

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

**Annual Financial Report  
As of and for the Year Ended June 30, 2006**

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 2-7-07

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

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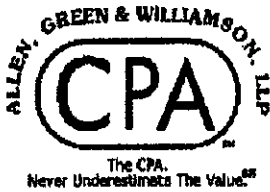
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**East Carroll Parish School Board  
Annual Financial Report**

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## INDEPENDENT AUDITORS' REPORT

Board Members  
East Carroll Parish School Board  
Lake Providence, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the East Carroll Parish School Board, as of and for the year ended June 30, 2006, which collectively comprise the School Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School Board as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2006, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

*Allen, Green + Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2006

**REQUIRED SUPPLEMENTAL INFORMATION:**

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

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

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Our discussion and analysis of East Carroll Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2006. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

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

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

**FUND FINANCIAL STATEMENTS** Total revenues for all governmental funds decreased \$206,201. The fund balances of all governmental funds decreased \$115,686. The fund balance of the general fund increased \$759,795. Total expenditures in the general fund decreased \$690,866 mainly because fewer expenses were incurred on building improvements and there was a loss of teachers. Capital outlay expenditures decreased \$200,456 because there were no major projects for the fiscal year.

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

The Child Nutrition fund balance decreased by \$702.

The Other Miscellaneous fund balance increased \$1,105.

Other governmental fund balance decreased \$12,631.

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

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

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

**Basic Financial Statements**

**Government-wide Financial Statements** ↔ **Fund Financial Statements**

**Notes to the Basic Financial Statements**

**Required Supplemental Information  
Budgetary Information for Major Funds**

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

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

**Reporting the School Board as a Whole**

*The Statement of Net Assets and the Statement of Activities*

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

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

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

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

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

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

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

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

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

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

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

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

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

**THE SCHOOL BOARD AS A WHOLE** The School Board's net assets were \$8,844,984 at June 30, 2006. Of this amount \$221,418 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

**Table 1**  
**Net Assets**  
**June 30**

	<u>2006</u>	<u>Governmental Activities 2005</u>	<u>Variance</u>
Current and other assets	\$4,910,110	\$ 5,853,650	\$(943,540)
Capital assets	<u>7,307,308</u>	<u>6,893,330</u>	<u>413,978</u>
Total assets	<u>12,217,418</u>	<u>12,746,980</u>	<u>(529,562)</u>
Current and other liabilities	1,272,873	2,064,186	791,313
Long-term liabilities	<u>2,099,561</u>	<u>2,239,903</u>	<u>140,342</u>
Total liabilities	<u>3,372,434</u>	<u>4,304,089</u>	<u>931,655</u>
Net assets			
Invested in capital assets, net of debt	5,639,308	5,111,330	527,978
Restricted	2,984,258	2,427,321	556,937
Unrestricted	<u>221,418</u>	<u>904,240</u>	<u>(682,822)</u>
Total net assets	<u>\$ 8,844,984</u>	<u>\$ 8,442,891</u>	<u>\$ 402,093</u>

The \$221,418 in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its noncapital liabilities such as compensated absences, there would be \$221,418 left.

The net assets of the School Board increased by \$402,093 due mainly due to an increase in expenses spread over several functions.

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

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

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

	<u>2006</u>	<u>2005</u>	<u>Variance</u>
Net Assets - beginning	\$ 8,442,891	\$ 9,037,110	\$ (594,219)
<b>Revenues:</b>			
Program revenues			
Charges for services	26,164	26,409	(245)
Federal grants	3,295,288	3,738,420	(443,132)
State grants and entitlements	594,126	455,020	139,106
General Revenues			
Ad valorem taxes	410,562	383,186	27,376
Sales taxes	1,404,383	1,400,953	3,430
State minimum foundation program	8,063,557	8,094,241	(30,684)
Other general revenues	<u>565,807</u>	<u>467,859</u>	<u>97,948</u>
Total revenues	<u>14,359,887</u>	<u>14,566,088</u>	<u>(206,201)</u>
<b>Functions/Program Expenses:</b>			
Instruction			
Regular programs	4,936,702	5,839,744	903,042
Special programs	1,095,630	1,252,595	156,965
Other instructional programs	1,596,652	1,766,061	169,409
Support services			
Student services	459,632	519,342	59,710
Instructional staff support	570,833	665,106	94,273
General administration	423,340	367,665	(55,675)
School administration	1,007,015	823,431	(183,584)
Business services	459,170	432,278	(26,892)
Plant services	1,467,086	1,532,781	65,695
Student transportation services	722,417	707,917	(14,500)
Central services	0	494	494
Food Services	1,128,246	1,214,549	86,303
Community Service Programs	0	4,960	4,960
Interest and bank charges	<u>91,071</u>	<u>33,384</u>	<u>(57,687)</u>
Total expenses	<u>13,957,794</u>	<u>15,160,307</u>	<u>1,202,513</u>
<b>Increase (decrease) in net assets</b>	<u>402,093</u>	<u>(594,219)</u>	<u>996,312</u>
Net Assets - ending	<u>\$ 8,844,984</u>	<u>\$ 8,442,891</u>	<u>\$ 402,093</u>

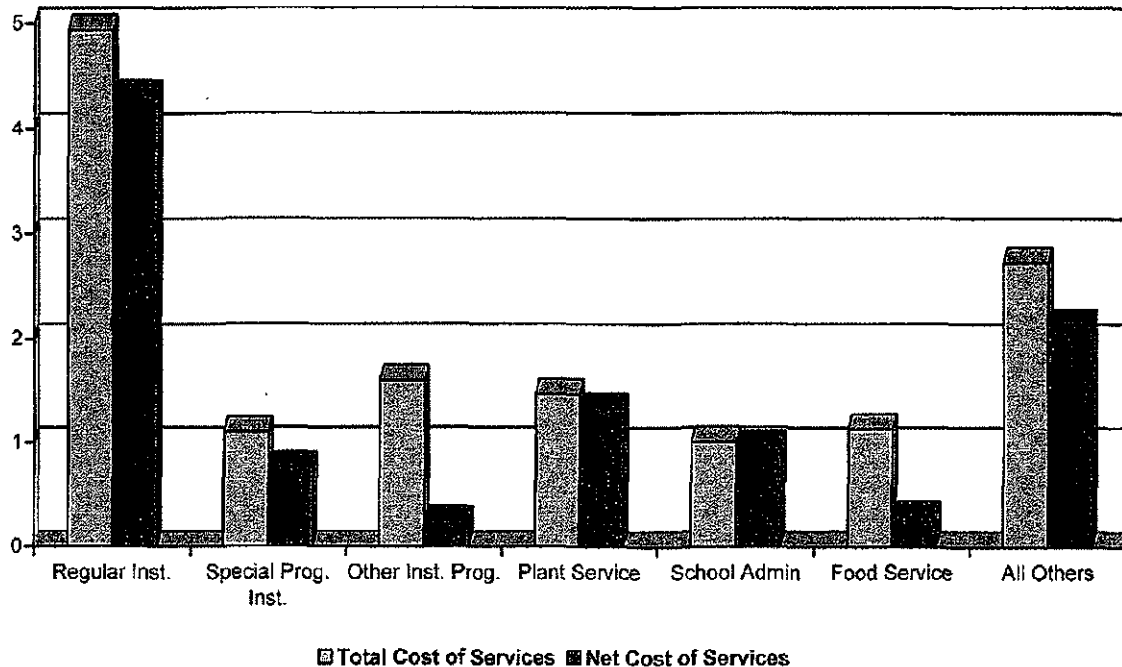
In the table below we have presented the cost of each of the School Board's six largest functions – regular programs, special programs, other instructional programs, plant services, school administration and food services as well as each program's net cost (total cost less revenues generated by the activities).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

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

	<u>Year Ended June 30, 2006</u>		<u>Year Ended June 30, 2005</u>	
	<u>Governmental Activities</u>		<u>Governmental Activities</u>	
	<u>Total Cost</u>	<u>Net Cost</u>	<u>Total Cost</u>	<u>Net Cost</u>
	<u>of Services</u>	<u>of Services</u>	<u>of Services</u>	<u>of Services</u>
Regular programs instruction	\$ 4,936,702	\$ 4,309,146	\$ 5,839,744	\$ 5,070,477
Special programs instruction	1,095,630	758,938	1,252,595	84,118
Other instructional programs	1,596,652	245,180	1,766,061	1,287,968
Plant services	1,467,086	1,327,016	1,532,781	1,258,165
School administration	1,007,015	969,953	823,431	803,358
Food services	1,128,246	292,344	1,214,549	413,246
All others	<u>2,726,463</u>	<u>2,139,639</u>	<u>2,731,146</u>	<u>2,023,126</u>
Totals	<u>\$13,957,794</u>	<u>\$10,042,216</u>	<u>\$15,160,307</u>	<u>\$10,940,458</u>

2006

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



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

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

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** At June 30, 2006, the School Board had \$7,307,308 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of just over \$413,978 or six percent, from last year.

**Capital Assets at June 30, 2006**

	<u>2006</u>	<u>Governmental Activities 2005</u>	<u>Variance</u>
Land	\$ 318,180	\$ 318,180	\$ 0
Construction in progress	0	937,027	(937,027)
Buildings and improvements	6,271,569	4,777,848	1,493,721
Furniture and equipment	<u>717,559</u>	<u>860,275</u>	<u>(142,716)</u>
Totals	<u>\$7,307,308</u>	<u>\$6,893,330</u>	<u>\$ 413,978</u>

**Debt Administration** At June 30, 2006, the School Board had \$1,668,000 in a certificate of indebtedness outstanding maturing in 2019 with a 5.375% interest rate.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** The General Fund Budget increased for the 2006-2007 due to an increase in MFP.

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

**East Carroll Parish School Board**

**BASIC FINANCIAL STATEMENTS:**

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

**EAST CARROLL PARISH SCHOOL BOARD**

**STATEMENT OF NET ASSETS  
June 30, 2006**

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,356,192
Investments	171,837
Receivables, net	1,375,278
Inventory	6,803
Capital assets:	
Land and construction in progress	318,180
Depreciable capital assets, net of depreciation	<u>6,989,128</u>
<b>TOTAL ASSETS</b>	<u><b>12,217,418</b></u>
<b>LIABILITIES</b>	
Accounts, salaries and other payables	1,202,785
Interest payable	69,867
Unearned revenue	221
Long-term liabilities	
Due within one year	304,972
Due in more than one year	<u>1,794,589</u>
<b>TOTAL LIABILITIES</b>	<u><b>3,372,434</b></u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	5,639,308
Restricted for:	
Salary enhancements	366,865
Salary enhancements and construction and maintenance	2,617,393
Unrestricted	<u>221,418</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$ 8,844,984</b></u>

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

**EAST CARROLL PARISH SCHOOL BOARD**

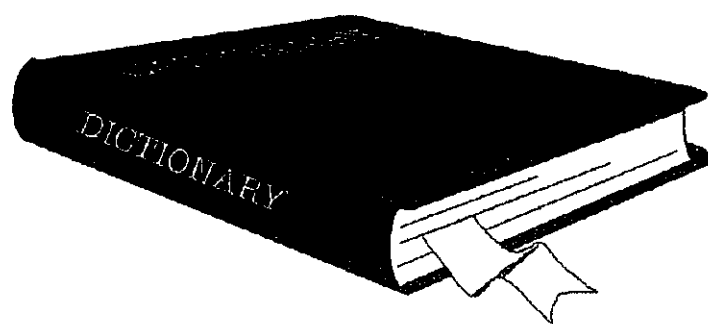
**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2006**

Statement B

	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<b>FUNCTIONS/PROGRAMS</b>				
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 4,936,702		\$ 627,556	\$ (4,309,146)
Special programs	1,095,630		336,692	(758,938)
Other instructional programs	1,596,652		1,351,472	(245,180)
Support services:				
Student services	459,632		133,757	(325,875)
Instructional staff support	570,833		327,324	(243,609)
General administration	423,340		59,704	(363,636)
School administration	1,007,015		37,062	(969,953)
Business services	459,170		20,889	(438,281)
Plant services	1,467,086		140,070	(1,327,016)
Student transportation services	722,417		45,150	(677,267)
Food services	1,128,246	26,164	809,738	(292,344)
Interest and bank charges	91,071	0	0	(91,071)
<b>Total Governmental Activities</b>	<b>13,957,794</b>	<b>26,164</b>	<b>3,889,414</b>	<b>10,042,216</b>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				410,582
Sales taxes, levied for general purposes				1,404,383
State revenue sharing				38,613
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				8,083,557
Interest and investment earnings				169,638
Miscellaneous				357,556
<b>Total general revenues</b>				<b>10,444,309</b>
<b>Changes in net assets</b>				<b>402,093</b>
<b>Net assets - beginning</b>				<b>8,442,891</b>
<b>Net assets - ending</b>				<b>\$ 8,844,984</b>

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

**East Carroll Parish School Board**



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

**EAST CARROLL PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2008**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>CHILD NUTRITION</u>	<u>OTHER MISCELLANEOUS</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,729,418	\$ 166,031	\$ 68,414	\$ 111,283
Investments	171,837	0	0	0
Receivables	221,637	567,983	0	297,631
Interfund receivables	1,701,773	0	9,988	0
Inventory	<u>0</u>	<u>0</u>	<u>6,803</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u><b>4,824,665</b></u>	<u><b>734,014</b></u>	<u><b>85,205</b></u>	<u><b>408,914</b></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	944,359	101,406	76,884	33,600
Interest payable	0	0	0	0
Interfund payable	52,917	632,608	255,957	371,557
Unearned revenue	<u>0</u>	<u>0</u>	<u>221</u>	<u>0</u>
<b>Total Liabilities</b>	<u><b>997,276</b></u>	<u><b>734,014</b></u>	<u><b>333,062</b></u>	<u><b>405,157</b></u>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Inventory	0	0	6,582	0
Salary enhancements	366,865	0	0	0
Salary enhancements and construction and maintenance	2,617,393	0	0	0
<b>Unreserved, reported in:</b>				
General Fund - Undesignated	843,131	0	0	0
Special Revenue	0	0	(254,439)	3,757
Capital Projects	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances</b>	<u><b>3,827,389</b></u>	<u><b>0</b></u>	<u><b>(247,857)</b></u>	<u><b>3,757</b></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><b>\$ 4,824,665</b></u>	<u><b>\$ 734,014</b></u>	<u><b>\$ 85,205</b></u>	<u><b>\$ 408,914</b></u>

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

Statement C

ENERGY PERFORMANCE	OTHER GOVERNMENTAL	TOTAL
\$ 12,390	\$ 268,656	\$ 3,356,192
0	0	171,837
0	286,027	1,375,278
0	42,929	1,754,690
0	0	6,803
<u>12,390</u>	<u>599,612</u>	<u>6,664,800</u>
12,390	34,146	1,202,785
0	0	0
0	441,651	1,754,690
0	0	221
<u>12,390</u>	<u>475,797</u>	<u>2,957,696</u>
0	0	6,582
0	0	366,865
0	0	2,617,393
0	0	843,131
0	47,316	(203,366)
0	76,499	76,499
<u>0</u>	<u>123,815</u>	<u>3,707,104</u>
<u>\$ 12,390</u>	<u>\$ 599,612</u>	<u>\$ 6,664,800</u>

**EAST CARROLL PARISH SCHOOL BOARD**

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Assets  
June 30, 2006**

**Statement D**

Total fund balances - governmental funds \$ 3,707,104

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

Costs of capital assets	\$ 12,846,771	
Depreciation expense to date	<u>(5,539,463)</u>	
		7,307,308

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

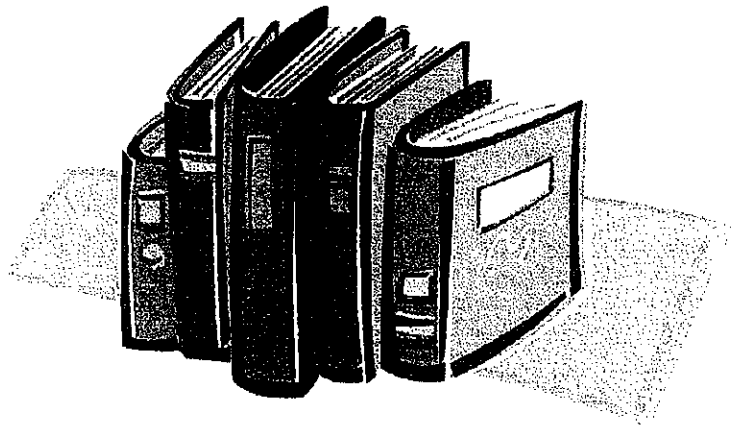
Balances at June 30, 2006 are:

Long-term liabilities		
Compensated absences payable	(431,561)	
Certificate of indebtedness	(1,668,000)	
Interest payable	<u>(69,867)</u>	
		<u>(2,169,428)</u>

Net Assets - Governmental Activities \$ 8,844,984

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

**East Carroll Parish School Board**



**EAST CARROLL PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
June 30, 2006**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>CHILD NUTRITION</u>	<u>OTHER MISCELLANEOUS</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 410,562	\$ 0	\$ 0	\$ 0
Sales and use	1,404,383	0	0	0
Interest earnings	157,797	0	3,113	0
Food services	0	0	26,164	0
Other	325,260	0	32,296	0
State sources:				
Equalization	7,857,322	0	206,235	0
Other	295,880	0	0	146,071
Federal sources	0	1,251,762	807,007	300,649
<b>Total Revenues</b>	<u>10,451,204</u>	<u>1,251,762</u>	<u>1,074,815</u>	<u>446,720</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	4,252,971	0	0	252,713
Special programs	731,741	0	0	0
Other instructional programs	338,617	926,016	0	16,847
Support services:				
Student services	291,454	0	0	108,821
Instructional staff support	225,951	198,158	0	52,651
General administration	358,600	43,749	0	724
School administration	987,611	0	0	9,781
Business services	455,586	0	0	0
Plant services	1,122,270	83,779	0	0
Student transportation services	660,188	0	0	4,078
Central services	0	0	0	0
Food services	38,048	60	1,075,517	0
Capital outlay	52,445	0	0	0
Debt Service:				
Interest and bank charges	163,537	0	0	0
<b>Total Expenditures</b>	<u>9,679,019</u>	<u>1,251,762</u>	<u>1,075,517</u>	<u>445,615</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 772,185</u>	<u>\$ 0</u>	<u>\$ (702)</u>	<u>\$ 1,105</u>

Statement E

<u>ENERGY</u>	<u>OTHER</u>	<u>TOTAL</u>
<u>PERFORMANCE</u>	<u>GOVERNMENTAL</u>	
\$ 0	\$ 0	\$ 410,562
0	0	1,404,383
5,612	3,116	169,638
0	0	26,164
0	0	357,556
0	0	8,083,557
4,240	186,548	632,739
<u>0</u>	<u>935,870</u>	<u>3,295,288</u>
<u>9,852</u>	<u>1,125,534</u>	<u>14,359,887</u>
0	328,330	4,834,014
0	316,525	1,048,266
0	314,479	1,595,959
0	25,616	425,891
0	94,073	570,833
0	10,651	413,724
0	375	997,767
0	3,584	459,170
0	20,546	1,226,595
0	22,545	686,811
0	0	0
0	1,441	1,115,066
880,501	0	932,946
<u>4,994</u>	<u>0</u>	<u>168,531</u>
<u>885,495</u>	<u>1,138,165</u>	<u>14,475,573</u>
<u>\$ (875,643)</u>	<u>\$ (12,631)</u>	<u>\$ (115,686)</u>

(CONTINUED)

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 June 30, 2006

	<u>GENERAL</u>	<u>TITLE I</u>	<u>CHILD NUTRITION</u>	<u>OTHER MISCELLANEOUS</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Transfers out	(12,390)	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<u>(12,390)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<b>759,795</b>	<b>0</b>	<b>(702)</b>	<b>1,105</b>
<b>FUND BALANCES - BEGINNING</b>	<u>3,067,594</u>	<u>0</u>	<u>(247,155)</u>	<u>2,652</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 3,827,389</u>	<u>\$ 0</u>	<u>\$ (247,857)</u>	<u>\$ 3,757</u>

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

Statement E

<u>ENERGY</u> <u>PERFORMANCE</u>	<u>OTHER</u> <u>GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 12,390	\$ 0	\$ 12,390
<u>0</u>	<u>0</u>	<u>(12,390)</u>
<u>12,390</u>	<u>0</u>	<u>0</u>
(863,253)	(12,631)	(115,686)
<u>863,253</u>	<u>138,446</u>	<u>3,822,790</u>
<u>\$ 0</u>	<u>\$ 123,815</u>	<u>\$ 3,707,104</u>

(CONCLUDED)

**EAST CARROLL PARISH SCHOOL BOARD**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended June 30, 2006**

**Statement F**

Total net change in fund balances - governmental funds \$ (115,686)

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

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

Depreciation expense	\$ ( 954,896)	
<u>Capital outlays</u>	<u>1,416,491</u>	461,595

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 \$217,972 exceeded the amounts earned \$191,631 by \$26,341.

26,341

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

Costs of assets scrapped	\$517,894	
<u>Accumulated depreciation</u>	<u>(470,277)</u>	

Net loss (47,617)

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

114,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

(36,540)

Change in net assets of governmental activities

\$ 402,093

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

**EAST CARROLL PARISH SCHOOL BOARD**  
**FIDUCIARY FUND**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**June 30, 2006**

**Statement G**

	<u><b>AGENCY FUND</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>180,980</u>
<b>Total assets</b>	<u>180,980</u>
<b>LIABILITIES</b>	
Deposits due others	<u>180,980</u>
<b>Total liabilities</b>	<u>\$ 180,980</u>

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

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

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

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

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

The School Board operates six schools within the parish with a total enrollment of approximately 1,619 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

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

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

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

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

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

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

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

**Other Miscellaneous**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Fund Financial Statements (FFS)**

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

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

**Revenues**

**Ad valorem and sales taxes** are susceptible to accrual.

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

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

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

**Expenditures**

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

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

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

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

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

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

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

**Definitions:**

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

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

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

Inventory of the child nutrition special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. Unused commodities at June 30, 2006, are reported as deferred revenue. All purchased inventory items are valued at cost (first in, first out) and commodities are assigned values provided by the United States Department of Agriculture.

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

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

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

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

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

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

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

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

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

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

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

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

**L. FUND EQUITY OF FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

**O. BUDGETS**

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

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

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

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

**East Carroll 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.

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

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

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

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

**A. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES**

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2006:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Child Nutrition	\$997,900	\$1,075,517	\$77,617

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

**B. DEFICIT FUND BALANCES** The following funds have a deficit in the fund balance at June 30, 2006:

<u>Fund</u>	<u>Deficit Amount</u>
Child Nutrition	\$247,857
TANF	4,293

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

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

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

Property Tax Calendar

Millage rates adopted	August 2005
Levy date	August 2005
Tax bills mailed	On or about November 1, 2005
Due date	December 31, 2005
Lien date	January 1, 2006

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2005. Total assessed value was \$34,697,504 in calendar year 2005. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,228,686 of the assessed value in calendar year 2005.

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

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

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2006 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 2006 taxes is included on the accompanying balance sheet because it is not available within 60 days of the School Board's year-end.

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

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

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
<b>Parish-wide taxes:</b>			
Constitutional	6.73	6.73	9/2006
Maintenance and operation	6.98	6.98	9/2006

**NOTE 4 - DEPOSITS AND INVESTMENTS** At June 30, 2006, the School Board has cash and cash equivalents (book balances) as follows:

<b>Interest-bearing demand deposits:</b>	
Statement A	\$3,356,192
Statement G	180,980
Time Deposits (Statement A)	<u>171,837</u>
Total deposits	3,709,009
Less: Time deposits classified as investments	<u>(171,837)</u>
Total cash and cash equivalents	<u>\$3,537,172</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the School Board's carrying amount of deposits was \$3,709,009 and the bank balance was \$4,657,113. Of the bank balance, \$300,000 is covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). \$4,357,113 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3).

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

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

**Custodial Credit Risk-Deposits:** In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2006 the School Board's balance of \$4,657,113 was exposed to custodial credit risk because \$4,357,113 of it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School Board's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon request.

**Custodial Credit Risk-Investments:** For an investment, this is the risk that, in the event of the failure of the counter party, the School Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School Board does maintain investment accounts at a financial institution. As of June 30, 2006 the School Board had \$171,837 in certificates of deposit which are insured by the FDIC for \$100,000. The remaining \$71,837 is collateralized by securities which are not in the School Board's name.

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

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 5 - RECEIVABLES** The receivables at June 30, 2006, are as follows:

	<u>General</u>	<u>Title I</u>	<u>Other Miscellaneous</u>	<u>Other Governmental</u>	<u>Total</u>
<b>Taxes:</b>					
Sales tax	\$ 140,415	\$ 0	\$ 0	\$ 0	\$ 140,415
<b>Intergovernmental - grants:</b>					
Federal	0	567,983	253,717	251,915	1,073,615
State	46,131	0	43,914	36,070	126,115
Other	35,091	0	0	42	35,133
<b>Total</b>	<b><u>\$ 221,637</u></b>	<b><u>\$ 567,983</u></b>	<b><u>\$ 297,631</u></b>	<b><u>\$ 288,027</u></b>	<b><u>\$ 1,375,278</u></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, 2006 is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
<b>Governmental activities</b>				
<b>Non depreciable capital assets</b>				
Land	\$ 318,180	\$ 0	\$ 0	\$ 318,180
Construction in Progress	937,027	880,501	1,817,528	0
<b>Capital assets</b>				
<b>Depreciable</b>				
Buildings and improvements	8,125,987	1,817,528	182,257	9,761,258
Furniture and equipment	2,566,980	535,990	335,637	2,767,333
<b>Total</b>	<b><u>11,948,174</u></b>	<b><u>3,234,019</u></b>	<b><u>2,335,422</u></b>	<b><u>12,846,771</u></b>
<b>Less accumulated depreciation</b>				
Buildings	3,348,139	296,637	155,087	3,489,689
Furniture and equipment	1,706,705	658,259	315,190	2,049,774
<b>Total</b>	<b><u>5,054,844</u></b>	<b><u>954,896</u></b>	<b><u>470,277</u></b>	<b><u>5,539,463</u></b>
<b>Governmental activities</b>				
<b>Capital assets, net</b>	<b><u>\$ 6,893,330</u></b>	<b><u>\$ 2,279,123</u></b>	<b><u>\$ 1,865,145</u></b>	<b><u>\$ 7,307,308</u></b>

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

Depreciation expense was charged to governmental activities as follows:

	<u>Amount</u>
Regular programs	\$ 606,181
Special programs	64,469
Other instructional programs	26,485
Instructional staff support	2,224
General Administration	14,973
School administration	35,814
Business services	3,611
Plant services	7,989
Student transportation services	68,202
Food services	61,445
Student services	63,503
Total depreciation expense	\$ 954,896

**NOTE 7 - RETIREMENT SYSTEMS**

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

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

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

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

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

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

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

Teachers' Retirement System of Louisiana  
Post Office Box 94123  
Baton Rouge, Louisiana 70804-9123  
(225) 925-6446

Louisiana School Employees' Retirement System  
Post Office Box 44516  
Baton Rouge, Louisiana 70804  
(225) 925-6484

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

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

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2006, are as follows:

	Employee	Employer
Louisiana Teachers' Retirement System:		
Regular	8.00%	15.90%
Plan A	9.10%	15.90%
Louisiana School Employees' Retirement System	7.50%	18.40%

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 2006, amounted to \$6,509,891, \$40,837 and \$585,501, respectively. Employer contributions for the year ended June 30, 2006, and each of the two preceding years are as follows:

	.....TRS.....		.....LSERS.....	
Fiscal Year Ended	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid
June 30, 2004	\$ 1,220,155	90.59	\$ 106,989	59.34
June 30, 2005	1,267,218	79.52	101,099	84.22
June 30, 2006	1,161,101	89.71	102,887	105.49

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, 2006. Each annual actuarially required contribution for the year ended June 30, 2006, is based upon each plan's annual financial report for the year ended June 30, 2005, which is the latest information available.

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

**NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS** The East Carroll Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees are provided through Blue Cross/Blue Shield. The cost of benefits for retirees is paid jointly by the employee and the School Board. The School Board's portion of the cost for 2006 totaled \$256,854 for 125 retirees, and was recognized as an expenditure when the monthly premium was paid.

**NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES** The payables at June 30, 2006, are as follows:

	General	Title I	Child Nutrition	Other Miscellaneous	Energy Performance	Other Governmental	Total
Salaries	\$ 830,550	\$ 101,406	\$ 68,546	\$ 23,285	\$ 0	\$ 25,664	\$ 1,049,451
Accounts	113,809	0	8,338	10,315	12,390	8,482	153,334
Total	<u>\$ 944,359</u>	<u>\$ 101,406</u>	<u>\$ 76,884</u>	<u>\$ 33,600</u>	<u>\$ 12,390</u>	<u>\$ 34,146</u>	<u>\$ 1,202,785</u>

**NOTE 10 - COMPENSATED ABSENCES** At June 30, 2006, employees of the School Board have accumulated and vested \$431,561 of employee leave benefits, including \$6,258 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:

	Balance, Beginning	Additions	Reductions	Balance, Ending
Agency funds:				
School activities fund	\$ 118,202	\$ 213,750	\$ 202,427	\$ 129,525
Retirement insurance fund	29,185	183,160	160,890	51,455
Total	<u>\$ 147,387</u>	<u>\$ 396,910</u>	<u>\$ 363,317</u>	<u>\$ 180,980</u>

**NOTE 12 - LONG-TERM LIABILITIES** The following is a summary of the long-term obligation transactions for the year ended June 30, 2006:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
Certificate of indebtedness	\$ 1,782,000	\$ 0	\$ 114,000	\$ 1,668,000	\$ 87,000
Other liabilities:					
Compensated absences	457,902	191,631	217,972	431,561	217,972
Governmental Activities					
Long-term liabilities	<u>\$ 2,239,902</u>	<u>\$ 191,631</u>	<u>\$ 331,972</u>	<u>\$ 2,099,561</u>	<u>\$ 304,972</u>

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

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

The individual bond issues are as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Certificate of Indebtedness	\$1,782,000	5.375%	2019	\$626,402	\$1,668,000
Total				<u>\$626,402</u>	<u>\$1,668,000</u>

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

<u>Year ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2007	\$ 87,000	\$ 76,218	\$ 163,218
2008	92,000	72,186	164,186
2009	96,000	67,994	163,994
2010	100,000	63,586	163,586
2011-2015	575,000	244,939	819,939
2016-2019	718,000	101,479	819,479
Total	<u>\$ 1,668,000</u>	<u>\$ 626,402</u>	<u>\$ 2,294,402</u>

In accordance with the Louisiana Revised Statutes 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess 50% of the assessed value of taxable property. At June 30, 2006, the statutory limit was \$16,902,245 and the outstanding bonded debt totaled \$1,668,000.

**NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)**

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Title I	\$ 632,608
General	Child Nutrition	255,957
General	Other Miscellaneous	371,557
General	Other governmental	441,651
Child Nutrition	General	9,988
Other governmental	General	42,929
Total		<u>\$ 1,754,690</u>

Transfers during the year were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Energy Performance	\$ 12,390	
General Fund		\$ 12,390
Total	<u>\$ 12,390</u>	<u>\$ 12,390</u>

Transfers were made from the General Fund to the Energy Performance Fund to assist with current year expenses.

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

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

**NOTE 15 - LITIGATION AND CLAIMS**

**Litigation** At June 30, 2006, the School Board was involved in various litigation. It is the opinion of the legal advisor for the School Board that the potential loss to the Board would not be material to the financial statements.

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

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

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$15,653. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

**NOTE 17 - RESERVED FUND BALANCES (FFS LEVEL ONLY)**

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

**NOTE 18 - ECONOMIC DEPENDENCY** Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$8,063,557 to the School Board, which represents approximately 56% of the School Board's total revenue for the year.

**REQUIRED SUPPLEMENTAL INFORMATION**  
**BUDGETARY COMPARISON SCHEDULES**

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

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

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

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

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

**OTHER MISCELLANEOUS**

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

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

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

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

EAST CARROLL PARISH SCHOOL BOARD

GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2006

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 3,067,594	\$ 3,067,594	0
<b>Resources (inflows)</b>				
Local sources:				
Ad valorem taxes	381,000	415,519	410,562	(4,957)
Sales and use taxes	1,410,000	1,354,912	1,404,383	49,471
Interest earnings	237,577	263,102	157,797	(105,305)
Other	69,543	133,252	325,260	192,008
State sources:				
Equalization	8,094,241	8,063,557	7,857,322	(206,235)
Other	155,586	243,829	295,880	52,051
Transfers from other funds	382,024	0	0	0
Amounts available for appropriations	10,729,971	13,541,765	13,518,798	22,967
<b>Charges to appropriations (outflows)</b>				
Instruction:				
Regular programs	4,776,838	4,933,011	4,252,971	880,040
Special education programs	979,233	871,572	731,741	139,831
Other instructional programs	347,468	367,592	338,617	28,975
Support services:				
Student services	307,642	344,233	291,454	52,779
Instructional staff support	283,300	200,192	225,951	(25,759)
General administration	282,233	292,593	358,600	(66,007)
School administration	875,600	898,068	987,611	(89,543)
Business services	386,100	393,383	455,586	(62,223)
Plant services	1,159,703	1,170,246	1,122,270	47,976
Student transportation services	685,294	497,581	660,188	(162,607)
Central services	5,500	0	0	0
Food services	0	0	38,048	(38,048)
Community service programs	0	5,500	0	5,500
Capital Outlay	201,420	10,000	52,445	(42,445)
Debt service:				
Principal retirement	0	146,537	163,537	(17,000)
Transfers to other funds	80,000	75,000	12,390	62,610
Total charges to appropriations	10,370,331	10,205,488	9,691,409	514,079
BUDGETARY FUND BALANCES, ENDING	\$ 359,640	\$ 3,336,277	\$ 3,827,389	491,112

**EAST CARROLL PARISH SCHOOL BOARD**

**TITLE I  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2006**

Exhibit 1-2

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
Federal sources	<u>1,468,045</u>	<u>1,682,696</u>	<u>1,251,762</u>	<u>(430,934)</u>
Amounts available for appropriations	<u>1,468,045</u>	<u>1,682,696</u>	<u>1,251,762</u>	<u>(430,934)</u>
Charges to appropriations (outflows)				
Instruction:				
Other instructional programs	1,086,353	1,245,195	926,016	319,179
Support services:				
Instructional staff support	234,887	269,231	198,158	71,073
General administration	44,041	50,481	43,749	6,732
Plant services	102,764	117,649	83,779	33,870
Food services	<u>0</u>	<u>140</u>	<u>60</u>	<u>80</u>
Total charges to appropriations	<u>1,468,045</u>	<u>1,682,696</u>	<u>1,251,762</u>	<u>430,934</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	<u>0</u>

**EAST CARROLL PARISH SCHOOL BOARD**

**CHILD NUTRITION  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2006**

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	\$ 25,205	\$ 25,205	(\$ 247,155)	(\$ 272,360)
Resources (inflows)				
Local sources:				
Interest earnings	1,000	1,600	3,113	1,513
Food services	25,624	22,302	26,164	3,862
Other	70,000	75,000	32,296	(42,704)
State sources:				
Equalization	164,671	164,671	206,235	41,564
Federal sources	751,000	751,000	807,007	56,007
Transfers from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amounts available for appropriations	<u>1,037,500</u>	<u>1,039,778</u>	<u>827,660</u>	<u>(212,118)</u>
Charges to appropriations (outflows)				
Support services:				
Food services	997,900	997,900	1,075,517	(77,617)
Transfers to other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total charges to appropriations	<u>997,900</u>	<u>997,900</u>	<u>1,075,517</u>	<u>(77,617)</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>39,600</u>	\$ <u>41,878</u>	(\$ <u>247,857</u> )	(\$ <u>289,735</u> )

**EAST CARROLL PARISH SCHOOL BOARD**

**OTHER MISCELLANEOUS  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2006**

Exhibit 1-4

	<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	\$ 2,652	\$ 2,652	\$ 2,652	0
Resources (inflows)				
State sources:				
Other	146,071	146,071	146,071	0
Federal sources	300,649	300,649	300,649	0
Transfers from other funds	0	0	0	0
	<u>449,372</u>	<u>449,372</u>	<u>449,372</u>	<u>0</u>
<i>Amounts available for appropriations</i>				
Charges to appropriations (outflows)				
Instruction:				
Regular programs	252,713	252,713	252,713	0
Other instructional programs	16,847	16,847	16,847	0
Support services:				
Student services	108,821	108,821	108,821	0
Instructional staff support	52,651	52,651	52,651	0
General administration	724	724	724	0
School administration	9,781	9,781	9,781	0
Student transportation services	4,078	4,078	4,078	0
Transfers to other funds	0	0	0	0
	<u>445,615</u>	<u>445,615</u>	<u>445,615</u>	<u>0</u>
<i>Total charges to appropriations</i>				
BUDGETARY FUND BALANCES, ENDING	\$ <u>3,757</u>	\$ <u>3,757</u>	\$ <u>3,757</u>	<u>0</u>

**East Carroll Parish School Board**  
**Notes to the Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2006**

**A. BUDGETS**

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

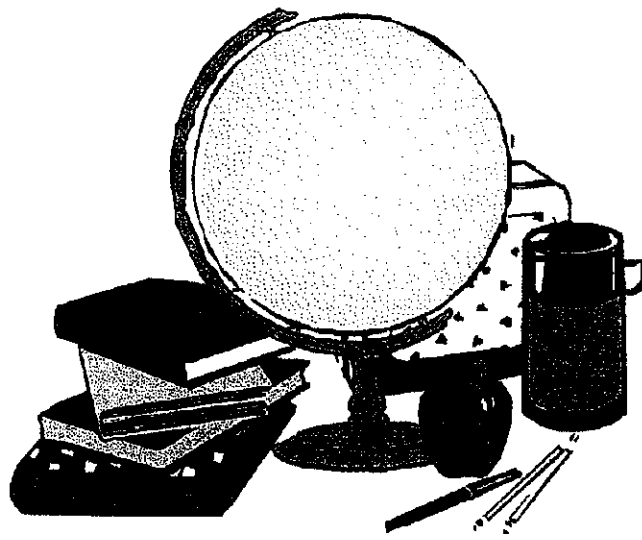
**Budget Basis of Accounting** All Budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt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

**B. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES**

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2006:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Child Nutrition	\$997,900	\$1,075,517	\$77,617

**East Carroll Parish School Board**



**EAST CARROLL PARISH SCHOOL BOARD**

**Notes to Budgetary Comparison Schedules  
For the Year Ended June 30, 2006**

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

	<u>GENERAL</u>	
	<u>FUND</u>	<u>TITLE I</u>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 13,518,798	\$ 1,251,762
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(3,067,594)	0
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>0</u>	<u>0</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>10,451,204</u>	<u>1,251,762</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	9,679,019	1,251,762
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>\$ 9,679,019</u>	<u>\$ 1,251,762</u>

<u>CHILD</u>	<u>OTHER</u>
<u>NUTRITION</u>	<u>MISCELLANEOUS</u>
\$ 827,660	\$ 449,372
247,155	(2,852)
<u>0</u>	<u>0</u>
<u>1,074,815</u>	<u>446,720</u>
1,075,517	445,815
<u>0</u>	<u>0</u>
<u>\$ 1,075,517</u>	<u>\$ 445,615</u>

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

**EAST CARROLL PARISH SCHOOL BOARD**

**NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet - By Fund Type  
June 30, 2006**

Exhibit 2

	<u>SPECIAL</u>	<u>CAPITAL</u>	
	<u>REVENUE</u>	<u>PROJECTS</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 192,157	\$ 76,499	\$ 268,656
Receivables	288,027	0	288,027
Interfund receivables	<u>42,929</u>	<u>0</u>	<u>42,929</u>
<b>TOTAL ASSETS</b>	<u>523,113</u>	<u>76,499</u>	<u>599,612</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts, salaries and other payables	34,146	0	34,146
Interfund payables	<u>441,651</u>	<u>0</u>	<u>441,651</u>
<b>Total Liabilities</b>	<u>475,797</u>	<u>0</u>	<u>475,797</u>
<b>Fund Balances:</b>			
Unreserved, reported in			
Special Revenue	47,316	0	47,316
Capital Projects	<u>0</u>	<u>76,499</u>	<u>76,499</u>
<b>Total Fund Balances</b>	<u>47,316</u>	<u>76,499</u>	<u>123,815</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 523,113</u>	<u>\$ 76,499</u>	<u>\$ 599,612</u>

**EAST CARROLL PARISH SCHOOL BOARD**

**NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances - By Fund Type  
For the Year Ended June 30, 2006**

Exhibit 3

	<u>SPECIAL</u> <u>REVENUE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Local sources:			
Taxes:			
Interest earnings	\$ 28	\$ 3,088	\$ 3,116
State sources:			
Other	186,548	0	186,548
Federal sources	<u>935,870</u>	<u>0</u>	<u>935,870</u>
 Total Revenues	 <u>1,122,446</u>	 <u>3,088</u>	 <u>1,125,534</u>
 <b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	328,330	0	328,330
Special programs	316,525	0	316,525
Other instructional programs	314,479	0	314,479
Support services:			
Student services	25,616	0	25,616
Instructional staff support	94,073	0	94,073
General administration	10,651	0	10,651
School administration	375	0	375
Business services	3,584	0	3,584
Plant services	20,546	0	20,546
Student transportation services	22,545	0	22,545
Food services	1,441	0	1,441
Debt service	<u>0</u>	<u>0</u>	<u>0</u>
 Total Expenditures	 <u>1,138,165</u>	 <u>0</u>	 <u>1,138,165</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 (15,719)	 3,088	 (12,631)
 FUND BALANCES - BEGINNING	 <u>63,035</u>	 <u>73,411</u>	 <u>136,446</u>
 FUND BALANCES - ENDING	 <u>\$ 47,316</u>	 <u>\$ 76,499</u>	 <u>\$ 123,815</u>

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

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

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

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

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

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

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

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

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

**FAMILY NUTRITION NIGHT** To provide nutritional education to students and families.

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

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

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

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

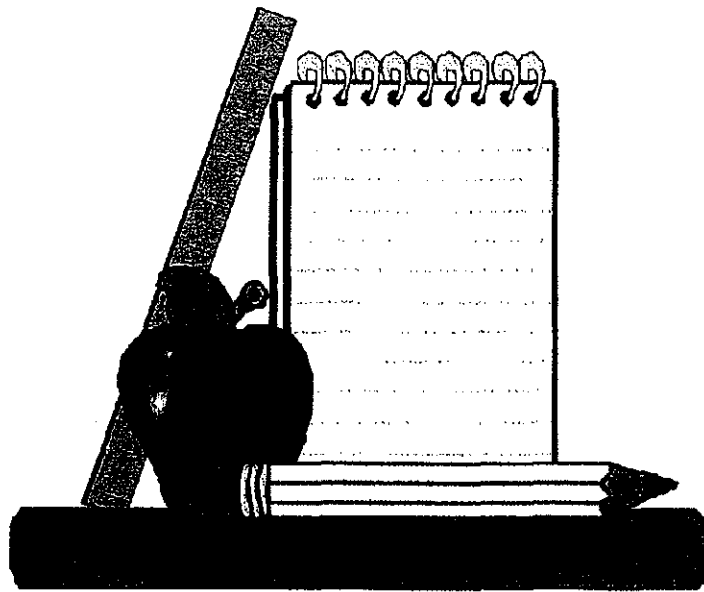
**East Carroll Parish School Board  
Nonmajor Special Revenue Funds**

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

**HERA ASSISTANCE FOR HOMELESS** To provide assistance to homeless youth.

**HURRICANE RELIEF KATRINA/RITA** To provide assistance to displaced students.

**East Carroll Parish School Board**



**EAST CARROLL PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS**

**Combining Balance Sheet**

**June 30, 2006**

	<u>TITLE II</u>	<u>TITLE IV</u>	<u>TITLE V</u>	<u>IDEA</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 50,429	\$ 0	\$ 0	\$ 1,320
Receivables	34,888	9,585	12,108	72,324
Interfund receivable	<u>946</u>	<u>0</u>	<u>0</u>	<u>26,642</u>
<b>TOTAL ASSETS</b>	<b><u>86,263</u></b>	<b><u>9,585</u></b>	<b><u>12,108</u></b>	<b><u>100,286</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	0	5,318	0	2,654
Interfund payable	<u>88,263</u>	<u>4,267</u>	<u>12,108</u>	<u>97,632</u>
<b>Total Liabilities</b>	<b><u>88,263</u></b>	<b><u>9,585</u></b>	<b><u>12,108</u></b>	<b><u>100,286</u></b>
 <b>Fund Balances:</b>				
Unreserved and undesignated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Fund Balances</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 86,263</u></b>	<b><u>\$ 9,585</u></b>	<b><u>\$ 12,108</u></b>	<b><u>\$ 100,286</u></b>

Exhibit 4

<u>PRESCHOOL</u>	<u>ADULT EDUCATION</u>	<u>SUMMER FEEDING</u>	<u>FAMILY NUTRITION NIGHT</u>	<u>RURAL EDUCATION ACHIEVEMENT</u>	<u>VOCATIONAL EDUCATION</u>
\$ 5,022	\$ 7,689	\$ 676	\$ 0	\$ 51,534	\$ 0
0	0	0	1,051	6,809	20,210
0	1,173	7,972	3,463	0	0
<u>5,022</u>	<u>8,862</u>	<u>8,648</u>	<u>4,514</u>	<u>58,343</u>	<u>20,210</u>
0	0	0	0	4,045	126
<u>5,022</u>	<u>8,862</u>	<u>0</u>	<u>4,514</u>	<u>54,298</u>	<u>20,084</u>
<u>5,022</u>	<u>8,862</u>	<u>0</u>	<u>4,514</u>	<u>58,343</u>	<u>20,210</u>
0	0	8,648	0	0	0
0	0	8,648	0	0	0
<u>\$ 5,022</u>	<u>\$ 8,862</u>	<u>\$ 8,648</u>	<u>\$ 4,514</u>	<u>\$ 58,343</u>	<u>\$ 20,210</u>

(Continued)

**EAST CARROLL PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2006**

	<u>8 (g)</u>	<u>TANF</u>	<u>EDUCATIONAL EXCELLENCE</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,029	\$ 0	\$ 64,458
Receivables	36,112	0	0
Interfund receivable	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u>47,141</u>	<u>0</u>	<u>64,458</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts, salaries and other payables	8,495	0	13,508
Interfund payable	<u>38,646</u>	<u>4,293</u>	<u>7,989</u>
<b>Total Liabilities</b>	<u>47,141</u>	<u>4,293</u>	<u>21,497</u>
<b>Fund Balances:</b>			
Unreserved and undesignated	<u>0</u>	<u>(4,293)</u>	<u>42,961</u>
<b>Total Fund Balances</b>	<u>0</u>	<u>(4,293)</u>	<u>42,961</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <u>\$ 47,141</u>	 <u>\$ 0</u>	 <u>\$ 64,458</u>

Exhibit 4

HERA ASSISTANCE FOR HOMELESS	HURRICANE RELIEF KATRINA/RITA	TOTAL
\$ 0	\$ 0	192,157
3,940	91,000	288,027
<u>0</u>	<u>2,733</u>	<u>42,929</u>
<u>3,940</u>	<u>93,733</u>	<u>523,113</u>
0	0	34,146
<u>3,940</u>	<u>93,733</u>	<u>441,651</u>
<u>3,940</u>	<u>93,733</u>	<u>475,797</u>
<u>0</u>	<u>0</u>	<u>47,316</u>
<u>0</u>	<u>0</u>	<u>47,316</u>
<u>\$ 3,940</u>	<u>\$ 93,733</u>	<u>\$ 523,113</u>

(CONCLUDED)

**EAST CARROLL PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2006**

	<u>TITLE II</u>	<u>TITLE IV</u>	<u>TITLE V</u>	<u>IDEA</u>
<b>REVENUES</b>				
Local sources:				
Interest earnings	\$ 0	\$ 0	\$ 0	\$ 0
State sources:				
Other	0	0	0	0
Federal sources	<u>143,726</u>	<u>14,795</u>	<u>38,391</u>	<u>388,138</u>
 Total revenues	 <u>143,726</u>	 <u>14,795</u>	 <u>38,391</u>	 <u>388,138</u>
 <b>EXPENDITURES</b>				
<i>Current:</i>				
Instruction:				
Regular programs	1,230	0	0	0
Special programs	0	0	0	306,262
Other instructional programs	88,667	0	37,219	0
Support services:				
Student services	0	2,201	0	1,203
Instructional staff support	47,125	0	637	48,311
General administration	6,704	253	535	350
School administration	0	0	0	0
Business services	0	0	0	3,584
Plant services	0	12,341	0	8,205
Student transportation services	0	0	0	22,223
Food services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total expenditures	 <u>143,726</u>	 <u>14,795</u>	 <u>38,391</u>	 <u>388,138</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 0	 0	 0	 0
 FUND BALANCES AT BEGINNING OF YEAR	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 FUND BALANCES AT END OF YEAR	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

Exhibit 5

<u>PRESCHOOL</u>	<u>ADULT EDUCATION</u>	<u>SUMMER FEEDING</u>	<u>FAMILY NUTRITION NIGHT</u>	<u>RURAL EDUCATION ACHIEVEMENT</u>	<u>VOCATIONAL EDUCATION</u>
\$ 0	\$ 0	\$ 28	\$ 0	\$ 0	0
0	0	0	0	0	0
<u>10,263</u>	<u>0</u>	<u>0</u>	<u>5,211</u>	<u>74,281</u>	<u>48,625</u>
<u>10,263</u>	<u>0</u>	<u>28</u>	<u>5,211</u>	<u>74,281</u>	<u>48,625</u>
0	0	0	1,115	0	0
10,263	0	0	0	0	0
0	0	0	1,449	71,677	48,625
0	0	0	627	0	0
0	0	0	0	0	0
0	0	0	205	2,604	0
0	0	0	375	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	95	0	0
<u>0</u>	<u>0</u>	<u>96</u>	<u>1,345</u>	<u>0</u>	<u>0</u>
<u>10,263</u>	<u>0</u>	<u>96</u>	<u>5,211</u>	<u>74,281</u>	<u>48,625</u>
0	0	(68)	0	0	0
<u>0</u>	<u>0</u>	<u>8,716</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ 0	\$ 0	\$ 8,648	\$ 0	\$ 0	0

(Continued)

**EAST CARROLL PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2006**

	<u>\$ (a)</u>	<u>TANF</u>	<u>EDUCATIONAL EXCELLENCE</u>
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 0	\$ 0	\$ 0
State sources:			
Other	82,456	0	104,092
Federal sources	<u>0</u>	<u>0</u>	<u>0</u>
 Total revenues	 <u>82,456</u>	 <u>0</u>	 <u>104,092</u>
 <b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	19,327	0	98,158
Special programs	0	0	0
Other instructional programs	62,902	0	0
Support services:			
Student services	0	0	21,585
Instructional staff support	0	0	0
General administration	0	0	0
School administration	0	0	0
Business services	0	0	0
Plant services	0	0	0
Student transportation services	227	0	0
Food services	<u>0</u>	<u>0</u>	<u>0</u>
 Total expenditures	 <u>82,456</u>	 <u>0</u>	 <u>119,743</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 0	 0	 (15,651)
 FUND BALANCES AT BEGINNING OF YEAR	 <u>0</u>	 <u>(4,293)</u>	 <u>58,612</u>
 FUND BALANCES AT END OF YEAR	 <u>\$ 0</u>	 <u>\$ (4,293)</u>	 <u>\$ 42,961</u>

Exhibit 5

HERA ASSISTANCE FOR HOMELESS	HURRICANE RELIEF KATRINA/RITA	TOTAL
\$ 0	\$ 0	28
0	0	186,548
<u>3,940</u>	<u>208,500</u>	<u>935,870</u>
<u>3,940</u>	<u>208,500</u>	<u>1,122,448</u>
0	208,500	328,330
0	0	316,525
3,940	0	314,479
0	0	25,616
0	0	94,073
0	0	10,651
0	0	375
0	0	3,584
0	0	20,546
0	0	22,545
<u>0</u>	<u>0</u>	<u>1,441</u>
<u>3,940</u>	<u>208,500</u>	<u>1,138,165</u>
0	0	(15,719)
<u>0</u>	<u>0</u>	<u>63,035</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>47,316</u>

(Concluded)

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

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

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECTS FUNDS  
 Combining Balance Sheet  
 June 30, 2006

Exhibit 6

	CAPITAL PROJECT	CAPITAL PROJECT LDB	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 48,274	\$ 28,225	\$ 76,499
Interfund receivable	0	0	0
<b>TOTAL ASSETS</b>	<b>48,274</b>	<b>28,225</b>	<b>76,499</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Intefund payable	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>			
Unreserved and undesignated	48,274	28,225	76,499
<b>Total Fund Balances</b>	<b>48,274</b>	<b>28,225</b>	<b>76,499</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 48,274</b>	<b>\$ 28,225</b>	<b>\$ 76,499</b>

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECTS FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes In Fund Balances  
 For the Year Ended June 30, 2006

Exhibit 7

	CAPITAL PROJECT	CAPITAL PROJECT LDB	TOTAL
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 2,013	\$ 1,075	\$ 3,088
Total revenues	<u>2,013</u>	<u>1,075</u>	<u>3,088</u>
<b>EXPENDITURES</b>			
Current:			
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	2,013	1,075	3,088
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>46,281</u>	<u>27,150</u>	<u>73,411</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 48,274</u>	<u>\$ 28,225</u>	<u>\$ 76,499</u>

**East Carroll Parish School Board  
Agency Funds**

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

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

**EAST CARROLL PARISH SCHOOL BOARD**

**AGENCY FUNDS**  
**Combining Schedule of Assets and Liabilities**  
**June 30, 2006**

**Exhibit 8**

	<u>SCHOOL ACTIVITIES FUND</u>	<u>RETIREMENT INSURANCE FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ <u>129,525</u>	\$ <u>51,455</u>	\$ <u>180,980</u>
<b>TOTAL ASSETS</b>	<u>129,525</u>	<u>51,455</u>	<u>180,980</u>
<b>LIABILITIES</b>			
Deposits due others	<u>129,525</u>	<u>51,455</u>	<u>180,980</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 129,525</u>	<u>\$ 51,455</u>	<u>\$ 180,980</u>

**EAST CARROLL PARISH SCHOOL BOARD**

**AGENCY FUNDS**  
**Statement of Changes In Fiduciary Assets and Liabilities**  
**For the Year Ended June 30, 2008**

Exhibit 9

	<u>Balance,</u> <u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>Ending</u>
<b>*****SCHOOL ACTIVITIES FUND*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 118,202	\$ 213,750	\$ 202,427	\$ 129,525
	<u>118,202</u>	<u>213,750</u>	<u>202,427</u>	<u>129,525</u>
<b>LIABILITIES</b>				
Deposits due others	118,202	213,750	202,427	129,525
	<u>118,202</u>	<u>213,750</u>	<u>202,427</u>	<u>129,525</u>
<b>*****RETIREMENT INSURANCE FUND*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	29,185	183,160	160,890	51,455
	<u>29,185</u>	<u>183,160</u>	<u>160,890</u>	<u>51,455</u>
<b>LIABILITIES</b>				
Deposits due others	29,185	183,160	160,890	51,455
	<u>29,185</u>	<u>183,160</u>	<u>160,890</u>	<u>51,455</u>
<b>*****TOTAL AGENCY FUNDS*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	147,387	396,910	363,317	180,980
	<u>147,387</u>	<u>396,910</u>	<u>363,317</u>	<u>180,980</u>
<b>LIABILITIES</b>				
Deposits due others	147,387	396,910	363,317	180,980
	<u>147,387</u>	<u>396,910</u>	<u>363,317</u>	<u>180,980</u>
	\$ 147,387	\$ 396,910	\$ 363,317	\$ 180,980

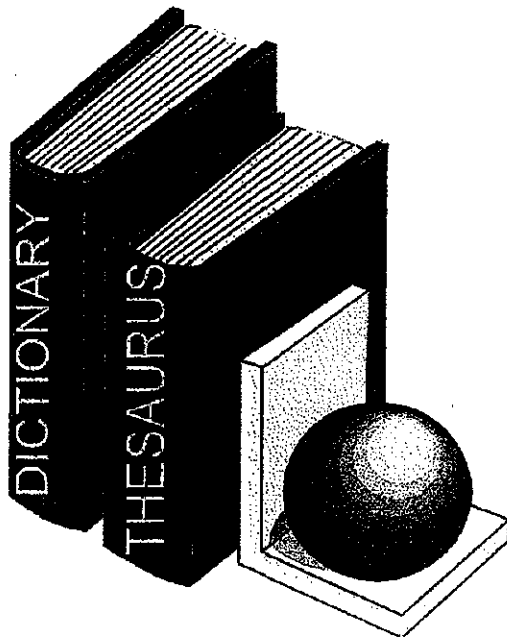
**EAST CARROLL PARISH SCHOOL BOARD**

**SCHOOL ACTIVITIES AGENCY FUND**  
**Schedule of Changes in Deposits Due Others**  
**For the Year Ended June 30, 2006**

**Exhibit 10**

<b>SCHOOL</b>	<b>Balance, <u>Beginning</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b>Balance, <u>Ending</u></b>
Lake Providence Junior High	\$ 53,847	\$ 31,413	\$ 21,337	\$ 63,923
Lake Providence Senior High	4,481	75,561	73,189	6,853
Monticello High	25,320	54,552	56,573	23,299
Northside Elementary	3,980	12,689	10,460	6,209
Southside Elementary	<u>30,574</u>	<u>39,535</u>	<u>40,868</u>	<u>29,241</u>
<b>Total</b>	<b><u>\$ 118,202</u></b>	<b><u>\$ 213,750</u></b>	<b><u>\$ 202,427</u></b>	<b><u>\$ 129,525</u></b>

**East Carroll Parish School Board**



**East Carroll Parish School Board  
General**

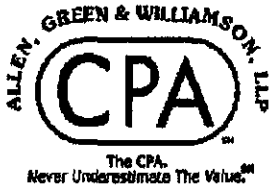
**Exhibit 11**

**Schedule of Compensation Paid Board Members  
For The Year Ended June 30, 2006**

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

<u>Board Member</u>	<u>Actual Salary</u>
Glenn Dixon, President	\$ 8,450
Gene Edmondson, Vice President	7,850
Ralph Coleman	7,975
Harriet Bridges	8,025
Evangelia Fields-Combs	7,850
Oleander Green	7,850
Fannie Hawkins	7,850
Tommy McKeel	7,850
Georgean Jackson	<u>7,850</u>
Total	<u>\$71,550</u>

**SINGLE AUDIT INFORMATION**



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

Board Members  
East Carroll Parish School Board  
Lake Providence, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish School Board, as of and for the year ended June 30, 2006, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 29, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 06-F1, 06-F3, and 06-F4.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, 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 two instances of non-compliance or other matters that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs as items 06-F2 and 06-F5.

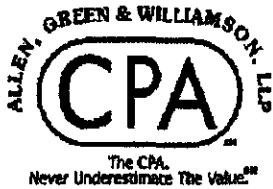
We noted a certain matter that we reported to Management of East Carroll Parish School Board in a separate letter dated December 29, 2006.

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 29, 2006



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

### Board Members

East Carroll Parish School Board  
Lake Providence, Louisiana

### Compliance

We have audited the compliance of the East Carroll Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A - 133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2006. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

### Internal Control Over Compliance

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

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 29, 2006

**East Carroll Parish School Board  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2006**

Exhibit 12

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	\$511,191
School Breakfast Program	10.553	NONE	200,628
Summer Feeding Program for Children	10.559	NONE	28,133
Family Nutrition Nights	10.574	28-05-FN-18	<u>5,211</u>
Total United States Department of Agriculture			745,163
United States Department of Education			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010	03-IASA-18-1	1,251,762
Special Education:			
Grants to States (Part B)	84.027	03-IB-18-S	388,138
Preschool Grants	84.173	03-IP-18-S	10,263
Vocational Education: Basic Grants to States	84.048A	28-06-02-18	48,625
Title IV (Safe and Drug Free Schools)	84.186		14,795
Title II (Improving Teacher Quality State Grants)	84-367	03-IASA-18-II	143,726
Reading First	84.367A	28-06-RF-18	173,466
Technology Literacy Challenge(BETT)	84.318X	26-06-49-18	44,964
Title V	84.298	28-06-70-18	38,391
Rural Education Achievement Program (REAP)	84.358B	28-06-RE-18	74,281
Reading First State Grants	84.357A	28-05-RF-18	79,916
Hurricane Relief-Impact Aid for Students	84.938C	28-06-IP-18	208,500
HERA-Assistance for Homeless Youth	84.938B	28-06-IH-18	3,940
Tech Prep Education	84.243		<u>2,303</u>
Total United States Department of Education			<u>2,483,070</u>
<b>TOTAL CASH FEDERAL AWARDS</b>			<u><b>3,228,233</b></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	<u>67,055</u>
<b>TOTAL FEDERAL AWARDS</b>			<u><b>\$3,295,288</b></u>

**East Carroll Parish School Board**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2006**

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

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

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

	Federal Sources
Title I	\$1,251,762
Child Nutrition	807,007
Other Miscellaneous	300,649
Nonmajor Special Revenue	
Title II	143,726
Title IV	14,795
Title V	38,391
IDEA	388,138
Preschool	10,263
Family Nutrition Night	5,211
Rural Education Achievement	74,281
Vocational Education	48,625
HERA Assistance for Homeless	3,940
Hurricane Relief Katrina/Rita	208,500
Other governmental	935,870
Total	\$3,295,288

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

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

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

**East Carroll Parish School Board  
Schedule of Findings and Questioned Costs  
As of and for the Year Ended June 30, 2006**

**PART I - Summary of the auditors' results**

**Financial statement audit**

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

No reportable conditions disclosed were considered a material weakness as defined by the Government Auditing Standards.

- iii. There were two 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 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 A-133, Section .510(a).
- vii. The major federal programs are:

Special Education Cluster

CFDA#84.027	Grants to States
CFDA#84.173	Preschool Grants

CFDA #84.367	Title II Program
CFDA #84.010	Title I Program

Child Nutrition Cluster

CFDA # 10.555	National School Lunch Program
CFDA # 10.553	School Breakfast Program

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**East Carroll Parish School Board  
Schedule of Findings and Questioned Costs  
As of and for the Year Ended June 30, 2006**

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

**Reference # and title:      06-F1              Payroll Records**

**Criteria or specific requirement:** Good internal controls require that proper documentation be included in payroll records to support an employee's employability status and to support an employee's salary paid or hours worked. Payroll records should include all employee authorizations for payments made to vendors.

**Condition found:** A total of 39 payroll checks were tested for various attributes. Of the 39 checks tested, 3 checks were not supported by time cards or sign-in sheets; 3 checks did not match the salary schedule due to multiple job assignments and there was no specific authorization for the amounts paid the employee in the minutes.

**Possible asserted effect (cause and effect):**

**Cause:** Internal controls provided to ensure proper documentation are not being followed.

**Effect:** Internal controls are weakened.

**Recommendations to prevent future occurrences:** There should be approvals in the minutes of the specific salary amounts which do not adhere to the salary schedule. No payroll checks should be issued without the required time cards or time sheets.

**Reference # and title:      06-F2              70% Instructional Expenditures**

**Criteria or specific requirement:** Per Louisiana Senate Conrollent Resolution No. 142 of the 1993 Regular Session, school boards are required to spend at least 70% of the general fund's total expenditures for instruction and support.

**Condition found:** The School Board spent 63% of the general fund in instruction and support.

**Possible asserted effect (cause and effect):**

**Cause:** Unknown.

**Effect:** State law is not being followed.

**Recommendations to prevent future occurrences:** The School Board should strive to budget according to the state requirements and cut expenses in other areas to achieve the 70% goal in order to be within compliance.

**East Carroll Parish School Board  
Schedule of Findings and Questioned Costs  
As of and for the Year Ended June 30, 2006**

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

**Reference # and title:            06-F3            Controls Over Cash**

**Criteria or specific requirement:** Good controls over cash include timely reconciliations of bank statements, researching outstanding checks and deposits which have been outstanding for a long period of time, and making sure that records are consistent throughout the recording of cash.

**Condition found:** The bank reconciliations were not dated so we were unable to ascertain if the reconciliations were being prepared timely. The checks are not being printed correctly and the payee for one check is listed on the check register with a different check number from the one which is found on the cancelled check. Also, it was noted that there are several large checks which have been outstanding for a number of years. The outstanding checks which date all the way back to June, 1999 total \$203,406.

**Possible asserted effect (cause and effect):**

**Cause:** Software problems relating to the check register and unknown causes for outstanding checks.

**Effect:** Internal controls over cash are weakened.

**Recommendations to prevent future occurrences:** Steps should be taken to date all bank reconciliations and outstanding checks should be researched. The software provider should be notified of the check-printing problems and steps taken to rectify the problem.

**Reference # and title:            06-F4            School Activity Funds**

**Criteria or specific requirement:** Schools are required to keep adequate records of all cash receipts, inventories and deposits. Bank reconciliations should be timely and outstanding items should be researched. Payments should be made from original invoices.

**Condition found:** Three months of bank reconciliations were tested and there was an outstanding check noted on all three reconciliations. Nine of the ten deposits tested had concessions receipts but there was no supporting documentation and no inventory records for the deposits. Three of the ten payments tested were paid from copies of invoices.

**Possible asserted effect (cause and effect):**

**Cause:** Unknown.

**Effect:** Internal controls are weakened.

**Recommendations to prevent future occurrences:** School staff should be made aware of the proper procedures for accounting for cash receipts and inventories. Due care should be taken to research any outstanding items on bank reconciliations. Payments should be from original invoices only.

**East Carroll Parish School Board  
Schedule of Findings and Questioned Costs  
As of and for the Year Ended June 30, 2006**

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

**Reference # and title:      06-F5              Budget Variances Exceed 5%**

**Criteria or specific requirement:** Per La. R.S. 39:1311, budget revisions should be made when actual revenues are less than budgeted revenues or when actual expenditures exceed budgeted expenditures by 5% or more.

**Condition found:** The Child Nutrition Fund had actual revenues less than budgeted revenues which resulted in a budget variance exceeding 5%. Also, actual expenditures exceeded budgeted expenditures resulting in a variance exceeding 5

**Possible asserted effect (cause and effect):**

**Cause:** Budget was not monitored and amendments adopted when variances exceeded 5%.

**Effect:** The School Board is in violation of the Local Government Budget Act.

**Recommendations to prevent future occurrences:** Prior to the end of the year, a final check should be made to ensure that revenue and expenditures are within the allowed variance percentage of 5% or less.

**OTHER INFORMATION**

**East Carroll Parish School Board  
Summary Schedule of Prior Audit Findings  
June 30, 2006**

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

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

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

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

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

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

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

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

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

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

**East Carroll Parish School Board  
Summary Schedule of Prior Audit Findings  
June 30, 2006**

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

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

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

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

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

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

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

**Corrective action taken:** The School Board has hired a consultant to establish written procedures for vendor disbursements, and the Superintendent stresses the importance of the business department adhering to these procedures that are established.

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

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

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

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

**East Carroll Parish School Board  
Summary Schedule of Prior Audit Findings  
June 30, 2006**

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

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

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

**Corrective action taken:** See current year finding 06-F2.

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

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

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

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

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

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

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

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

**Reference # and title:      05-F9                      School Activity Funds**

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

**Condition found:** Test were performed at Northside Elementary for bank reconciliations, cash receipts and cash disbursements. Bank reconciliations were not dated, so it was uncertain whether the reconciliations were made timely. Also we were unable to trace one month's reconciliation to the general ledger because the school could no find the general ledger. Ten transactions were chosen to test cash receipts. Six of the receipts could not be located. The

**East Carroll Parish School Board  
Summary Schedule of Prior Audit Findings  
June 30, 2006**

test of ten cash disbursements revealed no proper documentation for one disbursement and sales tax was paid in another transaction.

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

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

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

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

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

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

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

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

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<b>Revenue</b>			
<b>Special Revenue</b>			
Teacher Assessment	\$ 5,395	\$ 2,796	\$ 2,599
Dyslexia Training	5,074	4,388	686
La Gear Up	81,000	72,820	8,180
K-3	67,500	62,277	5,223
<b>Nonpublic Textbooks</b>	4,836	4,487	349
Tech Prep	3,000	2,759	241
8-G Elementary/Secondary Competitive	40,221	31,011	9,210
Title V	9,466	6,463	3,003
Rural Education Achievement Program	73,698	56,829	16,869
8-G Early Childhood	95,908	68,447	27,461
8G Local Teacher Quality	15,000	3,972	11,028

**East Carroll Parish School Board  
Summary Schedule of Prior Audit Findings  
June 30, 2006**

**Expenditures**

Special Revenue			
Reading First	364,734	528,606	163,872
Child Nutrition	1,003,620	1,097,377	93,757
Title II	283,814	305,943	22,129

**Corrective action taken:** See current year finding 06-F5.

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

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

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

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

**East Carroll Parish School Board**  
**Corrective Action Plan for Current-Year Findings and Questioned Costs**  
**June 30, 2006**

**Reference # and title:**      **06-F1**              **Payroll Records**

**Criteria or specific requirement:** Good internal controls require that proper documentation be included in payroll records to support an employee's employability status and to support an employee's salary paid or hours worked. Payroll records should include all employee authorizations for payments made to vendors.

**Condition found:** A total of 39 payroll checks were tested for various attributes. Of the 39 checks tested, 3 checks were not supported by time cards or sign-in sheets; 3 checks did not match the salary schedule due to multiple job assignments and there was no specific authorization for the amounts paid the employee in the minutes.

**Corrective action planned:** Once the Superintendent formulates salary increments for employees with multiple job assignments, the salary increment will be presented to the Board for approval.

**Person responsible for corrective action:**

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

**Anticipated completion date:** June 30, 2007.

**Reference # and title:**      **06-F2**              **70% Instructional Expenditures**

**Criteria or specific requirement:** Per Louisiana Senate Conrollent Resolution No.142 of the 1993 Regular Session, school boards are required to spend at least 70% of the general fund's total expenditures for instruction and support.

**Condition found:** The School Board spent 63% of the general fund in instruction and support.

**Corrective action planned:** The school board will budget according to state requirements and maintain said budget by cutting expenses in other areas to achieve the 70% goal.

**Person responsible for corrective action:**

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

**Anticipated completion date:** June 30, 2007.

**East Carroll Parish School Board**  
**Corrective Action Plan for Current-Year Findings and Questioned Costs**  
**June 30, 2006**

**Reference # and title:**        **06-F3**        **Controls Over Cash**

**Criteria or specific requirement:** Good controls for cash include timely reconciliations of bank statements, researching outstanding checks and deposits which have been outstanding for a long period of time, and making sure that records are consistent throughout the recording of cash.

**Condition found:** The bank reconciliations were not dated so we were unable to ascertain if the reconciliations were being prepared timely. The checks are not being printed correctly and the payee for one check is listed on the check register with a different check number from the one which is found on the cancelled check. Also, it was noted that there are several large checks which have been outstanding for a number of years. The outstanding checks which date all the way back to June, 1999 total \$203,406.

**Corrective action planned:** It has been thoroughly researched and determined that those outstanding checks dating back to June 1999 were actually voided and will be handled accordingly and removed from the books.

**Person responsible for corrective action:**

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

**Anticipated completion date:** June 30, 2007.

**Reference # and title:**        **06-F4**        **School Activity Funds**

**Criteria or specific requirement:** Schools are required to keep adequate records of all cash receipts, inventories and deposits. Bank reconciliations should be timely and outstanding items should be researched. Payments should be made from original invoices.

**Condition found:** Three months of bank reconciliations were tested and there was an outstanding check noted on all three reconciliations. Nine of the ten deposits tested had concessions receipts but there was no supporting documentation and no inventory records for the deposits. Three of the ten payments tested were paid from copies of invoices.

**Corrective Action Planned:** Schools have been made aware to pay from original invoices. The school's staff have been made aware of procedures for accounting for receipts and inventories.

**Person responsible for corrective action:**

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

**Anticipated completion date:** June 30, 2007.

**East Carroll Parish School Board**  
**Corrective Action Plan for Current-Year Findings and Questioned Costs**  
**June 30, 2006**

**Reference # and title:**            **06-F5**    **Budget Variances Exceed 5%**

**Criteria or specific requirement:** Per La. R.S. 39:1311 budget revisions should be made when actual expenditures exceed budget expenditures by 5% or more.

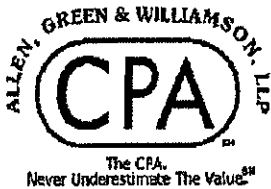
**Condition found:** Actual expenditures exceed budgeted expenditures by approximately 6%.

**Corrective action planned:** Budgets will be closely monitored and revisions made accordingly so as not to exceed 5% variance.

**Person responsible for corrective action:**

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

**Anticipated completion date:** June 30, 2007.



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(Retired) 1963 - 2000

## Management Letter

### Board Members

East Carroll Parish School Board

Lake Providence, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish School Board for the year ended June 30, 2006, 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 the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 29, 2006, 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, all of 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. Our comments and management's responses are summarized as follows:

### 06-M1

### Vendor Disbursements

**Comment:** A total of 24 transactions were chosen for testing. Two of the transactions did not have any documentation in the form of invoices or vendor files, one purchase did not have a purchase order and one transaction was paid \$7 more than the attached invoices due to a keypunch error.

**Recommendations:** Calculations should be performed to ensure that the correct amounts are paid. Care should be taken to obtain approved purchase orders and all supporting documentation should be kept for review.

**Managements Response:** The school system is now using a computerized purchase order system and checks and balances have been put into place to ensure that they receive approval. When more than one invoice is paid per check, calculations will be performed to ensure proper payment.

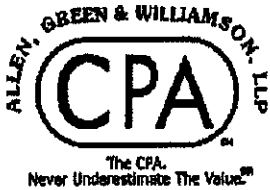
Our audit procedures are designed primarily to enable us to form opinions on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

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. Although the intended use of this letter may be limited, 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 29, 2006



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

### Board Members

East Carroll Parish School Board  
Lake Providence, Louisiana

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

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

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

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

**Comment:** No exceptions were noted 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:** Experience levels per Schedule 4 did not agree with the supporting payroll records as of October 1.

**Management's Response:** Schedule has been revised.

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

**Comment:** Experience levels per Schedule 4 did not agree with the supporting payroll records as of October 1.

**Management's Response:** Schedule has been revised.

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

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

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

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

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

Public Staff Data (Schedule 5)

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

**Comment:** There two exceptions noted in which the teacher's salary per the June Profile of Educational Personnel report did not agree to the payroll history.

**Management's Response:** There was an error on the data entry clerk's part. More care and comparisons will be made in the future.

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

**Comment:** There were material differences noted in recalculating the average classroom teacher salaries.

**Management's Response:** Schedule has been revised.

*Class Size Characteristics Schedule 6)*

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

**Comment:** There was one exception noted in which the class size per the roll book did not agree to the annual input sheet.

**Management's Response:** One child was not properly exited. An adjustment will be made after the SIS audit.

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

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

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

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

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

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

*The Iowa Tests(Schedule 9)*

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

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

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

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

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2006

**EAST CARROLL PARISH SCHOOL BOARD**  
**Lake Providence, Louisiana**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2006**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	3,707,774	
Other Instructional Staff Activities	435,313	
Employee Benefits	1,282,558	
Purchased Professional and Technical Services	50,832	
Instructional Materials and Supplies	239,808	
Instructional Equipment	1,175	
Total Teacher and Student Interaction Activities		5,717,460

Other Instructional Activities 12,501

Pupil Support Activities	318,317	
Less: Equipment for Pupil Support Activities	11,090	
Net Pupil Support Activities		307,227

Instructional Staff Services	226,103	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		226,103

Total General Fund Instructional Expenditures 6,263,291

Total General Fund Equipment Expenditures 14,858

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	185,699	
Renewable Ad Valorem Tax	192,597	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	30,921	
Sales and Use Taxes	1,404,384	
Total Local Taxation Revenue		1,813,601

Local Earnings on Investment in Real Property:

Earnings from 18th Section Property	256,153	
Earnings from Other Real Property	-	
Total Local Earnings on Investment in Real Property		256,153

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	11,630	
Revenue Sharing - Other Taxes	11,330	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		22,960

Nonpublic Textbook Revenue 4,899

Nonpublic Transportation Revenue

**EAST CARROLL PARISH SCHOOL BOARD  
Lake Providence, Louisiana**

**Education Levels of Public School Staff  
As of October 1, 2005**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	73	46.00%	3	18.00%				
Master's Degree	18	13.00%	0	0.00%				
Master's Degree + 30	26	21.00%			7	88.00%		
Specialist in Education					1	14.00%		
Ph. D. or Ed. D.								
<b>Total</b>	<b>117</b>	<b>89.00%</b>	<b>3</b>	<b>18.00%</b>	<b>8</b>	<b>100.00%</b>	<b>0</b>	<b>0.00%</b>

**Schedule 3**

**EAST CARROLL PARISH SCHOOL BOARD  
Lake Providence, Louisiana**

**Number and Type of Public Schools  
For the Year Ended June 30, 2006**

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

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

**EAST CARROLL PARISH SCHOOL BOARD**  
**Lake Providence, Louisiana**

**Experience of Public Principals and Full-time Classroom Teachers**  
**As of October 1, 2005**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals					1		2	3
Principals						1	4	5
Classroom Teachers	14	11	18	9	11	16	41	120
<b>Total</b>	14	11	18	9	12	17	47	128

**EAST CARROLL PARISH SCHOOL BOARD**  
**Lake Providence, Louisiana**

**Public School Staff Data**  
**For the Year Ended June 30, 2006**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$ 34,712.89	\$ 33,809.00
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$ 34,092.19	\$ 33,809.00
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	117	97

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

**EAST CARROLL PARISH SCHOOL BOARD**  
**Lake Providence, Louisiana**

**Public School Staff Data**  
**For the Year Ended June 30, 2006**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$ 34,712.89	\$ 33,809.00
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$ 34,092.19	\$ 33,809.00
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	117	97

**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.

**EAST CARROLL PARISH SCHOOL BOARD**  
**Lake Providence, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2005**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	81%	165	19%	39				
Elementary Activity Classes	71%	15	29%	6				
Middle/Jr. High	53%	65	41%	50	4%	5	2%	2
Middle/Jr. High Activity Classes	40%	6	13%	2	33%	5	13%	2
High	83%	127	13%	20	3%	4	1%	2
High Activity Classes	89%	21	7%	2	4%	1		
Combination	77%	86	20%	22	3%	3		
Combination Activity Classes	75%	18	17%	4	8%	2		

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

**EAST CARROLL PARISH SCHOOL BOARD**  
 Lake Providence, Louisiana

**Louisiana Educational Assessment Program (LEAP) for the 21st Century**  
 For the Year Ended June 30, 2006

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	2	2%	2	2%	8	6%			1	1%	1	1%
Mastery	12	10%	30	20%	29	21%	26	22%	26	16%	28	20%
Basic	55	47%	86	58%	55	25%	49	42%	79	53%	47	34%
Approaching Basic	30	26%	26	18%	33	24%	21	18%	26	16%	17	12%
Unsatisfactory	18	15%	4	3%	33	24%	21	18%	18	12%	45	33%
<b>Total</b>	<b>117</b>	<b>100%</b>	<b>150</b>	<b>102%</b>	<b>138</b>	<b>100%</b>	<b>117</b>	<b>100%</b>	<b>150</b>	<b>102%</b>	<b>138</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	1	1%	2	2%							3	2%
Mastery	4	3%	16	11%	31	22%	9	8%	8	6%	22	16%
Basic	44	36%	89	60%	52	36%	42	36%	115	77%	51	37%
Approaching Basic	47	40%	39	26%	28	20%	55	30%	22	16%	32	23%
Unsatisfactory	21	18%	4	3%	27	20%	31	26%	5	4%	30	22%
<b>Total</b>	<b>117</b>	<b>100%</b>	<b>180</b>	<b>102%</b>	<b>138</b>	<b>100%</b>	<b>117</b>	<b>100%</b>	<b>150</b>	<b>102%</b>	<b>138</b>	<b>100%</b>

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced											3	2
Mastery	5	4	4	4	6	6	1	1	1	1	2	1
Basic	26	21	26	24	25	21	49	34	39	29	56	38
Approaching Basic	75	55	51	43	69	55	37	26	42	31	37	26
Unsatisfactory	28	21	38	32	24	19	57	40	54	40	47	33
<b>Total</b>	<b>136</b>	<b>101</b>	<b>121</b>	<b>103</b>	<b>125</b>	<b>100</b>	<b>144</b>	<b>101</b>	<b>138</b>	<b>101</b>	<b>144</b>	<b>100</b>

District Achievement Level Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced												
Mastery	1	1%	3	3%	10	9%	1	1%	5	5%	4	3%
Basic	23	18%	20	17%	22	16%	24	18%	32	27%	33	26%
Approaching Basic	52	40%	49	42%	36	29%	43	33%	36	31%	46	37%
Unsatisfactory	55	42%	47	40%	48	43%	63	48%	46	39%	42	34%
<b>Total</b>	<b>131</b>	<b>101%</b>	<b>119</b>	<b>102%</b>	<b>116</b>	<b>100%</b>	<b>131</b>	<b>100%</b>	<b>119</b>	<b>102%</b>	<b>125</b>	<b>100%</b>

**EAST CARROLL PARISH SCHOOL BOARD**  
**Lake Providence, Louisiana**

**The Graduation Exit Exam for the 21st Century**  
**For the Year Ended June 30, 2006**

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>												
Advanced							1	1	1	2		
Mastery	3	3	9	11	3	5	6	6	2	3	1	2
Basic	43	43	29	33	38	58	39	39	58	66	41	64
Approaching Basic	40	40	32	36	19	29	29	29	15	17	9	14
Unsatisfactory	14	14	19	22	5	8	25	25	13	15	13	20
<b>Total</b>	<b>100</b>	<b>100</b>	<b>89</b>	<b>102</b>	<b>65</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>89</b>	<b>103</b>	<b>64</b>	<b>100</b>

District Achievement Level Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>												
Advanced												
Mastery	2	3	7	13	8	12					6	9
Basic	35	44	32	60	45	69	31	39	20	37	54	83
Approaching Basic	30	38	7	13	9	14	22	28	21	39	5	8
Unsatisfactory	13	16	8	15	3	5	26	33	13	24	0	0
<b>Total</b>	<b>80</b>	<b>101</b>	<b>54</b>	<b>101</b>	<b>65</b>	<b>100</b>	<b>79</b>	<b>100</b>	<b>54</b>	<b>100</b>	<b>65</b>	<b>100</b>

**EAST CARROLL PARISH SCHOOL BOARD**  
Lake Providence, Louisiana

**Schedule 9**

The **IOWA** and **/LEAP**  
For the Year Ended June 30, 2008

	Composite	
	2005	2004
<b>Test of Basic Skills (TBS)</b>		
Grade 3	52	50
Grade 5	55	51
Grade 6	22	22
Grade 7	37	36
<b>Tests of Educational Development (TED)</b>		
Grade 9	35	30

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

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	4	4%	2	2%	0	0%	7	8%
Mastery	11	10%	5	5%	10	9%	5	5%
Basic	42	39%	42	39%	31	28%	40	37%
Approaching Basic	28	26%	27	25%	51	47%	34	31%
Unsatisfactory	23	21%	32	30%	16	16%	22	20%
<b>Total</b>	<b>108</b>	<b>100%</b>	<b>108</b>	<b>101%</b>	<b>108</b>	<b>100%</b>	<b>108</b>	<b>99%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	1	1%	0	0%	0	0%	1	1%
Mastery	25	20%	12	10%	4	3%	0	0%
Basic	38	29%	48	37%	50	40%	55	44%
Approaching Basic	38	30%	23	18%	42	34%	39	31%
Unsatisfactory	25	20%	44	35%	29	23%	30	24%
<b>Total</b>	<b>125</b>	<b>100%</b>	<b>125</b>	<b>100%</b>	<b>125</b>	<b>100%</b>	<b>125</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	7	6%	2	2%	1	1%	0	0%
Basic	39	34%	21	18%	19	17%	33	29%
Approaching Basic	34	30%	24	21%	52	45%	52	45%
Unsatisfactory	35	30%	68	59%	43	37%	30	26%
<b>Total</b>	<b>115</b>	<b>100%</b>	<b>115</b>	<b>100%</b>	<b>115</b>	<b>100%</b>	<b>115</b>	<b>100%</b>

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students								
Grade 7								
Advanced	2	2%	0	0%	0	0%	0	0%
Mastery	4	3%	1	1%	3	2%	1	1%
Basic	35	25%	23	19%	20	16%	45	37%
Approaching Basic	41	34%	31	25%	48	39%	38	31%
Unsatisfactory	40	33%	67	55%	51	42%	38	31%
Total	122	101%	122	100%	122	99%	122	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2006		2006	
	Number	Percent	Number	Percent
Students				
Grade 9				
Advanced	0	0%	1	1%
Mastery	1	1%	6	7%
Basic	47	52%	33	36%
Approaching Basic	33	36%	24	26%
Unsatisfactory	10	11%	27	30%
Total	91	100%	91	100%