

**Union Parish School Board**  
**Farmerville, 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

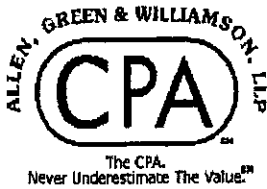
**Union Parish School Board  
Table of Contents**

	<u>Statement</u>	<u>Page</u>
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report		1-2
Required Supplemental Information		3
Management's Discussion and Analysis (MD&A)		4-12
Basic Financial Statements		13
Government-wide Financial Statements (GWFS)		
Statement of Net Assets	A	14
Statement of Activities	B	15
Fund Financial Statements (FFS)		17
Governmental Funds:		
Balance Sheet	C	18-19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	22-25
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	26
Fiduciary Funds:		
Statement of Assets and Liabilities	G	27
Notes to the Basic Financial Statements		
Index		28
Notes		29-40
<u>Exhibit</u>		
<b>REQUIRED SUPPLEMENTAL INFORMATION</b>		41
Budgetary Comparison Schedules		42
General Fund	1-1	43
Title I	1-2	44
Special Funds	1-3	45
District A	1-4	46
Notes to the Budgetary Comparison Schedule		47-48
<b>SUPPLEMENTAL INFORMATION</b>		49
Combining Nonmajor Governmental Funds - By Fund Type		50
Combining Balance Sheet	2	51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	3	52-53
Combining Nonmajor Governmental Funds		55
Nonmajor Special Revenue Funds		56-57
Combining Balance Sheet	4	58-59
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	5	60-63
<b>AGENCY FUNDS</b>		64
Combining Schedule of Changes in Assets and Liabilities	6	65
Schedule of Changes in Deposits Due Others -		
School Activities Agency Fund	7	66
Sales Tax Collection Agency Fund	8	67
<b>GENERAL</b>		68
Schedule of Compensation Paid Board Members	9	68

(Continued)

**Union Parish School Board  
Table of Contents**

	<u>Exhibit</u>	<u>Page</u>
<b>OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR NO. A-133</b>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standard</u>		69
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With <u>OMB Circular No. A-133</u>		70-71
Schedule of Expenditures of Federal Awards	8	72
Notes to the Schedule of Expenditures of Federal Awards		73
Schedule of Findings and Questioned Costs		74
Summary Schedule of Prior Year Findings		75
<b>OTHER INFORMATION</b>		
Management Letter		76-77
Independent Accountants' Report on Applying Agreed-upon Procedures Schedules		78-80 81-89



# 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](http://www.allengreencpa.com)

Tim Green, CPA

Margie Williamson, CPA

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

## Independent Auditors' Report

Board Members  
Union Parish School Board  
Farmerville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Union Parish School Board, Farmerville, Louisiana, 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 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 thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 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 grants 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 are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary 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 22, 2004

**Union Parish School Board**

**REQUIRED SUPPLEMENTAL INFORMATION**

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

---

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

---

Our discussion and analysis of Union 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.

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 School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (for example grants received from the U.S. Department of Education). The fund balance of all governmental funds decreased by \$1,564,587 during the 03-04 fiscal year. This decrease was largely in part to a decrease in MFP funding from 02-03 to 03-04 of \$733,642 along with increases in benefits & step increases on salary schedule caused the need to use beginning fund balances to meet current year expenditures.

**General Fund** The general fund is made up of three main funding sources, which are as follows: local, state, and federal. Local sources include such items as taxes, interest and rental that account for about 6.6% of the total revenue. State sources which total 92.7% of the revenue consist of the MFP, PIP reimbursement and other allotments.

The general fund had a \$540,488 deficiency in the current year. During the last several years student enrollment has showed a steady decrease, which directly affect MFP dollars. The Union Parish School Board has continued to operate the same number of schools (10) despite the declining enrollment. This deficit was mainly caused by (as stated earlier) increases in retirement and employer insurance, step increases and in large part to an uniform 4% across the Board pay raise for all employees several years ago. It was discussed that passing an uniformed pay raise would cause financial difficulty if additional revenues were not added. The Board is currently making plans to hold an election for additional millage to help operations.

**Title I** This fund is a cost reimbursement fund that accounts for federal dollars received for the Title I program. Since this fund is a cost reimbursement fund there has been no change in fund balance between 2002-2003 and 2003-2004, since both years ending fund balance was zero. At June 30, 2004 total revenue received from federal sources was \$1,093,353, this is an increase of \$221,688 or 25.43% from the previous year. Since this is a cost reimbursement program expenditures increase in the same dollar amount and percentage from the previous year also.

**District A** This fund is the parish-wide maintenance fund and has two primary sources detailed below:

(1) **Ad Valorem Tax** The voters of Union Parish approved to levy a 1.86 mill ad valorem tax for the purpose of maintenance and operation of the schools in Union Parish. These funds were used for, but not limited to, building repair, upkeep and other maintenance. The collection for this tax expires every ten years. In order to continue to collect this tax after the current levy, the Union Parish School Board will have to hold a renewal tax election.

(2) **Sales and Use Tax** Each year fifteen percent of the gross collections from the one percent sales and use tax, which voters passed on May 1, 1979, is transferred to District A from the sales tax fund. The one percent sales and use tax was passed for salaries and retirement benefits for all School Board employees and maintaining and operating school buildings and school-related facilities and equipment. An additional one percent sales and use tax was passed and became effective April 1, 2001, which also included that fifteen percent of the tax collections be distributed to District A.

---

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

---

This fund had a \$443,971 deficiency in the current year. In 02-03, \$500,490 was transferred to District A from sales tax collections (as described earlier) and in 03-04 only \$500,646 was transferred. This was due to the decrease in sales tax collections. This along with the rising cost of maintaining aging facilities accounts for the decrease in fund balance.

**Other Governmental Funds** This includes several cost reimbursement programs, two sales tax funds, school food service and debt service. These funds had a decrease of \$580,128 in 03-04 mainly because of the fund balance left from prior year debt service of \$284,516 was used and the school food service fund had a deficiency for the year of \$214,404.

**USING THIS ANNUAL REPORT** The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the general fund, Title I, Special Funds and District A. 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.



---

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

---

***Financial Section***

**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 & Budgetary Information  
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.

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

---

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

---

financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

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

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

### **Reporting the School Board's Most Significant Funds**

#### ***Fund Financial Statements***

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

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

### **The School Board as Trustee**

#### ***Reporting the School Board's Fiduciary Responsibilities***

The School Board is the trustee, or fiduciary, for its student activities funds, and the sales tax 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.

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

**THE SCHOOL BOARD AS A WHOLE** The School Board's net assets were \$ 3,846,210 at June 30, 2004. Of this amount, there is a deficit of \$442,925 in unrestricted fund balance. 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,**

	Governmental Activities		
	2004	2003	Dollar Variance
Current and other assets	\$ 2,649,614	\$ 4,010,796	\$ (1,361,182)
Capital assets	3,991,016	4,176,144	(185,128)
Total assets	<u>6,640,630</u>	<u>8,186,940</u>	<u>(1,546,310)</u>
Current and other liabilities	1,979,169	1,775,765	203,404
Long-term liabilities	815,251	825,787	(10,536)
Total liabilities	<u>2,794,420</u>	<u>2,601,552</u>	<u>192,868</u>
Net assets			
Invested in capital assets, net of debt	3,991,016	4,176,144	(185,128)
Restricted	298,119	1,163,234	(865,115)
Unrestricted	<u>(442,925)</u>	<u>246,010</u>	<u>(688,935)</u>
Total net assets	<u>\$ 3,846,210</u>	<u>\$ 5,585,388</u>	<u>\$ (1,739,178)</u>

The \$442,925 deficit in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. It means that the School Board does not have sufficient funds to pay off its bills today including all of its noncapital liabilities such as compensated absences, there would be nothing left in fund balance to pay bills.

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, take the information from that statement and rearrange it slightly so that readers can total revenues for the year.

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

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

	Governmental Activities		
	2004	2003	Dollar Variance
Net Assets - beginning	\$ 5,585,389	\$ 6,001,719	\$ (416,330)
<b>Revenues:</b>			
Program revenues			
Charges for services	238,649	242,888	(4,239)
Federal grants	4,013,034	3,246,820	766,214
State grants and entitlements	591,620	641,098	(49,478)
General Revenue			
Ad valorem taxes	755,590	697,114	58,476
sales taxes	3,311,638	3,328,227	(16,589)
State minimum foundation program	12,231,948	12,965,590	(733,642)
Other general revenues	463,576	494,523	(30,947)
Total revenues	<u>21,606,055</u>	<u>21,616,260</u>	<u>(10,205)</u>
<b>Functions/Program Expenses:</b>			
Instruction			
Regular programs	8,796,977	8,820,912	(23,935)
Special programs	2,937,885	2,742,267	195,618
Other instructional programs	1,768,740	1,699,593	69,147
Support services			
Student services	534,097	496,023	38,074
Instructional staff support	1,596,781	1,157,398	439,383
General administration	529,498	482,044	47,454
School administration	956,014	894,610	61,404
Business services	252,185	208,403	43,782
Plant services	1,822,321	1,765,312	57,009
Student transportation services	1,883,555	1,762,368	121,187
Central services	41,975	39,064	2,911
Food Services	2,222,766	1,962,757	260,009
Community service programs	2,440	1,840	600
Total expenses	<u>23,345,234</u>	<u>22,032,591</u>	<u>1,312,643</u>
<b>Increase (decrease) in net assets</b>	<u>(1,739,179)</u>	<u>(416,331)</u>	<u>(1,322,848)</u>
Net Assets - ending	<u>\$ 3,846,210</u>	<u>\$ 5,585,388</u>	<u>\$ (1,739,178)</u>

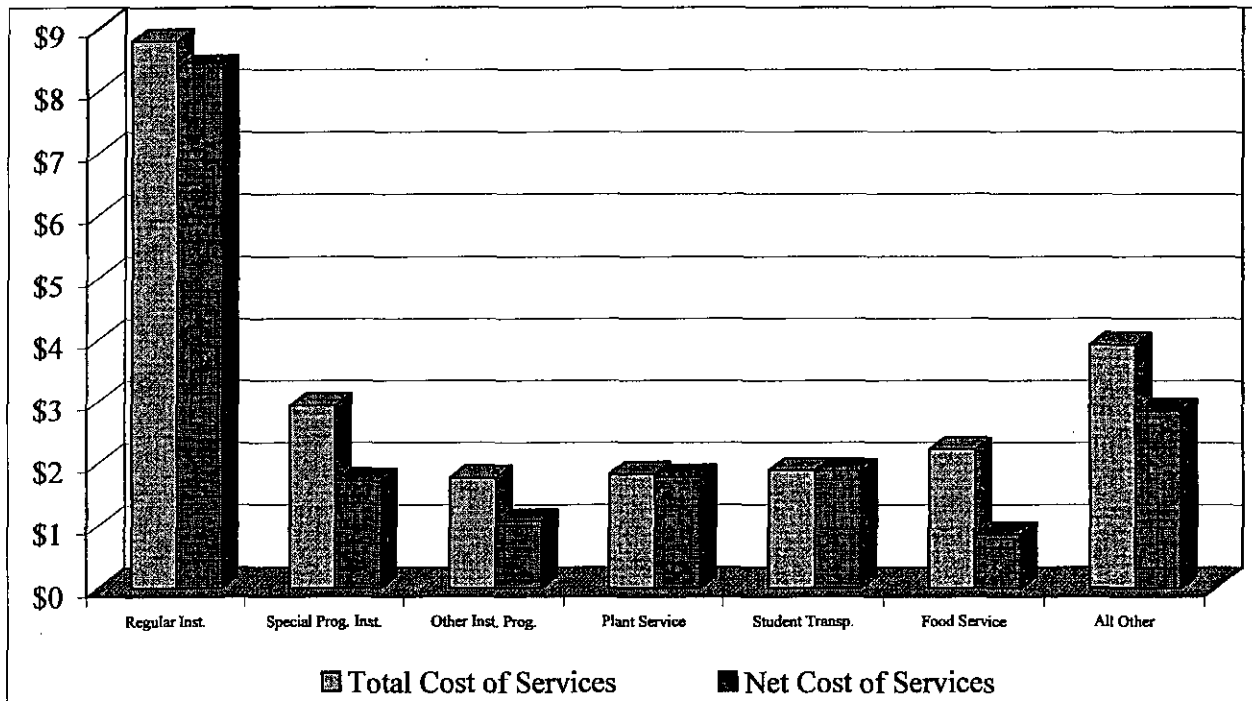
**Governmental Activities** As reported in the Statement of Activities, the cost of all governmental activities this year was \$23,345,234. The amount that taxpayers ultimately financed for these activities through School Board taxes was only \$4,067,228 because some of the cost was paid by those who benefited from the program \$238,649 or by other governments and organizations who subsidized certain programs with grants and contributions \$4,604,654. \$14,434,703 was paid from Minimum Foundation Funds of \$12,231,948, other revenues of \$463,576 (which is mainly interest income and other local sources). The remaining \$1,739,179 reduced equity.

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

In the table below we have presented the cost of each of the School Board's six largest functions – regular programs, special programs, other instructional programs, plant services, 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.

	<b>Year Ended</b>	
	<b>Governmental Activities</b>	
	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Regular programs instruction	\$ 8,796,977	\$ 8,366,169
Special programs instruction	2,937,885	1,717,522
Other instructional programs	1,768,740	1,068,525
Plant services	1,822,321	1,776,703
Student transportation services	1,883,555	1,872,109
Food services	2,222,766	850,892
All others	3,912,990	2,850,011
	<b>\$ 23,345,234</b>	<b>\$ 18,501,931</b>

**2004  
Total Cost of Services  
Versus  
Net Cost of Services  
(in millions)**



**Union 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** 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 the actual results is provided in the required supplemental information section of this report.)

The revisions to total revenues totaled an increase of \$ 208,848. This was due largely to a fund transfer of 288,400 into the general fund. The balance of the Sinking Fund was transferred to help affect the current year deficit. MFP was decreased, once final figures were received in February, 2004.

Budgeted expenditures were increased by \$10,178. Several categories were decreased as the budget was closely monitored. However, the additions of \$46,000 in food services for employee benefits helped result in an overall increase.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** At June 30, 2004, the School Board had \$3,991,016 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of just over \$185,128, or 3.8 percent, from last year.

**Capital Assets at June 30,**

	Governmental Activities		
	2004	2003	Budget Variance
Land	\$ 422,251	\$ 422,251	\$ 0
Buildings	2,761,898	2,905,426	(143,528)
Furniture and Equipment	806,867	848,467	(41,600)
Totals	\$ 3,991,016	\$ 4,176,144	\$ (185,128)

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** Our elected and appointed officials and citizens consider many factors when setting the School Board's 2003-2004 fiscal year budget and tax rates. The School Board's budgets are used to gain a better overview of the financial operations of the Board and to assist management in making decisions for daily and future operations.

Over 90% of the general fund revenues are from the MFP. MFP revenue is based on the final approved October 1 SIS student count and was not finalized until February, 2004. During the last few years enrollment has continued to decline, but efforts made to level this drop are beginning to show. However, the organization of a local private Christian school continues to threaten enrollment. Union Parish currently has the lowest millage for education in the state of Louisiana. Increases in retirement and benefits, salary increases and general operating costs, along with low millage and, reduction in MFP has put a severe strain on the budget. Staffing has been monitored and adjustments have been made, where able to reduce the number of staff, and yet continue to educate the children of this parish.

Expenditures reflect salaries and employee benefits, textbooks, materials and supplies. In addition to that, transportation and operations and maintenance are other examples of expenditures. Approximately 84% of total expenditures are salaries and related benefits. Continued efforts to monitor staffing closely are a necessity as the overall expenditure for salaries and benefits has been seen in the 90% range.

---

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

---

With cost rising, fund balance depleted and student enrollment decline, along with having one of the lowest state millage rates, additional local support will become necessary to continue operations. Discussions have begun and options are being considered by the Board and taxpayers alike.

The proposed budget for 04-05 will need to be monitored closely, as it once again reflects a decrease in fund balance. Plans for the future need to be carefully considered to assure the Board that quality education for the children of Union Parish is provided.

**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 Donna Cranford, Business Manager, at Union Parish School Board, P. O. 308, Farmerville, Louisiana 71241-0308, telephone number (318) 368-9715.

**Union Parish School Board**

**BASIC FINANCIAL STATEMENTS:**

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



UNION PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS  
June 30, 2004

	Statement A
	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,036,170
Receivables (net)	1,579,961
Inventory	33,483
Capital assets:	
Land	422,251
Capital assets, net of depreciation	<u>3,568,765</u>
<b>TOTAL ASSETS</b>	<u>6,640,630</u>
<b>LIABILITIES</b>	
Accounts, salaries and other payables	1,921,983
Deferred revenue	57,186
Long-term liabilities	
Due within one year	399,033
Due in more than one year	<u>416,218</u>
<b>TOTAL LIABILITIES</b>	<u>2,794,420</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	3,991,016
Restricted for:	
Salaries, benefits, and operations	262,901
School Food Service	35,218
Unrestricted	<u>(442,925)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 3,846,210</u>

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

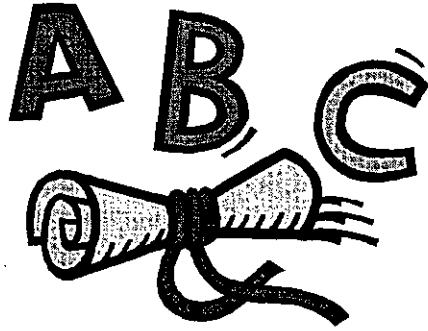
**UNION PARISH SCHOOL BOARD**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2004**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE)
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET ASSETS
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 8,796,977	\$ 0	\$ 430,808	\$ (8,366,169)
Special programs	2,937,885		1,220,363	(1,717,522)
Other instructional programs	1,768,740		700,215	(1,068,525)
Support services:				
Student services	534,097		60,380	(473,717)
Instructional staff support	1,596,781		800,805	(795,976)
General administration	529,498		125,617	(403,881)
School administration	956,014		5,812	(950,202)
Business services	252,185		69,473	(182,712)
Plant services	1,822,321		45,618	(1,776,703)
Student transportation services	1,883,555		11,446	(1,872,109)
Central services	41,975		279	(41,696)
Food services	2,222,766	238,649	1,133,225	(850,892)
Community service programs	2,440		613	(1,827)
Interest on long-term debt	0		0	0
<b>Total Governmental Activities</b>	<b>23,345,234</b>	<b>238,649</b>	<b>4,604,654</b>	<b>0</b>
 General revenues:				
Taxes:				
Property taxes, levied for general purposes				755,590
Sales taxes, levied for general purposes				3,311,638
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				12,231,948
Other unrestricted state				129,494
Interest and investment earnings				78,246
Miscellaneous				255,836
<b>Total general revenues</b>				<b>16,762,752</b>
				(1,739,179)
<b>Net assets - beginning</b>				<b>5,585,389</b>
<b>Net assets - ending</b>				<b>\$ 3,846,210</b>

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

Union Parish School Board



**Union Parish School Board**

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

UNION PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2004

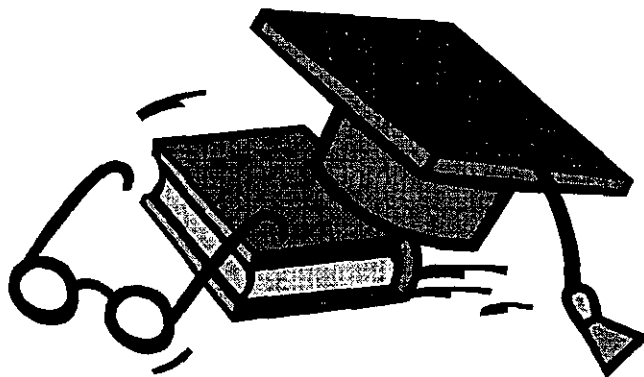
	GENERAL	TITLE I	SPECIAL FUNDS
<b>ASSETS</b>			
Cash and cash equivalents	\$ 628,778	\$ 0	\$ 561
Receivables	288,085	386,280	255,959
Interfund receivables	1,079,771	27,377	1,500
Inventory	0	0	0
<b>TOTAL ASSETS</b>	<b>1,996,634</b>	<b>413,657</b>	<b>258,020</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts, salaries and other payables	1,631,144	40,891	82,897
Interfund payables	28,877	372,766	175,123
Deferred revenues	0	0	0
<b>Total Liabilities</b>	<b>1,660,021</b>	<b>413,657</b>	<b>258,020</b>
<b>Fund Balances:</b>			
<b>Reserved for:</b>			
Inventory	0	0	0
Debt Service	0	0	0
<b>Unreserved, reported in:</b>			
General Fund - Designated	285,000	0	0
General Fund - Undesignated	51,613	0	0
Special Revenue Funds	0	0	0
<b>Total Fund Balances</b>	<b>336,613</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,996,634</b>	<b>\$ 413,657</b>	<b>\$ 258,020</b>

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

Statement C

DISTRICT A	OTHER GOVERNMENTAL	TOTAL
\$ 23,215	\$ 383,616	\$ 1,036,170
5,995	643,642	1,579,961
282,916	0	1,391,564
0	33,483	33,483
312,126	1,060,741	4,041,178
88,454	78,597	1,921,983
187,959	626,839	1,391,564
0	57,186	57,186
276,413	762,622	3,370,733
0	23,277	23,277
0	0	0
0	0	285,000
0	0	51,613
35,713	274,842	310,555
35,713	298,119	670,445
\$ 312,126	\$ 1,060,741	\$ 4,041,178

**Union Parish School Board**



**UNION PARISH SCHOOL BOARD**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Assets**  
**June 30, 2004**

		<b>Statement D</b>
Total fund balances - governmental funds	\$	670,445
<p>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 <i>allocated over their estimated useful lives (as depreciation expense) to the various programs</i> reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.</p>		
Costs of capital assets	\$	14,567,149
Depreciation expense to date		<u>(10,576,133)</u>
		3,991,016
<p>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.</p>		
Balances at June 30, 2004 are:		
Long-term liabilities		
Compensated absences payable		<u>(815,251)</u>
Net Assets - Governmental Activities	\$	<u>3,846,210</u>

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



**UNION PARISH SCHOOL BOARD**  
**GOVERNMENTAL FUNDS**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	GENERAL	TITLE I	SPECIAL FUNDS
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 604,499	\$ 0	\$ 0
Sales and use	0	0	0
Interest earnings	53,481	0	0
Food services	0	0	0
Other	215,819	0	0
State sources:			
Equalization	11,856,292	0	0
Other	280,303	0	264,270
Federal sources	0	1,093,353	835,115
	13,010,394	1,093,353	1,099,385
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	6,839,347	0	79,331
Special programs	1,353,463	761,341	27,504
Other instructional programs	747,949	0	468,631
Support services:			
Student services	421,853	0	29,019
Instructional staff support	692,874	169,029	442,504
General administration	293,000	61,961	10,727
School administration	826,889	0	0
Business services	168,643	68,324	0
Plant services	688,661	32,098	0
Student transportation services	1,679,369	0	0
Central services	40,906	0	0
Food services	45,777	0	0
Community service programs	1,840	600	0
Capital outlay	38,659	0	41,669
Debt service:			
Principal retirement	0	0	0
Interest and bank charges	0	0	0
	13,839,230	1,093,353	1,099,385
<b>EXCESS (Deficiency) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>			
	\$ (828,836)	\$ 0	\$ 0

Statement E

<u>DISTRICT A</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 150,866	\$ 225	\$ 755,590
0	3,311,638	3,311,638
4,045	20,720	78,246
0	238,649	238,649
4,300	35,717	255,836
		0
0	375,656	12,231,948
25,584	150,957	721,114
<u>0</u>	<u>2,084,566</u>	<u>4,013,034</u>
<u>184,795</u>	<u>6,218,128</u>	<u>21,606,055</u>
0	1,470,240	8,388,918
0	786,448	2,928,756
0	513,335	1,729,915
0	83,225	534,097
0	270,147	1,574,554
5,386	158,424	529,498
0	129,125	956,014
2,151	13,067	252,185
929,293	141,387	1,791,439
0	204,186	1,883,555
0	1,069	41,975
0	2,145,653	2,191,430
0	0	2,440
192,582	92,956	365,866
0	0	0
<u>0</u>	<u>0</u>	<u>0</u>
<u>1,129,412</u>	<u>6,009,262</u>	<u>23,170,642</u>
<u>\$ (944,617)</u>	<u>\$ 208,866</u>	<u>\$ (1,564,587)</u>

(CONTINUED)

UNION PARISH SCHOOL BOARD  
**GOVERNMENTAL FUNDS**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>SPECIAL FUNDS</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 288,348	\$ 0	\$ 0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>
 Total Other Financing Sources (Uses)	 <u>288,348</u>	 <u>0</u>	 <u>0</u>
 Net Change in Fund Balances	 (540,488)	 0	 0
FUND BALANCES - BEGINNING	<u>877,101</u>	<u>0</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 336,613</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

Statement E

<u>DISTRICT A</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 500,646	\$ 0	\$ 788,994
<u>0</u>	<u>(788,994)</u>	<u>(788,994)</u>
500,646	(788,994)	0
(443,971)	(580,128)	(1,564,587)
<u>479,684</u>	<u>878,247</u>	<u>2,235,032</u>
<u>\$ 35,713</u>	<u>\$ 298,119</u>	<u>\$ 670,445</u>

(CONCLUDED)

**UNION 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 \$ (1,564,587)

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

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

Depreciation expense	(\$ 550,994)	
Capital outlays	365,866	(185,128)

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 \$ 399,033 exceeded the amounts earned (\$ 388,497) by \$ 10,536

10,536

Change in net assets of governmental activities \$ (1,739,179)

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

UNION 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>336,085</u>
Total assets	<u>336,085</u>
LIABILITIES	
Deposits due others	<u>336,085</u>
Total liabilities	<u>\$ 336,085</u>

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

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

	<u>Page</u>
<b>INDEX</b>	
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	29
A. REPORTING ENTITY .....	29
B. FUNDS.....	29
Governmental Funds .....	29
Fiduciary Funds.....	29
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING.....	30
Governmental Funds .....	30
Fiduciary Funds.....	31
D. CASH AND CASH EQUIVALENTS.....	31
E. INVESTMENTS .....	31
F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES.....	31
G. ELIMINATION AND RECLASSIFICATIONS .....	31
H. INVENTORY AND PREPAID ITEMS .....	32
I. CAPITAL ASSETS.....	32
J. DEFERRED REVENUES.....	32
K. COMPENSATED ABSENCES .....	32
L. RESTRICTED NET ASSETS.....	33
M. FUND EQUITY OF FUND FINANCIAL STATEMENTS .....	33
N. INTERFUND ACTIVITY .....	33
O. SALES TAXES.....	33
P. BUDGETS .....	33
Q. USE OF ESTIMATES .....	34
NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY.....	34
A. Excess of Expenditures Over Appropriations in Individual Funds .....	34
NOTE 3 - LEVIED TAXES .....	34
NOTE 4 - DEPOSITS.....	35
NOTE 5 - RECEIVABLES.....	36
NOTE 6 - CAPITAL ASSETS.....	36
NOTE 7 - RETIREMENT SYSTEMS .....	37
NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS .....	38
NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES .....	38
NOTE 10 - COMPENSATED ABSENCES .....	38
NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS .....	38
NOTE 12 - LONG-TERM LIABILITIES.....	39
NOTE 13 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY) .....	39
NOTE 14 - RELATED PARTY TRANSACTIONS .....	39
NOTE 15 - RESERVED AND DESIGNATED FUND BALANCES (FFS LEVEL ONLY) .....	39
NOTE 16 - INTERFUND TRANSFERS.....	40
NOTE 17 - LITIGATION AND CLAIMS .....	40
NOTE 18 - ON-BEHALF PAYMENTS.....	40
NOTE 19 - RISK MANAGEMENT .....	40
NOTE 20 - ECONOMIC DEPENDENCY .....	40

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Union 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 in the United States of America.

**A. REPORTING ENTITY** The Union Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Union 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 ten schools within the parish with a total enrollment of approximately 3,411 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 in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

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

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

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

**Title I** – accounts for federal dollars for the Title I No Child Left Behind Program.

**Special funds** – account for various state and federal grants that are legally restricted to specified expenditures.

**District A** – accounts for the proceeds of an ad valorem tax that is legally restricted for maintenance and upkeep of school facilities.

**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. Trust funds account for assets held by the government under the terms of a normal trust agreement.

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



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

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

**Sales tax collection agency fund** – accounts for monies collected on behalf of other taxing authorities within the parish.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

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

**Allocation of indirect expenses** The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

**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:

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

**Revenues**

**Ad valorem taxes** recognized when all applicable eligibility requirements are met and are available.

**Sales taxes** are recognized when the underlying exchange takes place and the resources are available.

**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 eligibility requirements have been met.

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

**Expenditures**

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

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

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

**D. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit 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.

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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

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 as per GASB Statement No. 31.

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

**G. ELIMINATION AND RECLASSIFICATIONS** In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivable and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

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

**H. INVENTORY AND PREPAID ITEMS** Inventories of the governmental fund-type are recorded as expenditures as purchased except for inventory of the school food service fund.

Inventories of the school food service fund (special revenue fund) consist of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost using the first-in, first-out (FIFO) method. The value of commodities inventory is the assigned values provided by the United States Department of Agriculture.

**I. 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

**J. DEFERRED REVENUES** 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 and the revenue is recognized.

**K. COMPENSATED ABSENCES** All 12-month employees earn ten days of noncumulative vacation leave each year. Upon separation of employment, all unused vacation leave is forfeited.

All 12-month employees earn from 12 to 18 days of sick leave each year, depending on their length of service with the School Board, and 9-month employees earn ten days of sick leave each year. Sick leave can be accumulated 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:

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

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

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

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

Sabbatical leave benefits are recorded as expenditures in the period paid.

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

**L. 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.

**M. FUND EQUITY OF FUND FINANCIAL STATEMENTS**

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

**Designated Fund Balances** Designations of fund balance represent tentative management plans that are subject to change.

**N. INTERFUND ACTIVITY** Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and or subject to elimination upon consolidation. Services provided, deemed to be at market or near market rate, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the governmental-wide financial statements.

**O. SALES TAXES** The voters of Union Parish approved on May 19, 1979, a one percent sales tax to be collected within Union Parish. The tax is for an indefinite period of time. The proceeds from the tax are dedicated for salaries and retirement benefits for school teachers and other school employees and/or for maintaining and operating school buildings, facilities, and equipment. The costs of collecting and administering the tax are paid from the sales tax special revenue fund.

The voters of Union Parish approved on January 20, 2001, a one percent sales tax to be collected within Union Parish. The tax is for an indefinite period of time. Eighty-five percent of the proceeds from the tax is dedicated for salaries and benefits of teachers and other school employees. The remaining fifteen percent is dedicated for constructing, improving, maintaining and operating public schools. The School Board has the authority to fund a portion of the sales tax into bonds.

**P. 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. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

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

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

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.

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

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. 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:

Fund	Budget	Actual	Unfavorable Variance
District A	\$ 1,102,780	\$ 1,129,412	\$ 26,632
1979 Sales Tax Fund	1,725,360	1,727,914	2,554
2001 Sales Tax Fund	1,702,158	1,711,912	9,754
Debt Service	288,000	288,348	348

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

**NOTE 3 - LEVIED TAXES** The School Board levies taxes on real and business personal property located within Union Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Union Parish tax assessor and approved by the State of Louisiana Tax Commission.

The Union 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	September 13, 2003
Levy date	October 14, 2003
Tax bills mailed	December 01, 2004
Due date	December 31, 2004
Lien date	January 01, 2004
Tax sale date - 2003 delinquent property	June 30, 2004

Assessed values are established by the Union 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

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

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 \$362,614,020 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 \$78,079,560 of the assessed value in calendar year 2003.

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, District A special revenue fund and debt service fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. No receivable has been recorded for 2004 property taxes because the lien date is subsequent to year-end.

The tax roll is not prepared by the parish tax assessor until November of each year; therefore, the amount of 2004 property taxes to be collected within the next year is not known. As a result, no property taxes receivable for 2004 taxes is included on the accompanying combined balance sheet.

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	3.42	3.27	Statutory
Maintenance	1.72	1.56	2008
Maintenance	2.98	2.98	2009

**NOTE 4 - DEPOSITS** At June 30, 2004, the School Board has cash and cash equivalents of \$1,706,615 as follows:

Deposits are stated at cost, which approximates fair value. 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 fair 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 \$1,706,615 and the bank balance was \$2,861,559. Of the bank balance, \$2,861,559 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).

**- Union Parish School Board  
Notes to the Basic Financial Statements**

**NOTE 5 - RECEIVABLES** The receivables at June 30, 2004, are as follows:

	General	Title I	Special Funds	District A	Other Governmental	TOTAL
<b>Taxes:</b>						
Ad Valorem	\$ 24,858	\$ 0	\$ 0	\$ 5,995	\$ 0	\$ 30,853
Sales and use	0	0	0	0	269,673	269,673
<b>Intergovernmental - grants:</b>						
State	135,296	0	95,789	0	75,886	306,971
Federal	121,341	386,280	141,237	0	297,882	946,740
Other	6,590	0	18,933	0	201	25,724
<b>Total</b>	<b>\$ 288,085</b>	<b>\$ 386,280</b>	<b>\$ 255,959</b>	<b>\$ 5,995</b>	<b>\$ 643,642</b>	<b>\$ 1,579,961</b>

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
<b>Governmental activities</b>				
Land	\$ 422,251	\$ 0	\$ 0	\$ 422,251
<b>Exhaustible capital assets</b>				
Buildings	8,856,134	0	0	8,856,134
Furniture and equipment	5,000,858	365,866	77,960	5,288,764
Construction in progress	0	0	0	0
<b>Total</b>	<b>14,279,243</b>	<b>365,866</b>	<b>77,960</b>	<b>14,567,149</b>
<b>Less accumulated depreciation</b>				
Buildings	5,950,708	143,528	0	6,094,236
Furniture and equipment	4,152,391	407,466	77,960	4,481,897
<b>Total</b>	<b>10,103,099</b>	<b>550,994</b>	<b>77,960</b>	<b>10,576,133</b>
<b>Governmental activities</b>				
<b>Capital assets, net</b>	<b>\$ 4,176,144</b>	<b>\$ (185,128)</b>	<b>\$ 0</b>	<b>\$ 3,991,016</b>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 418,625
Special programs	9,129
Other instructional programs	21,570
Instructional staff support	22,227
Vocational Education	17,225
Plant Services	30,882
Food services	31,336
<b>Total depreciation expense</b>	<b>\$ 550,994</b>

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

**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 ten 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 ten 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 ten years of service at age 60. The maximum retirement allowance is computed at 2.5 percent times the highest thirty-six 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, is funded by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by the state of Louisiana through 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:

	Employee	Employer
Louisiana Teachers' Retirement System:		
Regular	8.00%	13.80%
Plan A	9.10%	13.80%
	7.50%	8.50%



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

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 \$11,392,123, \$31,918, and \$1,346,220, respectively. Employer contributions for the year ended June 30, 2004, and each of the two preceding years are as follows:

Fiscal Year Ended	.....TRS.....		.....LSERS.....	
	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid
June 30, 2002	\$ 1,704,166	85.90	\$ 0	100.00
June 30, 2003	1,823,428	81.39	0	100.00
June 30, 2004	1,837,881	64.42	145,265	58.45

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** In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees' Group Benefits Program. The monthly premiums are paid jointly by the employee and by the School Board. The School Board's portion of the cost is recognized as an expenditure when the monthly premium is paid. For the year ended June 30, 2004, the cost of retiree benefits totaled \$963,041 for 224 retirees.

**NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES** The payables at June 30, 2004, are as follows:

	General	Title I	Special Funds	District A	Other Governmental	TOTAL
Salaries	\$ 1,614,475	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,614,475
Accounts	16,669	40,891	82,897	88,454	78,597	307,508
Total	\$ 1,631,144	\$ 40,891	\$ 82,897	\$ 88,454	\$ 78,597	\$ 1,921,983

**NOTE 10 - COMPENSATED ABSENCES** At June 30, 2004, employees of the School Board have accumulated and vested \$815,251 of employee leave benefits, including \$13,830 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:

Agency funds:	Balance, Beginning	Additions	Reductions	Balance, Ending
School activities fund	\$ 301,436	\$ 915,161	\$ 880,512	\$ 336,085
Sales tax collection fund	0	8,036,861	8,036,861	0
Total	\$ 301,436	\$ 8,952,022	\$ 8,917,373	\$ 336,085

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

**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					
<i>Other liabilities:</i>					
Compensated absences	\$ 825,787	\$ 388,497	\$ 399,033	\$ 815,251	\$ 399,033
Governmental Activities					
Long-term liabilities	<u>\$ 825,787</u>	<u>\$ 388,497</u>	<u>\$ 399,033</u>	<u>\$ 815,251</u>	<u>\$ 399,033</u>

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

**NOTE 13 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)** *Interfund receivable/payable:*

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	\$ 1,079,771	District A	\$ 187,959
		Special Funds	175,123
		Other Governmental	716,689
District A	282,916	Other Governmental	282,916
Special Funds	1,500	General Fund	1,500
Other Governmental	<u>27,377</u>	General Fund	<u>27,377</u>
Total	<u>\$ 1,391,564</u>		<u>\$ 1,391,564</u>

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

**NOTE 14 - RELATED PARTY TRANSACTIONS** The Superintendent of the School Board has a 15% ownership interest in a technology company which the School Board uses. Services from the technology company have been donated since the termination of all contracts which were signed before the Superintendent took office.

**NOTE 15 - RESERVED AND DESIGNATED FUND BALANCES (FFS LEVEL ONLY)**

**Reservations:**

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

**Debt Service** This amount represents the portion of fund balance that has been reserved in the debt service fund for future payment of principal and interest on bonded debt.

**Designations:**

**Designated for Contingencies** This amount represents a portion of fund balance that has been designated to fund possible losses from workers' compensation and to cover the deductible for property insurance.

The School Board has designated portions of the fund balance of the general fund for workers' compensation and to cover the deductibles for property insurance. The following is an analysis of the changes in the designated fund balances for the year ended June 30, 2004:

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

	Property	Workers' Compensation	Total
Balance, beginning of year	\$ 145,000	\$ 140,000	\$ 285,000
Additions	0	0	0
Deletions	0	0	0
Balance, end of year	<u>\$ 145,000</u>	<u>\$ 140,000</u>	<u>\$ 285,000</u>

**NOTE 16 - INTERFUND TRANSFERS** Operating transfers for the year ended June 30, 2004, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 288,348	\$ 0
District A	\$ 500,646	0
Other Governmental	0	\$ 788,994
Total	<u>\$ 788,994</u>	<u>\$ 788,994</u>

The purpose of interfund transfers were mainly to cover operating expenditures.

**NOTE 17 - LITIGATION AND CLAIMS**

**Litigation** At June 30, 2004, the School Board is involved in a few matters involving litigation. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

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

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

**NOTE 18 - ON-BEHALF PAYMENTS** 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 \$9,362.00. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

**NOTE 19 - RISK MANAGEMENT** The School Board is at risk for property damage, liability and theft which are covered by insurance policies.

**NOTE 20 - 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 \$12,231,948 to the School Board, which represents approximately 56% of the School Board's total revenue for the year.

**Union Parish School Board**

**REQUIRED SUPPLEMENTAL INFORMATION**

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

**SPECIAL FUNDS** Accounts for various state and federal grants including the following programs:

- Various 8 (G) State Grants
- Title II
- Adult Education
- Classroom – Based Technologies Grant
- Vocational Education
- Job Training Partnership Act (JTPA)
- K-3 Reading Initiative
- Class Size Reduction
- Starting Points Preschool

**DISTRICT A** The district A fund accounts for the proceeds of an ad valorem tax dedicated for maintenance and upkeep of school facilities.

UNION 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	\$ 564,867	\$ 851,846	\$ 877,101	\$ 25,255
Resources (inflows)				
Local sources:				
Ad valorem taxes	598,363	660,000	604,499	(55,501)
Interest earnings	52,000	53,600	53,481	(119)
Other	148,200	170,650	213,804	43,154
State sources:				
Equalization	12,239,311	11,856,336	11,856,292	(44)
Other	215,621	280,378	282,318	1,940
Federal sources	134,000	0	0	0
Transfers from other funds	0	288,400	288,348	(52)
Amounts available for appropriations	<u>13,952,362</u>	<u>14,161,210</u>	<u>14,175,843</u>	<u>14,633</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	6,896,370	6,880,418	6,839,347	41,071
Special education programs	1,342,017	1,354,268	1,353,463	805
Other instructional programs	799,448	749,211	747,949	1,262
Support services:				
Student services	404,515	422,646	421,853	793
Instructional staff support	656,945	694,272	692,874	1,398
General administration	411,852	294,367	293,000	1,367
School administration	824,275	827,036	826,889	147
Business services	158,964	169,039	168,643	396
Plant services	702,786	689,975	688,661	1,314
Student transportation services	1,588,897	1,680,015	1,679,369	646
Central services	46,000	41,000	40,906	94
Food services	0	46,000	45,777	223
Community service programs	2,000	2,000	1,840	160
Capital Outlay	0	0	38,659	(38,659)
Debt service:				
Principal retirement	0	0	0	0
Interest and bank charges	0	0	0	0
Transfers to other funds	6,000	0	0	0
Total charges to appropriations	<u>13,840,069</u>	<u>13,850,247</u>	<u>13,839,230</u>	<u>11,017</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>112,293</u>	\$ <u>310,963</u>	\$ <u>336,613</u>	\$ <u>25,650</u>

UNION PARISH SCHOOL BOARD

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

Exhibit 1-2

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET</u> <u>POSITIVE</u> <u>(NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
Federal sources	871,665	1,093,353	1,093,353	0
Amounts available for appropriations	871,665	1,093,353	1,093,353	0
Charges to appropriations (outflows)				
Instruction:				
Special education programs	594,404	761,341	761,341	0
Support services:				
Instructional staff support	131,282	169,029	169,029	0
General administration	55,700	61,961	61,961	0
Business services	74,695	68,324	68,324	0
Plant services	15,584	32,098	32,098	0
Community service programs	0	600	600	0
Total charges to appropriations	871,665	1,093,353	1,093,353	0
BUDGETARY FUND BALANCES, ENDING	\$ 0	\$ 0	\$ 0	0

**UNION PARISH SCHOOL BOARD**

**SPECIAL FUNDS  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2004**

Exhibit 1-3

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
State sources:				
Other	207,853	264,270	264,270	0
Federal sources	669,438	835,115	835,115	0
Transfers from other funds	0	0	0	0
Amounts available for appropriations	<u>877,291</u>	<u>1,099,385</u>	<u>1,099,385</u>	<u>0</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	67,083	79,331	79,331	0
Special education programs	76,600	27,503	27,504	(1)
Other instructional programs	377,802	468,631	468,631	0
Support services:				
Student services	33,982	29,019	29,019	0
Instructional staff support	324,637	484,173	442,504	41,669
General administration	1,271	10,728	10,727	1
Capital Outlay	0	0	41,669	(41,669)
Transfers to other funds	0	0	0	0
Total charges to appropriations	<u>881,375</u>	<u>1,099,385</u>	<u>1,099,385</u>	<u>0</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>(4,084)</u>	\$ <u>0</u>	\$ <u>0</u>	<u>0</u>



UNION PARISH SCHOOL BOARD

DISTRICT A  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2004

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 479,685	\$ 479,684	\$ 479,684	0
Resources (inflows)				
Local sources:				
Ad valorem taxes	131,317	151,000	150,866	(134)
Interest earnings	10,155	4,100	4,045	(55)
Other	0	4,300	4,300	0
State sources:				
Other	25,434	25,585	25,584	(1)
Federal sources	4,699	0	0	0
Transfers from other funds	700,490	500,650	500,646	(4)
Amounts available for appropriations	1,351,780	1,165,319	1,165,125	(194)
Charges to appropriations (outflows)				
Support services:				
General administration	5,078	5,386	5,386	0
Business services	0	2,270	2,151	119
Plant services	1,180,423	1,095,124	929,293	165,831
Central services	0	0	0	0
Capital Outlay	0	0	192,582	(192,582)
Total charges to appropriations	1,185,501	1,102,780	1,129,412	(26,632)
BUDGETARY FUND BALANCES, ENDING	\$ 166,279	\$ 62,539	\$ 35,713	(26,826)

**Union Parish School Board  
Notes to the Budgetary Comparison Schedule  
For the Year Ended June 30, 2003**

**A. BUDGETS**

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

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

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

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

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

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS**

The following major fund had actual expenditures over budgeted expenditures for the year ended June 30, 2004:

<u>Major Funds</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
District A	\$ 1,102,780	\$ 1,129,412	\$ 26,632

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

**UNION PARISH SCHOOL BOARD**  
**Notes to Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2004**

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

	<b>GENERAL</b>	<b>DISTRICT A</b>
	<b>FUND</b>	<b>DISTRICT A</b>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 14,175,843	\$ 1,165,125
 The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	 (877,101)	 (479,684)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	 (288,348)	 (500,646)
 Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>13,010,394</u>	 <u>184,795</u>
 <u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	13,839,230	1,129,412
 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>\$ 13,839,230</u>	 <u>\$ 1,129,412</u>

---

**Union Parish School Board**

**SUPPLEMENTAL INFORMATION**

---

**Union Parish School Board**

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

UNION PARISH SCHOOL BOARD  
**NONMAJOR GOVERNMENTAL FUNDS**  
 Combining Balance Sheet - By Fund Type  
 June 30, 2004

Exhibit 2

	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 383,616	\$ 0	\$ 383,616
Receivables	643,642	0	643,642
Interfund receivables	0	0	0
Inventory	<u>33,483</u>	<u>0</u>	<u>33,483</u>
<b>TOTAL ASSETS</b>	<u>1,060,741</u>	<u>0</u>	<u>1,060,741</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts, salaries and other payables	78,597	0	78,597
Interfund payables	626,839	0	626,839
Deferred revenue	<u>57,186</u>	<u>0</u>	<u>57,186</u>
<b>Total Liabilities</b>	<u>762,622</u>	<u>0</u>	<u>762,622</u>
<i>Fund Balances:</i>			
Reserved for inventory	23,277	0	23,277
Reserved for debt service	0	0	0
Unreserved and undesignated	<u>274,842</u>	<u>0</u>	<u>274,842</u>
<b>Total Fund Balances</b>	<u>298,119</u>	<u>0</u>	<u>298,119</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,060,741</u>	<u>\$ 0</u>	<u>\$ 1,060,741</u>

**UNION 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	DEBT SERVICE	TOTAL
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 0	\$ 225	\$ 225
Sales and use	3,311,638	0	3,311,638
Interest earnings	17,113	3,607	20,720
Food services	238,649	0	238,649
Other	35,717	0	35,717
State sources:			
Equalization	375,656	0	375,656
Other	150,957	0	150,957
Federal sources			
	2,084,566	0	2,084,566
Total Revenues	6,214,296	3,832	6,218,128
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	1,470,240	0	1,470,240
Special education programs	786,448	0	786,448
Other instructional programs	513,335	0	513,335
Support services:			
Student services	83,225	0	83,225
Instructional staff support	270,147	0	270,147
General administration	158,424	0	158,424
School administration	129,125	0	129,125
Business services	13,067	0	13,067
Plant services	141,387	0	141,387
Student transportation services	204,186	0	204,186
Central services	1,069	0	1,069
Food services	2,145,653	0	2,145,653
Community service programs	0	0	0
Capital outlay	92,956	0	92,956
Debt service:			
Principal retirement	0	0	0
Interest and bank charges	0	0	0
Total Expenditures	6,009,262	0	6,009,262
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>			
	\$ 205,034	\$ 3,832	\$ 208,866

(CONTINUED)

**UNION 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**

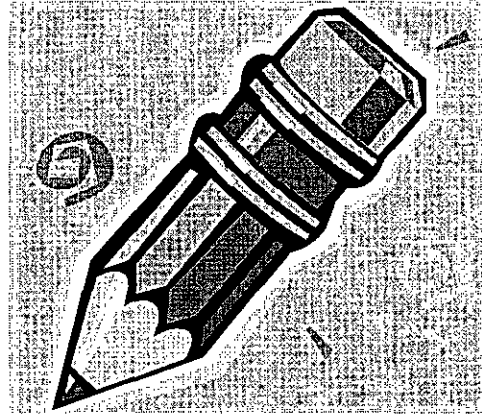
Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	TOTAL
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 0	\$ 0	\$ 0
Transfers out	(500,646)	(288,348)	(788,994)
 Total Other Financing Sources (Uses)	(500,646)	(288,348)	(788,994)
 Net Change in Fund Balances	(295,612)	(284,516)	(580,128)
 FUND BALANCES - BEGINNING	593,731	284,516	878,247
 FUND BALANCES - ENDING	\$ 298,119	\$ 0	\$ 298,119

(CONCLUDED)



**Union Parish School Board**



**Union Parish School Board**

**COMBINING  
NONMAJOR GOVERNMENTAL FUNDS**

**Union Parish School Board**

**Nonmajor Special Revenue Funds**

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

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

**TITLE IV** To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

**TITLE V** This program is designed to assist state and local educational agencies in the reform of elementary and secondary education.

**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, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

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.

**8G INNOVATIVE PROFESSIONAL DEVELOPMENT PROGRAM** This grant was designed to provide computer-assisted instruction to staff in order for them to have a working knowledge of using the Internet in the classroom.

**SPECIAL EDUCATION**

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

**STATE GRANTS** To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

**1979 SALES TAX** The sales tax fund accounts for a one percent sales tax to be used to pay salaries and retirement benefits for school teachers and other school employees and/or to maintain and operate school buildings, facilities, and equipment. The School Board is the centralized sales tax collection agency for all taxing authorities in the parish. As a result, the School Board receives a fee of one percent of collections for performing the duties of the collection agency. The costs of collecting and administering the tax are paid from the fund.

**2001 SALES TAX** The 2001 sales tax fund accounts for a one percent sales tax, 85% is to be used for paying salaries and benefits of teachers and other school employees and 15% is to be used for constructing, improving, maintaining and operating public schools, including authority to fund a portion of the sales tax into bonds. The School Board is the centralized sales tax collection agency for all taxing authorities in the parish. As a result, the School Board receives a fee of one percent of collections for performing the duties of the collection agency. The costs of collecting and administering the tax are paid from the fund.

**Union Parish School Board**

**Nonmajor Special Revenue Funds**

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

The Summer Food Service Program for Children provides nonprofit food service program for needy children during the summer months and at other approved times when area schools are closed for vacation.

UNION PARISH SCHOOL BOARD  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 Combining Balance Sheet  
 June 30, 2004

	TITLE II	TITLE III	TITLE IV	TITLE V
<b>ASSETS</b>				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Receivables	134,208	6,783	713	3,678
Interfund receivable	0	0	0	0
Inventory	0	0	0	0
 Total Assets	134,208	6,783	713	3,678
 <b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Accounts, salaries and other payables	1,371	5,278	0	3,472
Interfund payable	132,837	1,505	713	206
Deferred revenue	0	0	0	0
 Total Liabilities	134,208	6,783	713	3,678
 <b>Fund Equity</b>				
<b>Fund Balances:</b>				
Reserved for inventory	0	0	0	0
Unreserved and undesignated	0	0	0	0
 Total Equity	0	0	0	0
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 134,208</b>	<b>\$ 6,783</b>	<b>\$ 713</b>	<b>\$ 3,678</b>

Exhibit 4

ADULT EDUCATION	8G	SPECIAL EDUCATION	1979 SALES TAX	2001 SALES TAX	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 0	240	\$ 140,630	\$ 137,147	\$ 105,599	383,616
20,176	70,775	137,435	134,837	134,836	201	643,642
0	0	0	0	0	0	0
0	0	0	0	0	33,483	33,483
<u>20,176</u>	<u>70,775</u>	<u>137,675</u>	<u>275,467</u>	<u>271,983</u>	<u>139,283</u>	<u>1,060,741</u>
0	0	14,641	0	0	53,835	78,597
20,176	70,775	76,054	143,186	141,363	40,024	626,839
0	0	46,980	0	0	10,206	57,186
<u>20,176</u>	<u>70,775</u>	<u>137,675</u>	<u>143,186</u>	<u>141,363</u>	<u>104,065</u>	<u>762,622</u>
0	0	0	0	0	23,277	23,277
0	0	0	132,281	130,620	11,941	274,842
0	0	0	132,281	130,620	35,218	298,119
<u>\$ 20,176</u>	<u>\$ 70,775</u>	<u>\$ 137,675</u>	<u>\$ 275,467</u>	<u>\$ 271,983</u>	<u>\$ 139,283</u>	<u>\$ 1,060,741</u>

**UNION PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2004**

	<u>TITLE II</u>	<u>TITLE III</u>	<u>TITLE IV</u>	<u>TITLE V</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Sales and use	\$ 0	\$ 0	\$ 0	\$ 0
Interest earnings	0	0	0	0
Food services	0	0	0	0
Other	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	0	0	0	0
Federal sources	<u>325,862</u>	<u>15,328</u>	<u>14,480</u>	<u>22,944</u>
 Total revenues	 <u>325,862</u>	 <u>15,328</u>	 <u>14,480</u>	 <u>22,944</u>
 <b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	0	0	0	0
Special Programs	0	0	0	0
Other instructional programs	232,994	0	0	0
Support services:				
Student services	0	0	14,209	0
Instructional staff support	74,797	14,824	0	21,661
General administration	18,071	504	284	1,283
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
Central services	0	0	0	0
Food services	0	0	0	0
Community service programs	0	0	0	0
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total expenditures	 <u>325,862</u>	 <u>15,328</u>	 <u>14,493</u>	 <u>22,944</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER EXPENDITURES</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(13)</u>	<u>\$ 0</u>

Exhibit 5

ADULT EDUCATION	8G	SPECIAL EDUCATION	1979 SALES TAX	2001 SALES TAX	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 0	\$ 0	\$ 1,657,650	\$ 1,653,988	\$ 0	3,311,638
0	0	0	6,341	6,605	4,167	17,113
0	0	0	0	0	238,649	238,649
0	0	0	34,047	0	1,670	35,717
0	0	0	0	0	375,656	375,656
0	139,532	11,425	0	0	0	150,957
38,668	0	534,585	0	0	1,132,699	2,084,566
<u>38,668</u>	<u>139,532</u>	<u>546,010</u>	<u>1,698,038</u>	<u>1,660,593</u>	<u>1,752,841</u>	<u>6,214,296</u>
0	7,783	0	714,538	747,919	0	1,470,240
0	0	453,022	161,976	171,450	0	786,448
35,596	110,944	0	65,359	68,442	0	513,335
0	0	0	33,600	35,416	0	83,225
3,072	20,805	25,220	54,700	55,068	0	270,147
0	0	30,472	94,673	13,137	0	158,424
0	0	0	63,033	66,092	0	129,125
0	0	176	6,283	6,608	0	13,067
0	0	7,899	65,730	67,758	0	141,387
0	0	0	99,467	104,719	0	204,186
0	0	0	1,069	0	0	1,069
0	0	0	116,878	125,265	1,903,510	2,145,653
0	0	0	0	0	0	0
0	0	29,221	0	0	63,735	92,956
<u>38,668</u>	<u>139,532</u>	<u>546,010</u>	<u>1,477,306</u>	<u>1,461,874</u>	<u>1,967,245</u>	<u>6,009,262</u>
\$ 0	\$ 0	\$ 0	\$ 220,732	\$ 198,719	\$ (214,404)	\$ 205,034

(CONTINUED)



UNION PARISH SCHOOL BOARD  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2004

	<u>TITLE II</u>	<u>TITLE III</u>	<u>TITLE IV</u>	<u>TITLE V</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	(13)	0
FUND BALANCES - BEGINNING	<u>0</u>	<u>0</u>	<u>13</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Exhibit 5

ADULT EDUCATION	8G	SPECIAL EDUCATION	1979 SALES TAX	2001 SALES TAX	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
0	0	0	(250,608)	(250,038)	0	(500,646)
0	0	0	(250,608)	(250,038)	0	(500,646)
0	0	0	(29,876)	(51,319)	(214,404)	(295,612)
0	0	0	162,157	181,939	249,622	593,731
\$ 0	\$ 0	\$ 0	\$ 132,281	\$ 130,620	\$ 35,218	\$ 298,119

(CONCLUDED)

**Union 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. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

**SALES TAX COLLECTION FUND** The sales tax collection agency accounts for monies collected on behalf of the other taxing authorities in Union Parish. Upon receipts of sales tax returns and monies, the School Board issues checks to other taxing authorities periodically throughout each month.

UNION PARISH SCHOOL BOARD

AGENCY FUNDS  
 Combining Schedule of Changes in Assets and Liabilities  
 For the Year Ended June 30, 2004

Exhibit 6

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 301,436	\$ 915,161	\$ 880,512	\$ 336,085
LIABILITIES				
Deposits due others	301,436	915,161	880,512	336,085
*****SALES TAX COLLECTION FUND*****				
ASSETS				
Cash and cash equivalents	0	8,036,861	8,036,861	0
LIABILITIES				
Deposits due others	0	8,036,861	8,036,861	0
*****TOTAL*****				
ASSETS				
Cash and cash equivalents	301,436	8,952,022	8,917,373	336,085
LIABILITIES				
Deposits due others	\$ 301,436	\$ 8,952,022	\$ 8,917,373	\$ 336,085

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

Exhibit 7

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
BERNICE HIGH	\$ 59,834	\$ 73,615	\$ 79,771	\$ 53,678
DOWNSVILLE HIGH	61,017	186,227	163,810	83,434
FARMERVILLE ELEMENTARY	20,725	91,407	90,460	21,672
FARMERVILLE HIGH	15,600	184,514	177,641	22,473
FARMERVILLE MIDDLE	58,000	94,303	85,404	66,899
LILLIE MIDDLE	393	41,915	38,076	4,232
LINVILLE HIGH	38,597	102,930	113,630	27,897
MARION HIGH	3,686	20,908	20,622	3,972
ROCKY BRANCH ELEMENTARY	39,842	40,312	31,505	48,649
SPEARSVILLE HIGH	<u>3,742</u>	<u>79,030</u>	<u>79,593</u>	<u>3,179</u>
Total	<u>\$ 301,436</u>	<u>\$ 915,161</u>	<u>\$ 880,512</u>	<u>\$ 336,085</u>

**UNION PARISH SCHOOL BOARD**  
**SALES TAX COLLECTION AGENCY FUND -**  
**Schedule of Changes in Deposits Due Others**  
**For the Year Ended June 30, 2004**

Exhibit 8

DEPOSIT BALANCE AT BEGINNING OF YEAR		\$ <u>          0</u>
ADDITIONS		
Sales tax collections		<u>8,036,861</u>
DEDUCTIONS		
Transfer to general fund - sales tax collection fee		39,991
Payments to:		
Union Parish Sheriff		1,646,540
Union Parish School Board		3,337,639
Union Parish Police Jury		1,656,678
Town of Farmerville		908,403
Town of Bernice		215,497
Town of Marion		167,855
Village of Junction City		8,866
Audit fee (sales tax vendors)		51,822
Other expenses		<u>3,570</u>
Total deductions		<u>8,036,861</u>
DEPOSIT BALANCE AT END OF YEAR		\$ <u>          0</u>

UNION PARISH SCHOOL BOARD

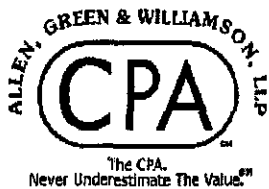
GENERAL

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

Exhibit 9

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$550 per month, and the president receives \$600 per month for performing the duties of this office.

MR. HOWARD ALLEN, PRESIDENT	\$	7,200
MR. MICHAEL HOLLEY		6,600
MR. GLYN NALE		6,900
MS. MARCIA HARRELL		6,600
MR. ROBERT C. JAMES, JR.		6,600
MR. RONNIE JONES		6,600
MR. MARCUS WADE WATLEY		6,600
MS. BARBARA YARBROUGH		6,600
MR. CHARLIE ALBRITTON		<u>6,600</u>
TOTAL	\$	<u>60,300</u>



# 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) 388-4684

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  
Union Parish School Board  
Farmerville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Parish School Board, as of and for the year ended June 30, 2004, which collectively comprise the School Boards' basic financial statements, and have issued our report thereon dated December 22, 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.

### 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 opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### Management Letter Items

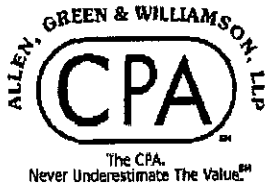
However, we noted certain matters, which we have reported to management of the School Board in a separate letter dated December 22, 2004.

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 22, 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](http://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 Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board Members  
Union Parish School Board  
Farmerville, Louisiana

### Compliance

We have audited the compliance of the Union 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 No. 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.

### 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 22, 2004

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

**Exhibit 8**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Expenditures
<b>CASH FEDERAL AWARDS</b>			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
National School Lunch Program	10.555	NONE	\$ 715,301
School Breakfast Program	10.553	NONE	305,738
Summer Feeding Program for Children	10.559	NONE	19,591
Total United States Department of Agriculture			<u>1,040,630</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Adult Educaiton - State Grant Program	84.002	04-21-56	38,668
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010	04-TI-56	1,093,353
Title II (Improving Teacher Quality State Grants)	84.367	04-50-56-II	325,862
Title III	84.365A	28-04-60-56	15,328
Title IV (Safe and Drug Free Schools)	84.186	04-70-56-D	14,480
Title V	84.298A	04-80-56	22,944
Special Education:			
Grants to States (Part B)	84.027	04-BI-56	514,499
Preschool Grants	84.173	04-PI-56	20,086
Vocational Education: Basic Grants to States	84.048	SB-56/00-04	55,926
Class Size Reduction	84.340	04-01-56-6	56,423
Rural Education Achievement Program (REAP)	84.358	04-RE-56	56,219
Enhancing Education through Technology (Ed-Tech) State Program	84.318	280449-56	15,356
TLCF - First Technology Grant	84.318X	04-03-56	198,378
Assistive Tech Grant Region 8	84.027A	28-04-B6-56	91,733
Plato	84.UKN	NONE	198,700
Total United States Department of Education			<u>2,717,955</u>
United States Department of Health and Human Services			
Passed through the Louisiana Department of Education			
Child Care and Development Block Grant (Starting Points Preschool)	93.575	280138-56	58,717
TANF - PreGed/Skills Option Program	93.558	280436-56	28,486
TANF - Strategies to empower people (STEP)	93.558	2804EP-56	1,649
United States Department of Labor			
Passed Through Union Community Action Association:			
Workforce Investment Act	17.259	82-01-Y-04	73,528
<b>TOTAL CASH FEDERAL AWARDS</b>			<u><u>3,920,965</u></u>
<b>NONCASH FEDERAL AWARDS</b>			
United States Department of Agriculture and Forestry:			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution Program (Commodities)	10.550	NONE	92,069
<b>TOTAL FEDERAL AWARDS</b>			<u><u>\$ 4,013,034</u></u>

**Union Parish School Board**  
**Notes to the Schedule of Expenditures of Federal Awards**

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

**NOTE 2 - BASIS OF ACCOUNTING** The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's financial statements.

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

		<u>Federal Sources</u>
Special Funds		\$ 835,115
Vocational Education	\$ 55,926	
Class Size Reduction	56,423	
Rural Education Achievement Program (REAP)	56,219	
Enhancing Education Through Technology	15,356	
First Technology Grant	198,378	
Assistive Tech Grant Region 8	91,733	
Plato	198,700	
TANF	88,852	
Workforce investment	73,528	
Other Governmental Funds		3,177,919
Title I	1,093,353	
Title II	325,862	
Title III	15,328	
Title IV	14,480	
Title V	22,944	
Adult Education	38,668	
Special Education	534,585	
School Food Service	1,132,699	
Total		<u>\$ 4,013,034</u>

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

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

**NOTE 6 - NONCASH PROGRAMS** The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**Union Parish School Board  
Farmerville, Louisiana**

**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 no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no 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 no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:

CFDA #84.010	Title I Grants to Local Educational Agencies
Special Education Cluster	
CFDA #84.027	Grants to States - IDEA Part B
CFDA #84.173	Preschool Grants
- 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.

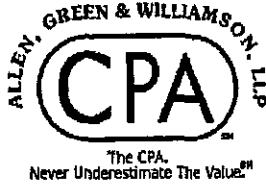
**Union Parish School Board  
Farmerville, Louisiana**

**Summary Schedule of Prior Year Findings  
June 30, 2004**

**Finding reference # and title: 03-F1      Request for Reimbursement**

**Condition found:** According to the Louisiana State Department of Education (LDOE) Guidelines for State and Federal Flow Through Funds "Each recipient may request only actual expenditures for which a check has been issued. Salaries and fringe benefits are the only exception of this policy." In testing claims for reimbursement Allen, Green & Williamson, LLP noted nine instances where funds were requested for reimbursement before the program costs were paid.

**Corrective action taken:** We have hired a new employee to help with the processing of requests for reimbursement during the year. We paid expenditures before requests for reimbursement were made and sent to the appropriate Agency.



# 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](http://www.allengreencpa.com)

Tim Green, CPA

Margie Williamson, CPA

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

## Management Letter

Board Members  
Union Parish School Board  
Farmerville, Louisiana

In planning and performing our audit of the financial statements of the Union Parish School Board, Farmerville, Louisiana for the year ended June 30, 2004, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated December 22, 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 response has also been included. We have performed no audit work to verify the content of the responses.

### 04-M1 Student Activity Funds

**Comment:** One school was visited in the current year. During the visit an overall review of Student Activity Fund policies and procedures was performed as well as testing of receipts, disbursements, and bank reconciliations. The following are exceptions noted:

- **Bank Reconciliations:** Three reconciliations were tested. These reconciliations include three checks which have been outstanding since 2002.
- **Receipts:** Ten receipts were tested. Four exceptions were noted where deposits were not made timely. None of the individual receipts within the deposit could be traced to the general ledger. Of the total 10 receipts selected for testing at this school, none of the individual receipts within the deposit could be traced to their related support such as a teacher or office log/receipt, concessions inventory or admission ticket reconciliation.
- **Disbursements:** Ten disbursements were selected for testing. Three exceptions were noted where the original invoice was not provided to support the check. Nine exceptions were noted where there was no indication of approval from the principal.

**Recommendation:** Adequate documentation should be retained for receipts and disbursements.

**Management's response:** Training will continue to be provided to school secretaries with additional emphasis placed on proper procedures. Most secretaries are overloaded with daily office responsibilities and some consideration has been given to this; however, we do realize that policies and procedures must be in place and followed. Administration has been doing a yearly internal procedural audit, but we will visit schools and check their records twice this next year. One visit will be announced and one will not. We will continue our meetings and offer assistance to the school listed to assure that sound accounting methods are followed.

**04-M2 Fixed Assets**

**Comment:** Two schools were visited in the current year. During the visit twenty capitalized assets were selected from each school, ten items were selected from the capital asset listing and traced to the capital asset at the school and while at the school ten capital assets were selected on site and traced back to the listing. The following are exceptions noted:

- Five exceptions were noted where the capitalized asset could not be traced from the listing to the asset at the school.
- Six exceptions were noted where the asset could not be traced from the school to the listing.

**Recommendation:** The School Board should work with the individual schools to assure that the capital assets on school property are included on the capital asset listing.

**Management's response:** Fixed assets will continue to be monitored and additional time and effort will be necessary to assure that each item is tagged and added to the listing. Principals will be instructed to name a person or persons at their school that can work closely with this office to assure compliance. More focus also needs to be placed on the procedure for deletion of an item or items.

**04-M3 Declining Fund Balance**

**Comment:** The fund balance of the general fund has experienced decreases over the past several years. The deficiencies for the past four years are as follows:

Fiscal year ended June 30, 2001	(535,404)
Fiscal year ended June 30, 2002	(574,037)
Fiscal year ended June 30, 2003	(282,425)
Fiscal year ended June 30, 2004	(540,488)

During this time period revenues have averaged \$13,008,195 while expenses have averaged \$13,491,283. These deficiencies have left the fund balance for the general fund at \$336,613 at June 30, 2004. If the current trend continues, the fund balance of the general fund will be depleted by the year ended June 30, 2005.

**Recommendation:** The broad solutions are that revenues must increase or expenditures must decrease. Once the budget for expenditures has been reduced to the minimum, the revenues must be increased. The above trend of deficiencies cannot continue. At the present rate, the School Board fund balance for the general fund will be depleted by the end of fiscal year 2005.

**Management's response:** The Board has been informed of the declining fund balance. Administration has been concerned for several years that if additional revenues were not reused and/or expenditures significantly reduced that all funds would be depleted. The Board and management have made every effort to reduce expenditures by carefully monitoring staffing but this alone will not correct our fund balance. Meetings are in process to determine what type of tax needs to be proposed along with some consolidation. This has proved to be a difficult task, as we must assure that the students of Union Parish will have a sound educational system. A possible April 2, 2005 election date is currently anticipated.

\*\*\*\*\*

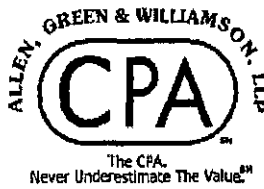
Our audit procedures are designed primarily to enable us to form opinions on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

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.

*Allen, Green + Williamson, LLP*  
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 22, 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](http://www.allengreencpa.com)

Tim Green, CPA

Margie Williamson, CPA

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

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members  
Union Parish School Board  
Farmerville, 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 Union Parish School Board, Farmerville, 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 numbers that we determined for the various education levels and experience levels using October 1 PEP report do not agree with schedules 2 and 4; the total number of principals per the schedules was 12, while per the October 1 PEP report the total number of Principals were 11.

**Management's Response:** The numbers from the 10-1 PEP report are the correct numbers. An error was made while compiling the schedules. A change in principals occurred before 10-1 and in error one person was counted as a principal that should not have been. This employee began the year as principal (temporary) and when the permanent principal was hired we failed to count correctly on the schedule. Additional review will be done in the future to eliminate this problem.

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

Public Staff Data (Schedule 5)

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

**Comment:** 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 Union 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 22, 2004

Schedule 1

**UNION PARISH SCHOOL BOARD**  
**Farmerville, 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	\$7,336,324.00	
Other Instructional Staff Activities	511,362.00	
Employee Benefits	2,623,437.00	
Purchased Professional and Technical Services	6,680.00	
Instructional Materials and Supplies	340,756.00	
Instructional Equipment	<u>0.00</u>	
Total Teacher and Student Interaction Activities		\$10,818,559.00

Other Instructional Activities 8,083.00

Pupil Support Activities	490,867.00	
Less: Equipment for Pupil Support Activities	<u>0.00</u>	
Net Pupil Support Activities		490,867.00

Instructional Staff Services	802,643.00	
Less: Equipment for Instructional Staff Services	<u>0.00</u>	
Net Instructional Staff Services		<u>802,643.00</u>

Total General Fund Instructional Expenditures \$12,120,152.00

Total General Fund Equipment Expenditures \$ 24,559.00

**Certain Local Revenue Sources**

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 316,306.00
Renewable Ad Valorem Tax	439,058.00
Debt Service Ad Valorem Tax	227.00
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	45,903.00
Sales and Use Taxes	<u>3,337,615.00</u>
Total Local Taxation Revenue	<u>\$ 4,139,109.00</u>

Local Earnings on Investment in Real Property:

Earnings from 16 <sup>th</sup> Section Property	\$ 6,569.00
Earnings from Other Real Property	<u>10,935.00</u>
Total Local Earnings on Investment in Real Property	<u>\$ 17,504.00</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 53,634.00
Revenue Sharing - Other Taxes	74,459.00
Revenue Sharing - Excess Portion	1,401.00
Other Revenue in Lieu of Taxes	<u>0.00</u>
Total State Revenue in Lieu of Taxes	<u>\$ 129,494.00</u>

Nonpublic Textbook Revenue	<u>\$ 0.00</u>
Nonpublic Transportation Revenue	<u>\$ 0.00</u>

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**  
**Education Levels of Public School Staff**  
**As of October 1, 2003**

Category	224 Full-time Classroom Teachers				12 Principals & Assistant Principals			
	Certificated		Uncertificated		11 Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	133	64.25	15	88.24	0	16.67		
Master's Degree	41	19.81	2	11.76	2	66.66		
Master's Degree + 30	32	15.46			8	16.67		
Specialist in Education	1	.48			2			
Ph. D. or Ed. D.								
<b>Total</b>	<b>207</b>	<b>100</b>	<b>17</b>	<b>100</b>	<b>12</b>	<b>100</b>	<b>100</b>	<b>100</b>

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

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

Type	Number
Elementary	2
Middle/Jr. High	2
Secondary	1
Combination	5
<b>Total</b>	<b>10</b>

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

---

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

**Experience of Public Principals and Full-time Classroom Teachers**  
**As of October 1, 2003**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25 + Yrs.	<b>Total</b>
Assistant Principals								
Principals			1	2	2		7	12
Classroom Teachers	23	28	57	24	23	28	41	224
<b>Total</b>	23	28	58	26	25	28	48	236

Schedule 5

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

**Public School Staff Data**  
**For the Year ended June 30, 2004**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Retired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$33,317.53	\$33,100.13
Average Classroom Teachers' Salary Excluding Extra Compensation	\$32,953.63	\$32,718.03
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	231	220

**Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.**



**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2003**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	62.8	91	36.6	53	.7	1		
Elementary Activity Classes								
Middle/ Jr. High	42.0	73	55.2	96	1.2	2	1.7	3
Middle/ Jr. High Activity Classes								
High	40.7	48	44.1	52	12.7	15	2.5	3
High Activity Classes								
Combination	64.4	235	29.0	106	5.8	21	.8	3
Combination Activity Classes								

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

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

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

District Achievement Level Results Students	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	4	1	0	0	6	2	1	0	2	1	5	2
Mastery	35	13	20	7	22	7	31	11	22	7	30	10
Basic	117	42	115	39	134	44	105	38	116	39	111	36
Approaching Basic	66	24	88	30	109	36	86	31	83	28	89	29
Unsatisfactory	56	20	71	24	35	11	55	20	71	24	77	25
Total	278		294		306		278		294		312	

District Achievement Level Results Students	English Language Arts						Mathematics					
	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	1	0	5	2	2	1	2	1
Mastery	28	10	19	7	34	13	12	4	5	2	7	3
Basic	93	34	98	36	94	37	142	46	111	38	108	41
Approaching Basic	100	36	105	39	90	35	69	22	58	20	71	27
Unsatisfactory	53	19	49	18	36	14	79	26	120	41	78	29
Total	274		271		255		307		296		266	

**UNION PARISH SCHOOL BOARD**  
Farmerville, 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	
<b>Grade 10</b>													
Advanced	4	2	0	0	1	0	13	6	9	4	5	2	
Mastery	33	15	20	8	24	12	20	9	28	11	25	11	
Basic	89	89	87	37	101	49	93	40	89	35	89	40	
Approaching Basic	52	23	68	29	46	22	50	22	52	20	41	18	
Unsatisfactory	49	22	61	26	36	17	56	24	79	31	64	29	
<b>Total</b>	<b>227</b>		<b>236</b>		<b>208</b>		<b>232</b>		<b>257</b>		<b>224</b>		

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	
<b>Grade 11</b>													
Advanced	3	2	0	0	3	2	0	0	1	1	0	0	
Mastery	24	17	17	10	26	14	17	9	17	9	10	5	
Basic	79	40	69	39	74	39	92	46	73	41	89	52	
Approaching Basic	59	30	55	31	44	23	53	27	50	88	54	28	
Unsatisfactory	34	17	37	21	45	23	37	19	39	22	29	15	
<b>Total</b>	<b>199</b>		<b>178</b>		<b>192</b>		<b>199</b>		<b>180</b>		<b>192</b>		

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

The IOWA Tests  
For the Year Ended June 30, 2004

	Composite		
	2004	2003	2002
<b>Test of Basic Skills (ITBS)</b>			
Grade 3	52	58	50
Grade 5	54	51	45
Grade 6	43	42	47
Grade 7	44	45	42
<b>Tests of Educational Development (ITED)</b>			
Grade 9	38	43	40

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.