

East Carroll Parish School Board

Lake Providence, Louisiana



Annual Financial Report

As of and for the year ended June 30, 2014

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

**Annual Financial Report
As of and for the Year Ended June 30, 2014**

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

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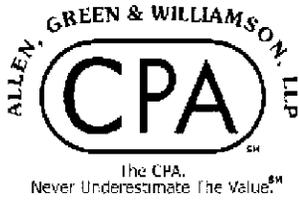
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Independent Auditor's Report

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish School Board, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 East Carroll Parish School Board, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Carroll Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the other information, 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.

The accompanying supplementary information, as listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2015 on our consideration of the East Carroll Parish 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* in considering the School Board's internal control over financial reporting and compliance.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 10, 2015

REQUIRED SUPPLEMENTARY INFORMATION:

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

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2014

Our discussion and analysis of East Carroll Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the School Board's financial statements that follow this Management's Discussion and Analysis. Amounts presented in the MD&A are in thousands unless otherwise noted.

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

FINANCIAL HIGHLIGHTS The primary resources available to the School Board are local revenues, which are primarily tax receipts, state revenues that are primarily Minimum Foundation Program funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants. Net position decreased this year by \$571 thousand. This was primarily due to a decrease of \$632 thousand in sales tax revenue. The decrease in sales tax revenue was due to plant construction being completed.

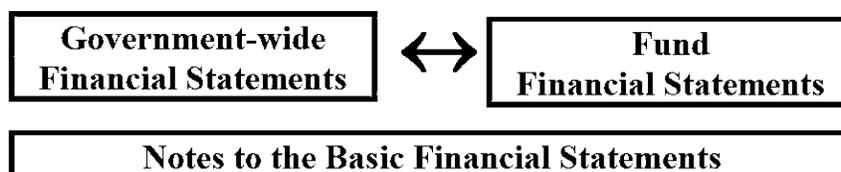
USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities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

**East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2014**

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements



Required Supplementary Information

**Schedule of Funding Progress for Other Post Employment Benefit Plan
Budgetary Information for Major Funds**

Supplementary 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 Supplementary Information and the Supplementary 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 Position 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 Position 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, liabilities, and deferred outflows/inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2014

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

The Statement of Net Position 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, school administration, 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 child nutrition) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

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

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

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

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2014

THE SCHOOL BOARD AS A WHOLE The School Board's net position was \$365 thousand at June 30, 2014. Of this amount \$(5,105) thousand was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

Table 1
Net Position
(in thousands)
June 30

	<u>Governmental Activities</u>		
	<u>2014</u>	<u>2013</u>	<u>Variance</u>
Other assets	\$ 5,886	\$ 5,444	\$ 442
Capital assets	<u>6,615</u>	<u>7,141</u>	<u>(526)</u>
Total assets	<u>12,501</u>	<u>12,585</u>	<u>(84)</u>
Other liabilities	872	1,071	(199)
Long-term liabilities	<u>11,264</u>	<u>10,578</u>	<u>686</u>
Total liabilities	<u>12,136</u>	<u>11,649</u>	<u>487</u>
Net position			
Net invested in capital assets	4,544	4,913	(369)
Restricted	926	774	152
Unrestricted	<u>(5,105)</u>	<u>(4,751)</u>	<u>(354)</u>
Total net position	<u>\$ 365</u>	<u>\$ 936</u>	<u>\$ (571)</u>

The \$(5,105) thousand in unrestricted net position of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today, including all of its noncapital liabilities such as compensated absences, there would be a shortfall of \$5,105 thousand.

The net position of the School Board decreased by \$571 thousand which was mainly due to a decrease in sales tax revenue.

The increase in unrestricted net position deficit this year is mainly due to recognition of OPEB cost as required by GASB 45.

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

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2014

Table 2
Changes in Net Position
(in thousands)
For the Year Ended June 30

	<u>Governmental Activities</u>		
	<u>2014</u>	<u>2013</u>	<u>Variance</u>
Revenues:			
Program revenues			
Charges for services	\$ 9	\$ 17	\$ (8)
Federal grants	3,011	3,317	(306)
State grants	223	175	48
General Revenues			
Ad valorem taxes	682	770	(88)
Sales taxes	1,957	2,589	(632)
State minimum foundation program	7,243	7,401	(158)
Other general revenues	939	541	398
Total revenues	<u>14,064</u>	<u>14,810</u>	<u>(746)</u>
Functions/Program Expenses:			
Instruction			
Regular programs	4,534	4,505	29
Special programs	982	1,025	(43)
Other instructional programs	2,034	2,423	(389)
Support services			
Student services	710	697	13
Instructional staff support	816	880	(64)
General administration	668	618	50
School administration	867	833	34
Business services	511	520	(9)
Plant services	1,733	1,569	164
Student transportation services	638	610	28
Food Services	1,104	1,150	(46)
Community Services	4	4	-
Interest and bank charges	34	34	-
Total expenses	<u>14,635</u>	<u>14,868</u>	<u>(233)</u>
Changes in net position	<u>(571)</u>	<u>(58)</u>	<u>(513)</u>
Net Position - beginning	936	994	(58)
Net Position - ending	<u>\$ 365</u>	<u>\$ 936</u>	<u>\$ (571)</u>

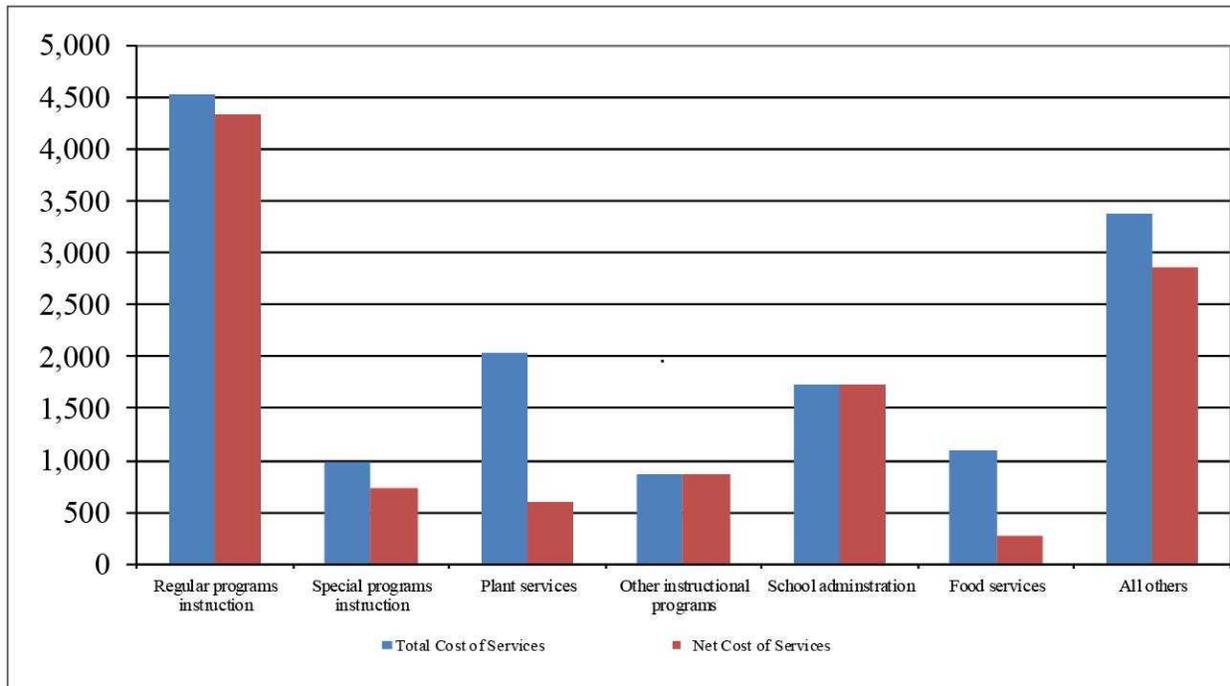
**East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2014**

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, school administration, 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.

**Year Ended June 30,
(in thousands)
Governmental Activities**

	2014		2013	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Regular programs instruction	\$ 4,534	\$ 4,333	\$ 4,505	\$ 2,846
Special programs instruction	982	741	1,025	408
Other instructional programs	2,034	603	2,423	2,421
School administration	867	867	833	828
Plant services	1,732	1,721	1,569	1,550
Food services	1,104	270	1,150	282
All others	3,382	2,857	3,363	3,024
Totals	\$ 14,635	\$ 11,392	\$ 14,868	\$ 11,359

**2014 Total Cost of Services
Versus
Net Cost of Services
(in thousands)**



East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2014

THE SCHOOL BOARD'S FUNDS As mentioned 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.

Total revenues for all governmental funds decreased \$740 thousand. The fund balances of all governmental funds increased \$640 thousand. The fund balance of the general fund increased \$561 thousand mainly because of a decrease in expenditures. Total revenues in the general fund decreased \$383 thousand mainly due to a decrease in sales tax revenues. Total expenditures in the general fund decreased \$1,141 thousand mainly due to budget cuts and loss of funding.

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

Nonmajor governmental fund balance increased \$79 thousand.

General Fund Budgetary Highlights The School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.) The final budgeted revenues were decreased \$531 thousand due to a decrease in anticipated sales tax collections and E-rate. E-rate is a program of the Federal Communication Commission established to provide discounted telecommunication services to eligible schools and libraries. The final budgeted expenditures were increased by \$717 thousand due to an increase in benefits paid.

Actual revenues were \$412 thousand more than budgeted revenues due to the manner in which E-rate is paid. Services are paid by the School Board and the vendor in turn files a report with the federal government to receive reimbursement. The vendor reimburses the School Board only after they receive payment from the federal government.

Budgeted expenditures exceeded actual expenditures by \$19 thousand.

CAPITAL ASSET AND DEBT ADMINISTRATION,

Capital Assets At June 30, 2014, the School Board had \$6,615 thousand invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of just over \$526 thousand or 7.4%, from last year.

Capital Assets at June 30, 2014
(in thousands)

	Governmental Activities		
	2014	2013	Variance
Land	\$ 318	\$ 318	\$ -
Buildings and improvements	6,068	6,433	(365)
Furniture and equipment	229	390	(161)
Totals	\$ 6,615	\$ 7,141	\$ (526)

See Note 6 to the financial statements for more detailed information on capital assets.

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2014

Debt Administration At June 30, 2014, the School Board had \$2,077 thousand of debt outstanding versus \$2,219 thousand last year, a decrease of \$142 thousand or 6.4%. The outstanding debt consisted of:

	<u>Governmental Activities</u>		
	<u>2014</u>	<u>2013</u>	<u>Variance</u>
2004 Certificate of indebtedness	\$ 127	\$ 145	\$ (18)
2012 Certificate of indebtedness	750	874	(124)
2011 QSCB revenue bonds	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Totals	<u>\$ 2,077</u>	<u>\$ 2,219</u>	<u>\$ (142)</u>

The 2013 column for the 2011 QSCB revenue bonds was restated due to a prior period adjustment to correct the recording of the annual required payments to a debt service sinking fund. See the notes to the financial statements Note 19 for further information.

See Note 12 to the financial statements for more detailed information on long term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The major changes anticipated in the 2014-2015 year are retirement rate increases. Due to a reduction in the number of students serviced, funding from Minimum Foundation Program, as well as state and federal funding are anticipated to decrease.

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

BASIC FINANCIAL STATEMENTS:

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

EAST CARROLL PARISH SCHOOL BOARD

STATEMENT OF NET POSITION
June 30, 2014

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 4,496,504
Investments	499,170
Receivables	877,582
Inventories	12,285
Capital assets:	
Land and construction in progress	318,180
Depreciable capital assets, net of depreciation	<u>6,297,136</u>
 TOTAL ASSETS	 <u>12,500,857</u>
LIABILITIES	
Accounts, salaries and other payables	847,828
Interest payable	12,192
Unearned revenues	12,285
Long-term liabilities	
Due within one year	415,928
Due in more than one year	<u>10,848,038</u>
 TOTAL LIABILITIES	 <u>12,136,271</u>
NET POSITION	
Net investment in capital assets	4,544,180
Restricted for:	
Salary enhancements	610,751
Debt service	291,823
Grants	23,689
Unassigned	<u>(5,105,857)</u>
 TOTAL NET POSITION	 <u>\$ 364,586</u>

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

EAST CARROLL PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 4,533,953	\$ -	\$ 201,379	\$ (4,332,574)
Special programs	982,522	-	242,014	(740,508)
Other instructional programs	2,033,874	-	1,431,126	(602,748)
Support services:				
Student services	710,381	-	40,982	(669,399)
Instructional staff support	815,593	-	323,822	(491,771)
General administration	668,007	-	138,123	(529,884)
School administration	866,552	-	-	(866,552)
Business services	510,898	-	-	(510,898)
Plant services	1,732,917	-	12,337	(1,720,580)
Student transportation services	637,782	-	18,927	(618,855)
Food services	1,104,362	9,434	825,056	(269,872)
Community service programs	4,201	-	-	(4,201)
Interest and bank charges	33,716	-	-	(33,716)
Total governmental activities	\$ 14,634,758	\$ 9,434	\$ 3,233,766	\$ (11,391,558)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				681,688
Sales taxes, levied for general purposes				1,957,472
State revenue sharing				15,877
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				7,242,847
Other grants				67,549
Interest and investment earnings				22,546
Miscellaneous				832,427
Total general revenues				10,820,406
Change in net position				(571,152)
Net position - beginning				935,738
Net position - ending				\$ 364,586

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

East Carroll Parish School Board

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BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2014

Statement C

	GENERAL	TITLE I	NONMAJOR GOVERNMENTAL	TOTAL
ASSETS				
Cash and cash equivalents	\$ 4,411,234	\$ -	\$ 85,270	\$ 4,496,504
Investments	197,065	-	302,105	499,170
Receivables	411,689	249,704	216,189	877,582
Interfund receivables	204,730	-	-	204,730
Inventories	-	-	12,285	12,285
TOTAL ASSETS	5,224,718	249,704	615,849	6,090,271
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	532,858	159,428	155,542	847,828
Interfund payables	-	90,276	114,454	204,730
Unearned revenues	-	-	12,285	12,285
Total liabilities	532,858	249,704	282,281	1,064,843
Fund Balances:				
Restricted	610,751	-	333,568	944,319
Unassigned	4,081,109	-	-	4,081,109
Total fund balances	4,691,860	-	333,568	5,025,428
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,224,718	\$ 249,704	\$ 615,849	\$ 6,090,271

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

EAST CARROLL PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2014**

Statement D

Total fund balance - governmental funds \$ 5,025,428

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is 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	\$ 15,078,280	
Depreciation expense to date	<u>(8,462,964)</u>	
		6,615,316

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 Position.

Balances at June 30, 2014 are:

Interest payable	(12,192)	
Long-term liabilities		
Certificate of indebtedness	(877,000)	
QSCB liability	(1,200,000)	
OPEB liability	(8,786,215)	
Compensated absences payable	<u>(400,751)</u>	
		<u>(11,276,158)</u>

Net position - governmental activities \$ 364,586

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

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2014

Statement E

	GENERAL	TITLE I	NONMAJOR GOVERNMENTAL	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 681,688	\$ -	\$ -	\$ 681,688
Sales and use	1,957,472	-	-	1,957,472
Interest earnings	15,651	-	6,895	22,546
Food services	-	-	9,434	9,434
Other	832,886	-	6,363	839,249
State sources:				
Equalization	7,224,889	-	17,958	7,242,847
Other	217,055	-	89,582	306,637
Federal sources	565	1,581,334	1,428,656	3,010,555
Total revenues	10,930,206	1,581,334	1,558,888	14,070,428
EXPENDITURES				
Current:				
Instruction:				
Regular programs	3,806,339	-	70,519	3,876,858
Special programs	665,848	-	242,014	907,862
Other instructional programs	441,285	1,180,042	251,084	1,872,411
Support services:				
Student services	636,102	-	40,982	677,084
Instructional staff support	478,514	274,288	49,534	802,336
General administration	510,864	101,099	37,024	648,987
School administration	757,703	-	-	757,703
Business services	486,004	-	-	486,004
Plant services	1,605,178	10,510	23,197	1,638,885
Student transportation services	551,086	15,395	3,532	570,013
Food services	153,707	-	858,564	1,012,271
Community services	3,692	-	-	3,692
Debt Service:				
Principal	-	-	142,000	142,000
Interest and bank charges	-	-	34,749	34,749
Total expenditures	10,096,322	1,581,334	1,753,199	13,430,855
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 833,884	\$ -	\$ (194,311)	\$ 639,573

(Continued)

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2014

Statement E

	GENERAL	TITLE I	NONMAJOR GOVERNMENTAL	TOTAL
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 766	\$ -	\$ 273,894	\$ 274,660
Transfers out	(273,894)	-	(766)	(274,660)
Total other financing sources (uses)	(273,128)	-	273,128	-
Net change in fund balances	560,756	-	78,817	639,573
FUND BALANCES - BEGINNING AS ORIGINALLY STATED	4,131,104	-	54,751	4,185,855
Prior period adjustment	-	-	200,000	200,000
FUND BALANCES - BEGINNING, AS RESTATED	4,131,104	-	254,751	4,385,855
FUND BALANCES - ENDING	\$ 4,691,860	\$ -	\$ 333,568	\$ 5,025,428

(Concluded)

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

EAST CARROLL PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2014**

	Statement F
Total change in fund balances - governmental funds	\$ 639,573
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	(518,810)
The Statement of Activities reflects the effects of the disposition of capital assets during the year. The cost less the depreciation (net value) of the items disposed of during the year are not reflected in the governmental funds.	
Loss on disposal of capital assets	(6,822)
In the Statement of Activities, 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 earned \$229,559 was less than the amounts used \$276,928 by \$47,369.	
	47,369
In the Statement of Activities, other post employment benefits 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, the annual OPEB cost of \$1,397,197 exceeded the amounts paid \$521,702 by \$875,495.	
	(875,495)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
	142,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	<u>1,033</u>
Change in net position - governmental activities	<u><u>\$ (571,152)</u></u>

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

EAST CARROLL PARISH SCHOOL BOARD
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 June 30, 2014

	Statement G
	<u>AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	<u>\$ 209,587</u>
Total assets	<u><u>209,587</u></u>
LIABILITIES	
Deposits due others	<u>209,587</u>
Total liabilities	<u><u>\$ 209,587</u></u>

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

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

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East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

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

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

The School Board operates three schools within the parish with a total enrollment of approximately 1,096 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or vocational education programs. In addition, the School Board provides transportation and school food services for the students.

GASB has issued and amended various statements which establish the criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of these statements, 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. 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, as defined by GASB as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

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

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

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

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

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

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

Fund Financial Statements (FFS)

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

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

Revenues

Ad valorem and sales taxes are susceptible to accrual.

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

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

Expenditures

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

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

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

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

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

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

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

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

Definitions:

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

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

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

Inventories of the child nutrition special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. Unused commodities at June 30, 2014, are reported as unearned revenues. All purchased inventory items are valued at cost (first in, first out) and commodities are assigned values provided by the United States Department of Agriculture.

H. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000 for all assets except intangibles – software that has a capitalization threshold of \$250,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings and improvements	10 - 40 years
Furniture and equipment	3 - 10 years
Intangibles – software	3 years

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board does not have an item that qualifies for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board does not have an item that qualifies for reporting in this category.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

J. UNEARNED REVENUES The School Board reports unearned 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 unearned revenue is removed from the combined balance sheet and the revenue is recognized.

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

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

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

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

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

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

L. RESTRICTED NET POSITION For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exist:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Restriction are imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net position for salary enhancements reported in the Statement of Net Position is restricted through enabling legislation.

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS

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.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

Committed: Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. The School Board is the 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 a resolution by the School Board committing the funds.

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 is expressed by the Board.

Unassigned: Fund balance that is the residual classification for the general fund. A negative unassigned fund balance may be reported if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

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

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

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

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

In October 1998, voters approved a new one-percent sales and use tax. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used for salary enhancements for teachers and other employees of the School Board, to be divided annually on an equal basis among all employees.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

P. BUDGETS

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

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

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

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

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

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. These revisions were considered insignificant by the Board.

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

R. ELIMINATIONS AND RECLASSIFICATIONS In the process of aggregating data for the Statement of Net Position 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 East Carroll Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the East Carroll Parish Tax Assessor and approved by the Louisiana Tax Commission.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

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

Property Tax Calendar

Millage rates adopted	August 6, 2013
Tax bills mailed	November 2013
Due date	December 31, 2013
Lien date	January 1, 2014

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2012. Total assessed value was \$43,950,816 in calendar year 2013. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,651,638 of the assessed value in calendar year 2013.

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

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

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2013 property taxes occurs in December, and January and February of the next year.

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

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

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

	<u>Maximum Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	8.20	8.20	Statutory
Maintenance and operation	8.24	8.24	2018

NOTE 3 - DEPOSITS At June 30, 2014, the School Board has cash and cash equivalents (book balances) as follows:

Interest-bearing demand deposits:	
Statement A - Cash	\$ 4,496,504
Statement A - Investments (Time Deposits)	197,065
Statement G	209,587
Total deposits	4,903,156
Less: Deposits classified as investments	197,065
Total cash and cash equivalents	\$ 4,706,091

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

Custodial Credit Risk-Deposits: This is the risk that in the event of a bank failure, the government's deposit may not be returned to it. As of June 30, 2014 the School Board had a bank balance of \$5,966,260 in which \$5,466,259 was exposed to custodial credit risk because it was uninsured. Of the \$5,466,259, \$5,291,760 was covered by collateral held by the School Board's agent but not in the School Board's name and \$174,499 was not covered by federal depository insurance or collateral held in the School Board's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 day of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon request. The School Board's policy does not address custodial risk.

NOTE 4 - INVESTMENTS As of June 30, 2014 the School Board had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificate of Deposit	\$ 197,065	-
U.S. Treasuries	302,105	8.7
	\$ 499,170	

The School Board's U.S. Treasuries investment of \$302,105 is to be used exclusively for the QSCB 2011 principal payment due on March 1, 2023.

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

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

Credit Rate Risk: State law limits investments to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies. New regulations also include investments in investment grade commercial paper of domestic U.S. corporations. Even though the School Board adheres to the state regulations, the School Board's policy does not address credit rate risk.

Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the School Board will not be able to recover the value of its investments. The School Board's investment of \$302,105 in U.S. Treasuries are registered in the School Board's name held by the Trust department of a financial institution. The School Board's policy does not address custodial credit risk.

NOTE 5 - RECEIVABLES The receivables at June 30, 2014, are as follows:

	General	Title I	Other Governmental	Total
Taxes:				
Sales tax	\$ 174,619	\$ -	\$ -	\$ 174,619
Intergovernmental -				
Federal	-	249,704	193,933	443,637
State	7,843	-	22,256	30,099
Other	229,227	-	-	229,227
Total	<u>\$ 411,689</u>	<u>\$ 249,704</u>	<u>\$ 216,189</u>	<u>\$ 877,582</u>

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

NOTE 6 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2014 is as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 318,180	\$ -	\$ -	\$ 318,180
Construction in progress	-	-	-	-
Total capital assets not being depreciated	318,180	-	-	318,180
Capital assets, being depreciated:				
Buildings and improvements	11,838,840	-	-	11,838,840
Furniture and equipment	3,567,873	-	646,613	2,921,260
Total capital assets being depreciated.	<u>15,406,713</u>	<u>-</u>	<u>646,613</u>	<u>14,760,100</u>
Less accumulated depreciation				
Buildings	5,405,574	365,289	-	5,770,863
Furniture and equipment	3,178,371	153,521	639,791	2,692,101
Total accumulated depreciation	<u>8,583,945</u>	<u>518,810</u>	<u>639,791</u>	<u>8,462,964</u>
Depreciable capital assets, net	<u>6,822,768</u>	<u>(518,810)</u>	<u>6,822</u>	<u>6,297,136</u>
Governmental activities, capital assets, net	<u>\$7,140,948</u>	<u>\$ (518,810)</u>	<u>\$ 6,822</u>	<u>\$ 6,615,316</u>

**East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014**

Depreciation expense was charged to governmental activities as follows:

	<u>Amount</u>
Regular programs	\$ 386,776
Special programs	12,251
Other instructional programs	20,385
Instructional staff support	106
School administration	15,075
Business services	172
Plant services	5,658
Student transportation services	38,202
Food services	40,042
Student services	143
Total depreciation expense	\$ 518,810

NOTE 7 - RETIREMENT SYSTEMS

Substantially, all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

Teachers' Retirement System of Louisiana (TRS)

Plan description The School Board participates in the Regular Plan membership of TRS. The TRS provides retirement benefits as well as disability and survivor benefits. Different eligibility requirements are set for members who join TRS:

- before July 1, 1999
- between July 1, 1999 through December 31, 2010; and
- on or after January 1, 2011.

Once eligible, plan members' benefit is calculated as follows:

Years of service x Final average compensation (FAC) x benefit factor (2% or 2.5%)

Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding policy Plan members are required to contribute 8% of their annual covered salary for the Regular Plan. The School Board is required to contribute at an actuarially determined rate. The current rate is 27.20% of annual covered payroll for the Regular Plan. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

appropriations, by deducting from ad valorem taxes, and by remittance from the School Board. The School Board's contributions to the TRS for the years ending June 30, 2014, 2013, and 2012 were \$1,657,307, \$1,540,016, and \$1,398,662, respectively, equal to the required contributions for each year.

Louisiana School Employees' Retirement System (LSERS)

Plan description The LSERS provides retirement benefits as well as disability and survivor benefits. A plan member who has at least ten years of service (member before 07/01/2010) or five years of service (member on or after 07/01/2010), becomes vested for retirement benefits. Plan members with five (member before 07/01/2006) or ten years of service (members on or after 07/01/2006) may qualify for disability benefits. Qualification for survivor benefits depends on years of service and whether actively employed at the time of death. Benefits are established by state statute. The LSERS issues a publicly available financial report that includes financial statements and supplementary information for the LSERS. That report may be obtained by writing to Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding policy Plan members are required to contribute 7.5% - 8% of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 32.30% of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations. The School Board's contributions to the LSERS for the years ending June 30, 2014, 2013, and 2012 were \$147,100, \$140,108, and \$135,659, respectively, equal to the required contributions for each year.

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS Effective with the fiscal year ended June 30, 2009, the School Board implemented GASB Statement No. 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 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.

The plan is currently financed on a "pay as you go basis", with the School Board contributing \$521,702 for 98 retirees for the year ended June 30, 2014.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

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. The level dollar amortization method is used. A 30 year closed amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The total ARC for fiscal year 2014 is \$1,575,720 as set forth below:

Normal Cost	\$	552,155
30-year UAL amortization amount		1,023,565
Annual required contribution (ARC)	\$	1,575,720

The following table presents the School Board's OPEB Obligation for fiscal years 2014, 2013 and 2012:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Beginning Net OPEB Obligation July 1,	\$ 7,910,720	\$ 7,131,881	\$ 5,667,321
Annual required contribution	1,575,720	1,575,720	1,754,286
Interest on prior year Net OPEB Obligation	316,429	285,275	226,693
Adjustment to ARC	(494,952)	(446,223)	-
Annual OPEB Cost	1,397,197	1,414,772	1,980,979
Less current year retiree premiums	521,702	635,933	516,419
Increase in Net OPEB Obligation	875,495	778,839	1,464,560
Ending Net OPEB Obligation at June 30,	\$ 8,786,215	\$ 7,910,720	\$ 7,131,881

Utilizing the pay as you go method, the School Board contributed 37.3% of the annual post employment benefits cost during 2014, 44.9% during 2013, and 26.1% during 2012.

Funded Status and Funding Progress - Since the plan is not funded, the School Board's entire actuarial accrued liability of \$16,359,413 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2013, was as follows:

Actuarial accrued liability (AAL)	\$	16,359,413
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	16,359,413
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll	\$	6,189,222
UAAL as a percentage of covered payroll		264.32%

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.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

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, 2013 actuarial valuation for the East Carroll Parish School Board, the projected unit credit actuarial cost method was used. The level dollar amortization method was used. The actuarial assumptions included a 4% rate of return on investments. The trend rate assumptions for medical and pharmacy costs and retiree premiums was based on Pre-Medicare and Medicare eligibility graduated down from 5.8% to an ultimate annual rate of 4.5%. The Sex Distinct RP 2000 Combined Healthy Mortality Table using Scale AA was used in making actuarial assumptions in regards to mortality rates. The withdrawal rates for employees ranged between 3.0% to 13.0% dependent upon the participants age. The disability rates ranged from .01% at age 23 up to .80% at age 60 back down to .20% for participants the age of 66 and older. The retirement rates range from 2.0% at age 38 to 100% for participates the age of 70 and older. The inflation rate, which is a subset of the healthcare cost trend rate, was assumed to be 2.50%.

The remaining amortization period at June 30, 2014 for other post employment benefits (OPEB) was twenty-five years. The Schedule of Funding Progress, presented as required Supplementary Information immediately follows the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing overtime relative to the actuarial accrued liability for benefits.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2014, are as follows:

	General	Title I	Other Governmental	Total
Salaries	\$ 379,946	\$ 159,428	\$ 150,429	\$ 689,803
Accounts	152,912	-	5,113	158,025
Total	<u>\$ 532,858</u>	<u>\$ 159,428</u>	<u>\$ 155,542</u>	<u>\$ 847,828</u>

NOTE 10 - COMPENSATED ABSENCES At June 30, 2014, employees of the School Board have accumulated and vested \$400,751 of employee leave benefits, including \$5,727 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

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

	Balance, Beginning	Additions	Reductions	Balance, Ending
Agency funds:				
School activities fund	\$ 222,761	\$ 208,211	\$ 221,385	\$ 209,587
Retirement insurance fund	-	129,683	129,683	-
Total	<u>\$ 222,761</u>	<u>\$ 337,894</u>	<u>\$ 351,068</u>	<u>\$ 209,587</u>

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2014:

	Beginning Balance as Restated	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Debt:					
2004 certificate of indebtedness	\$ 145,000	\$ -	\$ 18,000	\$ 127,000	\$ 19,000
2012 certificate of indebtedness	874,000	-	124,000	750,000	120,000
2011 QSCB revenue bonds	1,200,000	-	-	1,200,000	-
Other liabilities:					
Compensated absences	448,120	229,559	276,928	400,751	276,928
OPEB liability	7,910,720	1,397,197	521,702	8,786,215	-
Governmental Activities					
Long-term liabilities	<u>\$ 10,577,840</u>	<u>\$ 1,626,756</u>	<u>\$ 940,630</u>	<u>\$ 11,263,966</u>	<u>\$ 415,928</u>

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

The beginning balance for the QSCB Payable was restated by \$200,000 due to a prior period adjustment to correct the recording of the annual required payments into a debt service sinking fund. These required annual payments were treated as a reduction in principal; however, these payments were not deposited in an irrevocable trust and therefore should be considered as cash transfers into a sinking fund. See the notes to the financial statements, Note 19, for further information.

In December 2004, the School Board issued \$1,782,000 in Certificates of Indebtedness to construct, acquire and improve energy facilities and equipment as part of an energy retrofit project. In October 2012, the School Board issued \$874,000 in Excess Revenue bonds for the purpose of paying off the majority of the 2004 Certificates of Indebtedness. The balance of these 2004 Certificates of Indebtedness at June 30, 2014 was \$127,000 and the balance of the 2012 Certificates of Indebtedness was \$750,000. Payments on the Certificates of Indebtedness are made from the General Fund through transfers to the debt service fund.

Pledged Revenue

In February 2011, the School Board issued \$1,200,000 in taxable Qualified School Construction Bonds (QSCB) to finance the renovation and repair of public school facilities. The School Board has pledged, as security for the bonds, a portion of the 8.2 mills constitutional ad valorem tax. The bonds are payable solely from constitutional tax collected and are payable through 2023. Annual sinking fund and interest payments are expected to require less than 37% of the tax revenues. Total principal and interest remaining to be paid on the QSCB bonds is \$1,200,000 in principal and \$135,000 in interest. For the year ended June 30, 2014, the School Board received \$316,599 from the collection of the 8.2 mills and paid \$15,000 in debt service interest payments and made the required annual payment of \$100,000 into the QSCB investment accounts.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

The individual bond issues are as follows:

Bond Issue	Original Issue	Interest Rates	Final Due	Interest to Maturity	Principal Outstanding
Certificate of Indebtedness, Series 2004 Revenue Bonds	\$ 267,000	0.000%	2020	\$ -	\$ 127,000
Excess Revenue Refunding Bonds, Series 2012	874,000	2.0-2.9%	2020	56,774	750,000
QSCB, Series 2011 Revenue Bonds	1,200,000	1.250%	2023	135,000	1,200,000
				<u>\$ 191,774</u>	<u>\$ 2,077,000</u>

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

Year ending June 30,	Principal Payments	Interest Payments	Total
2015	\$ 139,000	\$ 31,060	\$ 170,060
2016	142,000	28,640	170,640
2017	145,000	26,180	171,180
2018	147,000	23,533	170,533
2019	150,000	20,462	170,462
2020-2023	1,354,000	61,899	1,415,899
Total	<u>\$ 2,077,000</u>	<u>\$ 191,774</u>	<u>\$ 2,268,774</u>

In accordance with the Louisiana Revised Statutes 39:562, 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, 2014, the statutory limit was \$15,382,785 and the outstanding net bonded debt totaled \$0.

NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Title I	\$ 90,276
General	Nonmajor governmental	114,454
Total		<u>\$ 204,730</u>

The purpose of interfund receivable/payables between the general fund, Title I, and other governmental funds is to cover expenditures on cost reimbursement programs until reimbursements are received.

Interfund transfers:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
General Fund	Nonmajor governmental	\$ 766
Nonmajor governmental	General Fund	273,894
		<u>\$ 274,660</u>

The general fund transferred money to the debt service funds to account for current year debt transactions. The School Rewards fund transferred its funds to the general fund and is no longer considered a special revenue fund.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

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

NOTE 15 - LITIGATION AND CLAIMS

Litigation 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. These programs are subject to compliance audits under the single audit approach. Such audits could lead to request for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Energy Performance Contract The School Board entered into an energy performance contract with TAC Americas, Inc. in November 2004. The contract includes a stipulated operational savings. The Louisiana Attorney General recently issued an opinion (A.G. Opinion No. 07-0002) regarding a similar contract with another School Board and concluded that some of these contracts may not meet the statutory definition of a performance based energy contract.

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

The Parish Tax Collector makes retirement remittances to the teacher's retirement system of the State of Louisiana. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Tax Collector's office. For 2014, the Tax Collector paid the Teacher's Retirement System of Louisiana \$55,025. These amounts are reflected in the financial statements for the General Fund.

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 \$10,117. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 17 - ECONOMIC DEPENDENCY Statement of Financial Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities revenue. The Minimum Foundation Program funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$7,242,847 to the School Board, which represents approximately 51.5% of the School Board's total revenue for the year.

East Carroll Parish School Board
Notes to the Basic Financial Statements
June 30, 2014

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

	General	Nonmajor Governmental	Total
Restricted for:			
Grants	\$ -	\$ 23,689	\$ 23,689
School Construction	-	5,864	5,864
Debt Service	-	304,015	304,015
Salary	610,751	-	610,751
Unassigned	4,081,109	-	4,081,109
Total	\$ 4,691,860	\$ 333,568	\$ 5,025,428

NOTE 19 - PRIOR PERIOD ADJUSTMENT The School Board reported a prior period adjustment in fiscal year ended June 30, 2014 in its debt service fund in the amount of \$200,000 regarding the QSCB revenue bonds. The School Board is required to make annual payments into an investment account in accordance with the debt covenants. These payments in the past have been treated as principal debt service payments; however, the investment account that the required payments have been made into is not an irrevocable trust account. Therefore, these payments should not be treated as reduction in principal, but rather as cash transfers to a sinking fund. This resulted in an increase in investments and an increase in fund balance of \$200,000 for prior amounts paid in the governmental debt service fund. In the governmental activities Statement of Net Position and Statement of Activities, this prior period adjustment had no effect on net position due to the full liability for the QSCB revenue bonds were included on the Statement of Net Position.

REQUIRED SUPPLEMENTARY INFORMATION

East Carroll Parish School Board

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFIT PLAN
JUNE 30, 2014**

<u>Fiscal Year End</u>	<u>Actuarial Valuation Date</u>	(a) <u>Actuarial Value of Assets</u>	(b) Actuarial <u>Accrued Liability (AAL)</u>	(b-a) <u>Unfunded AAL (UAAL)</u>	(a/b) <u>Funded Ratio</u>	(c) <u>Covered Payroll</u>	(b-a/c) <u>UAAL as a Percentage of Covered Payroll</u>
2009	7/1/2008	\$ -	\$22,614,371	\$22,614,371	0%	\$9,458,586	239.09%
2010	7/1/2008	-	22,614,371	22,614,371	0%	9,164,453	246.76%
2011	7/1/2010	-	17,499,960	17,499,960	0%	7,993,299	218.93%
2012	7/1/2010	-	17,499,960	17,499,960	0%	6,971,391	251.03%
2013	7/1/2012	-	16,359,413	16,359,413	0%	7,081,983	231.00%
2014	7/1/2013	-	16,359,413	16,359,413	0%	6,189,222	264.32%

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

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

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

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

EAST CARROLL PARISH SCHOOL BOARD

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2014

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 4,131,104	\$ 4,131,104	\$ 4,131,104	\$ -
Resources (inflows)				
Local sources:				
Ad valorem taxes	637,776	646,160	681,688	35,528
Sales and use taxes	2,000,000	1,800,000	1,957,472	157,472
Interest earnings	2,000	1,000	15,651	14,651
Other	564,992	617,777	832,886	215,109
State sources:				
Equalization	7,625,610	7,234,442	7,224,889	(9,553)
Other	218,856	218,577	217,055	(1,522)
Federal sources:	-	-	565	565
Transfers from other funds	1,310	1,310	766	(544)
Amounts available for appropriations	<u>15,181,648</u>	<u>14,650,370</u>	<u>15,062,076</u>	<u>411,706</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	3,638,974	3,672,872	3,806,339	(133,467)
Special education programs	540,170	629,541	665,848	(36,307)
Other instructional programs	572,675	595,163	441,285	153,878
Support services:				
Student services	821,211	932,288	636,102	296,186
Instructional staff support	412,366	459,274	478,514	(19,240)
General administration	357,167	351,231	510,864	(159,633)
School administration	671,603	737,360	757,703	(20,343)
Business services	452,324	450,860	486,004	(35,144)
Plant services	1,241,185	1,379,364	1,605,178	(225,814)
Student transportation services	410,563	517,162	551,086	(33,924)
Food services	-	114,860	153,707	(38,847)
Community service programs	3,300	3,300	3,692	(392)
Debt service:				
Principal retirement	277,512	272,646	-	272,646
Transfers to other funds	273,894	273,894	273,894	-
Total charges to appropriations	<u>9,672,944</u>	<u>10,389,815</u>	<u>10,370,216</u>	<u>19,599</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 5,508,704</u>	<u>\$ 4,260,555</u>	<u>\$ 4,691,860</u>	<u>\$ 431,305</u>

EAST CARROLL PARISH SCHOOL BOARD

TITLE I
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2014

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources	1,463,534	1,703,380	1,581,334	(122,046)
Amounts available for appropriations	1,463,534	1,703,380	1,581,334	(122,046)
Charges to appropriations (outflows)				
Instruction:				
Other instructional programs	1,062,242	1,294,238	1,180,042	114,196
Support services:				
Instructional staff support	274,288	274,288	274,288	-
General administration	101,099	108,949	101,099	7,850
Plant services	10,510	10,510	10,510	-
Student transportation services	15,395	15,395	15,395	-
Total charges to appropriations	1,463,534	1,703,380	1,581,334	122,046
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -

East Carroll Parish School Board
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2014

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

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

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

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

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

East Carroll Parish School Board

Notes to Budgetary Comparison Schedule
For the Year Ended June 30, 2014

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

	GENERAL	TITLE I
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 15,062,076	\$ 1,581,334
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(4,131,104)	-
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(766)	-
	<u>\$ 10,930,206</u>	<u>\$ 1,581,334</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 10,370,216	\$ 1,581,334
Transfer to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(273,894)	-
	<u>\$ 10,096,322</u>	<u>\$ 1,581,334</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 10,930,206</u>	<u>\$ 1,581,334</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances -Governmental Funds	<u>\$ 10,096,322</u>	<u>\$ 1,581,334</u>

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

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet - By Fund Type
 June 30, 2014

Exhibit 2

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
ASSETS				
Cash and cash equivalents	\$ 77,496	\$ 1,910	\$ 5,864	\$ 85,270
Investments	-	302,105	-	302,105
Receivables	216,189	-	-	216,189
Inventories	12,285	-	-	12,285
	<u>305,970</u>	<u>304,015</u>	<u>5,864</u>	<u>615,849</u>
TOTAL ASSETS				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	155,542	-	-	155,542
Interfund payables	114,454	-	-	114,454
Unearned revenues	12,285	-	-	12,285
	<u>282,281</u>	<u>-</u>	<u>-</u>	<u>282,281</u>
Total liabilities				
Fund Balances:				
Restricted	23,689	304,015	5,864	333,568
	<u>23,689</u>	<u>304,015</u>	<u>5,864</u>	<u>333,568</u>
Total fund balances				
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 305,970</u>	<u>\$ 304,015</u>	<u>\$ 5,864</u>	<u>\$ 615,849</u>

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended June 30, 2014

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
REVENUES				
Local sources:				
Interest earnings	\$ 6	\$ 6,870	\$ 19	\$ 6,895
Food services	9,434	-	-	9,434
Other	6,363	-	-	6,363
State sources:				
Equalization	17,958	-	-	17,958
Other	89,582	-	-	89,582
Federal sources	1,428,656	-	-	1,428,656
Total revenues	1,551,999	6,870	19	1,558,888
EXPENDITURES				
Current:				
Instruction:				
Regular programs	70,519	-	-	70,519
Special programs	242,014	-	-	242,014
Other instructional programs	251,084	-	-	251,084
Support services:				
Student services	40,982	-	-	40,982
Instructional staff support	49,534	-	-	49,534
General administration	37,024	-	-	37,024
Plant services	1,827	-	21,370	23,197
Student transportation services	3,532	-	-	3,532
Food services	858,564	-	-	858,564
Debt service:				
Principal	-	142,000	-	142,000
Interest and bank charges	-	34,749	-	34,749
Total expenditures	1,555,080	176,749	21,370	1,753,199
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (3,081)	\$ (169,879)	\$ (21,351)	\$ (194,311)

(Continued)

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended June 30, 2014

Exhibit 3

OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 273,894	\$ -	\$ 273,894
Transfers out	(766)	-	-	(766)
	<u>(766)</u>	<u>273,894</u>	<u>-</u>	<u>273,128</u>
Total other financing sources (uses)				
Net change in fund balances	<u>(3,847)</u>	<u>104,015</u>	<u>(21,351)</u>	<u>78,817</u>
FUND BALANCES - BEGINNING, AS ORIGINALLY STATED	27,536	-	27,215	54,751
Prior period adjustment	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
FUND BALANCES - BEGINNING, AS RESTATED	<u>27,536</u>	<u>200,000</u>	<u>27,215</u>	<u>254,751</u>
FUND BALANCES - ENDING	<u>\$ 23,689</u>	<u>\$ 304,015</u>	<u>\$ 5,864</u>	<u>\$ 333,568</u>

(Concluded)

East Carroll Parish School Board

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East Carroll Parish School Board

Nonmajor Special Revenue Funds

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

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

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

JAG This is a division of the TANF grant which delivers services to at-risk and disadvantaged youth to aid them in pursuing a post secondary education and ensure participants an opportunity to enter the workforce in a quality job.

8 (g) The purpose of this fund is to account for various state programs designed to provide enhancement to elementary, secondary, and vocational programs.

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

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

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

MISCELLANEOUS GRANTS This fund accounts for various small state and federal grants for which the expenditures are legally restricted to specified purposes.

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2014

	CHILD NUTRITION	SPECIAL EDUCATION	TITLE II	JAG
ASSETS				
Cash and cash equivalents	\$ 73,039	\$ -	\$ -	\$ -
Receivables	19,967	35,990	95,673	33,813
Inventories	12,285	-	-	-
TOTAL ASSETS	105,291	35,990	95,673	33,813
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	69,686	29,188	21,364	10,857
Interfund payables	-	6,802	74,309	22,956
Unearned revenues	12,285	-	-	-
Total liabilities	81,971	35,990	95,673	33,813
Fund Balances:				
Restricted	23,320	-	-	-
Total fund balances	23,320	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 105,291	\$ 35,990	\$ 95,673	\$ 33,813

Exhibit 4

8 (g)	RURAL EDUCATION ACHIEVMENT	EDUCATION EXCELLENCE	VOCATIONAL EDUCATION	MISCELLANEOUS GRANTS	TOTAL
\$ -	\$ -	\$ 3,761	\$ -	\$ 696	\$ 77,496
18,262	6,303	-	6,181	-	216,189
-	-	-	-	-	12,285
<u>18,262</u>	<u>6,303</u>	<u>3,761</u>	<u>6,181</u>	<u>696</u>	<u>305,970</u>
14,101	5,897	3,761	688	-	155,542
4,161	406	-	5,493	327	114,454
-	-	-	-	-	12,285
<u>18,262</u>	<u>6,303</u>	<u>3,761</u>	<u>6,181</u>	<u>327</u>	<u>282,281</u>
-	-	-	-	369	23,689
-	-	-	-	369	23,689
<u>\$ 18,262</u>	<u>\$ 6,303</u>	<u>\$ 3,761</u>	<u>\$ 6,181</u>	<u>\$ 696</u>	<u>\$ 305,970</u>

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2014

	CHILD NUTRITION	SPECIAL EDUCATION	TITLE II	JAG
REVENUES				
Local sources:				
Interest earnings	\$ 6	\$ -	\$ -	\$ -
Food services	9,434	-	-	-
Other	6,363	-	-	-
State sources:				
Equalization	17,958	-	-	-
Other	-	3,994	-	-
Federal sources	829,135	302,652	166,977	101,117
Total revenues	862,896	306,646	166,977	101,117
EXPENDITURES				
Current:				
Instruction:				
Regular programs	-	-	-	43,394
Special programs	-	242,014	-	-
Other instructional programs	-	-	151,395	10,369
Support services:				
Student services	-	506	-	40,476
Instructional staff support	-	44,613	4,921	-
General administration	-	19,513	10,661	6,234
Plant services	1,827	-	-	-
Student transportation services	2,252	-	-	644
Food services	858,564	-	-	-
Total expenditures	862,643	306,646	166,977	101,117
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	253	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
Net change in fund balances	253	-	-	-
FUND BALANCES - BEGINNING	23,067	-	-	-
FUND BALANCES - ENDING	\$ 23,320	\$ -	\$ -	\$ -

Exhibit 5

8 (g)	RURAL EDUCATION ACHIEVEMENT	EDUCATION EXCELLENCE	VOCATIONAL EDUCATION	MISCELLANEOUS GRANTS	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6
-	-	-	-	-	9,434
-	-	-	-	-	6,363
-	-	-	-	-	17,958
61,797	-	18,911	-	4,880	89,582
-	10,241	-	18,534	-	1,428,656
<u>61,797</u>	<u>10,241</u>	<u>18,911</u>	<u>18,534</u>	<u>4,880</u>	<u>1,551,999</u>
-	-	21,918	-	5,207	70,519
-	-	-	-	-	242,014
61,797	9,625	-	17,898	-	251,084
-	-	-	-	-	40,982
-	-	-	-	-	49,534
-	616	-	-	-	37,024
-	-	-	-	-	1,827
-	-	-	636	-	3,532
-	-	-	-	-	858,564
<u>61,797</u>	<u>10,241</u>	<u>21,918</u>	<u>18,534</u>	<u>5,207</u>	<u>1,555,080</u>
-	-	(3,007)	-	(327)	(3,081)
-	-	-	-	(766)	(766)
-	-	-	-	(766)	(766)
-	-	(3,007)	-	(1,093)	(3,847)
-	-	3,007	-	1,462	27,536
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 369</u>	<u>\$ 23,689</u>

East Carroll Parish School Board

Agency Funds

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

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

EAST CARROLL PARISH SCHOOL BOARD
AGENCY FUNDS
Combining Schedule of Assets and Liabilities
June 30, 2014

Exhibit 6

**SCHOOL
ACTIVITIES
FUND**

ASSETS

Cash and cash equivalents

\$ 209,587

TOTAL ASSETS

209,587

LIABILITIES

Deposits due others

209,587

TOTAL LIABILITIES

\$ 209,587

EAST CARROLL PARISH SCHOOL BOARD

AGENCY FUNDS
Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2014

Exhibit 7

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 222,761	\$ 208,211	\$ 221,385	\$ 209,587
	<u>222,761</u>	<u>208,211</u>	<u>221,385</u>	<u>209,587</u>
LIABILITIES				
Deposits due others	<u>222,761</u>	<u>208,211</u>	<u>221,385</u>	<u>209,587</u>
	<u>222,761</u>	<u>208,211</u>	<u>221,385</u>	<u>209,587</u>
***RETIREMENT INSURANCE FUND**				
ASSETS				
Cash and cash equivalents	-	129,683	129,683	-
	<u>-</u>	<u>129,683</u>	<u>129,683</u>	<u>-</u>
LIABILITIES				
Deposits due others	<u>-</u>	<u>129,683</u>	<u>129,683</u>	<u>-</u>
	<u>-</u>	<u>129,683</u>	<u>129,683</u>	<u>-</u>
*****TOTAL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	<u>222,761</u>	<u>337,894</u>	<u>351,068</u>	<u>209,587</u>
	<u>222,761</u>	<u>337,894</u>	<u>351,068</u>	<u>209,587</u>
LIABILITIES				
Deposits due others	<u>222,761</u>	<u>337,894</u>	<u>351,068</u>	<u>209,587</u>
	<u>\$ 222,761</u>	<u>\$ 337,894</u>	<u>\$ 351,068</u>	<u>\$ 209,587</u>

EAST CARROLL PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2014

Exhibit 8

SCHOOL	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Lake Providence Junior High	\$ 98,485	\$ 39,707	\$ 40,052	\$ 98,140
Lake Providence Senior High	96,932	122,236	139,411	79,757
Southside Elementary	<u>27,344</u>	<u>46,268</u>	<u>41,922</u>	<u>31,690</u>
Total	<u>\$ 222,761</u>	<u>\$ 208,211</u>	<u>\$ 221,385</u>	<u>\$ 209,587</u>

East Carroll Parish School Board

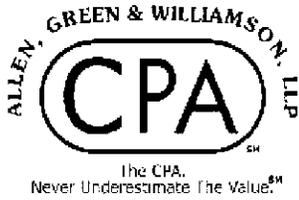
Exhibit 9

Schedule of Compensation Paid Board Members
For The Year Ended June 30, 2014

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

<u>Board Member</u>	<u>Actual Salary</u>
Harriet Bridges	\$ 7,800
Marion Carroway	7,800
Gene Edmondson	7,800
Shirley Fairchild	7,800
Jacqueline Folks, Vice President	7,800
Arlean Hampton	7,800
Georjean Jackson, President	8,400
Roger Shoemaker	7,800
Carolyn Ward	<u>7,800</u>
Total	<u>\$70,800</u>

SINGLE AUDIT INFORMATION



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Principal: Cindy Thomason, CPA

Matt Carmichael, CPA
Diane Ferschoff, CPA
Jaime Esswein, CPA, CFE
Jaunicia Mercer, CPA, CFE

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

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

Independent Auditor's Report

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Carroll Parish School Board as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated January 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, 2014-003, 2014-004, 2014-005, and 2014-006 that we consider to be significant deficiencies.

Compliance and Other Matters

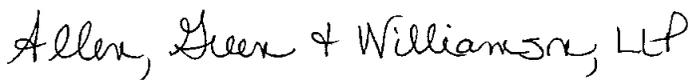
As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2014-006.

The School Board's Response to Findings

The School Board's response to the findings identified in our audit are described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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

Monroe, Louisiana

January 10, 2015



ALLEN, GREEN & WILLIAMSON, LLP

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Ernest L. Allen, CPA
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Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance; Required by OMB Circular A-133

Independent Auditor's Report

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

Report on Compliance for Each Major Federal Program

We have audited East Carroll Parish School Board's compliance 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, 2014. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Board's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of 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, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, 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 item 2014-007. Our opinion on each major federal program is not modified with respect to this matter.

The School Board's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan for Current Year Audit Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *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.

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2014-007 and 2014-008 that we consider to be significant deficiencies.

The School Board's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan for Current Year Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

January 10, 2015

**East Carroll Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014**

Exhibit 10

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA Number</u>	<u>Pass Through Grantor No.</u>	<u>Expenditures</u>
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster (non cash-commodities):			
National School Lunch Program	10.555	NONE	\$ 46,328
Child Nutrition Cluster (cash):			
National School Lunch Program	10.555	NONE	498,613
School Breakfast Program	10.553	NONE	185,627
Summer Feeding Program for Children	10.559	NONE	38,975
Fresh Fruit and Vegetable Program:	10.582	NONE	59,592
Total United States Department of Agriculture			<u>829,135</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010A	28-14-T1-18	1,581,334
Special Education Cluster:			
Grants to States (Part B)	84.027A	28-14-B1-18	280,303
Preschool Grants	84.173A	28-14-P1-18	12,497
Title II (Improving Teacher Quality State Grants)	84.367A	28-14-50-18	166,977
Vocational Education: Basic Grants to States			
	84.048	28-13-02-18	
		28-14-02-18	18,534
Rural Education Achievement Program (REAP)	84.358B	28-14-RE-18	10,241
Special Education State Personnel Development	84.323A	28-12-P4-18	9,852
Advanced Placement Test Fee Program	84.330B	28-14-26-18	225
Race to the Top	84.413A	28-12-SS-18	340
Total United States Department of Education			<u>2,080,303</u>
Department of Health and Human Services			
Passed Through the Louisiana Department of Education			
Temporary Assistance for Needy Families	93.558	28-14-JS-18	101,117
TOTAL FEDERAL AWARDS			<u>\$ 3,010,555</u>

East Carroll Parish School Board
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

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

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

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

	Federal Sources
General Fund	\$ 565
Title I	1,581,334
Nonmajor governmental:	
Child Nutrition	829,135
Special Education	302,652
Title II	166,977
JAG	101,117
Rural Education Achievement	10,241
Vocational Education	18,534
Total	\$ 3,010,555

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

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

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

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2014**

PART I - Summary of the auditors' results

Financial statement audit

- i. The type of audit report issued was unmodified.
- ii. There were six 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 statement.

Audit of federal awards

- iv. There were two significant deficiencies required to be disclosed by OMB Circular A-133. The significant deficiencies were not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unmodified for all federal programs.
- vi. The audit disclosed two audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:

Special Education Cluster:

CFDA #84.027A	Special Education Grants to States IDEA-B
CFDA #84.173A	Special Education Preschool Grants
CFDA #84.010A	Title I

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

East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2014

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

Reference # and title: **2014-001** **Credit Cards**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Proper internal controls require that credit card receipts be matched to the appropriate invoice and that the invoices are matched to the monthly statement before payment is made. Credit card statements should be paid timely and in full to avoid finance charges and/or late fees.

Condition found: In reviewing two credit card statements, the following exceptions were noted:

- The September 2013 credit card statement did not have supporting documentation for all purchases on the statement, nor were all required purchase orders attached. The statement also included charges for late fees and interest incurred due to the preceding statement not being paid timely and in full.
- The March 2014 credit card statement did not have all of the supporting receipts required to match the amount paid on the statement, nor were all required purchase orders attached.

Possible asserted effect (cause and effect):

Cause: Proper procedures are not being followed in the handling of credit card payments.

Effect: Late payments result in unnecessary costs for interest and late fees, while missing receipts and purchase orders prohibit an adequate audit trail.

Recommendations to prevent future occurrences: Procedures should be established to match receipts to the appropriate invoice and reconcile the invoices to the monthly statements before payment is made. Purchase orders should be attached to the invoices as per School Board's policy. Credit card statements should be paid timely and in full to avoid finance charges and/or late fees.

View of Responsible Official: We agree with the recommendations.

Reference # and title: **2014-002** **General Accounting**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Outstanding checks on bank reconciliations that are over one year old should be investigated. A determination should then be made as to whether or not the check should be voided and reissued. Outstanding checks over five years old should be reported to the state of Louisiana as unclaimed property if the vendor/or employee cannot be contacted and the issue resolved. In addition, no unusual reconciling items should have to be included to reconcile the bank account to the ledger.

Condition found: In testing nine bank reconciliations, the following exceptions were noted:

- The October 2013 and April 2014 master bank reconciliations had 14 checks that have been outstanding for more than five years.
- The September 2013 payroll bank reconciliation had 70 checks that have been outstanding for more than one year.

East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2014

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

- The April 2014 payroll bank reconciliation had 68 checks that have been outstanding for more than one year.
- The April 2014 bank reconciliation had a reconciling item for a substitute payroll run related to the month of April which was not posted until May.

Possible asserted effect (cause and effect):

Cause: Proper procedures are not being followed in regard to old outstanding checks. In addition, bank reconciliations include unusual reconciling items in order to reconcile to the ledger.

Effect: Bank reconciliations include old and unusual reconciling items causing inaccurate cash balances.

Recommendations to prevent future occurrences: Proper procedures should be established to investigate and appropriately resolve all reconciling items. Old outstanding checks should either be voided or sent to the State according to State law for unclaimed property.

View of Responsible Official: We agree with the recommendations.

Reference # and title: **2014-003** **Controls Over Compensated Absences**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Proper internal controls require that sick and annual leave be granted to School Board employees in accordance with School Board policy and that accurate records be maintained regarding the employee information and the available balances for each employee.

Condition found: In testing 14 School Board employees for controls over compensated absences the following was noted:

- There was one instance where the employee did not receive their annual or sick leave days causing their available balance to be understated.
- There were seven instances where the total days available for the employee could not be determined due to conflicting information obtained from two different system generated reports.

Possible asserted effect (cause and effect):

Cause: The cause could not be determined.

Effect: Annual and sick day balances available to the School Board employees might not be accurate.

Recommendations to prevent future occurrences: Procedures should be established to adequately track the compensated absence balances available to employees.

View of Responsible Official: We agree with the recommendations.

East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2014

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

Reference # and title: **2014-004** **Controls over Retiree Insurance**

Entity-wide or program/department specific: This finding relates to the collection of retiree insurance premiums.

Criteria or specific requirement: Proper internal controls require that monies collected for retiree insurance premiums be properly documented and reconciled to the actual insurance invoice to ensure that the School Board has collected the appropriate amount from retirees. The accounting records should be accurate and include the retiree's portion of the health and life insurance premiums, the amount collected, and any cumulative outstanding balance for each retiree.

Condition found: In testing retiree insurance premium collections it was determined that the School Board does not maintain adequate accounting records for the collection of the retiree's portion for health and life insurance premiums. The monies collected at the School Board office are currently being manually documented on a spreadsheet. The School Board's documentation contained manual errors and did not contain all the information for needed to adequately account for collections.

Possible asserted effect (cause and effect):

Cause: The School Board does not have an adequate system in place for handling the collections of retiree insurance premiums.

Effect: The accounting records for the monies collected and due from retiree's for their portion of insurance premiums is not always accurate and does not contain all the necessary information for appropriate accounting.

Recommendations to prevent future occurrences: Procedures should be established to ensure that the School Board has adequate accounting records for collection of retiree's premiums for health and life insurance. Accounting records should include the correct amount owed for each month's premium based on the insurance invoice, the amount collected and the cumulative outstanding balance. Procedures should also include a reconciliation process by someone other than the person maintaining the retiree accounting records, to reconcile the accounting records to the Retiree Insurance Agency Fund's general ledger.

View of Responsible Official: We agree with the recommendations.

Reference # and title: **2014-005** **Controls over Disbursements**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Proper internal controls over disbursements require that the proper supporting documentation be maintained, expenses be coded to the correct account and that School Board policy is followed.

East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2014

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

Condition found: In testing of disbursements, the following exceptions were noted:

General – In testing of 21 vendor disbursements, 44 payroll disbursements and 10 travel disbursements, the following exceptions were noted:

- There was one instance of a check missing an invoice.
- There were three instances of an expense not being coded to the proper account.
- There was one instance where a travel reimbursement was missing a required receipt.
- There was one instance of a travel reimbursement not including documentation for the distance traveled.
- There were four instances of travel reimbursements including meal expenses that were not allowable under the School Board’s travel policy.
- There was one instance noted where an employee’s salary was lacking supporting documentation.

Titles I – In testing 18 vendor disbursements, the following exceptions were noted:

- There were two instances of an expense not being recorded to the proper account.
- There were two instances of an expense not being included in the program budget.

Special Education Cluster – In testing 16 payroll disbursements the following exceptions were noted:

- There were four instances noted where the employee salary expense was recorded to the incorrect function expense.
- There was one employee’s salary that was recorded as contracted services.

Possible asserted effect (cause and effect):

Cause: The auditor was unable to determine the cause.

Effect: Internal controls over disbursements were weakened.

Recommendations to prevent future occurrences: The School Board should have proper controls over vendor and payroll disbursements to ensure the proper documentation is available, expenses are accurately recorded and charges are in accordance with School Board policy.

View of Responsible Official: We agree with the recommendations.

Reference # and title: **2014-006** **Cash Deposits Under-Secured**

Entity-wide or program/department specific: This finding is entity-wide.

Criteria or specific requirement: Louisiana Revised Statute 39:1218 states that “any bank selected as fiscal agency shall give security for the safekeeping and payment of deposits”.

Condition found: During the test of cash deposits it was determined that deposits held at one of the banks was under-secured by \$174,499.

East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2014

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

Possible asserted effect (cause and effect):

Cause: It appears that the bank did not monitor the cash balances near the end of the fiscal year and the School Board did not advise the bank of any large deposits to be made or securities to be pledged near year end.

Effect: The School Board did not comply with Louisiana State Law and they have incurred a custodial credit risk.

Recommendations to prevent future occurrences: The School Board should review balances prior to year end and advise the bank of any large deposits to be made before the end of the fiscal year.

View of Responsible Official: We agree with the recommendations.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
June 30, 2014**

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

Reference # and title: **2014-007** **Maintenance of Effort**

Identification of federal program and award year: This finding relates to the Special Education Cluster, CFDA #84.027 and CFDA #84.173 for Federal Award Year 2014, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Criteria or specific requirement: A local education agency must expend, during any fiscal year, a combination of both state and local funds for the education of children with disabilities that is at least equal, on an aggregate or per capita basis, to the amount of state and local funds expended for this purpose in the prior year.

Condition found: During the fiscal year the School Board failed to meet the federal compliance requirement for the maintenance of effort on both the state and local fund basis and the per pupil basis.

Possible asserted effect (cause and effect):

Cause: The cause could not be determined.

Effect: The School Board was not in compliance with the federal compliance requirement for maintenance of effort.

Recommendations to prevent future occurrences: The School Board should establish procedures to ensure that the correct amount of funds will be expended from state and local sources in the future to meet the maintenance of effort.

View of Responsible Official: We agree with the recommendations.

Reference # and title: **2014-008** **Controls Over Disbursements**

Identification of federal program and award year: This finding relates to the Special Education Cluster, CFDA #84.027 and CFDA #84.173 for Federal Award Year 2014, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education and Title I, CFDA #84.010 for Federal Award Year 2014, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Criteria or specific requirement: Proper controls over disbursements require that the proper supporting documentation be maintained, expenses be coded to the correct account and that the School Board policy is followed.

See Current Year Finding 2014-005 for Condition Found, Recommendations and View Of Responsible Official.

OTHER INFORMATION

**East Carroll Parish School Board
Status of Prior Year Audit Findings
June 30, 2014**

Reference # and title: **2013-001** **Credit Cards**

Date Originated: June 30, 2011.

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Proper internal controls require that credit card receipts be matched to the appropriate invoice and that the invoices are matched to the monthly statement before payment is made. Credit card statements should be paid timely and in full to avoid finance charges and/or late fees.

In reviewing two credit card statements, the following exceptions were noted:

- The October 2012 credit card statement did not have all the supporting receipts required to match the amount paid on the statement, nor were all required purchase orders attached. The statement included interest charges due to the preceding statement not being paid in full.
- The April 2013 credit card statement did not have all the supporting receipts required to match the amount paid on the statement, nor were all required purchase orders attached.

Corrective action planned: See corrective action plan for current year findings and questioned costs 2014-001.

Reference # and title: **2013-002** **General Accounting**

Date Originated: June 30, 2012.

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Outstanding checks on bank reconciliations that are over one year old should be investigated. A determination should then be made as to whether or not the check should be voided and reissued. Outstanding checks over five years old should be reported to the state of Louisiana as unclaimed property if the vendor/or employee cannot be contacted and the issue resolved. All bank accounts should be reconciled timely and there should be no material reconciling items. In addition, no vendor invoice should be paid unless the invoice has been properly approved by the appropriate person.

In testing six bank reconciliations, the following exceptions were noted:

- The May 2013 master bank reconciliation had 32 outstanding checks over five years old totaling \$9,861 in value.
- The November 2012 master bank reconciliation had 26 outstanding checks over five years old totaling \$7,878 in value.
- The March 2013 payroll reconciliation had 61 outstanding checks greater than one year old totaling \$49,226 in value.
- The October 2012 payroll reconciliation had 60 outstanding checks greater than one year totaling \$49,158 in value.
- The October 2012 payroll reconciliation was not performed timely. It was reconciled December 11, 2012.
- The May 2013 master bank reconciliation had a reconciling item of \$290,472 regarding an entry between the payroll bank account and the master bank.
- The October 2012 payroll account reconciliation had a reconciling item for a manual journal entry of \$741,340 for items written in October but posted in November.

**East Carroll Parish School Board
Status of Prior Year Audit Findings
June 30, 2014**

In addition, during test work, we noted one accounts payable check that was paid without a purchase order and also that the invoice was not approved by anyone. Further testing revealed that this was a corrected invoice and that the original invoice, which had been approved, had also been paid resulting in an over payment to the vendor of \$1,202.

Corrective action taken: See corrective action plan for current year findings and questioned costs 2014-002.

Reference # and title: **2013-003** **Reporting of Financial Data**

Date Originated: June 30, 2010.

Identification of federal program and award year: This finding relates to Title I, CFDA #84.010 for Federal Award Year 2013, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education and the Special Education Cluster, CFDA #84.027 and CFDA #84.173 for Federal Award Year 2013, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Condition: When completing the Targeting steps 1-4, only children ages 5-17 are to be reported. In effect, this excludes all pre-school and pre-kindergarten students.

The student enrollments used in completing the targeting steps included pre-school and pre-kindergarten students in error.

Corrective action taken: Care has been taken to ensure that the appropriate count is reported. Information is reviewed prior to submission.

East Carroll Parish School Board
Corrective Action Plan for Current Year Findings and Questioned Costs
June 30, 2014

Reference # and title: **2014-001** **Credit Cards**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Proper internal controls require that credit card receipts be matched to the appropriate invoice and that the invoices are matched to the monthly statement before payment is made. Credit card statements should be paid timely and in full to avoid finance charges and/or late fees.

In reviewing two credit card statements, the following exceptions were noted:

- The September 2013 credit card statement did not have supporting documentation for all purchases on the statement, nor were all required purchase orders attached. The statement also included charges for late fees and interest incurred due to the preceding statement not being paid timely and in full.
- The March 2014 credit card statement did not have all of the supporting receipts required to match the amount paid on the statement, nor were all required purchase orders attached.

Corrective action planned: Personnel will review credit card invoices twice per month (mid-month and end of month after statement is received) to ensure that proper documentation accompanies each charge on the statement.

Person responsible for corrective action:

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

Anticipated completion date: 6/30/2015.

Reference # and title: **2014-002** **General Accounting**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Outstanding checks on bank reconciliations that are over one year old should be investigated. A determination should then be made as to whether or not the check should be voided and reissued. Outstanding checks over five years old should be reported to the state of Louisiana as unclaimed property if the vendor/or employee cannot be contacted and the issue resolved. In addition, no unusual reconciling items should have to be included to reconcile the bank account to the ledger.

In testing nine bank reconciliations, the following exceptions were noted:

- The October 2013 and April 2014 master bank reconciliations had 14 checks that have been outstanding for more than five years.
- The September 2013 payroll bank reconciliation had 70 checks that have been outstanding for more than one year.
- The April 2014 payroll bank reconciliation had 68 checks that have been outstanding for more than one year.
- The April 2014 bank reconciliation had a reconciling item for a substitute payroll run related to the month

Corrective action planned: Outstanding checks are continuously being researched. Once research is complete, proper action will be taken.

East Carroll Parish School Board
Corrective Action Plan for Current Year Findings and Questioned Costs
June 30, 2014

Person responsible for corrective action:

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

Anticipated completion date: 6/30/2015.

Reference # and title: **2014-003** **Controls Over Compensated Absences**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Proper internal controls require that sick and annual leave be granted to School Board employees in accordance with School Board policy and that accurate records be maintained regarding the employee information and the available balances for each employee.

In testing 14 School Board employees for controls over compensated absences the following was noted:

- There was one instance where the employee did not receive their annual or sick leave days causing their available balance to be understated.
- There were seven instances where the total days available for the employee could not be determined due to conflicting information obtained from two different system generated reports.

Corrective action planned: Software vendor contacted and corrections are being made. Procedures are being established so as to keep leave and compensated absences accurate.

Person responsible for corrective action:

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

Anticipated completion date: 6/30/2015.

Reference # and title: **2014-004** **Controls over Retiree Insurance**

Entity-wide or program /department specific: This finding relates to the collection of retiree insurance premiums.

Condition: Proper internal controls require that monies collected for retiree insurance premiums be properly documented and reconciled to the actual insurance invoice to ensure that the School Board has collected the appropriate amount from retirees. The accounting records should be accurate and include the retiree's portion of the health and life insurance premiums, the amount collected, and any cumulative outstanding balance for each retiree.

In testing retiree insurance premium collections it was determined that the School Board does not maintain adequate accounting records for the collection of the retiree's portion for health and life insurance premiums. The monies collected at the School Board office are currently being manually documented on a spreadsheet. The School Board's documentation contained manual errors and did not contain all the information for needed to adequately account for collections.

East Carroll Parish School Board
Corrective Action Plan for Current Year Findings and Questioned Costs
June 30, 2014

Corrective action planned: Insurance clerk will reconcile manual receivable report with system generated report. Any discrepancies will be explained and billing invoice will be edited and payment submitted accordingly. Adequate accounting records will be maintained and reviewed.

Person responsible for corrective action:

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

Anticipated completion date: 6/30/2015.

Reference # and title: **2014-005** **Controls over Disbursements**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Proper internal controls over disbursements require that the proper supporting documentation be maintained, expenses be coded to the correct account and that School Board policy is followed.

In testing of disbursements, the following exceptions were noted:

General – In testing of 21 vendor disbursements, 44 payroll disbursements and 10 travel disbursements, the following exceptions were noted:

- There was one instance of a check missing an invoice.
- There were three instances of an expense not being coded to the proper account.
- There was one instance where a travel reimbursement was missing a required receipt.
- There was one instance of a travel reimbursement not including documentation for the distance traveled.
- There were four instances of travel reimbursements including meal expenses that were not allowable under the School Board’s travel policy.
- There was one instance noted where an employee’s salary was lacking supporting documentation.

Titles I – In testing 18 vendor disbursements, the following exceptions were noted:

- There were two instances of an expense not being recorded to the proper account.
- There were two instances of an expense not being included in the program budget.

Special Education Cluster – In testing 16 payroll disbursements the following exceptions were noted:

- There were four instances noted where the employee salary expense was recorded to the incorrect function expense.
- There was one employee’s salary that was recorded as contracted services.

Corrective action planned: Personnel will take care when making payment to assure that all documentation for invoices is present and that proper coding is used (LAUGH Guide). Travel policy is being reviewed by all Business personnel.

**East Carroll Parish School Board
Corrective Action Plan for Current Year Findings and Questioned Costs
June 30, 2014**

Person responsible for corrective action:

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

Anticipated completion date: 6/30/2015.

Reference # and title: **2014-006** **Cash Deposits Under-Secured**

Entity-wide or program/department specific: This finding is entity-wide.

Condition: Louisiana Revised Statute 39:1218 states that “any bank selected as fiscal agency shall give security for the safekeeping and payment of deposits”.

During the test of cash deposits it was determined that deposits held at one of the banks was under-secured by \$174,499.

Corrective action planned: Bank will be contacted.

Person responsible for corrective action:

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

Anticipated completion date: 6/30/2015.

Reference # and title: **2014-007** **Maintenance of Effort**

Identification of federal program and award year: This finding relates to the Special Education Cluster, CFDA #84.027 and CFDA #84.173 for Federal Award Year 2014, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

Condition: A local education agency must expend, during any fiscal year, a combination of both state and local funds for the education of children with disabilities that is at least equal, on an aggregate or per capita basis, to the amount of state and local funds expended for this purpose in the prior year.

During the fiscal year the School Board failed to meet the federal compliance requirement for the maintenance of effort on both the state and local fund basis and the per pupil basis.

Corrective action planned: Guidance will be sought as to how to become compliant.

**East Carroll Parish School Board
Corrective Action Plan for Current Year Findings and Questioned Costs
June 30, 2014**

Person responsible for corrective action:

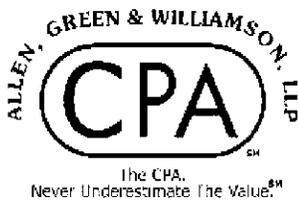
Dr. Vleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: 6/30/2015.

Reference # and title: **2014-008** **Controls Over Disbursements**

Identification of federal program and award year: This finding relates to the Special Education Cluster, CFDA #84.027 and CFDA #84.173 for Federal Award Year 2014, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education and Title I, CFDA #84.010 for Federal Award Year 2014, received from Federal Agency U.S. Department of Education passed through the Louisiana Department of Education.

See Corrective Action Plan for Current Year Finding and Questioned Costs 2014-005 for Condition, Corrective Action Planned, Person Responsible for Corrective Action and Anticipated Completion Date.



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Jaime Esswein, CPA, CFE
Jauncia Mercer, CPA, CFE

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

Management Letter

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the East Carroll Parish School Board as of and for the year ended June 30, 2014, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted a certain matter involving internal control that is presented for your consideration. This letter does not affect our report dated January 10, 2015 on the financial statements of the School Board. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment and management's response are summarized as follows:

2014-M1

Student Activity Funds

Comment: The Business manager performed audits on all three schools in the parish on two occasions during the fiscal year. It was noted that sales tax was paid on two disbursements, supporting documentation was missing or incomplete for three disbursements, one invoice was not paid timely, one invoice was paid prior to the purchase order being issued, two receipts were not logged when received, tickets were not used when money was collected for an event, one cash receipt was originally collected in a check that was not made out to the school, the amount of one deposit was not properly documented when money was collected, and there were two instances where financial information was not submitted timely to the central office.

Recommendation: The School Board should ensure that the personnel handling the receipts, disbursements and financial information at the schools receive proper training and are familiar with the policies and procedures established by the School Board.

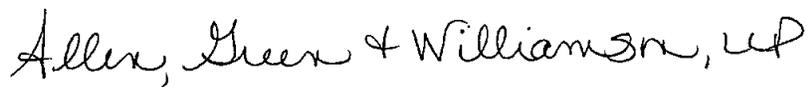
Managements Response: Training is on-going with school personnel responsible for the financial management of School Funds.

Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2014, which collectively comprise the School Board's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

Included are management's responses to our current year management letter item. We have performed no audit work to verify the content of the response.

Immediately following this letter is a Status of Prior Management Letter Item. This information has not been audited by Allen, Green & Williamson, LLP, and no opinion is expressed. However, we did follow-up on the prior management letter item and performed procedures to assess the reasonableness of the Status of Prior Management Letter Item prepared by Management, and we would report, as a current-year management letter item when Allen, Green & Williamson, LLP, concludes that the Status of Prior Management Letter Item materially misrepresents the status of any prior management letter item.

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. 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

Monroe, Louisiana
January 10, 2015

**East Carroll Parish School Board
Status of Prior Year Management Letter Item
June 30, 2014**

2013-M1

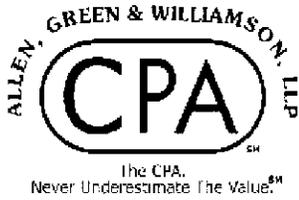
Travel Reimbursements

Comment: In testing of 19 travel expense reimbursements several issues were noted as follows:

- Tips reported do not always follow the School Board's travel policy.
- Meal allowances claimed sometimes exceeded the policy provided to auditors.
- Several reimbursement requests did not contain adequate support.
- Conference/meetings agendas were not always included as support of expenses.

Recommendation: The School Board should either revise their travel policy to the meal allowances currently being used by employees or else all employees should follow the current travel policy guidelines. The same recommendation would apply to how tips are being handled by employees. Adequate support, including meeting agendas, should always be attached to the requests for travel reimbursement.

Managements Response: See current year finding at 2014-002.



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(Retired) 1963 - 2000

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES ON PERFORMANCE AND STATISTICAL DATA

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the East Carroll Parish School Board, Lake Providence, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with 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: There were no exceptions 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 1st.

Comment: There were no exceptions as a result of applying agreed upon procedures.

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

Comment: There were no exceptions 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 1st 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: There were no exceptions 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 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

Comment: There were no exceptions 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 1 and as 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: There were no exceptions as a result of applying agreed upon procedures.

Public Staff Data (Schedule 5)

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

Comment: There were seven instances where the employees' reported full-time equivalents were above the maximum allowable FTE of one. The employees' actual time worked exceeded their annual available time; however their calculated FTE must be reduced to one.

Management response: FTE will be reported as one so as the actual time worked will not exceed annual available time.

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

Comment: There were no exceptions 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 ten classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Comment: There were no exceptions 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: There were no exceptions 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: The Graduation Exit Exam is no longer given.

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: There were no exceptions as a result of applying agreed upon procedures.

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 10, 2015

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Education Levels of Public School Staff
As of October 1, 2013

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	0	0.00%			0	0.00%		
Bachelor's Degree	36.7	48.35%			0	0.00%		
Master's Degree	16.27	21.43%			0	0.00%		
Master's Degree + 30	15.94	21.00%			4	5.27%		
Specialist in Education	0	0.00%			1	1.32%		
Ph. D. or Ed. D.	1	1.35%			1	1.32%		
Total	69.91	92.13%			6	7.91%		

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2014

Type	Number
Elementary	1
Middle/Jr. High	1
Secondary	1
Combination	0
Total	3

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

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
As of October 1, 2013

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	1	0	0	0	2	3
Principals	0	0	0	0	0	1	2	3
Classroom Teachers	5	3	7	5	11	7	32	70
Total	5	3	8	5	11	8	36	76

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Public School Staff Data: Average Salaries
For the Year Ended June 30, 2014

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	\$45,846	\$45,208
Average Classroom Teachers' Salary Excluding Extra Compensation	\$44,649	\$44,249
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	64.5683	52.6133

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

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Class Size Characteristics
As of October 1, 2013

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	15%	23	65%	104	20%	32	0%	0
Elementary Activity Classes	13%	3	70%	16	17%	4	0%	0
Middle/Jr. High	72%	81	13%	15	15%	17	0%	0
Middle/Jr. High Activity Classes	91%	29	6%	2	3%	1	0%	0
High	94%	128	6%	8	0%	0	0%	0
High Activity Classes	90%	18	5%	1	5%	1	0%	0
Combination	0%	0	0%	0	0%	0	0%	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0

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

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Louisiana Educational Assessment Program (LEAP)
For the Year Ended June 30, 2014

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3	7	8	6	7	8
Mastery	18	34	21	27	23	29
Basic	39	48	49	32	47	50
Approaching Basic	22	6	21	14	12	9
Unsatisfactory	17	6	3	21	12	4
Total	99	101	102	100	101	100

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Grade 4 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	2	4	4	0	0
Mastery	6	7	27	13	22	31
Basic	36	57	50	46	66	63
Approaching Basic	36	19	19	21	5	6
Unsatisfactory	21	15	0	15	7	0
Total	100	100	100	99	100	100

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	1	1	3	0	2
Mastery	14	9	17	23	1	1
Basic	56	28	41	49	51	70
Approaching Basic	17	43	31	1	27	12
Unsatisfactory	13	18	10	25	20	14
Total	101	99	100	101	99	99

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Grade 8 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	0	0	1	0	0
Mastery	8	0	6	25	0	1
Basic	67	20	27	49	25	65
Approaching Basic	8	37	40	7	29	18
Unsatisfactory	17	43	27	19	45	16
Total	101	100	100	101	99	100

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

**Graduation Exit Examination (GEE)
For the Year Ended June 30, 2014**

Not Applicable - GEE is no longer administered.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

IOWA and iLEAP Tests
For the Year Ended June 30, 2014

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	4	1	4	4	2
Mastery	4	8	7	15	8	10
Basic	36	29	48	19	31	36
Approaching Basic	23	21	18	20	25	31
Unsatisfactory	36	38	26	43	32	21
Total	100	100	100	101	100	100

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Grade 3 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	0	3	1	1	2
Mastery	3	5	9	9	9	13
Basic	26	27	48	31	25	44
Approaching Basic	33	36	28	24	19	23
Unsatisfactory	39	31	16	36	47	18
Total	102	99	104	101	101	100

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	19	18	3	3	6
Mastery	43	33	55	35	16	21
Basic	36	27	19	43	43	61
Approaching Basic	17	12	6	10	0	10
Unsatisfactory	3	8	2	10	29	2
Total	100	99	100	101	91	100

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Grade 5 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4	3	0	4	3	2
Mastery	11	25	37	17	16	24
Basic	67	40	57	69	64	56
Approaching Basic	15	21	4	10	11	16
Unsatisfactory	3	12	2	1	7	12
Total	100	101	100	101	101	110

(continued)

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	0	3	1	0	4
Mastery	6	5	12	8	6	8
Basic	42	47	41	74	62	53
Approaching Basic	30	31	32	15	16	12
Unsatisfactory	22	18	12	3	16	22
Total	101	101	100	101	100	99

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Grade 6 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	0	0	1	1	0
Mastery	1	7	10	6	1	1
Basic	29	58	42	64	22	30
Approaching Basic	43	26	36	17	39	32
Unsatisfactory	29	9	12	13	38	37
Total	103	100	100	101	101	100

District Achievement Level Results	English Language Arts			Mathematics		
	2014	2013	2012	2014	2013	2012
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	0	0	1	0	0
Mastery	9	6	4	23	1	0
Basic	29	28	38	58	21	37
Approaching Basic	40	44	26	10	30	21
Unsatisfactory	23	23	32	10	48	42
Total	102	101	100	102	100	100

District Achievement Level Results	Science			Social Studies		
	2014	2013	2012	2014	2013	2012
Grade 7 Students	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	0	0	1	0	0
Mastery	4	1	0	9	3	5
Basic	18	19	28	57	41	26
Approaching Basic	38	39	43	23	30	29
Unsatisfactory	40	41	29	11	27	39
Total	101	100	100	101	101	99

(Concluded)