

East Carroll Parish School Board
Lake Providence, Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 2004

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

Release Date 1-26-05

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

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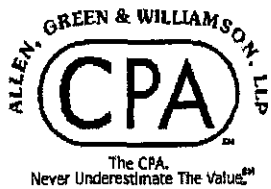
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**East Carroll Parish School Board
Annual Financial Report**

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(Concluded)



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

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, 2004, 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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, 2004, 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 under separate cover, our report dated December 9, 2004, 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 are not a required part of the *basic financial statements* but is 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.

The accompanying supplemental information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by OMB Circular No. A-133, are presented for purposes 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, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

December 9, 2004

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, 2004. 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 decreased \$9,091. The fund balances of all governmental funds increased \$66,835. The fund balance of the general fund increased \$70,854. Total expenditures in the general fund decreased \$325,820 due mainly to a decrease in capital outlay. Capital outlay expenditures decreased \$297,515 because less was spent for fixed assets.

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

Other governmental fund balance decreased \$4,019.

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, and Title I fund. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

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

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

Basic Financial Statements

Government-wide Financial Statements ↔ **Fund 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 a 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 \$9,037,111 at June 30, 2004. Of this amount \$802,085 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>2004</u>	<u>Governmental Activities 2003</u>	<u>Variance</u>
Current and other assets	\$ 5,105,976	\$ 4,809,209	\$ 296,767
Capital assets	<u>6,280,529</u>	<u>6,193,607</u>	<u>86,922</u>
Total assets	<u>11,386,505</u>	<u>11,002,816</u>	<u>383,689</u>
Current and other liabilities	1,806,334	1,576,402	229,932
Long-term liabilities	<u>543,060</u>	<u>603,968</u>	<u>(60,908)</u>
Total liabilities	<u>2,349,394</u>	<u>2,180,370</u>	<u>169,024</u>
Net assets			
Invested in capital assets, net of debt	6,280,529	6,193,607	86,922
Restricted	1,954,465	1,426,392	528,073
Unrestricted	<u>802,117</u>	<u>1,202,447</u>	<u>(400,330)</u>
Total net assets	<u>\$ 9,037,111</u>	<u>\$ 8,822,446</u>	<u>\$ 214,665</u>

The \$802,117 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 \$802,117 left.

The net assets of the School Board increased by \$214,665 due mainly to an increase in MFP and a decrease 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>2004</u>	<u>Governmental Activities 2003</u>	<u>Variance</u>
Net Assets - beginning	\$ 8,822,446	\$ 9,481,443	\$ (658,997)
Revenues:			
Program revenues			
Charges for services	26,224	27,484	(1,260)
Federal grants	3,023,128	3,293,279	(270,151)
State grants and entitlements	844,232	563,008	281,224
General Revenues			
Ad valorem taxes	348,173	379,479	(31,306)
Sales taxes	1,407,345	1,490,659	(61,687)
State minimum foundation program	7,938,029	7,886,059	51,970
Other general revenues	<u>412,162</u>	<u>368,416</u>	<u>22,117</u>
Total revenues	<u>13,999,293</u>	<u>14,008,384</u>	<u>(9,093)</u>
Functions/Program Expenses:			
Instruction			
Regular programs	5,108,502	5,892,128	(783,626)
Special programs	1,169,201	1,142,502	26,699
Other instructional programs	1,744,821	2,037,207	(292,386)
Support services			
Student services	507,676	433,058	74,618
Instructional staff support	702,250	625,993	76,257
General administration	357,315	401,510	(44,195)
School administration	787,433	761,751	25,682
Business services	229,792	217,695	12,097
Plant services	1,261,584	1,063,574	198,010
Student transportation services	590,570	555,761	34,809
Central services	4,702	8,213	(3,511)
Food Services	<u>1,320,782</u>	<u>1,527,989</u>	<u>(207,207)</u>
Total expenses	<u>13,784,628</u>	<u>14,667,381</u>	<u>(882,753)</u>
Increase (decrease) in net assets	<u>214,665</u>	<u>(658,997)</u>	<u>(444,432)</u>
Net Assets - ending	<u>\$ 9,037,111</u>	<u>\$ 8,822,446</u>	<u>\$ 214,665</u>

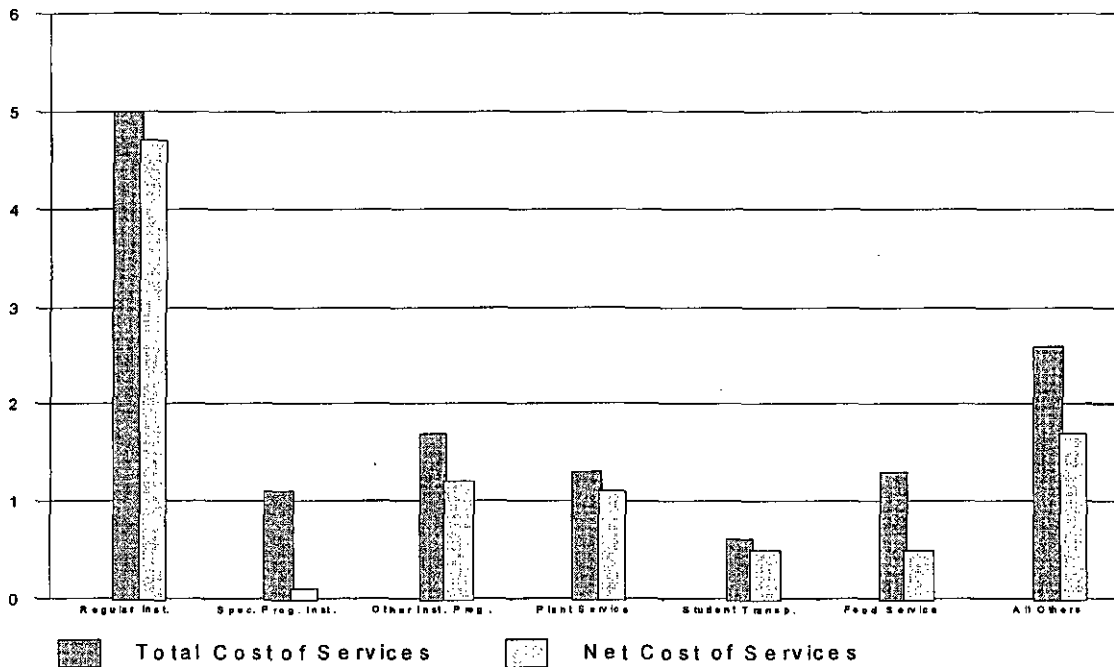
In the table below we have presented the cost of each of the School Board's six largest functions – regular programs, special programs, other instructional programs, plant services, student transportation services and food services as well as each program's net cost (total cost less revenues generated 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)**

	<u>Year Ended June 30, 2004</u>		<u>Year Ended June 30, 2003</u>	
	<u>Governmental Activities</u>		<u>Governmental Activities</u>	
	<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	\$5,108,502	\$4,669,076	\$5,892,128	\$5,518,136
Special programs instruction	1,169,201	119,715	1,142,502	898,830
Other instructional programs	1,744,821	1,228,604	2,037,207	315,947
Plant services	1,261,584	1,108,948	1,603,574	967,389
Student transportation services	590,570	569,891	555,761	540,406
Food services	1,320,782	458,021	1,527,989	705,694
All others	<u>2,570,218</u>	<u>1,736,789</u>	<u>2,448,220</u>	<u>1,837,208</u>
Totals	<u>\$13,784,628</u>	<u>\$9,891,044</u>	<u>\$14,667,381</u>	<u>\$10,783,610</u>

2004

**Total Cost of Services
Versus
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. Distant Learning Program was thought to be funded, but was not. Revenue for GEE 21, Teacher Assessors, Carl Perkins, Tech Prep, TANF, Basic Adult Education, State Adult Education, Title V, LA Gear Up, WIA and Title IV awards were reduced during the year, therefore expenditures were also reduced. Title II, Education Excellence, and Leap 21 Summer Remediation awards increased, therefore expenditures also increased.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2004, the School Board had \$6,280,529 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 \$273,747 or four percent, from last year.

Capital Assets at June 30, 2004

	<u>2004</u>	<u>Governmental Activities 2003</u>	<u>Variance</u>
Land	\$ 318,180	\$ 318,180	\$ 0
Buildings	4,932,059	5,118,884	(186,825)
Furniture and equipment	<u>1,030,290</u>	<u>756,543</u>	<u>273,747</u>
Totals	<u>\$6,280,529</u>	<u>\$6,193,607</u>	<u>\$ 86,922</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES General Fund budget increased because a Reading First Grant will be received for 2004-2005 in the amount of \$364,734.

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, 2004

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 3,896,545
Investments	166,602
Receivables, net	1,037,339
Inventory	5,490
Capital assets:	
Land	318,180
Depreciable capital assets, net of depreciation	<u>5,962,349</u>
TOTAL ASSETS	<u>11,386,505</u>
LIABILITIES	
Accounts, salaries and other payables	1,768,094
Deferred revenue	38,240
Long-term liabilities	
Due within one year	75,757
Due in more than one year	<u>467,303</u>
TOTAL LIABILITIES	<u>2,349,394</u>
NET ASSETS	
Invested in capital assets, net of related debt	6,280,529
Restricted for:	
Salary enhancements	363,455
Salary enhancements and construction and maintenance	1,591,010
Unrestricted	<u>802,117</u>
TOTAL NET ASSETS	<u>\$ 9,037,111</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, 2004

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE)
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET ASSETS
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 5,108,502		\$ 409,426	\$ (4,699,076)
Special programs	1,169,201		1,049,486	(119,715)
Other instructional programs	1,744,821		516,217	(1,228,604)
Support services:				
Student services	507,676		367,766	(139,910)
Instructional staff support	702,250		432,767	(269,483)
General administration	357,315		61,840	(295,475)
School administration	787,433		16,962	(770,471)
Business services	229,792		3,044	(226,748)
Plant services	1,261,584		152,636	(1,108,948)
Student transportation services	590,570		20,679	(569,891)
Central services	4,702			(4,702)
Food services	<u>1,320,782</u>	<u>26,224</u>	<u>836,537</u>	<u>(458,021)</u>
Total Governmental Activities	<u>13,784,628</u>	<u>26,224</u>	<u>3,867,360</u>	<u>9,891,044</u>
General revenues:				
Taxes:				
				348,173
				1,407,345
				21,627
Grants and contributions not restricted to specific programs				
				7,938,029
				47,863
				<u>342,672</u>
				<u>10,105,709</u>
				214,665
				<u>8,822,446</u>
				<u>\$ 9,037,111</u>

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

East Carroll Parish School Board

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2004

Statement C

	GENERAL	TITLE I	OTHER GOVERNMENTAL	TOTAL
ASSETS				
Cash and cash equivalents	\$ 3,628,363	\$ 62,742	\$ 205,440	\$ 3,896,545
Investments	166,602	0	0	166,602
Receivables	304,310	307,975	425,054	1,037,339
Interfund receivables	1,255,323	314,809	225,092	1,795,224
Inventory	0	0	5,490	5,490
TOTAL ASSETS	5,354,598	685,526	861,076	6,901,200
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	1,560,030	120,578	87,486	1,768,094
Interfund payable	539,901	564,948	690,375	1,795,224
Deferred revenue	0	0	38,240	38,240
Total Liabilities	2,099,931	685,526	816,101	3,601,558
Fund Balances:				
Restricted for:				
Salary enhancements	363,455	0	0	363,455
Salary enhancements and construction and maintenance	1,591,010	0	0	1,591,010
Unreserved, reported in:				
General Fund - Undesignated	1,300,202	0	0	1,300,202
Special Revenue	0	0	(26,751)	(26,751)
Capital Projects	0	0	71,726	71,726
Total Fund Balances	3,254,667	0	44,975	3,299,642
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,354,598	\$ 685,526	\$ 861,076	\$ 6,901,200

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

EAST CARROLL PARISH SCHOOL BOARD

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2004

Statement D

Total fund balances - governmental funds \$ 3,299,642

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	\$ 10,888,916	
Depreciation expense to date	<u>(4,608,387)</u>	
		6,280,529

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, 2004 are:

Long-term liabilities		
Compensated absences payable	<u>(543,060)</u>	<u>(543,060)</u>

Net Assets - Governmental Activities \$ 9,037,111

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, 2004

Statement E

	GENERAL	TITLE I	OTHER GOVERNMENTAL	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 348,173	\$ 0	\$ 0	\$ 348,173
Sales and use	1,407,345	0	0	1,407,345
Interest earnings	46,436	0	1,427	47,863
Food services	0	0	26,224	26,224
Other	248,877	0	93,795	342,672
State sources:				
Equalization	7,873,793	0	64,236	7,938,029
Other	180,974	0	686,378	867,352
Federal sources	0	1,431,115	1,590,520	3,021,635
Total Revenues	10,105,598	1,431,115	2,462,580	13,999,293
EXPENDITURES				
Current:				
Instruction:				
Regular programs	4,802,743	0	258,737	5,061,480
Special programs	932,813	0	204,740	1,137,553
Other instructional programs	327,912	1,045,019	370,062	1,742,993
Support services:				
Student services	297,162	0	193,207	490,369
Instructional staff support	327,874	182,631	191,745	702,250
General administration	294,834	61,840	595	357,269
School administration	768,322	0	16,962	785,284
Business services	226,748	0	3,044	229,792
Plant services	1,108,834	141,209	11,427	1,261,470
Student transportation services	569,891	416	20,263	590,570
Central services	4,702	0	0	4,702
Food services	94,879	0	1,195,817	1,290,696
Capital outlay	278,030	0	0	278,030
Total Expenditures	10,034,744	1,431,115	2,466,599	13,932,458
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	70,854	0	(4,019)	66,835
FUND BALANCES - BEGINNING	3,183,813	0	48,994	3,232,807
FUND BALANCES - ENDING	\$ 3,254,667	\$ 0	\$ 44,975	\$ 3,299,642

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, 2004**

Statement F

Total net change in fund balances - governmental funds	\$	66,835
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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	\$ (191,108)	
Capital outlays	278,030	86,922

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 \$75,757 exceeded the amounts earned 14,849 by \$60,908

60,908

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

Costs of assets scrapped	\$29,988	
<u>Accumulated depreciation</u>	<u>(29,988)</u>	

Net loss		<u>0</u>
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Change in net assets of governmental activities	\$	<u>214,665</u>
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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, 2004

Statement G

	<u>AGENCY FUND</u>
ASSETS	
Cash and cash equivalents	\$ <u>118,029</u>
Total assets	<u>118,029</u>
LIABILITIES	
Deposits due others	<u>118,029</u>
Total liabilities	<u>\$ 118,029</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 1,707 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.

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:

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

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.

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.

East Carroll Parish School Board
Notes to the Basic Financial Statements

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.

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, 2004, 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	10 - 40 years
Furniture and equipment	3 - 10 years

East Carroll Parish School Board
Notes to the Basic Financial Statements

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.

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 appropriate 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.

East Carroll Parish School Board
Notes to the Basic Financial Statements

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:

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

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

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, 2004:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
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

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

Deficit Fund Balances The following funds have a deficit in the fund balance at June 30, 2004:

<u>Fund</u>	<u>Deficit Amount</u>
Child Nutrition	<u>\$224,688</u>

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 2003
Levy date	August 2003
Tax bills mailed	On or about November 1, 2003
Due date	December 31, 2003
Lien date	January 1, 2004

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, 2000. Total assessed value was \$32,967,712 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 \$5,027,990 of the assessed value in calendar year 2004.

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

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 2004 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 2004 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.

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	6.06	6.06	Statutory
Maintenance and operation	6.29	6.29	2008

NOTE 4 - DEPOSITS AND INVESTMENTS At June 30, 2004, the School Board has cash and cash equivalents (book balances) as follows:

Interest-bearing demand deposits	\$ 3,896,545
Time deposits	166,602
Total deposits	<u>4,063,147</u>
Less: Time deposits classified as investments	166,602
Total cash and cash equivalents	<u>\$ 3,896,545</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 \$4,063,147 and the bank balance was \$4,250,440. Of the bank balance, \$434,682 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). \$3,815,758 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).

**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, 2004, are as follows:

	General	Title I	Other Governmental	TOTAL
Taxes:				
Sales tax	77,078	0	0	77,078
Intergovernmental - grants:				
Federal	0	307,975	272,350	580,325
State	150,377	0	152,054	302,431
Other	76,855	0	650	77,505
Total	<u>\$ 304,310</u>	<u>\$ 307,975</u>	<u>\$ 425,054</u>	<u>\$ 1,037,339</u>

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, 2004 is as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Land	\$ 318,180	\$ 0	\$ 0	\$ 318,180
Exhaustible capital assets				
Buildings	8,095,582	0	0	8,095,582
Furniture and equipment	2,227,112	278,030	29,988	2,475,154
Total	<u>10,640,874</u>	<u>278,030</u>	<u>29,988</u>	<u>10,888,916</u>
Less accumulated depreciation				
Buildings	2,976,698	186,825	0	3,163,523
Furniture and equipment	1,470,569	4,283	29,988	1,444,864
Total	<u>4,447,267</u>	<u>191,108</u>	<u>29,988</u>	<u>4,608,387</u>
Governmental activities				
Capital assets, net	<u>\$ 6,193,607</u>	<u>\$ 86,922</u>	<u>\$ 0</u>	<u>\$ 6,280,529</u>

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

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$	107,930
Special programs		31,648
Other instructional programs		1,828
Instructional staff support		0
School administration		2,149
Business services		46
Plant services		114
Student transportation services		0
Food services		30,086
Student services		17,307
Total depreciation expense	\$	191,108

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

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, 2004, are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:	8.00%	13.80%
Regular	9.10%	13.80%
Plan A	7.50%	8.50%
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, 2004, amounted to \$6,813,864, \$56,995, and \$588,374, respectively. Employer contributions for the year ended June 30, 2004, 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, 2002	\$ 942,583	\$ 52	\$ 0	\$ 100.00
June 30, 2003	1,030,770	86.39	0	100.00
June 30, 2004	1,105,373	85.75	63,489	78.77

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, 2004. Each annual actuarially required contribution for the year ended June 30, 2004, is based upon each plan's annual financial report for the year ended June 30, 2003, 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 2004 totaled \$266,256 for 90 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, 2004, are as follows:

	General	Title I	Other Governmental	TOTAL
SALARIES	\$ 1,517,284	\$ 0	\$ 0	\$ 1,517,284
ACCOUNTS	42,746	120,578	87,486	250,810
Total	\$ 1,560,030	\$ 120,578	\$ 87,486	\$ 1,768,094

East Carroll Parish School Board
Notes to the Basic Financial Statements

NOTE 10 - COMPENSATED ABSENCES At June 30, 2004, employees of the School Board have accumulated and vested \$543,060 of employee leave benefits, including \$15,305 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

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	\$ 100,247	\$ 216,258	\$ 202,863	\$ 113,642
Retirement insurance fund	17,329	144,154	157,096	4,387
Total	<u>\$ 117,576</u>	<u>\$ 360,412</u>	<u>\$ 359,959</u>	<u>\$ 118,029</u>

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2004:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Other liabilities:					
Compensated absences	\$ 603,968	\$ 14,849	\$ 75,757	\$ 543,060	\$ 75,757
Governmental Activities					
Long-term liabilities	<u>\$ 603,968</u>	<u>\$ 14,849</u>	<u>\$ 75,757</u>	<u>\$ 543,060</u>	<u>\$ 75,757</u>

NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Title I	\$ 564,948
	Other governmental	690,375
Title I	General Fund	314,809
Other governmental	General Fund	<u>225,092</u>
Total		<u>\$ 1,795,224</u>

The purpose of interfund receivable/payable 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, 2004, 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.

East Carroll Parish School Board
Notes to the Basic 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 \$13,902. 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 \$7,938,029 to the School Board, which represents approximately 57% of the School Board's total revenue for the year.

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.

EAST CARROLL PARISH SCHOOL BOARD

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 3,183,813	\$ 3,183,813	0
Resources (inflows)				
Local sources:				
Ad valorem taxes	382,000	382,000	348,173	(33,827)
Sales and use taxes	1,500,000	1,500,000	1,407,345	(92,655)
Interest earnings	156,000	156,000	46,436	(109,564)
Other	96,100	99,000	248,877	149,877
State sources:				
Equalization	8,022,400	7,920,377	7,873,793	(46,584)
Other	496,158	282,865	180,974	(101,891)
Federal sources	1,093,751	72,658	0	(72,658)
Transfers from other funds	0	150,000	0	(150,000)
Amounts available for appropriations	<u>11,746,409</u>	<u>13,746,713</u>	<u>13,289,411</u>	<u>(457,302)</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	5,285,839	4,899,753	4,802,743	97,010
Special education programs	932,057	996,557	932,813	63,744
Other instructional programs	926,282	561,525	327,912	233,613
Support services:				
Student services	888,048	764,102	297,162	466,940
Instructional staff support	308,443	96,567	327,874	(231,307)
General administration	449,609	316,309	294,834	21,475
School administration	866,514	767,537	768,322	(785)
Business services	191,800	238,750	226,748	12,002
Plant services	1,053,050	1,089,500	1,108,834	(19,334)
Student transportation services	436,750	498,300	569,891	(71,591)
Central services	8,500	8,500	4,702	3,798
Food services	6,000	5,500	94,879	(89,379)
Capital Outlay	104,517	40,000	278,030	(238,030)
Transfers to other funds	289,000	280,000	0	280,000
Total charges to appropriations	<u>11,746,409</u>	<u>10,562,900</u>	<u>10,034,744</u>	<u>528,156</u>
BUDGETARY FUND BALANCES, ENDING	\$ 0	\$ 3,183,813	\$ 3,254,667	70,854

EAST CARROLL PARISH SCHOOL BOARD

TITLE I
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
Federal sources	1,351,306	1,604,968	1,431,115	(173,853)
Amounts available for appropriations	1,351,306	1,604,968	1,431,115	(173,853)
Charges to appropriations (outflows)				
Instruction:				
Special education programs	113,622	0	0	0
Other instructional programs	857,614	1,527,605	1,045,019	482,586
Support services:				
Instructional staff support	223,920	0	182,631	(182,631)
General administration	67,996	77,363	61,840	15,523
Plant services	87,587	0	141,209	(141,209)
Student transportation services	567	0	416	(416)
Total charges to appropriations	1,351,306	1,604,968	1,431,115	173,853
BUDGETARY FUND BALANCES, ENDING	\$ 0	\$ 0	\$ 0	0

**East Carroll Parish School Board
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2004**

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 The General Fund and Title I Fund 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, 2004

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

	GENERAL	
	FUND	TITLE I
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 13,289,411	\$ 1,431,115
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(3,183,813)	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>10,105,598</u>	<u>1,431,115</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	10,034,744	1,413,115
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>\$ 10,034,744</u>	<u>\$ 1,413,115</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, 2004

Exhibit 2

	<u>SPECIAL</u> <u>REVENUE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 133,714	\$ 71,726	\$ 205,440
Receivables	425,054	0	425,054
Interfund receivables	225,092	0	225,092
Inventory	<u>5,490</u>	<u>0</u>	<u>5,490</u>
TOTAL ASSETS	<u>789,350</u>	<u>71,726</u>	<u>861,076</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	87,486	0	87,486
Interfund payables	690,375	0	690,375
Deferred revenue	<u>38,240</u>	<u>0</u>	<u>38,240</u>
Total Liabilities	<u>816,101</u>	<u>0</u>	<u>816,101</u>
Fund Balances:			
Unreserved, reported in			
Special Revenue	(26,751)	0	(26,751)
Capital Projects	<u>0</u>	<u>71,726</u>	<u>71,726</u>
Total Fund Balances	<u>(26,751)</u>	<u>71,726</u>	<u>44,975</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 789,350</u>	<u>\$ 71,726</u>	<u>\$ 861,076</u>

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, 2004

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
REVENUES			
Local sources:			
Taxes:			
Interest earnings	\$ 670	\$ 757	\$ 1,427
Food services	26,224	0	26,224
Other	93,795	0	93,795
State sources:			
Equalization	64,236	0	64,236
Other	686,378	0	686,378
Federal sources	<u>1,590,520</u>	<u>0</u>	<u>1,590,520</u>
 Total Revenues	 <u>2,461,823</u>	 <u>757</u>	 <u>2,462,580</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	258,737	0	258,737
Special programs	204,740	0	204,740
Other instructional programs	370,062	0	370,062
Support services:			
Student services	193,207	0	193,207
Instructional staff support	191,745	0	191,745
General administration	595	0	595
School administration	16,962	0	16,962
Business services	3,044	0	3,044
Plant services	11,427	0	11,427
Student transportation services	20,263	0	20,263
Food services	<u>1,195,817</u>	<u>0</u>	<u>1,195,817</u>
 Total Expenditures	 <u>2,466,599</u>	 <u>0</u>	 <u>2,466,599</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 (4,776)	 757	 (4,019)
 FUND BALANCES - BEGINNING	 <u>(21,975)</u>	 <u>70,969</u>	 <u>48,994</u>
 FUND BALANCES - ENDING	 <u>\$ (26,751)</u>	 <u>\$ 71,726</u>	 <u>\$ 44,975</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.

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.

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

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

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

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2004

	TITLE VI	TITLE II	TITLE IV	TITLE V
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	0
Receivables	0	92,363	9,681	10,624
Interfund receivable	5,091	0	0	0
Inventory	0	0	0	0
TOTAL ASSETS	5,091	92,363	9,681	10,624
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	0	2,873	3,209	1,940
Interfund payable	1,830	89,490	6,472	8,684
Deferred revenues	3,261	0	0	0
Total Liabilities	5,091	92,363	9,681	10,624
Fund Balances:				
Unreserved and undesignated	0	0	0	0
Total Fund Balances	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,091	\$ 92,363	\$ 9,681	\$ 10,624

Exhibit 4

IDEA	PRESCHOOL	ADULT EDUCATION	SUMMER FEEDING	CHILD NUTRITION	RURAL EDUCATION ACHIEVEMENT	OTHER MISCELLANEOUS	TOTAL
\$ 0	\$ 81	\$ 0	\$ 815	\$ 36,139	\$ 0	\$ 96,679	\$ 133,714
47,979	0	4,411	13,401	6,054	30,995	209,546	425,054
8,580	0	25,069	0	124,315	0	62,037	225,092
0	0	0	0	5,490	0	0	5,490
<u>56,559</u>	<u>81</u>	<u>29,480</u>	<u>14,216</u>	<u>171,998</u>	<u>30,995</u>	<u>368,262</u>	<u>789,350</u>
20	0	0	0	44,405	0	35,039	87,486
56,539	81	29,480	5,421	346,791	30,995	114,592	690,375
0	0	0	0	5,490	0	29,489	38,240
<u>56,559</u>	<u>81</u>	<u>29,480</u>	<u>5,421</u>	<u>396,686</u>	<u>30,995</u>	<u>179,120</u>	<u>816,101</u>
0	0	0	8,795	(224,688)	0	189,142	(26,751)
0	0	0	8,795	(224,688)	0	189,142	(26,751)
<u>\$ 56,559</u>	<u>\$ 81</u>	<u>\$ 29,480</u>	<u>\$ 14,216</u>	<u>\$ 171,998</u>	<u>\$ 30,995</u>	<u>\$ 368,262</u>	<u>\$ 789,350</u>

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, 2004

	TITLE VI	TITLE II	TITLE IV	TITLE V
REVENUES				
Local sources:				
Interest earnings	\$ 0	\$ 0	\$ 0	0
Food service	0	0	0	0
Other	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	0	0	0	0
Federal sources	0	224,112	23,149	12,076
Total revenues	0	224,112	23,149	12,076
EXPENDITURES				
Current:				
Instruction:				
Regular programs	0	0	0	0
Special programs	0	0	0	0
Other instructional programs	0	88,597	0	8,163
Support services:				
Student services	0	0	13,934	0
Instructional staff support	0	135,515	9,215	3,318
General administration	0	0	0	595
School administration	0	0	0	0
Business services	0	0	0	0
Plant services	0	0	0	0
Student transportation services	0	0	0	0
Food services	0	0	0	0
Total expenditures	0	224,112	23,149	12,076
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	0

Exhibit 5

IDEA	PRESCHOOL	ADULT EDUCATION	SUMMER FEEDING	CHILD NUTRITION	RURAL EDUCATION ACHIEVEMENT	OTHER MISCELLANEOUS	TOTAL
\$ 0	\$ 0	\$ 0	\$ 14	\$ 656	\$ 0	\$ 0	670
0	0	0	0	26,224	0	0	26,224
0	0	0	0	89,537	0	4,258	93,795
0	0	0	0	64,236	0	0	64,236
0	0	15,105	0	0	0	671,273	686,378
<u>257,728</u>	<u>13,477</u>	<u>43,620</u>	<u>0</u>	<u>836,537</u>	<u>34,299</u>	<u>145,522</u>	<u>1,590,520</u>
<u>257,728</u>	<u>13,477</u>	<u>58,725</u>	<u>14</u>	<u>1,017,190</u>	<u>34,299</u>	<u>821,053</u>	<u>2,461,823</u>
0	0	0	0	0	0	258,737	258,737
187,446	12,827	0	0	0	0	4,467	204,740
0	0	57,796	0	0	30,821	184,685	370,062
13,023	0	0	0	0	0	166,250	193,207
34,660	0	0	0	0	3,478	5,559	191,745
0	0	0	0	0	0	0	595
0	0	0	0	0	0	16,962	16,962
3,044	0	0	0	0	0	0	3,044
7,787	650	929	0	0	0	2,061	11,427
11,768	0	0	0	0	0	8,495	20,263
0	0	0	10,867	1,184,950	0	0	1,195,817
<u>257,728</u>	<u>13,477</u>	<u>58,725</u>	<u>10,867</u>	<u>1,184,950</u>	<u>34,299</u>	<u>647,216</u>	<u>2,466,599</u>
0	0	0	(10,853)	(167,760)	0	173,837	(4,776)
0	0	0	19,648	(56,928)	0	15,305	(21,975)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,795</u>	<u>\$ (224,688)</u>	<u>\$ 0</u>	<u>\$ 189,142</u>	<u>\$ (26,751)</u>

**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, 2004

Exhibit 6

	<u>SCHOOL ACTIVITIES FUND</u>	<u>RETIREMENT INSURANCE FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	<u>\$ 113,642</u>	<u>\$ 4,387</u>	<u>\$ 118,029</u>
TOTAL ASSETS	<u>113,642</u>	<u>4,387</u>	<u>118,029</u>
LIABILITIES			
Deposits due others	<u>113,642</u>	<u>4,387</u>	<u>113,029</u>
TOTAL LIABILITIES	<u>\$ 113,642</u>	<u>\$ 4,387</u>	<u>\$ 113,029</u>

EAST CARROLL PARISH SCHOOL BOARD

AGENCY FUNDS
Statement of Changes In Fiduciary Assets and Liabilities
For the Year Ended June 30, 2004

Exhibit 7

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 100,247	\$ 216,258	\$ 202,863	\$ 113,642
	<u>100,247</u>	<u>216,258</u>	<u>202,863</u>	<u>113,642</u>
LIABILITIES				
Deposits due others	<u>100,247</u>	<u>216,258</u>	<u>202,863</u>	<u>113,642</u>
	<u>100,247</u>	<u>216,258</u>	<u>202,863</u>	<u>113,642</u>
*****RETIREMENT INSURANCE FUND*****				
ASSETS				
Cash and cash equivalents	<u>17,329</u>	<u>144,154</u>	<u>157,096</u>	<u>4,387</u>
	<u>17,329</u>	<u>144,154</u>	<u>157,096</u>	<u>4,387</u>
LIABILITIES				
Deposits due others	<u>17,329</u>	<u>144,154</u>	<u>157,096</u>	<u>4,387</u>
	<u>17,329</u>	<u>144,154</u>	<u>157,096</u>	<u>4,387</u>
*****TOTAL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	<u>117,576</u>	<u>360,412</u>	<u>359,959</u>	<u>118,029</u>
	<u>117,576</u>	<u>360,412</u>	<u>359,959</u>	<u>118,029</u>
LIABILITIES				
Deposits due others	<u>117,576</u>	<u>360,412</u>	<u>359,959</u>	<u>118,029</u>
	<u>\$ 117,576</u>	<u>\$ 360,412</u>	<u>\$ 359,959</u>	<u>\$ 118,029</u>

EAST CARROLL PARISH SCHOOL BOARD
 SCHOOL ACTIVITIES AGENCY FUND
 Schedule of Changes in Deposits Due Others
 For the Year Ended June 30, 2004

Exhibit 8

SCHOOL	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Lake Providence Junior High	\$ 47,244	\$ 29,352	\$ 24,555	\$ 52,041
Lake Providence Senior High	2,156	70,337	65,119	7,374
Monticello High	18,161	28,363	29,781	16,743
Northside Elementary	3,486	17,035	17,693	2,828
Southside Elementary	17,615	41,676	35,911	23,380
Transylvania Elementary	<u>11,585</u>	<u>29,495</u>	<u>29,804</u>	<u>11,276</u>
Total	<u>\$ 100,247</u>	<u>\$ 216,258</u>	<u>\$ 202,863</u>	<u>\$ 113,642</u>

**East Carroll Parish School Board
General**

Exhibit 9

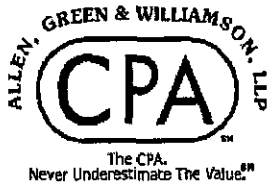
**Schedule of Compensation Paid Board Members
For The Year Ended June 30, 2004**

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 receive \$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>
Glen Dixon, President	\$ 8,050
Ralph Coleman	7,850
Harriet Bridges	3,900
Gene Edmondson	7,850
Evangelia Fields-Combs	7,850
Oleaner Green	7,850
Fannie Hawkins	7,850
Tommy McKeel	7,850
Georgean Jackson	8,150
Buford Perry	<u>3,300</u>
	<u>\$ 70,500</u>

East Carroll Parish School Board

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND BY
OFFICE OF MANAGEMENT AND BUDGET
OMB CIRCULAR NO. A-133**



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
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, 2004, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 9, 2004. 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 record, process, summarize 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 04-F2 and 04-F3.

A material weakness is a 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, we believe that none of the reportable conditions described above is a material weakness.

We also noted certain additional matters that we reported to management of the School Board in a separate letter dated December 9, 2004.

Compliance

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs as items 04-F1, 04-F4, and 04-F5.

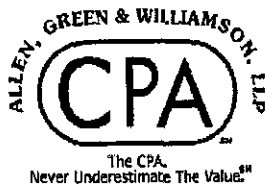
We also noted certain additional matters that we reported to management of the School Board in a separate letter dated December 9, 2004.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 9, 2004



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

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 No. 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 No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. 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 of America; and OMB Circular No. 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, 2004. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 04-F5.

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 internal control over compliance in accordance with OMB Circular No. A-133.

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 9, 2004

**East Carroll Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004**

Exhibit 10

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA Number</u>	<u>Pass Through Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture			
<i>Passed Through Louisiana Department of Education:</i>			
National School Lunch Program	10.555	N/A	\$ 593,963
School Breakfast Program	10.553	N/A	193,056
Summer Feeding Program for Children	10.559	N/A	648
Total United States Department of Agriculture			<u>787,667</u>
United States Department of Education			
<i>Passed through Louisiana Department of Education:</i>			
Adult Education - State Grant Program	84.002	N/A	31,120
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010	03-IASA-18-I	1,431,115
Special Education:			
<i>Grants to States (Part B)</i>	84.027	03-IB-18-S	257,728
Preschool Grants	84.173	03-IP-18-S	13,477
Vocational Education:			
Basic Grants to States	84.048	03-VE-18-2B/BG	47,638
Title II (Improving Teacher Quality State Grants)	84.367	03-IASA-18-II	224,112
Title IV (Safe and Drug Free Schools)	84.186	03-IASA-18-IV	23,149
Technology Literacy Challenge	84.318X	03-LCF-18-F	35,052
Title V	84.298A	28-05-80-18	12,076
Rural Education Achievement Program (REAP)	84.358B	04-RE-18	34,299
Total United States Department of Education			<u>2,109,766</u>
United States Department of Health and Human Services			
<i>Passed through the Louisiana Department of Education</i>			
Temporary Assistance to Needy Families (TANF)	93.558		43,237
United States Department of Labor			
<i>Passed through the Workforce Investment Board :</i>			
Workforce Investment (WIA)	17.259		<u>32,095</u>
TOTAL CASH FEDERAL AWARDS			<u><u>2,972,765</u></u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture and Forestry:			
<i>Passed Through Louisiana Department of Agriculture and Forestry:</i>			
Food Distribution Program (Commodities)	10.550		<u>48,870</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 3,021,635</u></u>

**East Carroll Parish School Board
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004**

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:

	Federal Sources
Title I	\$1,431,115
Nonmajor Special Revenue	
Title II	\$ 224,112
Title IV	23,149
Title VI	12,076
IDEA	2,577,283
Preschool	13,477
Adult Education	43,620
Child Nutrition	836,537
Rural Education Achievement	34,299
Other Miscellaneous	145,522
Other governmental	1,590,520
Total	\$ 3,021,635

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, 2004**

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.

The reportable conditions disclosed were not considered material weaknesses 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 were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- 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 No. A-133, Section .510(a).
- vii. The major federal program is:
CFDA #84.010 Title I Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2004**

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: 04-F1 Seventy Percent General Fund Instruction Requirement

Criteria or specific requirement: 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.

Condition found: Expenditures for instructional purposes totaled 68.94% of the total general fund dollars spent. This does not meet the 70% requirement.

Possible asserted effect (cause and effect):

Cause: The reason for non-compliance is unknown.

Effect: The School Board is in violation of the state requirement.

Recommendations to prevent future occurrences: The School Board should review expenditures on a quarterly or as-needed basis in order to ensure instructional expenses meet the 70% threshold.

Reference # and title: 04-F2 Student Activities Fund

Criteria or specific requirement: 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.

Condition found: 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. The following was noted:

Southside Elementary School

- As of November 2004, one check written in November 2002 was still outstanding.
- Five receipts could not be traced to their related support such as a teacher or office log/receipt, concessions inventory or admission ticket reconciliation.
- Sales tax was paid on one purchase.
- The school pays bus drivers who are school employees without going through the payroll system or issuing 1099s for driving on special trips.
- Flowers are being bought from the General Fund.

Lake Providence Junior High School

- As of November 2004, three checks were outstanding over a year.
- Cash receipts could not be tested.
- One exception noted in which the check was written for \$2.00 more than the amount of the invoice.
- One exception noted in which there was no supporting documentation for payment to an athletic official.
- Seven exceptions were noted in which invoices were not approved by the principal.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2004**

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:

Possible asserted effect (cause and effect):

Cause: Unknown

Recommendations to prevent future occurrences: Employees responsible for accounting for school activity funds should be familiar with School Board policies. These procedures should be followed at all times.

Reference # and title: **04-F3** **Bank Reconciliations**

Criteria or specific requirement: All bank statements should be reconciled monthly in a timely manner with any reconciling differences between the bank statement and the general ledger researched.

Condition found: Several bank accounts for several months were not reconciled in a timely manner.

Possible asserted effect (cause and effect):

Cause: The business department did not have enough staff to reconcile bank accounts in a timely manner.

Effect: Cash accounts were unreconciled for some of the year for several of the School Board's bank accounts.

Recommendations to prevent future occurrences: Each bank account should be reconciled within three weeks of the date of receipt of the bank statement. This would ensure that the account is reconciled before the next statement is received and will provide for more accurate financial reporting.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2004**

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: **04-F4** **5% Budget Variances**

Entity-wide or program/department specific: This finding is specific to the general fund and special revenue funds-Title I, Title IV, State Adult Education, Title II, LEAP Summer School, School Food Service, Federal Adult Education, E-Rate, 8G Local Teacher Quality, School Improvement, LEAP 21 Tutorial and TANF

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.

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	257,728	9,973
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

Proper prospective 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 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, 2004**

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>04-F5</u>	<u>Payroll Certifications</u>	<u>CFDA</u>	<u>Grantor No.</u>
U. S. Department of Education Title I Grants to Local Educational Agencies Basic Grant			84.010	03-IASA-18-1

Criteria or specific requirement: Certifications should be completed semi-annually for all employees who are paid from Title I funds.

Condition found: Semi-annual certifications were not completed for employees who are employed 100% by Title I.

Possible asserted effect (cause and effect):

Cause: The Federal Programs Supervisor was not aware that certifications should be completed for all employees.

Effect: Certifications were not completed for employees employed 100% by Title I.

Recommendations to prevent future occurrences: Semi-annual certifications should be completed for all employees paid from Title I funds.

OTHER INFORMATION

East Carroll Parish School Board
Summary Schedule of Prior Audit Findings
June 30, 2004

Finding reference # and title: **03-F1** **Seventy Percent General Fund Instruction Requirement**

Initially occurred: June 30, 2003.

Condition Found: Expenditures for instructional purposes totaled 68.52% of the total general fund dollars spent. This does not meet the 70% requirement.

Corrective action planned: See current year finding 04-F1.

Finding reference # and title: **03-F2** **Student Activities Fund**

Initially occurred: June 30, 2003.

Condition found: 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.

The following was noted.

Some receipts could not be traced to deposit slips.
Some deposits were not being made timely.

Corrective action planned: See current year finding 04-F2.

Finding reference # and title: **03-F3** **Control of Cash Receipts**

Initially occurred: June 30, 2003.

Condition: Several deposits were not made timely and one deposit was not posted to the proper general ledger account.

Corrective action taken: Cash receipts are deposited within three business days.

Finding reference # and title: **03-F4** **Bank Reconciliations**

Initially occurred: June 30, 2003.

Condition: Several bank accounts for several months were not reconciled in a timely manner.

Corrective action planned: See current year finding 04-F3.

Finding reference # and title: **03-F5** **Late Submission of Audit Report**

Initially occurred: June 30, 2003.

Condition: The audit report was filed with the Legislative Auditor's office after the deadline.

Corrective action taken: The audit report will be filed with the Legislative Auditor's office by the deadline.

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2004**

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: The School Board has voted to consolidate two schools. The School Board has also adopted an energy conservation contract that should lower utilities and the money 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, 2005

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.

Corrective action planned: 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. 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, 2005

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2004**

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: Procedures will be put in place, whereas one person will be responsible for reconciling all statements in a timely manner.

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, 2005

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			
General	\$ 10,349,900	\$ 8,495,377	\$ 1,854,523
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: The School Board will monitor expenditures and amend 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

**East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2004**

Anticipated completion date: June 30, 2005

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.

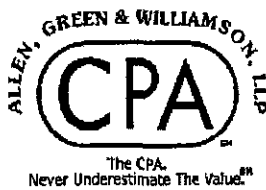
Corrective action planned: Certifications will be completed semi-annually for all employees who are employed by Title I.

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, 2005



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

Phone: (318) 388-4422

Fax: (318) 388-4664

2414 Ferrand Street
Monroe, LA 71201

Toll-free: (888) 741-0205

www.allengreencpa.com

Tim Green, CPA

Margie Williamson, CPA

Ernest L. Allen, CPA

(Retired)

1963 - 2000

Management Letter

Board Members

East Carroll Parish School Board
Lake Providence, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish School Board for the year ended June 30, 2004, which collectively comprise the School Board's basic financial statements, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving the internal control that is presented for your consideration. This letter does not affect our report dated December 9, 2004, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Management's responses have also been included. We have performed no audit work to verify the content of the response.

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

Comment: 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.

Recommendation: 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. Forms 1099-MISC. should also be prepared and issued for payments made for legal and medical services even if they are a corporation.

Management's Response: 1099s have been prepared for years 2002 and 2003 and forwarded to the IRS and individuals. 1099s will be prepared and issued for 2004 and subsequent years.

04-M2 Travel Expense and Reimbursement

Comment: 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.

Recommendation: Original receipts should be retained for all travel expenses.

Management's Response: Beginning January 1, 2005 all employees will be asked to retain all hotel receipts and turn them in to the central office. Personnel at the central office will attach the receipts to the credit card statement.

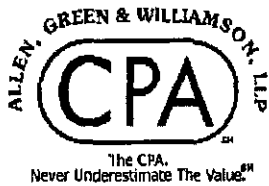
Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

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

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 9, 2004



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

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(Retired)

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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 (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

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

Education Levels of Public School Staff (Schedule 2)

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

Comment: The total number of Classroom Teachers and Assistant Principal did not agree with the October 1, 2003 PEP report.

Management's Response: There were data entry errors on the October 1, 2003 PEP report. From now on the PEP report will be thoroughly reviewed by someone other than the data entry clerk.

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

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

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

Number and Type of Public Schools (Schedule 3)

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

Comment: No exceptions were found 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: We were unable to recalculate the average salaries and full time equivalents reported in the schedule using the June 30, 2004 PEP report.

Management's Response: Some employees were miscoded because promotions were given and the data clerk was unaware of changes. The data clerk will be apprised of all employee promotions and/or classification code changes.

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

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

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

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 found 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 found 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 found 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
December 12, 2003

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, 2004**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	4,386,399	
Other Instructional Staff Activities	342,869	
Employee Benefits	1,278,368	
Purchased Professional and Technical Services	78,052	
Instructional Materials and Supplies	292,649	
Instructional Equipment	14,228	
Total Teacher and Student Interaction Activities		6,392,565

Other Instructional Activities 70,478

Pupil Support Activities	299,340	
Less: Equipment for Pupil Support Activities	6,206	
Net Pupil Support Activities		293,134

Instructional Staff Services	328,212	
Less: Equipment for Instructional Staff Services	0	
Net Instructional Staff Services		328,212

Total General Fund Instructional Expenditures 7,084,389

Total General Fund Equipment Expenditures 66,404

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	171,549	
Renewable Ad Valorem Tax	178,033	
Debt Service Ad Valorem Tax	0	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	27,388	
Sales and Use Taxes	1,407,346	
Total Local Taxation Revenue		1,784,316

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	98,050	
Earnings from Other Real Property	0	
Total Local Earnings on Investment in Real Property		98,050

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	11,112	
Revenue Sharing - Other Taxes	0	
Revenue Sharing - Excess Portion	10,515	
Other Revenue in Lieu of Taxes	0	
Total State Revenue in Lieu of Taxes		21,627

Nonpublic Textbook Revenue	75	5,324
Nonpublic Transportation Revenue		0

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Education Levels of Public School Staff
As of October 2003

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	49	36	55	40				
Master's Degree	13	10						
Master's Degree + 30	22	16			7	78		
Specialist in Education					2	22		
Ph. D. or Ed. D.								
Total	84	62	55	40	9	100		

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

**Number and Type of Public Schools
For The Year Ended June 30, 2004**

Type	Number
Elementary	3
Middle/Jr. High	1
Secondary	1
Combination	1
Total	6

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 2003

	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					1		5	6
Classroom Teachers	15	18	27	6	14	17	42	139
Total	15	18	27	6	15	17	49	148

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Public School Staff Data
For The Year Ended June 30, 2004

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	33,527	33,369
Average Classroom Teachers' Salary Excluding Extra Compensation	31,077	30,711
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	139	126

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Class Size Characteristics
As of October 2003

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	89.8%	115	10.2%	13	0.0%	0	0.0%	0
Elementary Activity Classes	77.8%	14	5.6%	1	11.1%	2	5.6%	1
Middle/Jr. High	62.8%	59	22.3%	21	14.9%	14	0.0%	0
Middle/Jr. High Activity Classes	26.7%	4	20.0%	3	20.0%	3	33.3%	5
High	73.7%	87	24.6%	29	1.7%	2	0.0%	0
High Activity Classes	80.0%	12	20.0%	3	0.0%	0	0.0%	0
Combination	82.5%	33	17.5%	7	0.0%	0	0.0%	0
Combination Activity Classes	57.1%	4	28.6%	2	14.3%	1	0	0

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

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For The Year Ended June 30, 2004

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	8	6			1	1	1	1	2	1	3	2
Mastery	29	21	20	14	30	16	28	20	22	15	18	10
Basic	35	25	40	28	58	31	47	34	47	32	71	38
Approaching Basic	33	24	63	43	58	31	17	12	46	32	47	25
Unsatisfactory	33	24	22	15	42	22	45	33	28	19	50	26
Total	138	100	145	100	189	101	138	100	145	99	189	101

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced					0	0					0	0
Mastery	10	9	3	2	2	2	4	3			1	1
Basic	22	19	20	16	16	15	33	26	21	16	25	24
Approaching Basic	36	29	51	40	42	40	46	37	51	41	42	40
Unsatisfactory	48	43	53	41	45	43	42	34	55	43	37	35
Total	116	100	127	99	105	100	125	100	127	100	105	100

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

The Graduation Exit Exam for the 21st Century
For The Year Ended June 30, 2004

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced				0							1	1
Mastery	3	5	1	1	1	1	1	2	9	10	2	2
Basic	38	58	27	28	20	28	41	64	69	76	43	40
Approaching Basic	19	29	41	43	25	35	9	14	8	9	24	26
Unsatisfactory	5	8	28	29	26	36	13	20	5	5	26	28
Total	65	100	97	101	72	100	64	100	91	100	96	96

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced												
Mastery	8	12	1	1	15	19	6	9	1	1		
Basic	45	69	49	72	46	58	54	83	36	53	59	75
Approaching Basic	9	14	14	21	15	19	5	8	21	31	14	18
Unsatisfactory	3	5	4	6	3	4	0	0	10	15	6	8
Total	65	100	68	100	79	100	65	100	68	100	79	101

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana

The IOWA Tests
 For The Year Ended June 30, 2004

	Composite		
	2004	2003	2002
Test of Basic Skills (ITBS)			
Grade 3	50	41	67
Grade 5	51	42	52
Grade 6	22	26	33
Grade 7	36	35	29
Tests of Educational Development (ITED)			
Grade 9	30	25	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.