ 113,642	\$ 204,272	\$ 199,712	\$ 118,202
Retirement insurance fund	4,387	106,116	81,318	29,185
Total	<u>\$ 118,029</u>	<u>\$ 310,388</u>	<u>\$ 281,030</u>	<u>\$ 147,387</u>

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2005:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds Payable:					
Certificate of indebtedness	\$ 0	\$ 1,782,000	\$ 0	\$ 1,782,000	\$ 114,000
Other liabilities:					
Compensated absences	<u>543,060</u>	<u>189,293</u>	<u>274,451</u>	<u>457,902</u>	<u>274,451</u>
Governmental Activities					
Long-term liabilities	<u>\$ 543,060</u>	<u>\$ 1,971,293</u>	<u>\$ 274,451</u>	<u>\$ 2,239,902</u>	<u>\$ 388,451</u>

The compensated absences liability attributable to the governmental activities will be liquidated 100% by the General Fund.

The individual bond issues are as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Certificate of Indebtedness	\$1,782,000	5.375%	2019	<u>\$676,392</u>	<u>\$1,782,000</u>
Total				<u>\$676,392</u>	<u>\$1,782,000</u>

All principal and interest requirements are funded with general operating funds of the General Fund. The certificates are due as follows:

<u>Year ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2006	\$ 114,000	\$ 49,990	\$ 163,990
2007	87,000	76,218	163,218
2008	92,000	72,186	164,186
2009	96,000	67,994	163,994
2010	100,000	63,586	163,586
2011-2015	575,000	244,939	819,939
2016-2019	<u>718,000</u>	<u>101,479</u>	<u>819,479</u>
Total	<u>\$1,782,000</u>	<u>\$676,392</u>	<u>\$2,458,392</u>

In accordance with the Louisiana Revised Statutes 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess 50% of the assessed value of taxable property. At June 30, 2005, the statutory limit was \$16,902,245 and the outstanding net bonded debt totaled \$1,782,000.

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Child Nutrition	General	\$ 47,004
Other Miscellaneous		
General	Title I	356,748
General	Child Nutrition	168,152
General	Other Miscellaneous	256,646
Other governmental		
Title I		
General	Other governmental	<u>273,239</u>
Total		<u>\$ 1,101,789</u>

The purpose of interfund receivable/payables is to cover expenditures on cost reimbursement programs until reimbursements are received.

NOTE 14 - RISK MANAGEMENT The School Board is at risk for property damage, liability and theft which are covered by insurance policies. The School Board is also fully insured for workers' compensation.

NOTE 15 - LITIGATION AND CLAIMS

Litigation At June 30, 2005, the School Board was involved in various litigation. It is the opinion of the legal advisor for the School Board that the potential loss to the Board would not be material to the financial statements.

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

NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$15,636. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 17 - RESERVED FUND BALANCES (FFS LEVEL ONLY)

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

NOTE 18 - ECONOMIC DEPENDENCY Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$8,094,241 to the School Board, which represents approximately 56% of the School Board's total revenue for the year.

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

NOTE 19 - SUBSEQUENT EVENTS Two hurricanes struck the State of Louisiana after the end of the fiscal year. East Carroll Parish Schools were not damaged. East Carroll Parish Schools gained displaced students as a result of these hurricanes. The effect on the Minimum Foundation Funding from these disasters is yet to be determined.

East Carroll Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULES

**East Carroll Parish School Board
Budgetary Comparison Schedules**

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

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

TITLE I This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

CHILD NUTRITION The basic goals of the Child Nutrition Programs are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influence to homes of school children, and to provide learning experiences that will improve the children's food habits with the ultimate goal of physically fit adults.

OTHER MISCELLANEOUS

Vocational Education – Basic Grants to States – This program was designed to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

K-3 Reading Initiative – The goal of this program is to improve the reading and math skills of Louisiana public school students in kindergarten through third grade.

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

Miscellaneous state/federal grants – These include various small federal and state grants.

EAST CARROLL PARISH SCHOOL BOARD

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2005

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 3,254,667	\$ 3,254,667	\$ 3,254,667	0
Resources (inflows)				
Local sources:				
Ad valorem taxes	379,000	381,000	383,186	2,186
Sales and use taxes	1,410,000	1,410,000	1,400,953	(9,047)
Interest earnings	43,000	47,000	81,395	34,395
Other	176,000	260,120	263,856	3,736
State sources:				
Equalization	8,094,241	8,094,241	7,901,226	(193,015)
Other	363,628	171,081	135,521	(35,560)
Federal sources	663,343	0	0	0
Transfers from other funds	300,000	0	0	0
Amounts available for appropriations	14,683,879	13,618,109	13,420,804	(197,305)
Charges to appropriations (outflows)				
Instruction:				
Regular programs	4,662,504	4,773,994	4,876,393	(102,399)
Special education programs	986,433	979,233	869,998	109,237
Other instructional programs	984,638	535,838	366,550	169,288
Support services:				
Student services	761,806	267,498	253,097	14,401
Instructional staff support	312,400	229,200	277,121	(47,921)
General administration	289,465	282,233	298,576	(16,343)
School administration	884,997	855,527	794,870	60,657
Business services	312,269	386,100	427,144	(41,044)
Plant services	1,205,105	1,159,703	1,250,629	(90,926)
Student transportation services	657,095	685,294	673,671	11,623
Central services	2,000	0	494	(494)
Food services	0	0	80,009	(80,009)
Community service programs	5,500	5,500	4,960	540
Capital Outlay	180,000	201,420	196,375	5,045
Transfers to other funds	185,000	0	0	0
Total charges to appropriations	11,429,212	10,361,540	10,369,885	(8,345)
BUDGETARY FUND BALANCES, ENDING	\$ 3,254,667	\$ 3,256,569	\$ 3,050,919	(205,650)

EAST CARROLL PARISH SCHOOL BOARD

TITLE I
Budgetary Comparison Schedule
For the Year Ended June 30, 2005

Exhibit 1-2

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
Federal sources	<u>1,564,685</u>	<u>1,496,323</u>	<u>1,464,325</u>	<u>(31,998)</u>
Amounts available for appropriations	<u>1,564,685</u>	<u>1,496,323</u>	<u>1,464,325</u>	<u>(31,998)</u>
Charges to appropriations (outflows)				
Instruction:				
Other instructional programs	991,701	991,701	991,701	0
Support services:				
Instructional staff support	188,156	188,156	188,156	0
General administration	67,980	64,567	53,335	11,232
Plant services	316,848	251,873	231,108	20,765
Food services	<u>0</u>	<u>26</u>	<u>25</u>	<u>1</u>
Total charges to appropriations	<u>1,564,685</u>	<u>1,496,323</u>	<u>1,464,325</u>	<u>31,998</u>
BUDGETARY FUND BALANCES, ENDING	\$ 0	\$ 0	\$ 0	0

EAST CARROLL PARISH SCHOOL BOARD

CHILD NUTRITION
Budgetary Comparison Schedule
For the Year Ended June 30, 2005

Exhibit 1-3

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 30,962	\$ 30,962	\$ (224,688)	\$ (193,726)
Resources (inflows)				
Local sources:				
Interest earnings	700	500	920	420
Food services	26,500	15,250	26,409	11,159
Other	0	79,944	79,959	15
State sources:				
Equalization	350,000	175,000	193,015	18,015
Federal sources	792,450	792,450	774,607	(17,843)
Transfers from other funds	0	0	0	0
Amounts available for appropriations	<u>1,200,612</u>	<u>1,094,106</u>	<u>850,222</u>	<u>(205,492)</u>
Charges to appropriations (outflows)				
Support services:				
Food services	1,192,650	1,003,620	1,097,377	(93,757)
Transfers to other funds	0	0	0	0
Total charges to appropriations	<u>1,192,650</u>	<u>1,003,620</u>	<u>1,097,377</u>	<u>(93,757)</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>7,962</u>	\$ <u>90,486</u>	\$ <u>(247,155)</u>	\$ <u>(111,735)</u>

EAST CARROLL PARISH SCHOOL BOARD

OTHER MISCELLANEOUS
Budgetary Comparison Schedule
For the Year Ended June 30, 2005

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 18,769	\$ 18,769	\$ 18,769	0
Resources (inflows)				
Local sources:				
Other	4,300	1,359	1,359	0
State sources:				
Other	519,562	186,530	218,740	32,210
Federal sources	112,967	407,878	572,211	164,333
Transfers from other funds	0	0	0	0
Amounts available for appropriations	<u>655,598</u>	<u>614,536</u>	<u>811,079</u>	<u>196,543</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	591,362	532,550	613,975	(81,425)
Special education programs	0	0	247	(247)
Other instructional programs	2,000	3,000	2,759	241
Support services:				
Student services	43,467	40,144	120,408	(80,264)
Instructional staff support	0	0	27,948	(27,948)
General administration	0	0	1,109	(1,109)
School administration	0	20,073	17,422	2,651
Plant services	0	0	337	(337)
Student transportation services	0	0	7,391	(7,391)
Food services	0	0	262	(262)
Transfers to other funds	0	0	0	0
Total charges to appropriations	<u>636,829</u>	<u>595,767</u>	<u>791,858</u>	<u>(196,091)</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>18,769</u>	\$ <u>18,769</u>	\$ <u>19,221</u>	<u>452</u>

**East Carroll Parish School Board
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2005**

A. BUDGETS

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

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

EAST CARROLL PARISH SCHOOL BOARD

Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2005

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

	<u>GENERAL FUND</u>	<u>TITLE I</u>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 13,420,804	\$ 1,464,325
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(3,254,667)	0
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>0</u>	<u>0</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>10,166,137</u>	<u>1,464,325</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	10,369,885	1,464,325
Transfer to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>0</u>	<u>0</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 10,369,885</u>	<u>\$ 1,464,325</u>

	<u>CHILD</u>	<u>OTHER</u>
	<u>NUTRITION</u>	<u>MISCELLANEOUS</u>
\$	850,222	\$ 811,079
	224,688	(18,769)
	<u>0</u>	<u>0</u>
	<u>1,074,910</u>	<u>792,310</u>
	1,097,377	791,858
	<u>0</u>	<u>0</u>
\$	<u>1,097,377</u>	<u>\$ 791,858</u>

East Carroll Parish School Board

**SUPPLEMENTAL INFORMATION:
COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet - By Fund Type
 June 30, 2005

Exhibit 2

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
ASSETS			
Cash and cash equivalents	\$ 148,505	\$ 73,411	\$ 221,916
Receivables	247,276	0	247,276
Interfund receivables	65,406	0	65,406
Inventory	0	0	0
TOTAL ASSETS	461,187	73,411	534,598
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts, salaries and other payables</i>	92,057	0	92,057
Interfund payables	273,239	0	273,239
Deferred revenue	32,749	0	32,749
Total Liabilities	398,045	0	398,045
Fund Balances:			
Unreserved, reported in			
Special Revenue	63,142	0	63,142
Capital Projects	0	73,411	73,411
Total Fund Balances	63,142	73,411	136,553
TOTAL LIABILITIES AND FUND BALANCES	\$ 461,187	\$ 73,411	\$ 534,598

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended June 30, 2005

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
REVENUES			
Local sources:			
Taxes:			
Interest earnings	\$ 17	\$ 1,685	\$ 1,702
State sources:			
Other	121,090	0	121,090
Federal sources	<u>927,277</u>	<u>0</u>	<u>927,277</u>
 Total Revenues	 <u>1,048,384</u>	 <u>1,685</u>	 <u>1,050,069</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	120,497	0	120,497
Special programs	333,103	0	333,103
Other instructional programs	404,562	0	404,562
Support services:			
Student services	59,122	0	59,122
Instructional staff support	171,881	0	171,881
General administration	12,575	0	12,575
School administration	0	0	0
Business services	5,134	0	5,134
Plant services	43,379	0	43,379
Student transportation services	14,061	0	14,061
Food services	96	0	96
Debt service	<u>0</u>	<u>0</u>	<u>0</u>
 Total Expenditures	 <u>1,164,410</u>	 <u>0</u>	 <u>1,164,410</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 (116,026)	 1,685	 (114,341)
 FUND BALANCES - BEGINNING	 <u>179,168</u>	 <u>71,726</u>	 <u>250,894</u>
 FUND BALANCES - ENDING	 <u>\$ 63,142</u>	 <u>\$ 73,411</u>	 <u>\$ 136,553</u>

**East Carroll Parish School Board
Nonmajor Special Revenue Funds**

TITLE VI This program was designed to assist state and local educational agencies improve elementary and secondary education.

CLASS SIZE REDUCTION (CSR) This program is designed to improve the learning of students by hiring additional, highly-qualified teachers, to reduce class sizes especially in the early grades, to enable children to attend smaller classes.

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

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

TITLE V To assist state and local educational agencies in the reform of elementary and secondary education.

IDEA These grants to states assist the School Board in providing a free appropriate education to all children with disabilities.

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

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

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

SUMMER FEEDING This program was established to ensure continued availability of high-quality meals during the summer months similar to those provided during the school year.

RURAL EDUCATION ACHIEVEMENT This program was designed to provide high-poverty, rural local educational agencies with teacher professional development and educational technology.

VOCATIONAL EDUCATION - *Basic Grants to States*- This program was designed to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

EDUCATION EXCELLENCE To enhance instructional programs approved by the legislature for students of pre-kindergarten through twelfth grade with proceeds received from tobacco settlement monies.

§ (g) To provide enhancement to elementary, secondary, and vocational programs funded through the State Minimum Foundation Program.

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

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2005

	TITLE VI	TITLE II	TITLE IV	TITLE V
ASSETS				
Cash and cash equivalents	\$ 0	\$ 13,583	\$ 0	\$ 0
Receivables	0	85,347	31,854	5,729
Interfund receivable	5,091	946	0	0
TOTAL ASSETS	5,091	99,876	31,854	5,729
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	0	13,274	19,095	1,928
Interfund payable	1,831	86,602	12,759	3,801
Deferred revenues	3,260	0	0	0
Total Liabilities	5,091	99,876	31,854	5,729
Fund Balances:				
Unreserved and undesignated	0	0	0	0
Total Fund Balances	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,091	\$ 99,876	\$ 31,854	\$ 5,729

Exhibit 4

IDEA	PRESCHOOL	ADULT EDUCATION	SUMMER FEEDING	RURAL EDUCATION ACHIEVEMENT	VOCATIONAL EDUCATION	EDUCATION EXCELLENCE
\$ 21	\$ 1,466	\$ 7,348	\$ 6,145	\$ 3,914	\$ 0	\$ 103,037
58,288	1,099	13,894	0	13,391	5,964	0
43,824	0	0	2,571	0	0	0
<u>102,133</u>	<u>2,565</u>	<u>21,242</u>	<u>8,716</u>	<u>17,305</u>	<u>5,964</u>	<u>103,037</u>
6,172	0	12,574	0	3,248	1,490	7,008
95,961	2,565	8,668	0	14,057	4,474	7,928
0	0	0	0	0	0	29,489
<u>102,133</u>	<u>2,565</u>	<u>21,242</u>	<u>0</u>	<u>17,305</u>	<u>5,964</u>	<u>44,425</u>
0	0	0	8,716	0	0	58,612
0	0	0	8,716	0	0	58,612
<u>\$ 102,133</u>	<u>\$ 2,565</u>	<u>\$ 21,242</u>	<u>\$ 8,716</u>	<u>\$ 17,305</u>	<u>\$ 5,964</u>	<u>\$ 103,037</u>

(Continued)

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2005

Exhibit 4

	<u>8 (g)</u>	<u>TANF</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 12,884	\$ 107	\$ 148,505
Receivables	31,710	0	247,276
Interfund receivable	<u>12,974</u>	<u>0</u>	<u>65,408</u>
TOTAL ASSETS	<u>57,568</u>	<u>107</u>	<u>461,187</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	24,800	2,488	92,057
Interfund payable	32,768	1,825	273,239
Deferred revenues	<u>0</u>	<u>0</u>	<u>32,749</u>
Total Liabilities	<u>57,568</u>	<u>4,293</u>	<u>398,045</u>
Fund Balances:			
Unreserved and undesignated	<u>0</u>	<u>(4,186)</u>	<u>63,142</u>
Total Fund Balances	<u>0</u>	<u>(4,186)</u>	<u>63,142</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 57,568</u>	<u>\$ 107</u>	<u>\$ 461,187</u>

(Concluded)

East Carroll Parish School Board



EAST CARROLL PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2005

	<u>TITLE VI</u>	<u>TITLE II</u>	<u>TITLE IV</u>	<u>TITLE V</u>
REVENUES				
<i>Local sources:</i>				
Interest earnings	\$ 0	\$ 0	\$ 0	0
<i>State sources:</i>				
Other	0	0	0	0
Federal sources	<u>0</u>	<u>305,943</u>	<u>45,786</u>	<u>6,463</u>
Total revenues	<u>0</u>	<u>305,943</u>	<u>45,786</u>	<u>6,463</u>
EXPENDITURES				
<i>Current:</i>				
<i>Instruction:</i>				
Regular programs	0	0	0	0
Special programs	0	0	0	0
Other instructional programs	0	166,265	0	3,154
<i>Support services:</i>				
Student services	0	0	9,817	0
Instructional staff support	0	128,539	1,325	3,024
General administration	0	11,139	482	285
Business services	0	0	0	0
Plant services	0	0	34,162	0
Student transportation services	0	0	0	0
Food services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>305,943</u>	<u>45,786</u>	<u>6,463</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

Exhibit 5

IDEA	PRESCHOOL	ADULT EDUCATION	SUMMER FEEDING	RURAL EDUCATION ACHIEVEMENT	VOCATIONAL EDUCATION	EDUCATION EXCELLENCE
\$ 0	\$ 0	\$ 0	17	\$ 0	\$ 0	0
0	0	17,860	0	0	0	0
<u>408,802</u>	<u>10,048</u>	<u>67,895</u>	<u>0</u>	<u>35,725</u>	<u>46,615</u>	<u>0</u>
<u>408,802</u>	<u>10,048</u>	<u>85,555</u>	<u>17</u>	<u>35,725</u>	<u>46,615</u>	<u>0</u>
6,458	0	0	0	0	0	79,056
323,705	9,398	0	0	0	0	0
0	0	85,555	0	35,056	46,615	0
12,414	0	0	0	0	0	36,891
38,993	0	0	0	0	0	0
0	0	0	0	669	0	0
5,134	0	0	0	0	0	0
8,567	650	0	0	0	0	0
13,531	0	0	0	0	0	0
0	0	0	96	0	0	0
<u>408,802</u>	<u>10,048</u>	<u>85,555</u>	<u>96</u>	<u>35,725</u>	<u>46,615</u>	<u>115,947</u>
0	0	0	(79)	0	0	(115,947)
0	0	0	8,795	0	0	174,559
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>8,716</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>58,612</u>

(Continued)

EAST CARROLL PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2005**

Exhibit 5

	<u>8 (g)</u>	<u>TANF</u>	<u>TOTAL</u>
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 0	\$ 17
State sources:			
Other	103,430	0	121,090
Federal sources	<u>0</u>	<u>0</u>	<u>927,277</u>
 Total revenues	 <u>103,430</u>	 <u>0</u>	 <u>1,048,384</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	34,983	0	120,497
Special programs	0	0	333,103
Other instructional programs	67,917	0	404,562
Support services:			
Student services	0	0	59,122
Instructional staff support	0	0	171,881
General administration	0	0	12,575
Business services	0	0	5,134
Plant services	0	0	43,379
Student transportation services	530	0	14,061
Food services	<u>0</u>	<u>0</u>	<u>96</u>
 Total expenditures	 <u>103,430</u>	 <u>0</u>	 <u>1,164,410</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>0</u>	 <u>0</u>	 <u>(116,026)</u>
 FUND BALANCES AT BEGINNING OF YEAR	 <u>0</u>	 <u>(4,186)</u>	 <u>179,188</u>
 FUND BALANCES AT END OF YEAR	 <u>\$ 0</u>	 <u>\$ (4,186)</u>	 <u>\$ 63,142</u>

**East Carroll Parish School Board
Non-Major Capital Project Funds**

CAPITAL PROJECT AND CAPITAL PROJECT LDB The Capital Project and Capital Project LDB funds account for funds used to rebuild Lake Providence High School after a fire.

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECTS FUNDS
 Combining Balance Sheet
 June 30, 2005

Exhibit 6

	CAPITAL PROJECT	CAPITAL PROJECT LDB	TOTAL
ASSETS			
Cash and cash equivalents	\$ 46,261	\$ 27,150	\$ 73,411
Interfund receivable	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>46,261</u>	<u>27,150</u>	<u>73,411</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund payable	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Unreserved and undesignated	<u>46,261</u>	<u>27,150</u>	<u>73,411</u>
Total Fund Balances	<u>46,261</u>	<u>27,150</u>	<u>73,411</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 46,261</u>	<u>\$ 27,150</u>	<u>\$ 73,411</u>

EAST CARROLL PARISH SCHOOL BOARD
NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2005

Exhibit 7

	CAPITAL PROJECT	CAPITAL PROJECT LDB	TOTAL
REVENUES			
Local sources:			
Interest earnings	\$ 1,104	\$ 581	\$ 1,685
Total revenues	1,104	581	1,685
EXPENDITURES			
Current:			
Capital outlay	0	0	0
Total expenditures	0	0	0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	1,104	581	1,685
FUND BALANCES AT BEGINNING OF YEAR	45,157	26,569	71,726
FUND BALANCES AT END OF YEAR	\$ 46,261	\$ 27,150	\$ 73,411

East Carroll Parish School Board
Agency Funds

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

RETIREMENT INSURANCE FUND The monthly receipt and payment of funds for the retirees' insurance benefits are accounted for in the retiree insurance fund. Although the account is under the supervision of the School Board, it belongs to the retirees and is not available for use by the School Board.

EAST CARROLL PARISH SCHOOL BOARD
AGENCY FUNDS
Combining Schedule of Assets and Liabilities
June 30, 2005

Exhibit 8

	<u>SCHOOL ACTIVITIES FUND</u>	<u>RETIREMENT INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 118,202	\$ 29,185	\$ 147,387
TOTAL ASSETS	<u>118,202</u>	<u>29,185</u>	<u>147,387</u>
LIABILITIES			
Deposits due others	<u>118,202</u>	<u>29,185</u>	<u>147,387</u>
TOTAL LIABILITIES	<u>\$ 118,202</u>	<u>\$ 29,185</u>	<u>\$ 147,387</u>

EAST CARROLL PARISH SCHOOL BOARD

AGENCY FUNDS
Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2005

Exhibit 9

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 113,642	\$ 204,272	\$ 199,712	\$ 118,202
	<u>113,642</u>	<u>204,272</u>	<u>199,712</u>	<u>118,202</u>
LIABILITIES				
Deposits due others	<u>113,642</u>	<u>204,272</u>	<u>199,712</u>	<u>118,202</u>
	<u>113,642</u>	<u>204,272</u>	<u>199,712</u>	<u>118,202</u>
*****RETIREMENT INSURANCE FUND*****				
ASSETS				
Cash and cash equivalents	<u>4,387</u>	<u>106,116</u>	<u>81,318</u>	<u>29,185</u>
	<u>4,387</u>	<u>106,116</u>	<u>81,318</u>	<u>29,185</u>
LIABILITIES				
Deposits due others	<u>4,387</u>	<u>106,116</u>	<u>81,318</u>	<u>29,185</u>
	<u>4,387</u>	<u>106,116</u>	<u>81,318</u>	<u>29,185</u>
*****TOTAL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	<u>118,029</u>	<u>310,388</u>	<u>281,030</u>	<u>147,387</u>
	<u>118,029</u>	<u>310,388</u>	<u>281,030</u>	<u>147,387</u>
LIABILITIES				
Deposits due others	<u>118,029</u>	<u>310,388</u>	<u>281,030</u>	<u>147,387</u>
	<u>\$ 118,029</u>	<u>\$ 310,388</u>	<u>\$ 281,030</u>	<u>\$ 147,387</u>

EAST CARROLL PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2005

Exhibit 10

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
Lake Providence Junior High	\$ 52,041	\$ 27,921	\$ 26,115	\$ 53,847
Lake Providence Senior High	7,374	73,387	76,280	4,481
Monticello High	16,743	45,100	36,523	25,320
Northside Elementary	2,828	18,374	17,222	3,980
Southside Elementary	23,380	39,490	32,296	30,574
Transylvania Elementary	<u>11,276</u>	<u>0</u>	<u>11,276</u>	<u>0</u>
Total	<u>\$ 113,642</u>	<u>\$ 204,272</u>	<u>\$ 199,712</u>	<u>\$ 118,202</u>

East Carroll Parish School Board
General

Exhibit 11

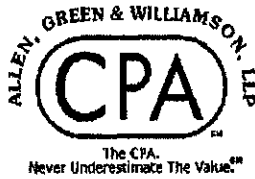
Schedule of Compensation Paid Board Members
For The Year Ended June 30, 2005

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$650 per month and the president receives \$50 per month for performing the duties of his/her office. Members received an additional \$50 for an extra meeting that was held during the year.

<u>Board Member</u>	<u>Actual Salary</u>
Glenn Dixon, President	\$ 8,400
Ralph Coleman	7,800
Harriet Bridges	3,900
Gene Edmondson	7,800
Evangelia Fields-Combs	7,800
Oleaner Green	7,800
Fannie Hawkins	7,800
Tommy McKeel	7,800
Georgean Jackson	7,800
Buford Perry	3,900
	<u>\$ 70,800</u>

East Carroll Parish School Board

SINGLE AUDIT INFORMATION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

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

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

Tim Green, CPA

Margie Williamson, CPA

Diane Ferschoff, CPA

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

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members

East Carroll Parish School Board
Lake Providence, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish School Board, as of and for the year ended June 30, 2005, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated February 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 05-F1, 05-F3, 05-F4, 05-F5, and 05-F9.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 05-F1 to be a material weakness.

Compliance and Other Matters

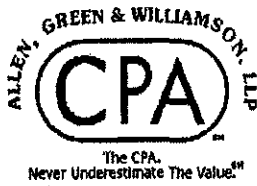
As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs as items 05-F2, 05-F6, 05-F7, 05-F8, 05-F10, and 05-F11.

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

allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
February 10, 2006



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4864

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

Tim Green, CPA

Margie Williamson, CPA

Diane Ferschoff, CPA

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

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

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

Compliance

We have audited the compliance of the East Carroll 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 each of its major federal programs for the year ended June 30, 2005. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 05-F12.

Internal Control Over Compliance

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

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the School Board's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 05-F12.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

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

allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
February 10, 2006

**East Carroll Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005**

Exhibit 12

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
National School Lunch Program	10.555	N/A	\$ 496,913
School Breakfast Program	10.553	N/A	200,329
Summer Feeding Program for Children	10.559	N/A	<u>17,528</u>
Total United States Department of Agriculture			<u>714,770</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	N/A	29,290
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010	03-IASA-18-I	1,464,325
Special Education:			
Grants to States (Part B)	84.027	03-IB-18-S	408,802
Preschool Grants	84.173	03-IP-18-S	10,048
Vocational Education:			
Basic Grants to States	84.048	03-VE-18-2B/BG	46,615
Title II (Improving Teacher Quality State Grants)	84.367	03-IASA-18-II	305,943
Title IV (Safe and Drug Free Schools)	84.186	03-IASA-18-IV	45,786
Technology Literacy Challenge	84.318X	03-LCF-18-F	40,846
Title V	84.298A	28-05-80-18	6,463
Rural Education Achievement Program (REAP)	84.358B	04-RE-18	35,725
Reading First	84.357		528,606
Adult Ed Step	93.558		38,605
Tech Prep Education	84.243		<u>2,759</u>
Total United States Department of Education			<u>2,963,813</u>
TOTAL CASH FEDERAL AWARDS			<u>3,678,583</u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture and Forestry:			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution Program (Commodities)	10.550		<u>59,837</u>
TOTAL FEDERAL AWARDS			<u>\$ 3,738,420</u>

**East Carroll Parish School Board
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005**

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

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

	<u>Federal Sources</u>
Title I	\$1,464,325
Child Nutrition	774,607
Other Miscellaneous	572,211
Nonmajor Special Revenue	
Title II	305,943
Title IV	45,786
Title V	6,463
IDEA	408,802
Preschool	10,048
Adult Education	67,895
Rural Education Achievement	35,725
Vocational Education	46,615
Other governmental	927,277
Total	<u>\$3,738,420</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, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2005**

PART I - Summary of the auditors' results

Financial statement audit

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

One reportable condition disclosed was considered a material weakness as defined by the Government Auditing Standards.

- iii. There were instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of federal awards

- iv. There was one reportable condition required to be disclosed by OMB Circular A-133. The reportable condition was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed one audit finding which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA # 84.010 Title I Program
 - CFDA #84.357 Reading First State Grants

 - Child Nutrition Cluster

 - CFDA # 10.555 National School Lunch Program
 - CFDA # 10.553 School Breakfast Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2005**

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

Reference # and title: 05-F1 Inadequate Accounting

Criteria or specific requirement: Accounting information must be timely and accurate to be useful. Numerous financial decisions are required during the year based on current financial information. Comparative reports such as comparison of year to date revenues and expenditures with the same period for the previous year and comparison of current year revenues and expenditures to the budget are valuable tools for sound financial management and monitoring of the budget. A monthly routine of reviewing certain accounting information would identify any posting problems and allow time for these problems to be researched and corrected.

Historically, the business department has not performed month-end closings. There are no procedures established for reviewing the accounting records on a monthly basis. Such procedures would include:

- reconciling interfund payables and receivables
- reconciling operating transfers
- reviewing balance sheet accounts to ensure that generally asset accounts have debit balances and liability accounts have credit balances
- verifying that fund trial balances are in balance (debits equal credits for each self balancing set of accounts)
- ascertaining that cost reimbursement programs are not over budget
- reconciling bank accounts
- analyzing selected balance sheet accounts
- reviewing revenues and expenditures and performing analytical analysis to ascertain if the amounts seem reasonable and comparing with prior year figures

Condition found: It appears that monthly reports were not maintained and no comparative analysis was performed. The interfund receivables and payables were not balanced. Interfund payable/receivable accounts were often miscoded and there appeared to be no research to ascertain if the entries were original entries or were reversals of existing entries. The general fund and payroll bank reconciliations had not been done after the software conversion in November, 2004. Most of the cost reimbursement programs were not balanced. Receivables were coded as interfund receivables and interfund payables were often listed as payables. Seven months of payments for tax payments had not been entered into the payroll component. Nearly \$250,000 of checks had never been posted to payroll. Numerous checks had never been voided while other checks had been voided twice in payroll.

Possible asserted effect (cause and effect):

Cause: There are no monthly reconciliations and comparative analyses performed. Accounts are often debited or credited without analyzing prior transactions.

Effect: The financial data is neither timely nor useful. Miscoding of transactions or failure to enter transactions resulted in incorrect or incomplete financial data.

Recommendations to prevent future occurrences: The business department should establish monthly procedures to ensure that the financial data generated from the general ledger is correct, timely and useful.

Reference # and title: 05-F2 Late Submission of the Audit Report

Criteria or specific requirement: In accordance with LSA-R.S. 24:513(A)(5)(a) "Audits shall be completed within six months of the close of the entity's fiscal year".

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2005**

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

Condition found: The audit report was filed with the Legislative Auditor's office more than two months after the deadline.

Possible asserted effect (cause and effect):

Cause: There were many accounting errors which had to be resolved. A software conversion during the year created problems with balances brought forward and the staff appears to have not been fully trained on the software which created problems.

Effect: The audit report was not filed timely.

Recommendations to prevent future occurrences: Procedures should be established to review financial data at least monthly. Any variances from the expected results should be researched and resolved. Staff should be properly trained on the new software system.

Reference # and title: **05-F3** **Checks Not Properly Voided**

Criteria or specific requirement: In order to safeguard assets it is necessary to adequately void any spoiled or unissued checks to ensure these checks cannot be negotiated.

Condition found: During our audit we noted several checks issued by the payroll department which were voided on the memo portion only. The actual checks had not been voided nor had the signature line been voided. There were also some blank checks which had not been voided.

Possible asserted effect (cause and effect):

Cause: The payroll person was out for a long period of time due to illness and the checks did not get voided.

Effect: Internal controls over cash have been weakened.

Recommendations to prevent future occurrences: The voided checks should be kept in the same place and periodic reviews should be made to ensure that all checks are properly voided.

Reference # and title: **05-F4** **Vendor Disbursements**

Criteria or specific requirement: Good internal controls over vendor disbursements require that checks contain the appropriate signatures and appropriate number of signatures. Purchase orders and invoices should be properly approved using original invoices. Invoices should be paid on a timely basis.

Condition found: Forty one transactions were selected for the vendor disbursements. The test revealed that one check could not be located to test for appropriate signatures; one check had only one signature instead of the required two signatures. Three payments were made from invoice copies instead of originals. Eight invoices were not paid on a timely basis.

Possible asserted effect (cause and effect):

Cause: No written policies regarding vendor disbursements.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2005**

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

Effect: Internal controls over vendor disbursements are weakened.

Recommendations to prevent future occurrences: The School Board should establish written procedures for vendor disbursements and should stress the importance of adhering to these procedures.

Reference # and title **05-F5** **Capital Assets Inspected**

Criteria or specific requirement: Good controls over capital assets require that detailed records be maintained for assets. These records should include purchase date, purchase price, identification system, and dispositions.

Condition found: Two schools were chosen for review. At each school ten items were chosen from the inventory listing to trace to the equipment. In addition, ten items were chosen at each school to trace to the inventory listing. One inventory item could not be traced to the asset. Two assets could not be traced to the inventory listing.

Possible asserted effect (cause and effect):

Cause: The additions/deletions form it not always being utilized.

Effect: The inventory listing is incorrect.

Recommendations to prevent future occurrences: The capital asset manager should meet with the schools to discuss proper procedures for processing additions and deletions and yearly inventories should be performed at each location.

Reference # and title **05-F6** **Seventy Percent General Fund Instruction Requirement**

Criteria or specific requirement: Louisiana Senate Conrollent Resolutions No. 142 of the 1993 Regular Session requires school boards to spend at least seventy percent of the general funds total expenditure for instruction and support.

Condition found: The School Board spent only sixty-six (66.04) percent of its general fund revenue on instruction and support.

Possible asserted effect (cause and effect):

Cause: The reason for the non compliance is unknown.

Effect: The School Board is in violation of state requirements.

Recommendations to prevent future occurrences: Budgets should be reviewed and changes made as necessary to meet the seventy percent requirement.

Reference # and title **05-F7** **Issuance of 1099-MISC Tax Forms**

Criteria or specific requirement: The Internal Revenue Service requires that payments made in rents or services to individuals or businesses which are not incorporated and which meet or exceed \$600 during the tax year must be reported on IRS form 1099-MISC.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2005**

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

Condition found: A total of ten vendors who received payments of \$600 or more were chosen to test for the issuance of the required 1099-MISC form. Six of the ten vendors were not sent the required forms.

Possible asserted effect (cause and effect):

Cause: The vendors were not coded to receive the tax forms.

Effect: The School Board is in violation of the IRS requirements regarding issuance of 1099s.

Recommendations to prevent future occurrences: The School Board should require all vendors to complete W-9 forms to identify their status and ensure that the software is coded accordingly.

Reference # and title 05-F8 Deposits Under-Secured

Criteria or specific requirement: Louisiana revised Statute 39:1218 states "Any bank selected as the fiscal agency of any depositing authority, or any bank with whom a private contract is entered into....shall give security for the safekeeping and payment of the deposits...)"

Condition found: One bank had not fully pledged securities on the School Board's behalf. They were under secured \$581,240.

Possible asserted effect (cause and effect):

Cause: The bank had apparently not received the total holdings of the School Board.

Effect: The School Board is in violation of state statutes.

Recommendations to prevent future occurrences: The School Board should require monthly reports from their fiscal agents to ascertain if there are adequate securities pledged.

Reference # and title 05-F9 School Activity Funds

Criteria or specific requirement: The individual schools should follow the same procedures as the School Board pertaining to payments, deposits, and document retention.

Condition found: Tests were performed at Northside Elementary for bank reconciliations, cash receipts and cash disbursements. Bank reconciliations were not dated, so it was uncertain whether the reconciliations were made timely. Also we were unable to trace one month's reconciliation to the general ledger because the school could not find the general ledger. Ten transactions were chosen to test cash receipts. Six of the receipts could not be located. The test of ten cash disbursements revealed no proper documentation for one disbursement and sales tax was paid in another transaction.

Possible asserted effect (cause and effect):

Cause: The school is not following the procedures.

Effect: Internal controls are weakened.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2005**

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

Recommendations to prevent future occurrences: The School Board should perform periodic internal audits to ensure the schools are following proper procedures.

Reference # and title **05-F10** **No Bid Advertisement**

Criteria or specific requirement: Per Louisiana Revised Statute 38:2212.1 all purchases of materials and supplies exceeding the sum of \$20,000 to be paid out of public funds shall be advertised and let by contract to the lowest bidder. Advertisements should be published two times at least fifteen days prior to the bid award.

Condition found: A test of bids revealed that two bids for the school lunch program were not advertised.

Possible asserted effect (cause and effect):

Cause: The new supervisor of the school lunch program was not sure why there had been no advertisement.

Effect: The public bid law has not been followed for these purchases.

Recommendations to prevent future occurrences: The program supervisor or bid preparer should ensure that the public bid law is followed in the future.

Reference # and title **05-F11** **5% Budget Variances**

Criteria or specific requirement: LSA-R.S. 39:1311 requires the chief executive or administrative officer to advise the governing authority or independently elected official in writing when total expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by 5% or more, and when total revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by 5% or more.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2005**

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

Condition found: The School Board had the following unfavorable budget variances for revenues and expenditures which exceeded 5%:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Revenue			
<i>Special Revenue</i>			
Teacher Assessment	\$ 5,395	\$ 2,796	\$ 2,599
Dyslexia Training	5,074	4,388	686
La Gear Up	81,000	72,820	8,180
K-3	67,500	62,277	5,223
Nonpublic Textbooks	4,836	4,487	349
Tech Prep	3,000	2,759	241
8-G Elementary/Secondary Competitive	40,221	31,011	9,210
Title V	9,466	6,463	3,003
Rural Education Achievement Program	73,698	56,829	16,869
8-G Early Childhood	95,908	68,447	27,461
8G Local Teacher Quality	15,000	3,972	11,028
Expenditures			
<i>Special Revenue</i>			
Reading First	364,734	528,606	163,872
Child Nutrition	1,003,620	1,097,377	93,757
Title II	283,814	305,943	22,129

Proper perspective for judging the prevalence and consequences: The School Board is required by state statute to adopt budgets for the general fund and all special revenue funds.

Possible asserted effect (cause and effect):

Cause: Unknown

Effect: The School Board is in violation of LSA-R. S. 39:1311.

Recommendations to prevent future occurrences: The School Board should monitor revenues and expenditures and amend budgets as needed.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2005**

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

<u>Reference # and title</u>	<u>05-F12</u>	<u>No Bid Advertisement</u>
Child Nutrition Cluster		
		<u>CFDA#</u>
National School Lunch Program		10.555
School Breakfast Program		10.553

Criteria or specific requirement: Per Louisiana Revised Statute 38:2212.1 all purchases of materials and supplies exceeding the sum of \$20,000 to be paid out of public funds shall be advertised and let by contract to the lowest bidder. Advertisements should be published two times at least fifteen days prior to the bid award.

Condition found: A test of bids revealed that two bids for the school lunch program were not advertised.

Possible asserted effect (cause and effect):

Cause: The new supervisor of the school lunch program was not sure why there had been no advertisement.

Effect: The public bid law has not been followed for these purchases.

Recommendations to prevent future occurrences: The program supervisor or bid preparer should ensure that the public bid

East Carroll Parish School Board

OTHER INFORMATION

**East Carroll Parish School Board
Summary Schedule of Prior Audit Findings
June 30, 2005**

Finding reference # and title: 04-F1 Seventy Percent General Fund Instruction Requirement

Condition: Louisiana Senate Concurrent Resolution #142 of the 1993 Regular Session mandates that at least 70% of General Fund expenditures must be spent for instructional purposes. Expenditures for instructional purposes totaled 68.94% of the total General Fund dollars spent. This does not meet the 70% requirement.

Corrective action planned: See current year finding 05-F6.

Finding reference # and title: 04-F2 Student Activities Funds

Condition: The School Board has uniform procedures and requirements for student activity funds. The procedures and requirements, if followed, should offer some assurance over the internal control over school activity fund accounting. As part of our auditing procedures, two schools were haphazardly selected to review the accounting records and internal control at the school. At the school, the bookkeeper responded to a questionnaire provided by the external auditor, bank reconciliations were tested for accuracy, and receipts and disbursements were tested for certain attributes. Numerous problems were noted at both schools.

Corrective action planned: See current year finding 05-F9.

Finding reference # and title: 04-F3 Bank Reconciliations

Condition: All bank statements should be reconciled monthly in a timely manner with any reconciling differences between the bank statement and general ledger researched. Several bank accounts for several months were not reconciled in a timely manner.

Corrective action planned: See current year finding 05-F1.

**East Carroll Parish School Board
Summary Schedule of Prior Audit Findings
June 30, 2005**

Finding Reference # and title: 04-F4 5% Budget Variances

Condition Found: The School Board had the following unfavorable budget variances for revenues and expenditures which exceeded 5%:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Revenue			
Special Revenue			
Title II	\$ 289,497	\$ 224,112	\$ 65,385
E-Rate	63,000	51,297	11,703
Local Teacher Quality	18,555	10,815	7,740
School Improvement	5,000	4,258	742
LEAP 21 Tutorial	23,078	20,374	2,704
Title IV	30,390	23,149	7,241
Child Nutrition	1,134,500	1,017,190	117,310
IDEA	267,701	235,234	32,467
Expenditures			
Special Revenue			
State Adult Education	13,880	15,105	1,225
Title II	22,147	24,281	2,134
TANF	30,415	34,559	4,144
Leap Summer School	41,945	71,354	29,409
Federal Adult Education	9,659	31,120	21,461

Corrective action planned: See current year finding 05-F11.

Finding reference # and title: 04-F5 Payroll Certifications

Condition: Certifications should be completed semi-annually for all employees who are paid from Title I funds. Semi-annual certifications were not completed for employees who are employed 100% by Title I.

Corrective action taken: Supervisors were made aware of the need to complete semi-annual certifications for employees paid with federal funds.

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2005**

Reference # and title: **05-F1** **Inadequate Accounting**

Criteria or specific requirement: Accounting information must be timely and accurate to be useful. Numerous financial decisions are required during the year based on current financial information. Comparative reports such as comparison of year to date revenues and expenditures with the same period for the previous year and comparison of current year revenues and expenditures to the budget are valuable tools for sound financial management and monitoring of the budget. A monthly routine of reviewing certain accounting information would identify any posting problems and allow time for these problems to be researched and corrected.

Historically, the business department has not performed month-end closings. There are no procedures established for reviewing the accounting records on a monthly basis. Such procedures would include:

- reconciling interfund payables and receivables
- reconciling operating transfers
- reviewing balance sheet accounts to ensure that generally asset accounts have debit balances and liability accounts have credit balances
- verifying that fund trial balances are in balance (debits equal credits for each self balancing set of accounts)
- ascertaining that cost reimbursement programs are not over budget
- reconciling bank accounts
- analyzing selected balance sheet accounts
- reviewing revenues and expenditures and performing analytical analysis to ascertain if the amounts seem reasonable and comparing with prior year figures

Condition found: It appears that monthly reports were not maintained and no comparative analysis was performed. The interfund receivables and payables were not balanced. Interfund payable/receivable accounts were often miscoded and there appeared to be no research to ascertain if the entries were original entries or were reversals of existing entries. The general fund and payroll bank reconciliations had not been done after the software conversion in November, 2004. Most of the cost reimbursement programs were not balanced. Receivables were coded as interfund receivables and interfund payables were often listed as payables. Seven months of payments for tax payments and not been entered into the payroll component. Nearly \$250,000 of checks had never been posted to payroll. Numerous checks had never been voided while other checks had been voided twice in payroll.

Corrective action planned: The School Board has hired an accounting consultant. Under the guidance of the consultant, the Business department will establish monthly procedures to ensure that the financial data generated from the general ledger is correct, timely and useful.

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: June 30, 2006

Reference # and title: **05-F2** **Late Submission of the Audit Report**

Criteria or specific requirement: In accordance with LSA-R.S. 24:513(A)(5)(a) "Audits shall be completed within six months of the close of the entity's fiscal year".

Condition found: The audit report was filed with the Legislative Auditor's office more than two months after the deadline.

East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2005

Corrective action planned: Under the guidance of the consultant, the Business department will establish monthly procedures to ensure that the financial data generated from the general ledger is correct, timely and useful.

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: June 30, 2006

Reference # and title: **05-F3** **Checks Not Properly Voided**

Criteria or specific requirement: In order to safeguard assets it is necessary to adequately void any spoiled or unissued checks to ensure these checks cannot be negotiated.

Condition found: During our audit we noted several checks issued by the payroll department which were voided on the memo portion only. The actual checks had not been voided nor had the signature line been voided. There were also some blank checks which had not been voided.

Corrective action planned: The School Board will require that the voided checks be kept in the same place and periodic reviews will be made to ensure that all checks are properly voided.

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: Immediately

Reference # and title: **05-F4** **Vendor Disbursements**

Criteria or specific requirement: Good internal controls over vendor disbursements require that checks contain the appropriate signatures and appropriate number of signatures. Purchase orders and invoices should be properly approved using original invoices. Invoices should be paid on a timely basis.

Condition found: Forty one transactions were selected for the vendor disbursements. The test revealed that one check could not be located to test for appropriate signatures; one check had only one signature instead of the required two signatures. Three payments were made from invoice copies instead of originals. Eight invoices were not paid on a timely basis.

Corrective Action Planned: The School Board has hired a consultant to establish written procedures for vendor disbursements, and the Superintendent will stress the importance of the business department adhering to these procedures once they are established.

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2005**

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2006

Reference # and title: **05-F5** **Capital Assets Inspected**

Criteria or specific requirement: Good controls over capital assets require that detailed records be maintained for assets. These records should include purchase date, purchase price, identification system, and dispositions.

Condition found: Two schools were chosen for review. At each school ten items were chosen from the inventory listing to trace to the equipment. In addition, ten items were chosen at each school to trace to the inventory listing. One inventory item could not be traced to the asset. Two assets could not be traced to the inventory listing.

Corrective action planned: The Schools will have an on-site person to review and update the site's current asset list and submit the proper addition, deletion and transfer forms when necessary. The fixed assets bookkeeper will conduct monthly meetings at the school board office for all contact persons to assure that proper procedures are being followed.

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2006

Reference # and title: **05-F6** **Seventy Percent General Fund Instruction Requirement**

Criteria or specific requirement: Louisiana Senate Conrollent Resolutions No. 142 of the 1993 Regular Session require school bonds to spend at least seventy percent of the general funds total expenditure for instruction and support.

Condition found: The School Board spent only sixty six (66.04) percent of its general fund revenue on instruction and support.

Corrective action planned: The School Board has adopted an energy conservation contract that should lower utilities so that a portion of the money saved can be spent on instruction.

Person responsible for corrective action:

Dr. Vleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2006

East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2005

Reference # and title: 05-F7 Issuance of 1099-MISC Tax Forms

Criteria or specific requirement: The Internal Revenue Service requires that payments made in rents or services to individuals or businesses which are not incorporated and which meet or exceed \$600 during the tax year must be reported on IRS form 1099-MISC.

Condition found: A total of ten vendors who received payments of \$600 or more were chosen to test for the issuance of the required 1099-MISC form. Six of the ten vendors were not sent the required forms.

Corrective action planned: The School Board will require all vendors to complete W-9 forms in order to identify their status. Business manager will ensure that all vendors are properly coded in the Software and Services Accounting system to receive tax forms.

Person responsible for corrective action:

Dr. Voleria Millikin, Superintendent	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: June 30, 2006

Reference # and title: 05-F8 Deposits Under-Secured

Criteria or specific requirement: Louisiana revised Statute 39:1218 states "Any bank selected as the fiscal agency of any depositing authority, or any bank with whom a private contract is entered into....shall give security for the safekeeping and payment of the deposits...)"

Condition found: One bank had not fully pledged securities on the School Board's behalf. They were under secured \$581,240.

Corrective action planned: The School Board will require reports from our fiscal agents to be sure there are adequate securities pledged.

Person responsible for corrective action:

Dr. Voleria Millikin, Superintendent	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: June 30, 2006

Reference # and title: 05-F9 School Activity Funds

Criteria or specific requirement: The individual schools should follow the same procedures as the School Board pertaining to payments, deposits, and document retention.

Condition found: Tests were performed at Northside Elementary for bank reconciliations, cash receipts and cash disbursements. Bank reconciliations were not dated, so it was uncertain whether the reconciliations were made timely. Also we were unable to trace one month's reconciliation to the general ledger because the school could not find the general ledger. Ten transactions were chosen to test cash receipts. Six of the receipts could not be located. The test of ten cash disbursements revealed no proper documentation for one disbursement and sales tax was paid in another transaction.

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2005**

Corrective action planned: The School Board formulated the East Carroll Parish School Board School Activity Fund Procedures Manual to be used throughout the district. All employees responsible for accounting for school activity funds are being trained to follow new procedures manual that was adopted by the Board. More audits will be performed to make sure all accounting procedures are being followed.

Person responsible for corrective action:

Dr. Voleria Millikin, Superintendent	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: June 30, 2006

Reference # and title: **05-F10** **No Bid Advertisement**

Criteria or specific requirement: Per Louisiana Revised Statute 38:2212.1 all purchases of materials and supplies exceeding the sum of \$20,000 to be paid out of public funds shall be advertised and let by contract to the lowest bidder. Advertisements should published two times at least fifteen days prior to the bid award.

Condition found: A test of bids revealed that two bids for the school lunch program were not advertised.

Corrective action planned: The East Carroll Parish School Board voted to join the Child Nutrition Purchasing Cooperative (CNPC) on September 14, 2004. All bid notices, henceforth, will be advertised through the CNPC.

Person responsible for corrective action:

Dr. Voleria Millikin, Superintendent	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: June 30, 2006

Reference # and title **05-F11** **5% Budget Variances**

Criteria or specific requirement: LSA-R.S. 39:1311 requires the chief executive or administrative officer to advise the governing authority or independently elected official in writing when total expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more, and when total revenue and other sources for the remainder of the year within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2005**

Condition found: The School Board had the following unfavorable budget variances for revenues and expenditures which exceeded 5%:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Revenue			
Special Revenue			
Teacher Assessment	\$ 5,395	\$ 2,796	\$ 2,599
Dyslexia Training	5,074	4,388	686
La Gear Up	81,000	72,820	8,180
K-3	67,500	62,277	5,223
Nonpublic Textbooks	4,836	4,487	349
Tech Prep	3,000	2,759	241
8-G Elementary/Secondary Competitive	40,221	31,011	9,210
Title V	9,466	6,463	3,003
Rural Education Achievement Program	73,698	56,829	16,869
8-G Early Childhood	95,908	68,447	27,461
8G Local Teacher Quality	15,000	3,972	11,028
Expenditures			
Special Revenue			
Reading First	364,734	528,606	163,872
Child Nutrition	1,003,620	1,097,377	93,757
Title II	283,814	305,943	22,129

Corrective Action Planned: The supervisors and finance manager will monitor revenues and expenditures for all programs more closely. Revisions will be made to budgets as needed.

Person responsible for corrective action:

Dr. Voleria Millikin, Superintendent	Telephone: (318) 559-2222
East Carroll Parish School Board	Fax: (318) 559-3864
P. O. Box 792	
Lake Providence, LA 71254-0792	

Anticipated completion date: June 30, 2006

Reference # and title: **05-F12** **No Bid Advertisement**

Criteria or specific requirement: Per Louisiana Revised Statute 38:2212.1 all purchases of materials and supplies exceeding the sum of \$20,000 to be paid out of public funds shall be advertised and let by contract to the lowest bidder. Advertisements should be published two times at least fifteen days prior to the bid award.

Condition found: A test of bids revealed that two bids for the school lunch program were not advertised.

Corrective action planned: The East Carroll Parish School Board voted to join the Child Nutrition Purchasing Cooperative (CNPC) on September 14, 2004. All bid notices, henceforth, will be advertised through the CNPC.

East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2005

Person responsible for corrective action:

Dr. Volaria Millikin, Superintendent
East Carroll Parish School Board
P. O. Box 792
Lake Providence, LA 71254-0792

Telephone: (318) 559-2222
Fax: (318) 559-3864

Anticipated completion date: June 30, 2006

**East Carroll Parish School Board
Status of Prior Management Letter Items
June 30, 2005**

04-M1 School Board Failed to Prepare and Issue IRS Form 1099

Condition Found: The IRS conducted a review during the year and the following was noted:

The School Board did not determine if they were required to file forms 1099-MISC.

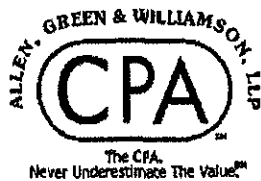
Forms 1099-MISC. should be prepared and issued for payments to individuals (non-employee) for services provided, where the amount exceeded \$600 during the course of the year.

Corrective Action Planned: See current year finding 05-F7.

04-M2 Travel Expense and Reimbursement

Condition Found: Travel expense should be documented by the retention of actual receipts for expenses which are not paid on a per diem basis, such as hotel expenses. In testing travel expenditures, we noted that supporting receipts for hotel charges on the credit card are not being retained. Original receipts should be retained for all travel expenses.

Corrective Action Taken: All employees were instructed to retain hotel receipts and turn them in to the central office. Personnel at the central office attach the receipts to the credit card statement.



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

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

Toll-free: (888) 741-0206
www.allengreencpa.com

Tim Green, CPA

Margie Williamson, CPA

Diane Ferschoff, CPA

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

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

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

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

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

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

Comment: Classroom Teachers Salaries, Other Instructional Staff Activities, Employee Benefits, Instructional Materials and Supplies, Instructional Equipment, Other Instructional Activities, and Instructional Staff Services were not reported in the proper amounts on the Schedule.

Management's Response: The schedule has been corrected.

Education Levels of Public School Staff (Schedule 2)

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

Comment: Experience levels per schedule 4 did not agree with school board supporting payroll records as of October 1.

Management's Response: The schedule has been corrected.

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

Comment: Experience levels per schedule 4 did not agree with school board supporting payroll records as of October 1.

Management's Response: The schedule has been corrected.

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

Comment: One exception was noted.

Management's Response: The schedule has been corrected.

Number and Type of Public Schools (Schedule 3)

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

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

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

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

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

Public Staff Data (Schedule 5)

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

Comment: Salary supplements were not included in employee salaries.

Management's Response: Schedules will be reviewed to ensure that all salaries are included on the schedule.

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

Comment: The average salaries and full-time equivalents reported in the schedule did not agree to supporting payroll records.

Management's Response: The schedule has been corrected.

Class Size Characteristics Schedule 6)

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

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

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

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

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

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

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

Comment: No exceptions were found as a result of applying agreed-upon procedures.

The Iowa Tests(Schedule 9)

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

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

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
February 10, 2006

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For The Year Ended June 30, 2005**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	4,179,674	
Other Instructional Staff Activities	378,048	
Employee Benefits	1,595,769	
Purchased Professional and Technical Services	13,637	
Instructional Materials and Supplies	157,833	
Instructional Equipment	7,878	
Total Teacher and Student Interaction Activities		6,332,839

Other Instructional Activities 13,777

Pupil Support Activities	297,970	
Less: Equipment for Pupil Support Activities	0	
Net Pupil Support Activities		297,970

Instructional Staff Services	278,733	
Less: Equipment for Instructional Staff Services	0	
Net Instructional Staff Services		278,733

Total General Fund Instructional Expenditures 6,923,319

Total General Fund Equipment Expenditures

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	174,603
Renewable Ad Valorem Tax	181,071
Debt Service Ad Valorem Tax	0
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	27,512
Sales and Use Taxes	1,369,753
Total Local Taxation Revenue	1,752,939

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	188,387
Earnings from Other Real Property	0
Total Local Earnings on Investment in Real Property	188,387

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	10,341
Revenue Sharing - Other Taxes	9,990
Revenue Sharing - Excess Portion	0
Other Revenue in Lieu of Taxes	0
Total State Revenue in Lieu of Taxes	20,331

Nonpublic Textbook Revenue 4,753

Nonpublic Transportation Revenue 0

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Education Levels of Public School Staff
As of October 2004

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	<i>Certificated</i>		<i>Uncertificated</i>		<i>Certificated</i>		<i>Uncertificated</i>	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	39	57	59	100				
Master's Degree	11	16						
Master's Degree + 30	18	26			6	75		
Specialist In Education					2	25		
Ph. D. or Ed. D.								
Total	68	100	59	100	8	100		

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

**Number and Type of Public Schools
For The Year Ended June 30, 2005**

Type	Number
Elementary	2
Middle/Jr. High	1
Secondary	1
Combination	1
Total	5

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

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

**Experience of Public Principals and Full-time Classroom Teachers
As of October 2004**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals					1		2	3
Principals							5	5
Classroom Teachers	22	17	22	5	15	15	31	127
Total	22	17	22	5	16	15	38	135

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana

Public School Staff Data
For The Year Ended June 30, 2005

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	37,454	37,366
Average Classroom Teachers' Salary Excluding Extra Compensation	37,173	37,103
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	128	125

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compens

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Class Size Characteristics
As Of October 2004

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	82.0%	104	17.0%	22	0.0%	0	1.0%	1
Elementary Activity Classes	93.8%	8	11.1%	1	0.0%	0	0.0%	0
Middle/Jr. High	37.8%	28	59.5%	44	2.7%	2	0.0%	0
Middle/Jr. High Activity Classes	50.0%	3	33.3%	2	16.7%	1	0.0%	0
High	82.9%	116	12.9%	18	4.3%	6	0.0%	0
High Activity Classes	85.0%	17	5.0%	1	10.0%	2	0.0%	0
Combination	65.3%	47	25.0%	18	9.7%	7	0.0%	0
Combination Activity Classes	90.5%	19	4.8%	1	0.0%	0	4.8%	1

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

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For The Year Ended June 30, 2005

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	2	2	8	6			1	1	1	1	2	1
Mastery	30	20	29	21	20	14	26	18	28	20	22	15
Basic	88	59	35	25	40	28	79	53	47	34	47	32
Approaching Basic	26	18	33	24	63	43	26	18	17	12	48	32
Unsatisfactory	4	3	33	24	22	15	18	12	45	33	28	19
Total	150	102	138	100	145	100	150	102	138	100	145	99

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced												
Mastery	3	3	10	9	3	2	5	5	4	3		
Basic	20	17	22	19	20	16	32	27	33	26	21	16
Approaching Basic	49	42	36	29	51	40	36	31	46	37	51	41
Unsatisfactory	47	40	48	43	53	41	46	39	42	34	55	43
Total	119	102	116	100	127	99	119	102	125	100	127	100

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

The Graduation Exit Exam for the 21st Century
For The Year Ended June 30, 2005

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced							1	2				1
Mastery	9	11	3	5	1	1	2	3	1	2	9	10
Basic	29	33	38	58	27	28	58	66	41	64	69	76
Approaching Basic	32	38	19	29	41	43	15	17	9	14	8	9
Unsatisfactory	19	22	5	8	28	29	13	15	13	20	5	5
Total	89	102	65	100	97	101	89	103	64	100	91	100

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced												
Mastery	7	13	8	12	1	1	0		6	9	1	1
Basic	32	60	45	69	49	72	20	37	54	83	36	53
Approaching Basic	7	13	9	14	14	21	21	39	5	8	21	31
Unsatisfactory	8	15	3	5	4	6	13	24	0	0	10	15
Total	54	101	65	100	68	100	54	100	65	100	68	100

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

The IOWA Tests
For The Year Ended June 30, 2005

	Composite		
	2005	2004	2003
Test of Basic Skills (ITBS)			
Grade 3	52	50	41
Grade 5	55	51	42
Grade 6	22	22	26
Grade 7	37	36	35
Tests of Educational Development (ITED)			
Grade 9	35	30	25

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