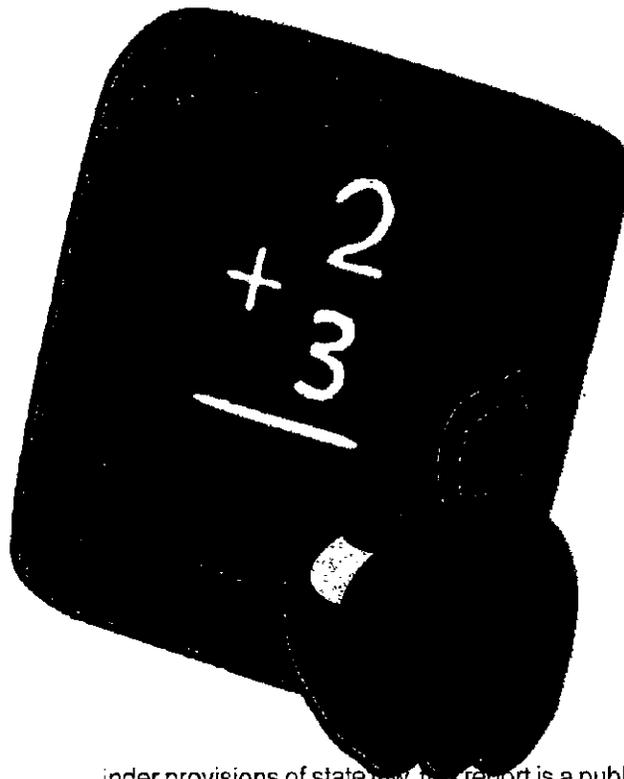


Morehouse Parish School Board

Bastrop, Louisiana



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 JAN 25 2012

Annual Financial Report

As of and for the year ended June 30, 2011

**Morehouse Parish School Board
Bastrop, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2011**

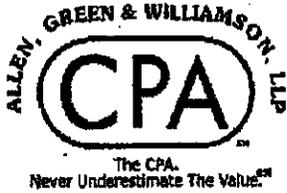
**Morehouse Parish School Board
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**Morehouse Parish School Board
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Independent Auditors' Report

Board Members
Morehouse Parish School Board
Bastrop, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Morehouse Parish School Board as of and for the year ended June 30, 2011, 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 on 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, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2011, 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 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, Schedule of Funding Progress for Other Post Employment Benefit Plan, 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 supplemental information and the Schedule of Expenditures of Federal Awards as required by OMB Circular A-133, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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 13, 2011

REQUIRED SUPPLEMENTAL INFORMATION:

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

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

Our discussion and analysis of Morehouse Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2011. 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. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

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.

Total revenues of the governmental funds decreased \$4,095,095 for the year ended June 30, 2011 due mainly to a decrease in the MFP, decreases in grant funding, and a depletion of some grants that were one-year only.

Operating grants decreased by \$1,664,553, and the state minimum foundation funding decreased \$2,921,696. The decrease in operating grants is due primarily to the completion of the Migrant/Even Start grant, the completion of a one-time grant for MFP Stabilization, decreases in several other grants like Carl Perkins, Math/Science Partnership, and EETT for technology. Also, the MFP decreased due to a large drop in student population.

Total expenditures of the governmental funds increased by \$2,759,133 from the prior year. The increase was mainly due to large increases in the employer's share of retirement and an increase in group insurance premiums plus the economic increases in the cost of fuel, utilities, supplies, etc.

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

**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011**

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

**Schedule of Funding Progress
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 the 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.

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

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 nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the school lunch) 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. 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.

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were \$622,588 at June 30, 2011. Of this amount \$(10,885,274) 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, 2011

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
Current and other assets	\$10,520,862	\$13,803,693	\$ (3,282,831)
Capital assets	25,411,630	25,179,471	232,159
Total assets	<u>35,932,492</u>	<u>38,983,164</u>	<u>(3,050,672)</u>
Current and other liabilities	4,151,992	4,226,574	(74,582)
Long-term liabilities	31,157,912	27,062,098	4,095,814
Total liabilities	<u>35,309,904</u>	<u>31,288,672</u>	<u>4,021,232</u>
Net assets			
Invested in capital assets, net of debt	8,727,618	7,873,456	854,162
Debt service	2,780,244	2,097,525	682,719
Unrestricted	<u>(10,885,274)</u>	<u>(2,276,489)</u>	<u>(8,608,785)</u>
Total net assets	<u>\$ 622,588</u>	<u>\$ 7,694,492</u>	<u>\$ (7,071,904)</u>

The \$(10,885,274) in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. The net assets of the School Board decreased by \$7,071,904.

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.

Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011

Table 2
Changes in Net Assets
For the Year Ended June 30, 2011

Governmental Activities

	<u>2011</u>	<u>2010</u>	<u>Variance</u>
Net Assets - beginning	\$ 7,694,492	\$ 7,912,168	\$ (217,676)
Revenues:			
Program revenues			
Charges for services	133,403	134,595	(1,192)
Operating grants and contributions	11,661,386	13,325,939	(1,664,553)
Capital Grant & Contributions	-	-	-
General Revenues			
Ad valorem taxes	6,172,330	6,053,352	118,978
Sales taxes	5,791,569	5,508,612	282,957
State equalization	26,831,464	29,753,160	(2,921,696)
Other general revenues	1,406,895	1,316,484	90,411
Total revenues	<u>51,997,047</u>	<u>56,092,142</u>	<u>(4,095,095)</u>
Functions/Program Expenses:			
Instruction			
Regular programs	22,050,581	21,030,302	1,020,279
Special programs	5,863,924	5,515,742	348,182
Other instructional programs	6,941,567	7,091,415	(149,848)
Support services			
Student services	2,967,627	2,872,137	95,490
Instructional staff support	4,393,425	3,924,354	469,071
General administration	992,975	1,012,688	(19,713)
School administration	2,805,592	2,814,575	(8,983)
Business services	837,245	829,418	7,827
Plant services	3,760,508	3,679,641	80,867
Student transportation services	3,123,422	2,622,827	500,595
Central services	1,106,247	1,136,126	(29,879)
Food Services	3,242,366	3,031,549	210,817
Community Service Programs	400	674	(274)
Interest on long-term debt	983,072	748,370	234,702
Total expenses	<u>59,068,951</u>	<u>56,309,818</u>	<u>2,759,133</u>
Increase (decrease) in net assets	<u>(7,071,904)</u>	<u>(217,676)</u>	<u>(6,854,228)</u>
Net Assets - ending	<u>\$ 622,588</u>	<u>\$ 7,694,492</u>	<u>\$ (7,071,904)</u>

Governmental Activities As reported in the Statement of Activities, the cost of all governmental activities this year was \$59,068,951. The amount that taxpayers ultimately financed for these activities through School Board taxes was only \$11,963,899 because some of the cost was paid by those who benefited from the programs \$133,403 or by other governments and organizations who subsidized certain programs with grants and contributions \$11,661,386. The School Board paid for the remaining amount of \$34,719,244 with \$26,831,464 in Minimum Foundation Program funds, \$1,406,895 in other revenues such as interest and other local sources and the remainder was paid from beginning net assets.

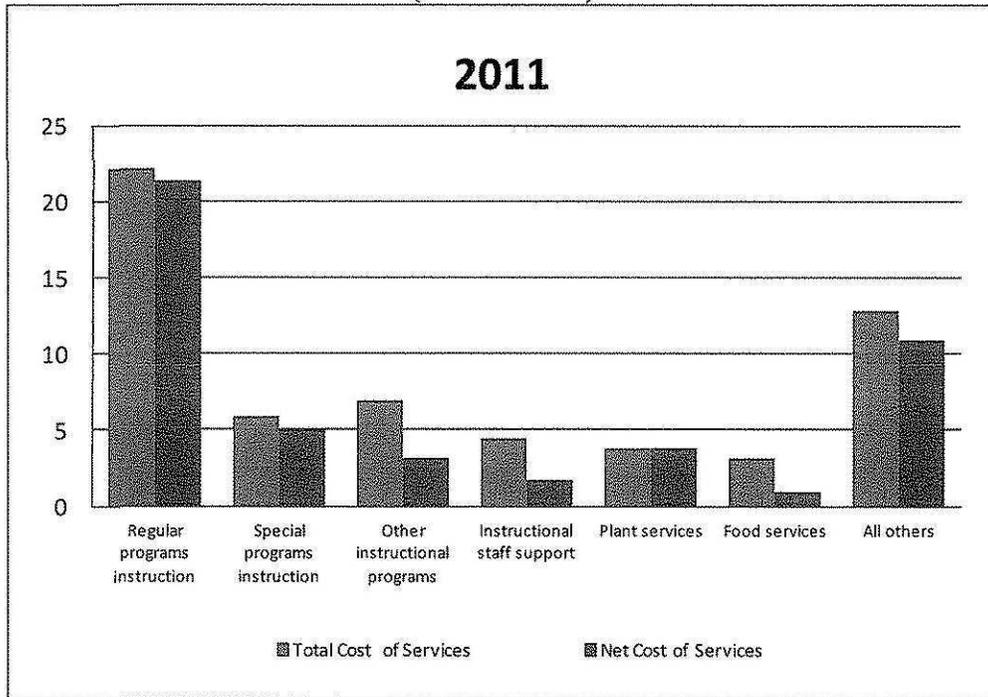
**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011**

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, instructional staff support, plant services, and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**For the Years Ended June 30,
Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Regular programs instruction	\$22,050,581	\$ 21,030,302	\$ 21,325,138	\$ 19,744,925
Special programs instruction	5,863,924	5,515,742	5,003,194	4,514,633
Other instructional programs	6,941,567	7,091,415	3,764,548	2,662,379
Instructional staff support	4,393,425	3,924,354	1,678,922	1,517,628
Plant services	3,760,508	3,679,641	3,759,974	3,675,859
Food services	3,242,366	3,031,549	895,548	681,357
All others	12,816,580	12,036,815	10,846,838	10,052,503
Totals	<u>\$59,068,951</u>	<u>\$ 56,309,818</u>	<u>\$ 47,274,162</u>	<u>\$ 42,849,284</u>

**Total Cost of Services versus Net Cost of Services
(in millions)**



**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011**

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.

The fund balance of the general fund decreased \$3,582,353 due mainly to a decrease in the MFP funding, the depletion of emergency funds given by the state for closing and consolidating schools, the payment of a bonus check depleting the fund balance of one of the sales tax funds, and large increases in expenditures for retirement and group insurance.

The debt service fund balance increased \$97,453 due mainly to more revenues being collected than are needed to pay off the bonded indebtedness.

Title I fund is a cost reimbursement 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.)

Changes between the original and final budget were due mainly to the decrease in MFP.

The General Fund's actual revenues were \$71,767 more than projected budgeted revenue amounts. This was mainly due to a one-time sale of an old school building for \$100,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2011, the School Board had \$25,411,630 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 \$232,159 or approximately 1%, from last year. For further detailed information, please refer to Notes to the Financials (Note 6).

Capital Assets at June 30,

	<u>2011</u>	<u>2010</u>
Land	\$ 319,013	\$ 319,013
Construction and Progress	696,351	-
Buildings	21,432,842	22,363,899
Furniture and Equipment	2,963,424	2,496,559
Totals	<u>\$ 25,411,630</u>	<u>\$ 25,179,471</u>

**Morehouse Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2011**

DEBT ADMINISTRATION At June 30, 2011, the School Board had \$60,000 in Certificates of Indebtedness maturing on March 1, 2014 with an interest rate of 3.55 percent. General obligations bonds, Series 2003 have a balance of \$7,865,000 and mature on March 1, 2028 with an interest rate of 3.85-5%. The School Board also has general obligation bonds, Series 2004, totaling \$4,085,000 which matures March 1, 2029 with an interest rate of 3.6-5% and Series 2007, totaling \$4,530,000 which matures March 1, 2032 with an interest rate of 4.3-6%. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2011, the School Board's net bonded debt of \$14,345,022 (total bonded debt of \$16,540,000 less assets in debt service funds of \$2,194,978) was well below the legal limit of \$65,978,924. For more detailed information, please refer to the Notes to the Financial Statement (Note 11).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES There are no major changes anticipated in revenues for 2011-2012; however, the MFP will decrease some because of a small loss in our student population. There is a large increase in expenditures because of the large increase in the employer's share of retirement and increases over 5% in the group insurance premiums.

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 Ms. Renee Hinton, Business Manager, at the Morehouse Parish School Board, P. O. Box 872, Bastrop, Louisiana 71221-0872, telephone number (318) 281-5784.

Morehouse Parish School Board

BASIC FINANCIAL STATEMENTS:

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

MOREHOUSE PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS

June 30, 2011

Statement A

**GOVERNMENTAL
ACTIVITIES**

ASSETS

Cash and cash equivalents	\$ 6,605,418
Investments	78,260
Receivables (net)	3,445,454
Inventory	148,452
Prepaid items	0
Investment in land and buildings	243,278
Capital assets:	
Land and construction in progress	1,015,364
Capital assets, net of depreciation	<u>24,396,266</u>

TOTAL ASSETS

35,932,492

LIABILITIES

Accounts, salaries and other payables	3,839,931
Deferred revenue	63,012
Interest payable	249,049
Long-term liabilities	
Due within one year	1,513,497
Due in more than one year	<u>29,644,415</u>

TOTAL LIABILITIES

35,309,904

NET ASSETS

Invested in capital assets, net of related debt	8,727,618
Restricted:	
Debt Service Fund	2,194,978
School Food Service	84,882
Capital Projects	500,384
Unrestricted	<u>(10,885,274)</u>

TOTAL NET ASSETS

\$ 622,588

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

MOREHOUSE PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		CAPITAL GRANTS AND CONTRIBUTIONS
<i>Governmental activities:</i>					
Instruction:					
Regular programs	\$ 22,050,581	\$ 0	\$ 725,443	\$ 0	\$ (21,325,138)
Special education programs	5,863,924		860,730		(5,003,194)
Other instructional programs	6,941,567		3,177,019		(3,764,548)
Support services:					
Student services	2,967,627		594,089		(2,373,538)
Instructional staff support	4,393,425		2,714,503		(1,678,922)
General administration	992,975		808,781		(185,194)
School administration	2,805,582		71,479		(2,734,113)
Business services	837,245		4,266		(832,979)
Plant services	3,760,508		534		(3,759,974)
Student transportation services	3,123,422		23,155		(3,100,266)
Central services	1,106,247		469,991		(636,256)
Food services	3,242,366	133,403	2,213,415		(895,548)
Community service programs	400				(400)
Interest on long-term debt	983,072				(983,072)
Total Governmental Activities	59,068,951	133,403	11,661,388	0	(47,274,162)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					6,172,330
Sales taxes, levied for general purposes					5,791,569
Grants and contributions not restricted to specific programs					
Minimum Foundation Program					26,831,464
Education Jobs Fund Grant					591,019
Interest and investment earnings					136,147
Miscellaneous					679,729
Total general revenues					40,202,258
Changes in net assets					(7,071,904)
Net assets - beginning					7,694,492
Net assets - ending					\$ 622,588

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

Morehouse Parish School Board

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

MOREHOUSE PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2011

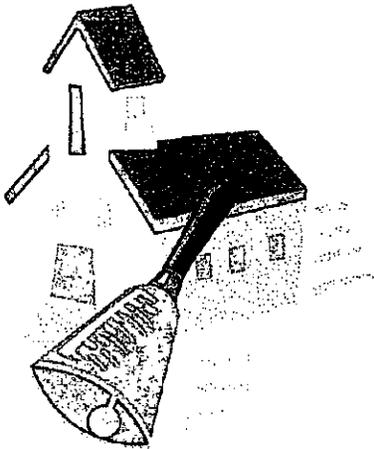
	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>
ASSETS			
Cash and cash equivalents	\$ 3,903,845	\$ 0	\$ 2,191,714
Investments	78,260	0	0
Receivables	831,322	1,366,192	3,264
Interfund receivables	2,136,911	0	0
Prepaid items	0	0	0
Inventory	58,706	0	0
TOTAL ASSETS	<u>7,009,044</u>	<u>1,366,192</u>	<u>2,194,978</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	3,208,410	294,549	0
Interfund payables	206,237	1,071,643	0
Deferred revenue	0	0	0
Total Liabilities	<u>3,414,647</u>	<u>1,366,192</u>	<u>0</u>
Fund Balances:			
Nonspendable	58,706	0	0
Restricted	0	0	2,194,978
Committed	1,037,876	0	0
Assigned	515,101	0	0
Unassigned	1,982,914	0	0
Total Fund Balances	<u>3,594,397</u>	<u>0</u>	<u>2,194,978</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,009,044</u>	<u>\$ 1,366,192</u>	<u>\$ 2,194,978</u>

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

Statement C

<u>OTHER GOVERNMENTAL</u>		<u>TOTAL</u>
509,859	\$	6,805,418
0		78,260
1,244,676		3,445,454
206,237		2,343,148
0		0
89,746		148,452
<u>2,050,518</u>		<u>12,620,732</u>
336,972		3,839,931
1,065,268		2,343,148
63,012		63,012
<u>1,465,252</u>		<u>6,246,091</u>
89,746		148,452
500,384		2,695,362
0		1,037,676
0		515,101
(4,864)		1,978,050
<u>585,266</u>		<u>6,374,641</u>
<u>\$ 2,050,518</u>	<u>\$</u>	<u>12,620,732</u>

Morehouse Parish School Board



MOREHOUSE PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2011**

Statement D

Total fund balances - governmental funds

\$ 6,374,641

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	\$ 49,967,462	
Depreciation expense to date	<u>(24,555,832)</u>	25,411,630

Investment in land and school building that is closed.

243,278

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, 2011 are:

Long-term liabilities		
Bonds payable	(16,540,000)	
Notes payable	(144,012)	
Compensated absences payable	(1,676,900)	
OPEB payable	(12,797,000)	
Interest payable	<u>(249,049)</u>	(31,406,961)

Net Assets - Governmental Activities

\$ 622,588

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

MOREHOUSE PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2011**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 4,237,663	\$ 0	\$ 1,486,683
Sales and use	5,791,388	0	0
Interest earnings	132,560	0	2,916
Food services	0	0	0
Other	635,027	0	0
State sources:			
Equalization	26,730,957	0	0
Other	315,599	0	0
Federal sources	0	5,402,551	0
Total Revenues	37,843,194	5,402,551	1,489,599
EXPENDITURES			
Current:			
Instruction:			
Regular programs	18,480,894	40	0
Special programs	4,281,315	0	0
Other instructional programs	2,349,745	2,893,764	0
Support services:			
Student services	2,165,887	77,753	0
Instructional staff support	1,311,530	1,613,873	0
General administration	86,039	521,948	47,864
School administration	2,414,921	575	0
Business services	754,001	0	0
Plant services	3,527,756	0	0
Student transportation services	2,547,318	8,346	0
Central services	509,912	286,254	0
Food services	638,474	0	0
Community service programs	400	0	0
Capital outlay	2,061,493	0	0
Debt service:			
Principal retirement	32,003	0	570,000
Interest and bank charges	80,089	0	774,282
Total Expenditures	41,241,777	5,402,551	1,392,148
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (3,398,583)	\$ 0	\$ 97,453

Statement E

OTHER			
<u>GOVERNMENTAL</u>		<u>TOTAL</u>	
\$ 447,984		\$ 6,172,330	
181		5,791,569	
671		136,147	
133,403		133,403	
50,114		685,141	
100,507		26,831,464	
342,692		658,291	
<u>6,191,563</u>		<u>11,594,114</u>	
<u>7,267,115</u>		<u>52,002,459</u>	
541,038	19,021,972		
802,846	5,084,161		
1,063,568	6,307,077		
519,965	2,763,605		
1,110,898	4,036,301		
299,017	954,866		
93,153	2,508,649		
8,673	762,674		
26,185	3,553,941		
78,663	2,634,327		
186,768	982,934		
2,481,716	3,120,190		
0	400		
10,515	2,072,008		
20,000	622,003		
<u>3,680</u>	<u>858,051</u>		
<u>7,246,685</u>	<u>55,283,159</u>		
<u>\$ 20,430</u>	<u>\$ (3,280,700)</u>		

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2011

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 6,230	\$ 0	\$ 0
Transfers out	(190,000)	0	0
Insurance proceeds	0	0	0
Sale of capital assets	0	0	0
Total Other Financing Sources (Uses)	<u>\$ (183,770)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(3,582,353)	0	97,453
Fund Balances - Beginning	<u>7,178,750</u>	<u>0</u>	<u>2,097,525</u>
Fund Balances - Ending	<u>\$ 3,594,397</u>	<u>\$ 0</u>	<u>\$ 2,194,978</u>

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

Statement E

OTHER GOVERNMENTAL	TOTAL
\$ 190,000	\$ 198,230
(6,230)	(198,230)
0	0
0	0
<hr/>	<hr/>
183,770	0
<hr/>	<hr/>
204,200	(3,280,700)
<hr/>	<hr/>
381,066	9,655,341
<hr/>	<hr/>
\$ 585,266	\$ 6,374,641
<hr/>	<hr/>

(CONCLUDED)

MOREHOUSE 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, 2011**

Statement F

Total net change in fund balances - governmental funds \$ (3,280,700)

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	\$ (1,637,465)	
Capital outlays	<u>2,072,508</u>	
Net capital outlays		435,043

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 622,003

Increase in OPEB liability (4,722,042)

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 (\$666,494) exceeded the amounts earned (\$662,269) by \$4,225. 4,225

In the Statement of Activities, scrapping of capital assets are reported as a gain or loss net of the book value. Whereas in the governmental funds there is no recognition because there is no inflow/outflow of current financial resources:

Cost of assets scrapped	\$ 3,066,686	
Accumulated depreciation	<u>(3,061,274)</u>	
Net loss		(5,412)

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. The change in accrued interest payable for the current year was \$125,021. (125,021)

Change in net assets of governmental activities (7,071,904)

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

MOREHOUSE PARISH SCHOOL BOARD

**FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2011**

	Statement G
	AGENCY FUND
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 297,948
	<u> </u>
Total assets	<u><u>297,948</u></u>
LIABILITIES	
Deposits due others	<u>297,948</u>
	<u> </u>
Total liabilities	<u><u>\$ 297,948</u></u>

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

**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2011**

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**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the 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 School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Morehouse 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 seven members who are elected from seven districts for terms of four years.

The School Board operates twelve schools within the parish with a total enrollment of approximately 4,416 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 No. 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 is maintained consistent with legal and managerial requirements.

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

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

General fund - the primary operating fund of the School Board accounts for all financial resources 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. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2011**

Debt Service - revenues received from ad valorem taxes and interest earnings are used to make principal and interest payments on bond indebtedness.

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. This fund is used to account for assets that the government holds for others in an agency capacity. The agency fund is as follows:

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

Fund Financial Statements (FFS)

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

**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2011**

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 taxes are recognized when all applicable eligibility requirements have been met and the resources are available.

Sales taxes are recognized when the underlying transaction occurs and the resources are available.

Entitlements and shared revenue (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 and accrual criteria are met.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability has been incurred.

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

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

D. DEPOSITS AND INVESTMENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit amounts. 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, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

The investments are reflected at fair value 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.

**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2011**

The School Board reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

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

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

E. 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.

F. INVENTORIES Inventories of the governmental fund type are recorded as expenditures when purchased, except for inventory of the school food service fund.

Inventory of the school food service (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 expenditure when consumed. Unused commodities at June 30 are reported as deferred revenue. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture. In 2007, School Food Service also implemented an inventory for all paper products purchased which are recorded as expenditure when consumed.

G. 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 \$5,000 for all capital assets except intangibles. The capitalization threshold for intangibles is \$100,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

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

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

I. COMPENSATED ABSENCES All twelve-month employees earn from twelve to eighteen days of sick leave each year, depending on their length of service. All employees working on a nine-month basis earn ten days of sick leave each year. Nine-month employees who work during the summer receive an additional one day of sick leave for each four weeks of summer work. Sick leave may be accumulated and carried forward to succeeding years without limitation. Upon retirement or death, employees or their heirs are paid for the value of accumulated sick leave not to exceed twenty-five days 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.

Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2011

All twelve-month employees earn from ten to fifteen days of vacation leave each year, depending upon their length of service with the School Board. Twelve-month employees may accumulate and carry forward a maximum of fifteen days' vacation time to succeeding years. Any employee's vacation leave in excess of fifteen days is forfeited at year end without compensation. Upon separation of employment, all employees are paid for unused vacation leave.

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

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

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

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

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

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The School Board uses approach B to calculate the accrued sick leave liability. Employees with 5 years of experience or more are included in the calculation.

J. LONG-TERM OBLIGATIONS For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

The School Board provides certain continuing health care benefits for its retired employees. The OPEB plan is a single employer defined benefit "substantive plan" as understood by past practices of the School Board. Expenditures are recorded as payments are made for health insurance premiums.

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;

**Morehouse Parish School Board
Notes to the Financial Statements
June 30, 2011**

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 unrestricted resources first, then restricted resources as they are needed. All restricted net assets reported in the statement of net assets are restricted by enabling legislation.

L. FUND EQUITY OF FUND FINANCIAL STATEMENTS

The School Board adopted GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended June 30, 2011. GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable: Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

Restricted: Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of either a policy of the School Board or motions were passed at a School Board meeting committing the funds. The motions passed are usually the result of budget revisions.

Assigned: Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board or Finance Committee.

Unassigned: Fund balance that is the residual classification for the general fund.

M. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses 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 Morehouse Parish School Board has three sales tax ordinances as follows:

The School Board has a one cent parish-wide sales and use tax as authorized in a special election held November 18, 1989. In accordance with the proposition approved by the voters of the parish, the net "revenues derived from said sales and use tax is to be dedicated and used solely for the purpose of providing funds for the payment of salaries of school employees in the Parish of Morehouse."

The School Board has a one half cent parish-wide sales and use tax. It was authorized in a special election held July 18, 1992. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is "to be dedicated and used for the purpose of acquiring, constructing, renovating, improving, equipping, furnishing, maintaining and operating public schools and school-related facilities in

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Morehouse Parish and for paying salaries and benefits for teachers and other personnel employed by the Morehouse Parish School Board." The tax was renewed in a special election held July 19, 2003 for a period of ten years ending September 30, 2014.

An additional ½% sales tax was approved by the voters in a special election held July 19, 2003. The net revenues derived from this additional tax are "to be dedicated and used for acquiring, constructing, renovating, improving, equipping, furnishing, maintaining and operating public schools and school-related facilities in Morehouse Parish, and for paying salaries and benefits for teachers and other personnel employed by the Morehouse Parish School Board". The new sales tax is effective for eleven years commencing on October 1, 2003 and ending on September 30, 2014.

O. 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.

P. 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 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Morehouse Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Morehouse Parish Tax Assessor and approved by the state of Louisiana Tax Commission. The Morehouse Parish Sheriff's Office bills and collects all property taxes for the School Board except for the property located in the city of Bastrop which is billed and collected by the city of Bastrop. Collections are remitted to the School Board monthly.

Property Tax Calendar

	<u>Parish (Except City of Bastrop)</u>	<u>City of Bastrop</u>
Tax bills mailed	November 2010	November 2010
Total taxes are due	December 31, 2010	December 31, 2010
Lien date	January 1, 2011	January 1, 2011
Penalties and interest are added	January 1, 2011	February 1, 2011
Tax sale date(s)	May 10-12, 2011	May 26, 2011

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

10% land	25% public service properties, excluding land
10% residential improvements	15% other property
15% electronic cooperative properties, excluding land	

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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, 2008. Total assessed value was \$188,511,210 in calendar year 2010. 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 \$36,764,441 of the assessed value in calendar year 2010.

State law requires the Morehouse Parish Sheriff's Department to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 and March 15 as noted in the above property tax calendar 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 Morehouse Parish Sheriff's Department 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 and debt service fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. No receivable has been recorded for 2010 property taxes because the lien date is subsequent to year end.

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

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	5.22	5.22	Statutory
Maintenance and operation	6.45	6.45	2014
Special leeway maintenance and operations	6.01	6.01	2014
Special 1998 capital program tax	10.00	10.00	2013
East Morehouse School District	9.95	9.95	2014
General obligation bonds debt service	Variable	10.00	2028
District taxes:			
Beekman (District 12)	5.00	5.00	2013

NOTE 3 - DEPOSITS AND INVESTMENTS At June 30, 2011, the School Board has deposits as follows:

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

Credit Risk: The School Board invests in certificates of deposit which do not have credit ratings. 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 School Board's deposits may not be returned to it. At year end, the School Board's carrying amount of deposits was \$6,981,626 (Statement A - Cash and cash equivalents of \$6,605,418, Investments of \$78,260 and Statement G - \$297,948) and the bank balance was \$10,469,195. Of the bank balance, \$537,837 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name. The remaining \$9,931,358 of the bank balance was 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

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the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand. The School Board's policy does not address custodial credit risk.

NOTE 4 - RECEIVABLES The receivables at June 30, 2011, are as follows:

Class of Receivables	General	Title I	Debt Service	Other Governmental	Total
Taxes:					
Ad Valorem	\$ 5,770	\$ -	\$ 3,264	\$ -	\$ 9,034
Sales Tax	568,246	-	-	-	568,246
Intergovernmental - grants:					
Federal	-	1,366,192	-	1,215,195	2,581,387
State	19,231	-	-	29,284	48,515
Other	238,075	-	-	197	238,272
Total	\$ 831,322	\$ 1,366,192	\$ 3,264	\$ 1,244,676	\$ 3,445,454

No allowance for doubtful accounts has been established as the School Board expects to collect the full balance.

NOTE 5 - CAPITAL ASSETS Capital assets balances and activity for the year ended June 30, 2011, are as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Capital asset not being depreciated				
Land	\$ 319,013	\$ -	\$ -	\$ 319,013
Construction in progress	-	909,118	212,767	696,351
Total capital assets not being depreciated	319,013	909,118	212,767	1,015,364
Capital assets being depreciated				
Buildings	42,649,086	330,635	3,350,525	39,629,196
Furniture and equipment	8,374,163	1,045,522	96,783	9,322,902
Total capital assets being depreciated	51,023,249	1,376,157	3,447,308	48,952,098
Less accumulated depreciation				
Buildings	20,285,187	1,064,632	3,153,465	18,196,354
Furniture and equipment	5,877,604	572,833	90,959	6,359,478
Total accumulated depreciation	26,162,791	1,637,465	3,244,424	24,555,832
Total capital assets being depreciated, net	24,860,458	(261,308)	202,884	24,396,266
Governmental activities				
Capital assets, net	\$ 25,179,471	\$ 647,810	\$ 415,651	\$ 25,411,630

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Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 1,057,807
Special programs	87,782
Other instructional programs	30,640
Student services	620
Instructional staff support	6,684
General administration	3,223
Business services	3,429
Plant services	98,520
Student transportation services	286,384
Central services	38,403
Food services	23,973
Total depreciation expense	\$ 1,637,465

NOTE 6 - RETIREMENT SYSTEMS

Plan description Substantially all School Board employees participate in either the Teachers' Retirement System or the Louisiana 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 B. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with ten years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally 2% (with less than 25 years of service) or 2.5% (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 B, normal retirement is at age 55 with at least 30 years of creditable service or at age 60 with at least ten years of creditable service. The retirement benefit formula is generally 2% times the years of creditable service times the retirees' average salary of the 36 highest successive months.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after ten years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

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

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

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

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Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded 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 B, 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, 2011 are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.0%	20.2%
Plan B	5.0%	20.2%
Louisiana School Employees' Retirement System	7.5%/8%	24.3%

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan B, and LSERS for the year ended June 30, 2011, amounted to \$23,685,781, \$404,681 and \$1,754,566, respectively. Employer contributions for the year ended June 30, 2011, and each of the two preceding years are as follows:

<u>Fiscal year ended</u>	<u>TRS</u>	<u>LSERS</u>
June 30, 2009	\$3,851,822	\$314,290
June 30, 2010	3,733,264	289,399
June 30, 2011	4,863,852	426,218

The School Board paid 100% of the annually required contributions.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS Effective with the fiscal year ended June 30, 2009, the School Board implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45).

Plan description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board OPEB plan is a single employer defined benefit "substantive plan" as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Also, no stand-alone financial report was prepared. 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 and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board.

Funding Policy - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a rate schedule. Contribution amounts are approximately 25% retiree/75% employer of the stated costs of healthcare coverage.

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The plan is currently financed on a "pay as you go basis", with the School Board contributing \$3,075,815 for 433 retirees for the year ended June 30, 2011.

Annual Other Post Employment Benefit Cost and Liability - The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The total ARC for fiscal year 2011 is \$7,959,461 as set forth below:

Normal Cost	\$ 3,785,679
30-year UAL amortization amount	4,173,782
Annual required contribution (ARC)	\$ 7,959,461

The following table presents the School Board's OPEB Obligation for fiscal year 2011, 2010 and 2009:

	2011	2010	2009
Beginning Net OPEB Obligation July 1,	\$ 8,074,958	\$ 4,034,849	\$ None
Annual required contribution	7,959,461	6,763,094	6,763,094
Interest on prior year Net OPEB Obligation	322,998	270,526	270,524
Adjustment to ARC	(484,602)	-	-
Annual OPEB Cost	7,797,857	7,033,620	7,033,618
Less current year retiree premiums	(3,075,815)	(2,993,511)	(2,998,769)
Increase in Net OPEB Obligation	4,722,042	4,040,109	4,034,849
Ending Net OPEB Obligation at June 30,	\$ 12,797,000	\$ 8,074,958	\$ 4,034,849

Utilizing the pay as you go method, the School Board contributed 39% of the annual post employment benefits cost during 2011, 43% of the annual post employment benefits cost during 2010, and 43% for 2009.

Funded Status and Funding Progress - Since the plan is not funded, the School Board's entire actuarial accrued liability of \$69,548,047 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2011, was as follows:

	2011
Actuarial accrued liability (AAL)	\$ 69,548,047
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	69,548,047
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 27,196,940
UAAL as a percentage of covered payroll	255.72%

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the July 1, 2010, Morehouse Parish School Board actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% rate of return on investments. The expected rate on increase in healthcare costs was based on Pre-Medicare and Medicare eligible beginning at 6.7% graduated down to an ultimate annual rate of 4.4%. The RP 2000 system table with floating Scale AA was used in making actuarial assumptions in regards to mortality rates.

The remaining amortization period at June 30, 2011 for other post employment benefits (OPEB) was twenty-seven years. The unfunded actuarial accrued liability is being amortized using a level dollar amortization factor. The unit credit actuarial cost method was used.

NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2011, are as follows:

	General	Title I	Other Governmental	Total
Salaries and withholding	\$2,779,851	\$292,680	\$ 282,738	\$3,355,269
Accounts	428,559	1,869	54,234	484,662
Total	<u>\$3,208,410</u>	<u>\$294,549</u>	<u>\$ 336,972</u>	<u>\$3,839,931</u>

NOTE 9 - COMPENSATED ABSENCES At June 30, 2011, employees of the School Board have accumulated and vested \$1,676,900 of employee leave benefits, including \$23,968 of salary related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore, the liability of \$1,676,900 is recorded as a long-term liability.

NOTE 10 - AGENCY FUND - DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others for the year ended June 30, 2011, are as follows:

Balance, beginning	\$ 330,895
Additions	1,296,814
Deductions	<u>1,329,761</u>
Balance, ending	<u>\$ 297,948</u>

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NOTE 11 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2011:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One year</u>
Governmental Activities					
Bonds payable:					
General Obligation debt	\$ 17,130,000	\$ -	\$ 590,000	\$ 16,540,000	\$ 615,000
Notes payable	176,015	-	32,003	144,012	32,003
Other liabilities:					
Compensated absences	1,681,125	862,269	866,494	1,676,900	866,494
OPEB Liability	8,074,958	7,797,857	3,075,815	12,797,000	-
Governmental activities Long-term liabilities	<u>\$ 27,062,098</u>	<u>\$ 8,660,126</u>	<u>\$4,564,312</u>	<u>\$ 31,157,912</u>	<u>\$1,513,497</u>

In the past, the liability for compensated absences and OPEB has been liquidated by the general fund.

Individual obligation issues are as follows:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Range of Maturities</u>	<u>Principal Outstanding</u>	<u>Interest Outstanding</u>
<u>General obligation</u>					
Certificate of indebtedness					
Series 2004	\$ 175,000	.1-5%	2004-2014	\$ 60,000	\$ 5,980
General Obligation Bonds					
Series 2003	9,800,000	3.85-5%	2003-2028	7,865,000	3,682,636
General Obligation Bonds					
Series 2004	4,900,000	3.6-5%	2004-2029	4,085,000	1,899,789
General Obligation Bonds					
Series 2007	5,070,000	4.3-6%	2007-2032	4,530,000	2,658,097
<u>Notes payable</u>					
QZAB note	440,040		2002-2015	144,012	-
Total				<u>\$ 16,684,012</u>	<u>\$ 8,246,502</u>

The general obligation debt is due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2012	\$ 615,000	\$ 747,148	\$ 1,362,148
2013	640,000	715,618	1,355,618
2014	670,000	685,466	1,355,466
2015	680,000	655,388	1,335,388
2016	710,000	626,343	1,336,343
2017-2021	4,065,000	2,649,780	6,714,780
2022-2026	5,115,000	1,670,917	6,785,917
2027-2031	3,695,000	479,219	4,174,219
2032	350,000	16,623	366,623
Total	<u>\$ 16,540,000</u>	<u>\$ 8,246,502</u>	<u>\$ 24,786,502</u>

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Also, in November 2001, the School Board entered into a Qualified Zone Academy Bond Program (QZAB), with the Louisiana Local Government Environmental Facilities and Community Development Authority. This program allows qualified public schools within the state of Louisiana to borrow monies for various projects authorized under the QZAB Regulations. In November 2001, the School Board received \$440,040 from Qualified Zone Academy Bonds. The Qualified Zone Academy Bond Program is a federal program offered to school districts to acquire interest-free debt for selected projects. The federal government covers all the interest on the bonds.

The annual requirements to amortize these notes outstanding as of June 30, 2011, are as follows:

Year Ending June 30,	QZAB Principal Payments
2012	\$ 32,003
2013	32,003
2014-2016	80,006
Total	<u>\$ 144,012</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term debt in excess of 35% of the assessed value of taxable property. At June 30, 2011, the statutory limit is \$65,978,924 and outstanding net bonded debt totals \$14,345,022.

NOTE 12 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Due from/to others:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$ 1,065,268	Other Governmental	\$ 1,065,268
General	1,071,643	Title I	1,071,643
Other Governmental	206,237	General	206,237
Total	<u>\$ 2,343,148</u>	Total	<u>\$ 2,343,148</u>

The general fund receivable from other governmental funds is to cover payroll expenses paid by the payroll and sales tax funds. The payable from School Food Service of \$237,234 is not expected to be repaid within one year.

The purpose of the interfund assets/liabilities was to cover current-year expenditures on cost reimbursement programs until the reimbursement requisitions are deposited.

Interfund transfers in/out:

<u>Transfer in</u>	<u>Amount</u>	<u>Transfer out</u>	<u>Amount</u>
Other Governmental	\$ 190,000	General Fund	\$ 190,000
General Fund	6,230	Other Governmental	6,230
Total	<u>\$ 196,230</u>	Total	<u>\$ 196,230</u>

The transfer from the general fund to school food service was an annual transfer that is made. The transfer from other governmental funds to the General Fund was to move the fund balance left in the Educational Excellence fund to the General Fund and is not a normal transfer.

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NOTE 13 - LITIGATION AND CONTINGENCIES

Litigation The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

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

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

Construction in Progress The School Board had ongoing construction projects for most of the schools in the parish. The School Board has spent \$2,065,309 on these projects. Estimated costs to complete these projects are \$191,550.

NOTE 14 - RISK MANAGEMENT The School Board is at risk for worker's compensation, property damage, liability and theft which are covered by insurance policies. There was no substantial reduction of insurance coverage during 2011.

NOTE 15 - 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 \$14,340 for the 2010-2011 year. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 16 - ECONOMIC DEPENDENCY Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than ten percent of the audited entity's 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 \$26,831,464 which is 51% of total revenues.

NOTE 17 - ENCUMBRANCES (FFS LEVEL ONLY) Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are re-appropriated in the next year. At June 30, 2011, the School Board had entered into purchase orders and commitments as follows:

General Fund	Title I	Other Governmental	Total
\$ 515,101	\$ -	\$ 1,500	\$ 516,601

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NOTE 18 - FUND BALANCE CLASSIFICATION DETAILS The following are details of the fund balance classifications:

	<u>General</u>	<u>Title I</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
Non spendable:					
Inventory and prepaid items	\$ 58,706	\$ -	\$ -	\$ 89,746	\$ 148,452
Restricted for:					
Debt service	-	-	2,194,978	-	2,194,978
School Construction	-	-	-	500,384	500,384
Committed to:					
Natural Disasters	1,000,000	-	-	-	1,000,000
Salaries and Benefits	37,676	-	-	-	37,676
Assigned to:					
Encumbrances	515,101	-	-	-	515,101
Total	<u>\$ 1,611,483</u>	<u>\$ -</u>	<u>\$ 2,194,978</u>	<u>\$ 590,130</u>	<u>\$4,396,591</u>

NOTE 19 – INVESTMENTS IN LAND AND BUILDINGS The School Board has \$243,278 in investments in land and buildings. This is comprised of three schools that are not in use, Carver, Collinston, and Bonita. Collinston and Bonita schools closed in the 2005-2006 year and have a combined value of \$45,806. Carver school closed in the 2010-2011 year and has a value of \$197,472. Eastside school also closed during the 2010-2011 year, but is under consideration for possible use in the future. Therefore, Eastside is not classified as an investment in land and buildings.

Morehouse Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION

Morehouse Parish School Board

SCHEDULE OF FUNDING PROGRESS FOR POST EMPLOYMENT BENEFITS PLAN

Fiscal Year Ended	Actuarial Valuation Date	June 30, 2011					Covered Payroll	UAAL as a Percentage of Covered Payroll
		(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll		
6/30/2009	7/1/2008	\$ -	\$ 68,694,031	\$ 68,694,031	0%	\$ 28,111,404	244.36%	
6/30/2010	7/1/2008	-	68,694,031	68,694,031	0%	27,299,859	251.63%	
6/30/2011	7/1/2010	-	69,548,047	69,548,047	0%	27,196,940	255.72%	

**Morehouse Parish School Board
Budgetary Comparison Schedule**

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. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

MOREHOUSE PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2011**

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 7,176,750	\$ 7,176,750	\$ 7,176,750	\$ 0
Resources (Inflows)				
Local sources:				
Ad valorem tax	4,177,826	4,237,664	4,237,663	(1)
Sales tax	5,200,000	5,715,272	5,791,388	76,116
Interest earnings	172,190	134,537	132,580	(1,977)
Other	633,048	628,690	635,027	6,337
State sources:				
Equalization	28,990,107	26,760,957	26,730,957	(30,000)
Other	312,977	294,307	315,599	21,292
Federal sources	40,315	0	0	0
Transfers from other funds	0	6,230	6,230	0
Amounts available for appropriations	<u>46,703,212</u>	<u>44,954,407</u>	<u>45,026,174</u>	<u>71,767</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	17,285,065	18,599,704	18,480,894	118,810
Special programs	3,834,932	4,281,333	4,281,316	18
Other instructional programs	1,956,898	2,357,514	2,349,746	7,769
Support services:				
Student services	2,107,492	2,165,886	2,165,887	(1)
Instructional staff support	1,244,636	1,309,320	1,311,530	(2,210)
General administration	125,002	88,833	86,039	2,794
School administration	2,408,359	2,414,813	2,414,921	(108)
Business services	708,470	753,119	754,001	(882)
Plant services	3,098,310	3,363,897	3,527,766	(163,859)
Student transportation services	3,454,397	3,568,569	2,547,318	1,021,251
Central services	558,587	509,650	509,912	(262)
Food services	516,628	637,592	638,474	(882)
Community service programs	1,000	400	400	0
Capital outlay	300,000	972,218	2,061,493	(1,089,275)
Debt service:				
Principal retirement	132,981	148,982	32,003	116,979
Interest and bank charges	85,065	80,089	80,089	0
Transfers to other funds	0	190,000	190,000	0
Total charges to appropriations	<u>37,617,819</u>	<u>41,441,919</u>	<u>41,431,777</u>	<u>10,142</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 9,085,393</u>	<u>\$ 3,512,488</u>	<u>\$ 3,594,397</u>	<u>\$ 81,909</u>

MOREHOUSE PARISH SCHOOL BOARD

**TITLE I
Budgetary Comparison Schedule
For the Year Ended June 30, 2011**

Exhibit 1-2

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	\$ 0
Resources (inflows)				
Federal sources	7,947,319	8,773,560	5,402,551	(3,371,009)
Transfers from other funds	0	0	0	0
Amounts available for appropriations	<u>7,947,319</u>	<u>8,773,560</u>	<u>5,402,551</u>	<u>(3,371,009)</u>
Charges to appropriations (outflows)				
Regular programs	0	0	40	(40)
Other instructional programs	3,908,689	4,422,907	2,893,764	1,529,143
Support services:				
Student services	68,252	68,253	77,753	(9,500)
Instructional staff support	2,874,787	3,099,092	1,613,873	1,485,219
General administration	762,436	842,582	521,946	320,636
School administration	0	411	575	(164)
Student transportation services	2,302	3,560	8,348	(4,786)
Central services	330,853	336,755	286,254	50,501
Total charges to appropriations	<u>7,947,319</u>	<u>8,773,560</u>	<u>5,402,551</u>	<u>3,371,009</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Morehouse Parish School Board
Notes to the Budgetary Comparison Schedule**

A. BUDGETS

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

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

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

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

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

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.

MOREHOUSE PARISH SCHOOL BOARD

**Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2011**

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

	<u>GENERAL FUND</u>	<u>TITLE I</u>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 45,026,174	\$ 5,402,551
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(7,176,750)	0
Transfers from other funds are inflows for budgetary purposes but are not revenue for reporting purposes	<u>(6,230)</u>	<u>0</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>37,843,194</u>	<u>5,402,551</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	41,431,777	5,402,551
Transfers to other funds is a budgetary outflow but is not a current year expenditure for financial reporting purposes	<u>(190,000)</u>	<u>0</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 41,241,777</u>	<u>\$ 5,402,551</u>

Morehouse Parish School Board

OTHER SUPPLEMENTAL INFORMATION

Morehouse Parish School Board

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

MOREHOUSE PARISH SCHOOL BOARD

**NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2011**

Exhibit 2

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 8,509	\$ 501,350	\$ 509,859
Receivables	1,244,479	197	1,244,676
Interfund receivables	206,237	0	206,237
Inventory	89,746	0	89,746
TOTAL ASSETS	1,548,971	501,547	2,050,518
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	336,238	734	336,972
Interfund payables	1,064,839	429	1,065,268
Deferred revenue	63,012	0	63,012
Total Liabilities	1,464,089	1,163	1,465,252
Fund Balances:			
Nonspendable	89,746	0	89,746
Restricted	0	500,384	500,384
Committed	0	0	0
Assigned	0	0	0
Unassigned	(4,864)	0	(4,864)
Total Fund Balances	84,882	500,384	585,266
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,548,971	\$ 501,547	\$ 2,050,518

MOREHOUSE 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, 2011**

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 0	\$ 447,984	\$ 447,984
Sales and use	0	181	181
Interest earnings	0	671	671
Food services	133,403	0	133,403
Other	50,114	0	50,114
State sources:			
Equalization	100,507	0	100,507
Other	342,692	0	342,692
Federal sources	6,191,563	0	6,191,563
Total Revenues	<u>6,818,279</u>	<u>448,836</u>	<u>7,267,115</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	411,493	129,545	541,038
Special programs	774,492	28,354	802,846
Other instructional programs	1,014,955	48,813	1,083,568
Support services:			
Student services	516,316	3,649	519,965
Instructional staff support	1,099,128	11,770	1,110,898
General administration	284,835	14,182	299,017
School administration	70,904	22,249	93,153
Business services	8,613	60	8,673
Plant services	250	25,935	26,185
Student transportation services	14,623	64,040	78,863
Central services	186,768	0	186,768
Food services	2,477,647	4,069	2,481,716
Capital outlay	0	10,515	10,515
Debt service:			
Principal retirement	0	20,000	20,000
Interest and bank charges	0	3,680	3,680
Total Expenditures	<u>6,860,024</u>	<u>386,661</u>	<u>7,246,685</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(41,745)</u>	<u>\$ 62,175</u>	<u>20,430</u>

(Continued)

MOREHOUSE 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, 2011

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 190,000	\$ 0	\$ 190,000
Transfers out	(6,230)	0	(6,230)
Total Other Financing Sources (Uses)	<u>183,770</u>	<u>0</u>	<u>183,770</u>
Net Change in Fund Balances	142,025	62,175	204,200
FUND BALANCES (Deficit) - BEGINNING	<u>(57,143)</u>	<u>438,209</u>	<u>381,066</u>
FUND BALANCES - ENDING	<u>\$ 84,882</u>	<u>\$ 500,384</u>	<u>\$ 585,266</u>

(Concluded)

**Morehouse Parish School Board
Nonmajor Special Revenue Funds**

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

SPECIAL EDUCATION These grants to states assist them in providing a free appropriate public education to all children with disabilities.

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

VOCATIONAL EDUCATION The purpose of these grants are 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.

DRUG FREE - 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.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) The purpose of this program is 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.

SG These grants are used to improve student academic achievement or vocational-technical skills. Other uses are the purchase of superior textbooks and providing support for teachers in critical shortage areas.

EDUCATIONAL EXCELLENCE This fund accounts for the tobacco settlement money received from the state.

RURAL EDUCATION ACHIEVEMENT This grant provides financial assistance to carry out activities to help improve the quality of teaching and learning.

MFP STABILIZATION STIMULUS This is a one time appropriation under the American Recovery and Reinvestment Act of 2009 to provide assistance with financial needs for educational purposes.

MISCELLANEOUS FUNDS These include various small federal and state grants, such as Math and Science – Title II.

SPECIAL FEDERAL

MIGRANT EVENSTART This program is designed to help break the cycle of poverty and improve the literacy of participating migrant families by integrating early childhood education, adult literacy or adult basic education, and parenting education into a unified literacy program.

PHYSICAL EDUCATION PROGRAM The purpose is to provide financial assistance to initiate, expand, and improve physical education programs.

**Morehouse Parish School Board
Nonmajor Special Revenue Funds**

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

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2011

	<u>TITLE II</u>	<u>SPECIAL EDUCATION</u>	<u>PRESCHOOL</u>	<u>ADULT EDUCATION</u>
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Receivables	66,381	472,125	15,731	19,336
Interfund receivables	0	0	0	0
Inventory	0	0	0	0
TOTAL ASSETS	<u>66,381</u>	<u>472,125</u>	<u>15,731</u>	<u>19,336</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	23,876	84,887	0	0
Interfund payable	42,505	377,238	15,731	19,336
Deferred revenue	0	0	0	0
Total Liabilities	<u>66,381</u>	<u>472,125</u>	<u>15,731</u>	<u>19,336</u>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 66,381</u>	<u>\$ 472,125</u>	<u>\$ 15,731</u>	<u>\$ 19,336</u>

Exhibit 4

VOCATIONAL EDUCATION	DRUG FREE- TITLE IV	TANF	B (g)	EDUCATIONAL EXCELLENCE	RURAL EDUCATION ACHIEVEMENT	EDUCATION JOBS
\$ 2,171	\$ 0	\$ 0	\$ 0	\$ 263	\$ 0	\$ 0
22,598	0	28,448	7,562	0	19,743	214,479
0	0	0	16,237	0	0	0
0	0	0	0	0	0	0
<u>24,769</u>	<u>0</u>	<u>28,446</u>	<u>23,799</u>	<u>263</u>	<u>19,743</u>	<u>214,479</u>
7,357	0	15,941	13,110	263	10,259	44,887
17,412	0	12,505	10,689	0	9,484	169,592
0	0	0	0	0	0	0
<u>24,769</u>	<u>0</u>	<u>28,446</u>	<u>23,799</u>	<u>263</u>	<u>19,743</u>	<u>214,479</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 24,769</u>	<u>\$ 0</u>	<u>\$ 28,446</u>	<u>\$ 23,799</u>	<u>\$ 263</u>	<u>\$ 19,743</u>	<u>\$ 214,479</u>

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

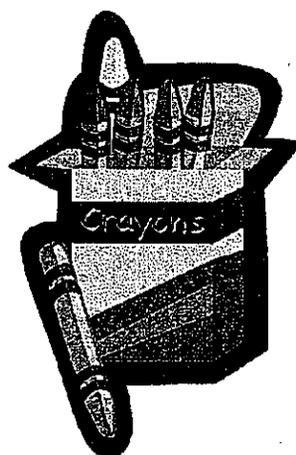
June 30, 2011

Exhibit 4

	<u>MISCELLANEOUS FUNDS</u>	<u>SPECIAL FEDERAL</u>	<u>PHYSICAL EDUCATION PROGRAM</u>	<u>SCHOOL FOOD SERVICE</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$ 0	\$ 6,075	\$ 0	\$ 0	\$ 8,509
Receivables	38,467	19,908	96,706	222,997	1,244,479
Interfund receivables	0	0	0	190,000	206,237
Inventory	0	0	0	89,746	89,746
TOTAL ASSETS	<u>38,467</u>	<u>25,983</u>	<u>96,706</u>	<u>502,743</u>	<u>1,548,971</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	2,218	6,075	240	117,125	336,238
Interfund payable	36,249	19,908	96,466	237,724	1,084,839
Deferred revenue	0	0	0	63,012	63,012
Total Liabilities	<u>38,467</u>	<u>25,983</u>	<u>96,706</u>	<u>417,861</u>	<u>1,484,089</u>
Fund Balances:					
Nonspendable	0	0	0	89,746	89,746
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	0	0	0	0
Unassigned	0	0	0	(4,864)	(4,864)
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>84,882</u>	<u>84,882</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 38,467</u>	<u>\$ 25,983</u>	<u>\$ 96,706</u>	<u>\$ 502,743</u>	<u>\$ 1,548,971</u>

(CONCLUDED)

Morehouse Parish School Board



MOREHOUSE PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Change in Fund Balances
For the Year Ended June 30, 2011**

	TITLE II	SPECIAL EDUCATION	PRESCHOOL	ADULT EDUCATION
REVENUES				
Local sources:				
Food services	\$ 0	\$ 0	\$ 0	\$ 0
Other	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	0	26,845	0	48,475
Federal sources	435,894	1,808,072	78,866	66,371
Total Revenues	435,894	1,834,917	78,866	114,846
EXPENDITURES				
Current:				
Instruction:				
Regular programs	22,032	0	0	0
Special programs	0	727,174	44,899	0
Other instructional programs	1,473	3,812	4,613	111,877
Support services:				
Student services	0	324,254	0	0
Instructional staff support	366,763	592,325	21,793	0
General administration	42,263	174,884	7,581	2,989
School administration	0	0	0	0
Business services	0	0	0	0
Plant services	0	0	0	0
Student transportation services	0	12,468	0	0
Central services	3,163	0	0	0
Food services	0	0	0	0
Capital outlay	0	0	0	0
Total Expenditures	435,894	1,834,917	78,866	114,846
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0	0
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	0	0
Transfers out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Changes in Fund Balances	0	0	0	0
FUND BALANCES (Deficit) - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit 5

VOCATIONAL EDUCATION	DRUG FREE- TITLE IV	TANF	8 (g)	EDUCATIONAL EXCELLENCE	RURAL EDUCATION ACHIEVEMENT	EDUCATION JOBS
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	125,115	130,000	0	0
134,978	10,782	156,171	0	0	86,344	591,019
134,978	10,782	156,171	125,115	130,000	86,344	591,019
879	0	0	0	0	0	337,582
0	0	0	0	0	0	2,419
132,153	0	141,884	124,317	18,487	78,063	23,117
0	6,371	0	0	0	0	58,687
1,946	4,200	0	0	0	0	51,655
0	211	14,287	0	0	8,281	0
0	0	0	0	0	0	70,904
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	798	0	0	0
0	0	0	0	114,564	0	46,655
0	0	0	0	0	0	0
0	0	0	0	0	0	0
134,978	10,782	156,171	125,115	133,031	86,344	591,019
0	0	0	0	(3,031)	0	0
0	0	0	0	0	0	0
0	0	0	0	(6,230)	0	0
0	0	0	0	(6,230)	0	0
0	0	0	0	(9,261)	0	0
0	0	0	0	9,261	0	0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(CONTINUED)

MOREHOUSE PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2011**

Exhibit 5

	MISCELLANEOUS FUNDS	SPECIAL FEDERAL	PHYSICAL EDUCATION PROGRAM	SCHOOL FOOD SERVICE	TOTAL
REVENUES					
Local sources:					
Food services	\$ 0	\$ 0	\$ 0	\$ 133,403	\$ 133,403
Other	0	50,114	0	0	50,114
State sources:					
Equalization	0	0	0	100,507	100,507
Other	1,454	10,803	0	0	342,692
Federal sources:					
	330,645	197,270	182,331	2,113,020	6,191,563
Total Revenues	332,099	258,187	182,331	2,346,930	6,818,279
EXPENDITURES					
Current:					
Instruction:					
Regular programs	39,041	11,959	0	0	411,493
Special Programs	0	0	0	0	774,492
Other instructional programs	1,454	207,596	166,129	0	1,014,955
Support services:					
Student services	127,004	0	0	0	516,316
Instructional staff support	47,956	9,846	2,645	0	1,099,128
General administration	16,250	4,572	13,557	0	284,835
School administration	0	0	0	0	70,904
Business services	0	8,613	0	0	8,613
Plant services	0	250	0	0	250
Student transportation services	0	1,357	0	0	14,823
Central services	0	22,386	0	0	186,768
Food services	100,395	0	0	2,377,252	2,477,647
Capital outlay	0	0	0	0	0
Total Expenditures	332,099	266,579	182,331	2,377,252	6,860,024
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES					
	0	(8,392)	0	(30,322)	(41,745)
OTHER FINANCING SOURCES (USES)					
Transfers in	0	0	0	190,000	190,000
Transfers out	0	0	0	0	(6,230)
Total Other Financing Sources (Uses)	0	0	0	190,000	183,770
Net Changes in Fund Balances	0	(8,392)	0	159,678	142,025
FUND BALANCES (Deficit) - BEGINNING	0	8,392	0	(74,796)	(57,143)
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	\$ 84,882	\$ 84,882

(CONCLUDED)

**Morehouse Parish School Board
Nonmajor Capital Projects Funds**

SCHOOL DISTRICT 12 CONSTRUCTION

The capital projects funds are used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

EAST MOREHOUSE PARISH TAX DISTRICT

The capital projects funds are used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

CAPITAL IMPROVEMENTS

The capital improvements fund is used to acquire and improve sites for school buildings and playgrounds, to purchase, erect, and/or improve school buildings and other school-related facilities, and to acquire the necessary equipment and furnishings for these facilities.

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 2011

Exhibit 6

	SCHOOL DISTRICT 12 CONSTRUCTION	EAST MOREHOUSE PARISH TAX DISTRICT	CAPITAL IMPROVEMENTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 62,880	\$ 438,470	\$ 0	\$ 501,350
Receivables	0	197	0	197
TOTAL ASSETS	62,880	438,667	0	501,547
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	0	734	0	734
Interfund payables	0	429	0	429
Total Liabilities	0	1,163	0	1,163
Fund Balances:				
Restricted	62,880	437,504	0	500,384
Total Fund Balances	62,880	437,504	0	500,384
TOTAL LIABILITIES AND FUND BALANCES	\$ 62,880	\$ 438,667	\$ 0	\$ 501,547

MOREHOUSE PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2011

Exhibit 7

	SCHOOL DISTRICT 12 CONSTRUCTION	EAST MOREHOUSE PARISH TAX DISTRICT	CAPITAL IMPROVEMENTS	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 53,337	\$ 394,647	\$ 0	\$ 447,984
Sales and use	0	181	0	181
Interest earnings	71	581	19	671
Other	0	0	0	0
Federal sources	0	0	0	0
Total Revenues	53,408	395,409	19	448,836
EXPENDITURES				
Current:				
Instruction:				
Regular programs	1,229	128,316	0	129,545
Special programs	0	28,354	0	28,354
Other instructional programs	3,998	44,615	0	48,613
Support services:				
Student services	0	3,649	0	3,649
Instructional staff support	0	11,770	0	11,770
General administration	1,675	12,507	0	14,182
School administration	0	22,249	0	22,249
Business services	0	60	0	60
Plant services	0	16,955	8,980	25,935
Student transportation	0	64,040	0	64,040
Food services	0	4,069	0	4,069
Capital outlay	0	0	10,515	10,515
Debt service:				
Principal retirement	20,000	0	0	20,000
Interest and bank charges	3,680	0	0	3,680
Total Expenditures	30,582	336,584	19,495	386,661
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	22,826	58,825	(19,476)	62,175
FUND BALANCES - BEGINNING	40,054	378,679	19,476	438,209
FUND BALANCES - ENDING	\$ 62,880	\$ 437,504	\$ 0	\$ 500,384

**Morehouse Parish School Board
Agency Funds**

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

MOREHOUSE PARISH SCHOOL BOARD

AGENCY FUNDS

**Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2011**

Exhibit 8

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 330,895	\$ 1,296,814	\$ 1,329,761	\$ 297,948
	<u>330,895</u>	<u>1,296,814</u>	<u>1,329,761</u>	<u>297,948</u>
LIABILITIES				
Deposits due others	<u>330,895</u>	<u>1,296,814</u>	<u>1,329,761</u>	<u>297,948</u>
	<u>\$ 330,895</u>	<u>\$ 1,296,814</u>	<u>\$ 1,329,761</u>	<u>\$ 297,948</u>

MOREHOUSE PARISH SCHOOL BOARD

**SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2011**

Exhibit 9

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
H. V. ADAMS	\$ 4,005	\$ 46,443	\$ 39,224	\$ 11,224
MOREHOUSE JUNIOR HIGH	32,182	87,613	78,384	41,411
BASTROP HIGH	187,846	708,273	753,883	142,236
BEEKMAN	2,257	72,960	77,151	(1,934)
CARVER	469	0	469	0
CHERRY RIDGE	5,682	38,184	36,675	7,191
DELTA HIGH	11,783	83,447	78,775	16,455
EAST SIDE	1,081	0	1,081	0
MOREHOUSE MAGNET SCHOOL	7,046	89,982	87,223	9,805
OAK HILL	3,933	61,920	58,258	7,595
PINE GROVE	23,063	60,136	70,969	12,230
SOUTH SIDE	51,224	46,518	46,292	51,450
BLA	324	1,338	1,377	285
TOTAL	\$ 330,895	\$ 1,286,814	\$ 1,329,761	\$ 297,948

**Morehouse Parish School Board
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2011**

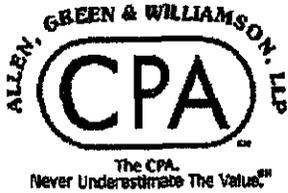
Exhibit 10

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$200 per month, and the president receives an additional \$50 per month for performing the duties of his office.

<u>Board Member</u>	<u>Amount</u>
** Loe Dunn, President	\$ 1,500
* Jeffrey S. Churchwell, President	2,700
Ricky Smith, Vice President	1,200
Karen Diel	1,200
Ronald Vollmar	1,200
Robert Fenceroy	1,200
Michael Stephens	400
Louis Melton	1,200
Billy Ellingburg	800
Sylvia Reese	1,200
Rodney Dew	1,200
Phillip Wayne McCready	1,200
Hamp Lenoir	1,200
Melissa Chain	<u>1,200</u>
Total	<u>\$17,400</u>

* President as of January 1, 2011

** President until December 31, 2010



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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

Morehouse Parish School Board
Bastrop, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Morehouse Parish School Board, as of and for the year ended June 30, 2011, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 13, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the School Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School Board's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as item 11-F1 and 11-F3 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Boards' 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 11-F2.

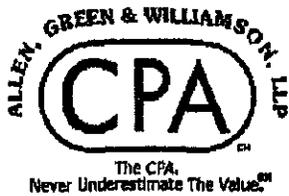
The School Board's response to the findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. We did not audit the School Board's responses and, accordingly, we express no opinion on it.

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 13, 2011



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Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Independent Auditors' Report

Board Members

Morehouse Parish School Board
Bastrop, Louisiana

Compliance

We have audited the compliance of Morehouse Parish School Board with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2011. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as 11-F4.

Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 11-F4. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School Board's response to the findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. We did not audit the School Board's response and, accordingly, we express no opinion on it.

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 13, 2011

**Morehouse Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011**

Exhibit 11

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
Cash Assistance:			
School Breakfast Program	10.553	N/A	\$ 574,099
National School Lunch Program	10.555	N/A	1,347,130
Summer Food Program	10.559	N/A	28,893
Total Cash Assistance			1,950,122
Non-Cash Federal Awards:			
Food Distribution (Commodities)	10.555	N/A	<u>162,898</u>
Total Child Nutrition Cluster			2,113,020
Fresh Fruit and Vegetable Program	10.582	N/A	<u>100,395</u>
Total United States Department of Agriculture			<u>2,213,415</u>
United States Department of Education			
Direct: Physical Education Program	84.215F	Q215F080368	182,331
Direct: Migrant Evenstart in NE LA	84.214	S214A06003	53,328
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	28-11-13-34, 28-11-44-34	66,371
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	28-11-T1-34, 28-10-TA-34	3,596,430
Title I Grants to Local Educational Agencies- ARRA	84.389	28-09-A1-34	<u>1,806,121</u>
Total Title I Cluster:			5,402,551
Special Education Cluster:			
Grants to States (Part B)	84.027	28-11-B1-34	1,223,209
IDEA Part B - ARRA	84.391	28-09-A1-34	584,863
Preschool Grants	84.173	28-11-P1-34	51,393
Preschool ARRA	84.392	28-09-AP-34	<u>27,473</u>
Total Special Education Cluster			1,886,938
Vocational Education			
Basic Grants to States	84.048	28-11-02-34	84,978
Title II (Mathematics and Science Partnerships)	84.366	28-10-MP-34	230,250
Title II (Improving Teacher Quality)	84.367	28-11-50-34	435,694
Title IV (Safe and Drug-Free Schools - State Grant)	84.186	28-10-70-34	10,782
Rural Education Achievement Program (REAP)	84.358	28-11-RE-34, 28-10-RE-34	86,344
BETT Cluster:			
Enhancing Education Through Technology	84.318	28-10-49-34, 28-10-55-34	26,116
Enhancing Education Through Technology-ARRA	84.386	28-09-59-34	<u>22,647</u>
Total BETT Cluster			48,763
Education Jobs - ARRA	84.410A	28-11-EJ-34	<u>591,019</u>
Total United States Department of Education			<u>9,079,349</u>

(Continued)

**Morehouse Parish School Board
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2011**

Exhibit 11

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA <u>Number</u>	Pass-Through <u>Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Temporary Assistance for Needy Families	93.558	28-10-EP-34, 28-11-JS-34, 28-11-36-34	206,171
United States Department of Defense			
Direct Programs			
Department of The Army			
ROTC	12.UNK	N/A	95,179
TOTAL FEDERAL AWARDS			<u>\$ 11,594,114</u> (Concluded)

Morehouse Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Morehouse Parish School Board. 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, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in note 1 to the School Board's basic financial statements.

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

Title I	\$ 5,402,551
School Food Service	2,113,020
Title II	435,694
Special Education	1,808,072
Preschool	78,866
Adult Education	66,371
Vocational Education	134,978
Drug Free – Title IV	10,782
TANF	156,171
Rural Education Achievement	86,344
Education Jobs Funds	591,019
Miscellaneous Funds	330,645
Special Federal	197,270
Physical Education Program	182,331
Total	<u>\$ 11,594,114</u>

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

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

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

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2011**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were two significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States. The significant deficiencies were not considered to be material weaknesses.
- iii. There was one instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There was one significant deficiency required to be disclosed by OMB Circular A-133. The significant deficiency was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed one finding which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
 - Special Education Cluster:
 - Grants to States (Part B) CFDA #84.027
 - IDEA Part B – ARRA CFDA #84.391
 - Preschool Grants CFDA #84.173
 - Preschool – ARRA CFDA #84.392
 - Title I Cluster:
 - Title I Grants to Local Educational Agencies CFDA #84.010
 - Title I Grants to Local Educational Agencies - ARRA CFDA #84.389
 - Education Jobs - ARRA CFDA #84.410A
 - Fresh Fruit and Vegetable Program CFDA #10.582
- 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 \$347,823.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2011**

PART II – Findings related to the basic 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: **11-F1** **Capital Assets**

Criteria or specific requirement: Good internal controls state that all construction projects should be accounted for so that there is a basis for the cost of the project that is added to the capital assets listing and that all construction projects be added to the capital asset listing immediately upon completion.

Condition: We noted that none of the completed construction projects for 10-11 year were added to the capital assets listing. Also there were assets that were added to the listing as depreciable assets that were below the capital assets threshold of \$5,000 and an asset that was above the threshold yet not added to the listing as depreciable.

Possible asserted effect (cause and effect):

Cause: Unknown

Effect: All capital assets are not shown on the capital assets listing.

Recommendations to prevent future occurrences: The School Board should take steps to ensure that all capital assets are added to the capital assets listing in a timely manner. Also that all assets above the \$5,000 threshold are marked as depreciable and that no new assets below \$5,000 are added as depreciable in the Asset Tech system.

Reference # and title: **11-F2** **Violation of State Bid Law**

Criteria or specific requirement: La RS 38:2212.1(C)(2) states “Wherever in specifications the name of a certain brand, make, manufacturer, or definite specification is utilized, the specifications shall state clearly that they are used only to denote the quality standard of product desired and that they do not restrict bidders to the specific brand, make, manufacturer, or specification named; that they are used only to set forth and convey to prospective bidders the general style, type, character, and quality of product desired; and that equivalent products will be acceptable.”

Condition found: While testing four purchases that were required to be bid per Louisiana Revised Statute, the following exception was noted:

- In the bid specifications of a special needs school bus, there were references to a specific brand/manufacturer with no mention of equivalent products being acceptable.

Possible Asserted Effect (cause and effect):

Cause: The School Board prepared the bid specifications in a way that only one dealer would be able to meet the specifications.

Effect: The School Board may have violated the State of Louisiana’s Public Bid Law for this purchase.

Recommendations to prevent future occurrences: The School Board should implement procedures to ensure all bids meet the open specifications requirement of Louisiana State Bid Law.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2011**

PART II – Findings related to the basic 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: 11-F3 Controls Over Fuel Depot and Fuel Charge Cards

Criteria or specific requirement: Proper internal controls over usage of fuel charge cards and the fuel depot require that access to the charge cards and the fuel depot be properly restricted and accounted for. In addition the use of the fuel depot and charge cards have proper documentation to support the usages.

Condition found: Through an external study contracted by the School Board there were several control issues noted with the usage of the fuel depot and the fuel charge cards. There were 10 out of 20 pad keys, which are used for access to the gasoline fuel pump, that were missing. For the diesel pump, there were 47 out of 100 diesel keys that were missing. There were no logs or documentation as to who the keys were assigned to. It was noted that there were no logs used to document and track the gasoline and diesel usage. Also it was noted that there are no policies specific to the use of the fuel depot.

Possible Asserted Effect (cause and effect):

Cause: The fuel systems for gasoline and diesel are fairly new and procedures have not been implemented for controls.

Effect: Internal controls over the fuel depot and fuel charge cards are not adequate.

Recommendations to prevent future occurrences: Procedures should be implemented to restrict and account for usage of the fuel depot and fuel charge cards. Logs to account for who the gasoline and diesel keys and the fuel cards are assigned to should be used. Logs of meter readings and vehicle mileage would help monitor and control the use of the fuel pumps and the cards. Policies over fuel depot and fuel card usage should also be implemented.

**Morehouse Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2011**

PART III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular A-133 Section .510(a):

Reference # and title: 11-F4 Early Intervening Earmarking

Identification of Federal Program and Award Year:

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA NO.</u>	<u>AWARD YEAR</u>
<u>United States Department of Education</u>		
Passed through La. Department of Education		
Special Education Cluster:		
Grants to States (Part B)	84.027	2011
Preschool Grants	84.173	2011
IDEA Part B – ARRA	84.391	2011
Preschool – ARRA	84.392	2011

Criteria or specific requirement: Federal regulation 34 CFR 300.226(a) requires that a school district not use more than 15% of the amount of federal funds for special education programs for early intervening services for children in kindergarten through grade 12 who have not been identified under IDEA but need additional academic and behavioral support to succeed in the general education environment.

Condition: The Early Intervening maximum was exceeded by \$16,480.

Computation of Questioned Costs: The budget total of all four grants for the Special Education Program was \$2,656,485. The early intervention services cannot exceed 15% of this total which is \$398,469. The School Board spent \$414,949 on early intervention services. The questioned cost is \$16,480.

Possible asserted effect (cause and effect):

Cause: There were no monitoring procedures in place.

Effect: The School Board was in violation of the earmarking requirement for Early Intervening Services.

Recommendations to prevent future occurrences: Proper internal controls for monitoring the earmarking requirement should be established to ensure that the 15% maximum is not exceeded.

Morehouse Parish School Board

OTHER INFORMATION

**Morehouse Parish School Board
Summary Schedule of Prior Year Audit Findings
June 30, 2011**

Reference # and title: **10-F1** **Local Government Budget Act**

Origination date: June 30, 2007.

Condition: The School Food Service Fund adopted a budget with a deficit balance.

Corrective action taken: The General Fund transferred enough to the School Food Service Fund during the year to clear the deficit.

Reference # and title: **10-F2** **Capital Assets**

Origination date: June 30, 2009.

Condition: None of the completed construction projects for 09-10 year or the 08-09 year were added to the capital assets listing.

Corrective action planned: See corrective action for current year finding 11-F1.

Reference # and title: **10-F3** **Procurement, Suspension and Debarment**

Origination date: June 30, 2010.

Identification of Federal Program and Award Year:

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA NO.</u>	<u>AWARD YEAR</u>
<u>United States Department of Education</u>		
Passed through La. Department of Education		
Title I Cluster:		
Title I	84.010	2010
Title I – Recovery Act	84.389	2010
Special Education Cluster:		
IDEA Part B	84.027	2010
IDEA Preschool	84.173	2010
IDEA Part B – Recovery Act	84.391	2010
IDEA Preschool – Recovery Act	84.392	2010
Educational Technology State Grants Cluster:		
Enhancing Education through Technology	84.318	2010
Education Technology State Grant	84.386	2010
State Fiscal Stabilization Funds	84.394	2010

Condition: The School Board does not have controls implemented to verify that entities in which it expects to spend \$25,000 or more for goods or services are not suspended or debarred or otherwise excluded from receiving federal funding for the federal programs listed above.

Corrective action taken: A procedure was adopted to ensure that all vendors receiving federal funds of \$25,000 or more are checked on the EPLS website prior to issuing a purchase order.

**Morehouse Parish School Board
Corrective Action Plan for Current Year Audit Findings
June 30, 2011**

Reference # and title: **11-F1** **Capital Assets**

Condition: We noted that none of the completed construction projects for 10-11 year were added to the capital assets listing. Also there were assets that were added to the listing as depreciable assets that were below the capital assets threshold of \$5,000 and an asset that was above the threshold yet not added to the listing as depreciable.

Corrective action planned: Additional training will be given to the capital asset clerk to correctly enter the addition of fixed assets to the listing. The business manager will help to train the clerk and monitor the reports.

Person responsible for corrective action:

Tom Thrower, Superintendent
Morehouse Parish School Board
P. O. Box 872
Bastrop, LA 71221-0872

Telephone: (318) 281-5784
Fax: (318) 283-3456

Anticipated completion date: June 30, 2012

Reference # and title: **11-F2** **Violation of State Bid Law**

Condition: While testing four purchases that were required to be bid per Louisiana Revised Statute, the following exception was noted:

- In the bid specifications of a special needs school bus, there were references to a specific brand/manufacturer with no mention of equivalent products being acceptable.

Corrective action planned: The specifications were given to the business manager by the transportation coordinator and the specifications were very specific. Even though it referenced a specific brand or manufacturer with no mention of equivalency, all brands would have been considered. All bids will be written in the future giving equal opportunity to any bidder with no specific brand being required.

Person responsible for corrective action:

Tom Thrower, Superintendent
Morehouse Parish School Board
P. O. Box 872
Bastrop, LA 71221-0872

Telephone: (318) 281-5784
Fax: (318) 283-3456

Anticipated completion date: January 1, 2012

Reference # and title: **11-F3** **Controls Over Fuel Depot and Fuel Charge Cards**

Condition: Through an external study contracted by the School Board there were several control issues noted with the usage of the fuel depot and the fuel charge cards. There were 10 out of 20 pad keys, which are used for access to the gasoline fuel pump, that were missing. For the diesel pump, there were 47 out of 100 diesel keys that were missing. There were no logs or documentation as to who the keys were assigned to. It was noted that there were no logs used to document and track the gasoline and diesel usage. Also it was noted that there are no policies specific to the use of the fuel depot.

**Morehouse Parish School Board
Corrective Action Plan for Current Year Audit Findings
June 30, 2011**

Corrective action planned: A control system has been set up by a contracted CPA that uses logs to track the fuel charge cards and the diesel keys. The documentation is kept by the maintenance secretary and is monitored by the general foreman.

Person responsible for corrective action:

Tom Thrower, Superintendent Morehouse Parish School Board P. O. Box 872 Bastrop, LA 71221-0872	Telephone: (318) 281-5784 Fax: (318) 283-3456
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Anticipated completion date: Already completed during the 2011-11 fiscal year.

Reference # and title: **11-F4** **Early Intervening Earmarking**

Identification of Federal Program and Award Year:

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA NO.</u>	<u>AWARD YEAR</u>
<u>United States Department of Education</u> Passed through La. Department of Education Special Education Cluster:		
IDEA Part B	84.027	2011
IDEA Preschool	84.173	2011
IDEA Part B – Recovery Act	84.391	2011
IDEA Preschool – Recovery Act	84.392	2011

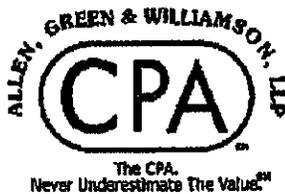
Condition: The Early Intervening maximum was exceeded by \$16,480.

Corrective action planned: The IDEA grant will be monitored by the special services supervisor and the grants management coordinator to make sure that all funding is within the 15% maximum allowed.

Person responsible for corrective action:

Tom Thrower, Superintendent Morehouse Parish School Board P. O. Box 872 Bastrop, LA 71221-0872	Telephone: (318) 281-5784 Fax: (318) 283-3456
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Anticipated completion date: June 30, 2012



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(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Morehouse Parish School Board
Bastrop, 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 Morehouse Parish School Board, Bastrop, 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 attestation 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: No exceptions were noted as a result of applying agreed upon procedures.

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

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

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

Comment: No exceptions were 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: Twelve exceptions were noted as a result of applying agreed upon procedures. Four exception were noted where the amounts were incorrectly coded as base pay and should have been coded as extra compensation. Eight exceptions were noted where the FTE was incorrectly reported.

Management's Response: There are no indicators in the computer software to figure correctly the full-time equivalents and to distinguish between amounts that should or should not be coded as extra compensation. The software programmers will be consulted to help us correct this problem, so that this schedule can be done correctly.

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

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

Class Size Characteristics (Schedule 6)

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

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

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

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

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

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

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

Comment: No exceptions were 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 Morehouse 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 13, 2011

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2010-2011**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 14,683,415	
Other Instructional Staff Activities	1,511,876	
Instructional Staff Employee Benefits	7,934,789	
Purchased Professional and Technical Services	95,514	
Instructional Materials and Supplies	1,213,372	
Instructional Equipment	9,071	
Total Teacher and Student Interaction Activities		\$ 25,428,037
Other Instructional Activities		151,535
Pupil Support Services	1,734,622	
Less: Equipment for Pupil Support Services	0	
Net Pupil Support Services		1,734,622
Instructional Staff Services	1,310,028	
Less: Equipment for Instructional Staff Services	0	
Net Instructional Staff Services		1,310,028
School Administration	2,414,920	
Less: Equipment for School Administration	0	
Net School Administration		2,414,920
Total General Fund Instructional Expenditures (Total of Column B)		<u>31,039,142</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>1,050,091</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		776,503
Renewable Ad Valorem Tax		3,789,019
Debt Service Ad Valorem Tax		1,486,683
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		120,127
Sales and Use Taxes		5,791,588
Total Local Taxation Revenue		<u>11,963,901</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		93,589
Earnings from Other Real Property		25,931
Total Local Earnings on Investment in Real Property		<u>119,520</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		73,636
Revenue Sharing - Other Taxes		125,273
Revenue Sharing - Excess Portion		
Other Revenue in Lieu of Taxes		
Total State Revenue in Lieu of Taxes		<u>198,909</u>
Nonpublic Textbook Revenue		8,443
Nonpublic Transportation Revenue		0

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Education Levels of Public School Staff
As of October 1, 2010

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	2.00	0.56						
Bachelor's Degree	233.01	64.74	7.00	1.95				
Master's Degree	75.79	21.08	1.00	0.28	4.00	1.11		
Master's Degree + 30	19.11	5.31	1.00	0.28	12.00	3.33		
Specialist in Education	3.00	0.83			1.00	0.28		
Ph. D. or Ed. D.	1.00	0.28						
Total	333.91	92.78	9.00	2.51	17.00	4.72	0.00	

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2011

Type	Number
Elementary	8
Middle/Jr. High	2
Secondary	2
Combination	0
Total	12

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

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2010

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals				1.00		1.00	4.00	6.00
Principals			1.00	1.00	2.00	3.00	4.00	11.00
Classroom Teachers	38.00	42.01	81.00	51.00	48.00	33.11	49.79	342.91
Total	38.00	42.01	82.00	53.00	50.00	37.11	57.79	359.91

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2011

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	48,292	47,851
Average Classroom Teachers' Salary Excluding Extra Compensation	47,335	46,929
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	340.3194	325.918

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Class Size Characteristics
As of October 1, 2010

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	28.2	512	13.9	252	0.6	10		
Elementary Activity Classes	5.9	108	3.5	64	0.3	6	0.3	6
Middle/Jr. High	10.0	182	2.3	42	0.1	1		
Middle/Jr. High Activity Classes	3.1	57	0.1	1			0.2	4
High	15.8	284	7.2	131	2.7	49		
High Activity Classes	4.5	82	0.4	8	0.1	2		
Combination	0.9	16						
Combination Activity Classes								

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

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2011

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	6	2	6	1	6	1	12	3	8	2	3	1
Mastery	44	12	37	9	53	14	62	15	96	13	31	8
Basic	187	47	181	43	178	48	165	48	207	49	177	48
Approaching Basic	108	31	122	29	81	22	85	27	98	23	89	24
Unsatisfactory	29	8	77	18	53	14	31	9	68	14	70	19
Total	354	100	423	100	370	99	355	100	425	101	370	100

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	3	1	6	1	7	2	6	2	3	1	2	1
Mastery	23	6	32	8	42	11	28	8	26	6	28	8
Basic	137	38	160	39	150	41	181	51	203	48	176	48
Unsatisfactory	139	39	167	37	117	32	82	23	109	28	87	24
Total	357	99	426	101	370	101	366	100	426	101	370	101

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	5	2	1	0	4	1	4	1	2	1	21	6
Mastery	58	19	37	12	38	11	10	3	6	2	15	4
Basic	131	44	146	48	183	48	153	51	141	46	139	42
Approaching Basic	94	31	112	36	117	35	84	28	94	30	97	29
Unsatisfactory	13	4	21	7	22	7	50	17	72	23	62	19
Total	301	100	316	100	332	100	301	100	316	101	332	100

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	3	1	0	0	7	2	2	1	0	0	3	1
Mastery	52	17	29	9	49	15	38	12	28	8	30	9
Basic	102	34	112	36	102	31	130	43	130	41	148	46
Approaching Basic	100	33	122	38	128	38	95	32	88	31	95	29
Unsatisfactory	43	14	67	19	47	14	37	12	68	21	65	17
Total	300	99	320	100	333	100	300	100	320	101	331	101

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

Graduation Exit Examination (GEE)
For the Year Ended June 30, 2011

District Achievement Level Results	English Language Arts						Mathematics					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	1	0	2	1	3	1	20	8	17	7	15	8
Mastery	22	9	28	11	23	9	30	13	33	14	28	11
Basic	95	40	94	41	184	53	102	43	108	47	128	50
Approaching Basic	84	35	87	38	79	31	42	18	38	16	68	22
Unsatisfactory	38	15	22	10	14	5	45	18	35	15	29	11
Total	238	89	231	101	258	100	238	100	232	100	253	100

District Achievement Level Results	Science						Social Studies					
	2011		2010		2009		2011		2010		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	3	2	1	0	2	1	4	2	3	1	2	1
Mastery	24	13	24	11	26	14	18	9	22	10	14	8
Basic	82	43	87	40	84	34	100	52	125	58	85	48
Approaching Basic	47	24	65	30	51	27	42	22	48	21	44	24
Unsatisfactory	38	19	39	18	44	24	28	15	22	10	41	22
Total	192	101	217	99	187	100	192	100	217	100	188	101

MOREHOUSE PARISH SCHOOL BOARD
Bastrop, Louisiana

IOWA and ILEAP Tests
For the Year Ended June 30, 2011

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	0	12	3	1	0	1	0
Mastery	55	13	51	12	45	10	58	13
Basic	170	39	185	42	141	32	185	42
Approaching Basic	142	33	114	26	188	43	114	26
Unsatisfactory	68	16	74	17	83	14	78	18
Total	436	101	436	100	436	89	436	89

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	4	1	7	2	7	2	1	0
Mastery	28	7	26	7	36	9	18	5
Basic	184	48	163	42	192	34	183	47
Approaching Basic	118	30	105	27	198	36	124	32
Unsatisfactory	53	14	86	22	74	19	60	16
Total	387	100	387	100	387	100	387	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	4	1	11	3	6	2	13	4
Mastery	38	11	44	14	34	11	24	8
Basic	188	59	183	58	145	46	173	55
Approaching Basic	78	24	40	13	114	36	80	25
Unsatisfactory	13	4	39	12	18	6	27	9
Total	317	100	317	100	317	100	317	101

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	4	1	6	2	2	1	5	1
Mastery	33	9	30	8	32	9	38	10
Basic	188	51	150	41	148	40	174	48
Approaching Basic	113	31	109	30	133	36	109	30
Unsatisfactory	30	8	70	19	51	14	38	10
Total	368	100	368	100	368	100	364	99

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	1	0	11	4
Mastery	23	8	44	15
Basic	167	57	181	65
Approaching Basic	90	31	50	17
Unsatisfactory	14	5	29	10
Total	296	101	295	101

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0	9	2	12	3	5	1
Mastery	30	8	44	11	32	8	34	9
Basic	148	37	187	42	153	39	156	39
Approaching Basic	141	36	114	29	145	37	121	31
Unsatisfactory	78	20	63	16	54	14	80	20
Total	397	101	397	100	398	101	398	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	0	5	2	4	1	0	0
Mastery	36	13	35	12	38	13	17	6
Basic	122	43	137	49	116	41	144	51
Approaching Basic	96	34	65	23	98	34	87	24
Unsatisfactory	27	10	40	14	28	10	54	19
Total	282	100	282	100	282	99	282	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	6	2	5	1	5	1	7	2
Mastery	48	14	39	12	50	15	31	9
Basic	183	54	179	53	143	42	152	45
Approaching Basic	86	25	65	19	121	36	107	32
Unsatisfactory	18	5	51	15	20	6	42	12
Total	339	100	339	100	339	100	339	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	8	2	9	3	5	2	0	0
Mastery	41	13	34	10	40	12	40	12
Basic	184	57	171	52	156	48	182	56
Approaching Basic	80	25	70	21	100	31	69	21
Unsatisfactory	12	4	42	13	24	7	33	10
Total	325	101	328	99	325	100	324	99

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	0	0	17	6
Mastery	33	11	32	11
Basic	148	49	151	51
Approaching Basic	105	35	58	19
Unsatisfactory	15	5	43	14
Total	299	100	299	101

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	1	17	4	8	2	9	2
Mastery	37	10	33	9	46	12	39	10
Basic	178	48	197	51	161	42	178	46
Approaching Basic	101	26	75	20	107	28	83	22
Unsatisfactory	63	16	61	16	61	16	74	19
Total	383	99	383	100	383	100	383	99

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	3	1	6	2	7	2	3	1
Mastery	34	10	27	8	33	10	27	8
Basic	161	49	142	43	121	37	146	44
Approaching Basic	99	30	78	23	127	38	103	31
Unsatisfactory	34	10	79	24	43	13	52	16
Total	331	100	332	100	331	100	331	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	1	0	13	5	3	1	8	3
Mastery	26	10	18	7	31	11	17	6
Basic	148	55	146	54	138	51	105	39
Approaching Basic	77	28	52	19	79	29	76	28
Unsatisfactory	17	6	41	15	20	7	65	24
Total	271	89	270	100	271	99	271	100

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	10	3	10	3	5	2	4	1
Mastery	28	8	20	6	24	7	20	6
Basic	166	56	163	49	136	41	139	42
Approaching Basic	87	26	83	26	121	36	102	31
Unsatisfactory	22	7	56	17	47	14	68	20
Total	333	100	332	100	333	100	333	100

District Achievement Level Results	English Language Arts		Mathematics	
	2011		2011	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced				
Mastery				
Basic				
Approaching Basic				
Unsatisfactory				
Total				

GRADE 9 STUDENTS DID NOT TAKE ILEAP IN 2011