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**ASSUMPTION PARISH SCHOOL BOARD**  
**NAPOLÉONVILLE, LOUISIANA**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2006**

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

Release Date 1-24-07

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## Postlethwaite & Netterville

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### INDEPENDENT AUDITORS' REPORT

The Members of the  
Assumption Parish School Board  
Napoleonville, Louisiana

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2006, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 40 through 41 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual nonmajor fund financial statements and performance and statistical data are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the School Board. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information included in the performance and statistical data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Postlethwaite & Metterwill*

December 21, 2006

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2006**

As management of the Assumption Parish School Board (hereinafter, School Board), we offer readers of the School Board's financial statements this narrative overview and analysis of the financial activities of the School Board for the fiscal year ended June 30, 2006.

### Financial Highlights

- The assets of the school board exceeded its liabilities at the close of the most recent fiscal year by \$21,560,703 (net assets) as compared to \$17,170,465 in the prior year ended June 30, 2005. Of this amount, \$11,479,852 (unrestricted net assets) may be used to meet the School Board's ongoing obligations to citizens and creditors as compared to \$ 8,371,177 in the prior year ended June 30, 2005.
- Cash and cash equivalents increased by 39.82%. During the course of the year, long-term interest rates did not justify purchasing investments with greater than a one-year maturity.
- Accounts payable increased significantly when compared to June 30, 2005. The contributing factor was the district's plan to curtail spending in the 04-05 fiscal year thereby allowing for more federal dollars to be available for expending in 05-06.
- The 50.66% increase in Accounts Receivable with the main reason being the federal impact aid dollars that the district was eligible to receive for displaced students caused by hurricanes Katrina and Rita.
- As of the close of the current fiscal year, the School Board's governmental funds reported ending fund balances of \$12,737,108 as compared to \$9,687,331 in the prior year ended June 30, 2005. Of the total, approximately, \$5,346,534 is available for spending at the School Board's discretion (unreserved, undesignated fund balance) as compared to \$1,907,886 in the prior year ended June 30, 2005.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$4,471,206 or 15.7% of the total General Fund expenditures as compared to \$932,010 or 3.4% of the total General Fund expenditures in the prior year ended June 30, 2005.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School Board's basic financial statements. These basic financial statements are composed of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to a private sector business.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2006**

The *statement of net assets* presents information on all of the School Board's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned by unused sick leave).

Both the government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services. The governmental activities of the School Board include regular and special educational programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School Board can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between *governmental funds* and *governmental activities*.

The School Board maintains dozens of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the 1992 Debt Service Fund, both of which are considered to be *major funds*. The remaining funds are combined into a single, aggregated presentation under the label of *other governmental funds*, which contain all the non-major funds. Individual fund data for each of these non-major funds is provided in the form of *combining statements* in the required supplementary information section.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2006**

The School Board adopts annual appropriated budgets for all funds except debt service funds. A budgetary comparison statement has been provided for all major funds with formally adopted budgets.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of outside parties such as students and other government agencies. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board programs. The two fiduciary funds of the School Board are the School Activity Fund, which contains monies belonging to the schools, their students, clubs or other activities, and Sales Tax Fund, which contains monies collected by the School Board for the School Board and other governmental agencies of Assumption Parish.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of data provided in the government-wide and fund financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Included therein are the combining statements referred to earlier in connection with non-major governmental funds. Also, under the label of *other supplementary information* data can be found on information required to be presented by state statute.

**Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the School Board, assets exceeded liabilities by \$21,560,703 at the close of the most recent fiscal year as compared to \$17,170,465 in the prior year ended June 30, 2005.

A large portion of the School Board's net assets (\$10,080,851 or 46.8% of total net assets) reflects its investments in capital assets (e.g., land, buildings, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. Last year, this number represented \$8,799,288 or 51.2% of total net assets. The School Board uses these capital assets in the delivery of services to its students and citizens; consequently, these assets are *not* available for future spending. Although the School Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2006**

**STATEMENT OF NET ASSETS**

	<u>2006</u>	<u>2005</u>	<u>% Change</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 10,386,901	\$ 7,428,696	39.82%
Investments	3,884,979	3,877,868	0.18%
Receivables	2,961,746	1,965,858	50.66%
Inventory	28,497	25,087	13.59%
Land, building, and equipment - net	13,015,851	12,036,006	8.14%
<b>TOTAL ASSETS</b>	<b><u>30,277,974</u></b>	<b><u>25,333,515</u></b>	<b><u>19.52%</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Salaries, payroll deductions, and withholdings payable	3,256,008	3,224,147	0.99%
Accounts payable	1,058,459	130,927	708.43%
Deferred revenues	246,207	321,822	(23.50%)
Compensated absences payable	1,221,597	1,316,154	( 7.18%)
Long-term liabilities			
Due within one year	274,000	235,000	16.60%
Due in more than one year	2,661,000	2,935,000	(9.34%)
<b>TOTAL LIABILITIES</b>	<b><u>8,717,271</u></b>	<b><u>8,163,050</u></b>	<b><u>6.79%</u></b>

**NET ASSETS**

Invested in capital assets, net of related debt	10,080,851	8,799,288	14.56%
Unrestricted	11,479,852	8,371,177	37.14%
<b>TOTAL NET ASSETS</b>	<b><u>\$ 21,560,703</u></b>	<b><u>\$ 17,170,465</u></b>	<b><u>25.57%</u></b>

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2006**

**STATEMENT OF ACTIVITIES**

	<u>2006</u>	<u>2005</u>	<u>% Change</u>
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$ 306,634	\$ 366,622	( 16.36%)
Operating Grants and Contributions	7,844,680	7,270,638	7.90%
Taxes			
Property Taxes	3,739,824	3,665,282	2.03%
Sales and Use Taxes	5,125,598	4,279,421	19.77%
Other Local Sources	718,603	587,998	22.21%
State Sources	<u>22,149,683</u>	<u>21,241,278</u>	<u>4.28%</u>
<b>Total Revenues</b>	<b>39,885,022</b>	<b>37,411,239</b>	<b>6.61%</b>
<b>Expenses</b>			
Instruction	22,043,484	22,522,579	( 2.13%)
Support Services	9,962,695	9,218,192	( 8.08%)
Non-Instructional Services	1,968,346	1,906,595	3.24%
Debt Service	130,669	119,886	8.99%
Capital Outlay	<u>1,389,590</u>	<u>1,639,148</u>	<u>( 15.22%)</u>
<b>Total Expenses</b>	<b>35,494,784</b>	<b>35,406,400</b>	<b>0.25%</b>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>4,390,238</b>	<b>2,004,839</b>	<b>118.98%</b>
<b>Beginning Net Assets</b>	<u>17,170,465</u>	<u>15,165,626</u>	<u>13.22%</u>
<b>Ending Net Assets</b>	<u><b>\$21,560,703</b></u>	<u><b>\$17,170,465</b></u>	<u><b>25.57%</b></u>

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2006**

**General Fund Budgetary Highlights**

The School Board amended the original budget during the year. The differences between the original/final budget and the actual expenditures were significant in the following areas with the reasons noted for each difference:

**Local sources of revenues:**

Ad valorem taxes increased due to an increase in taxable assessed values that was not originally anticipated in the numbers provided by the assessor's office.

Increases in sales and use tax revenues were the results of the economic impact of hurricanes Katrina and Rita and the passage of a ½ cent sales tax that was effective October 1, 2005.

Interest earnings increased significantly as a result of having more funds available to earn interest and an increase in interest rates.

**State sources of revenues:**

Restricted grants in aid increased due to more State funds being sent to the district as a result of applications for funding submitted by the district

**Federal sources of revenues:**

Restricted grants in aid increased due to additional federal grants approved throughout the fiscal year.

**Expenditures:**

The budget was not amended for expenditures.

**Capital Assets and Debt Administration**

**Capital Assets.** The School Board's investment in capital assets as of June 30, 2006 amounts to \$13,015,851 (net of accumulated depreciation) as compared to \$12,036,006 in the prior year ended June 30, 2005. This investment includes land, buildings and improvements, furniture, machinery, and equipment and construction in progress. Capital assets increased by \$979,845 over last year as compared to \$1,207,201 in the prior year ended June 30, 2005. The net increase represents an 8.1% difference as compared to a 11.1% difference in the prior year ended June 30, 2005.

**Governmental Activities**

	2006	2005
Land	\$ 480,573	\$ 480,573
Buildings and Improvements	26,881,123	24,367,519
Furniture and Equipment	3,107,452	3,033,364
Construction in Progress	235,364	1,279,256
Less Accumulated Depreciation	( 17,688,661)	( 17,124,706)
Total, net of depreciation	\$ 13,015,851	\$ 12,036,006

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2006**

The Board suffered only minimal damages as a result of hurricanes Katrina and Rita. Between insurance proceeds and FEMA funds, the Board will have sufficient funds to make all necessary repairs.

**Long-term debt.** At the end of the current fiscal year, the School Board had bonded debt outstanding of \$2,935,000 as compared to 3,170,000 in the prior year ended June 30, 2005, a decrease of 7.4%. This decrease is due to the current year payments on debt

The bonded debt outstanding is from three outstanding bond issues. During the year, bond principal of \$235,000 was paid, as was interest in the amount of \$161,729. In the prior year, bond principal of \$225,000 was paid, as was interest in the amount of \$79,340.

**Economic Factors and Next Year's Budget**

The Assumption Parish School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Recommendations were made to and approved by the Board to adopt the millage rates calculated as a result of a reassessment performed by the assessor during the 2006 tax year and to reduce a number of mills for debt service purposes by .60 mills. Overall, the number of mills assessed by the board decreased by approximately .75 mills.
- Sales tax revenues estimates were based upon an estimated amount of collections as a result of an additional ½ cent sales tax approved by the taxpayers with an effective date of October 1, 2005.
- The employer contributions rates for the retirement systems to which the employees belong to increased as follows:

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2006**

<b>Assumption Parish School Board 2006-2007 Budget factors</b>
--

	<b>2006-2007 rates</b>		<b>2005-2006 rates</b>
Teachers' retirement system	15.8%		15.9%
School employees' retirement system	19.6%		18.4%
State employees' retirement system	19.1%		17.8%
Health insurance	2% increase		34% increase

Due to the impact of Hurricanes Katrina and Rita, the Board has experienced an increase in student population. As of the date of the financial statements the number of displaced students was approximately 175. Without the influx of these students, the Board would have experienced a decrease in student enrollment of approximately 100 students.

**Contacting the Assumption Parish School Board's Management**

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Malissa Boudreaux, Director of Business Services, 4901 Hwy. 308, Napoleonville, LA 70390.

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**STATEMENT OF NET ASSETS**

**JUNE 30, 2006**

	<u>2006</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 10,386,901
Investments	3,884,979
Receivables	2,961,746
Inventory	28,497
Land, building, and equipment - net	<u>13,015,851</u>
 TOTAL ASSETS	 <u>30,277,974</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>	
<b><u>LIABILITIES</u></b>	
Salaries, payroll deductions, and withholdings payable	3,256,008
Accounts payable	1,058,459
Deferred revenues	246,207
Compensated absences payable	1,221,597
Long-term liabilities	
Due within one year	274,000
Due in more than one year	<u>2,661,000</u>
 TOTAL LIABILITIES	 <u>8,717,271</u>
<b><u>NET ASSETS</u></b>	
Invested in capital assets, net of related debt	10,080,851
Unrestricted	<u>11,479,852</u>
 TOTAL NET ASSETS	 <u>\$ 21,560,703</u>

The accompanying notes are an integral part of this statement.

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2006**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Assets</u>
				<u>Governmental</u>
				<u>Unit</u>
<b>Instruction:</b>				
Regular education programs	\$ 11,815,920	\$ -	\$ -	\$ (11,815,920)
Special education programs	8,955,695	-	5,388,360	(3,567,335)
Other education programs	1,271,869	-	-	(1,271,869)
<b>Support Services:</b>				
Pupil support services	1,588,445	-	62,435	(1,526,010)
Instructional staff services	341,650	-	50,915	(290,735)
General administration services	1,063,720	-	27,530	(1,036,190)
School administration services	2,033,618	-	-	(2,033,618)
Business services	453,420	-	-	(453,420)
Plant operation and maintenance	1,770,798	-	5,159	(1,765,639)
Student transportation services	2,214,381	-	59,987	(2,154,394)
Central services	496,663	-	-	(496,663)
<b>Non-Instructional Services:</b>				
Food service	1,950,832	306,634	1,428,664	(215,534)
Community service programs	17,514	-	-	(17,514)
<b>Debt Service:</b>				
Interest and bank charges	130,669	-	-	(130,669)
Capital outlay	1,389,590	-	821,630	(567,960)
<b>Total Governmental Activities</b>	<b>35,494,784</b>	<b>306,634</b>	<b>7,844,680</b>	<b>(27,343,470)</b>
Local sources				
Taxes:				
Ad valorem				3,739,824
Sales and use taxes				5,125,598
Other				718,603
State sources				
Unrestricted grants-in-aid				20,887,392
Restricted grants-in-aid				1,262,291
Total general revenues and special items				31,733,708
Excess of revenues over expenses				4,390,238
Net Assets - July 1, 2005				17,170,465
Net Assets - June 30, 2006				<u>\$ 21,560,703</u>

The accompanying notes are an integral part of this statement.

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**GOVERNMENTAL FUNDS**

**BALANCE SHEET**

**JUNE 30, 2006**

	<u>General</u>	<u>1992 Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 7,781,047	\$ 894,886	\$ 1,710,968	\$ 10,386,901
Investments	3,056,844	828,135	-	3,884,979
Receivables	885,885	78,984	1,996,877	2,961,746
Due from other funds	2,576,455	-	2,968	2,579,423
Inventory	-	-	28,497	28,497
<b>TOTAL ASSETS</b>	<b>\$ 14,300,231</b>	<b>\$ 1,802,005</b>	<b>\$ 3,739,310</b>	<b>\$ 19,841,546</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Salaries, payroll deductions, and withholdings payable	\$ 2,726,357	\$ 564	\$ 529,087	\$ 3,256,008
Accounts payable	1,200,401	3,427	65,179	1,269,007
Due to other funds	-	735,065	1,844,358	2,579,423
<b>TOTAL LIABILITIES</b>	<b>3,926,758</b>	<b>739,056</b>	<b>2,438,624</b>	<b>7,104,438</b>
Fund balances:				
Reserved for inventory	-	-	28,497	28,497
Reserved for debt service	-	1,062,949	396,861	1,459,810
Designated for operations	3,224,361	-	-	3,224,361
Designated for capital expenditures	1,500,000	-	-	1,500,000
Designated for internal purposes	1,030,000	-	-	1,030,000
Designated for education excellence	147,906	-	-	147,906
Unreserved, undesignated	4,471,206	-	875,328	5,346,534
<b>TOTAL FUND BALANCES</b>	<b>10,373,473</b>	<b>1,062,949</b>	<b>1,300,686</b>	<b>12,737,108</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 14,300,231</b>	<b>\$ 1,802,005</b>	<b>\$ 3,739,310</b>	<b>\$ 19,841,546</b>

The accompanying notes are an integral part of this statement.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2006**

Total fund balances - governmental funds		\$ 12,737,108
Cost of capital assets at June 30, 2006	30,704,512	
Less: accumulated depreciation as of June 30, 2006	<u>(17,688,661)</u>	13,015,851
Elimination of interfund assets and liabilities		
Due from other funds	2,579,423	
Due to other funds	<u>(2,579,423)</u>	-
Long-term liabilities at June 30, 2006		
Certificates of indebtedness	(2,935,000)	
Accrued interest payable	(35,659)	
Compensated absences payable	<u>(1,221,597)</u>	<u>(4,192,256)</u>
Total net assets at June 30, 2006 - governmental activities		<u>\$ 21,560,703</u>

The accompanying notes are an integral part of this statement.

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Governmental Fund Types</u>			<u>Total</u>
	<u>General</u>	<u>1992 Debt Service</u>	<u>Other Governmental Funds</u>	
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Ad valorem	\$ 3,514,239	\$ -	\$ 225,585	\$ 3,739,824
Sales and use	4,217,043	908,555	-	5,125,598
Rentals, leases, and royalties	11,090	-	-	11,090
Food sales	-	-	306,634	306,634
Earnings on investments	231,569	35,323	49,739	316,631
Other	390,882	-	-	390,882
State sources:				
Unrestricted grants-in-aid	20,780,277	-	107,115	20,887,392
Restricted grants-in-aid	1,156,588	-	105,703	1,262,291
Federal sources:				
Restricted grants-in-aid - direct	328,171	-	-	328,171
Restricted grants-in-aid - subgrants	-	-	7,411,250	7,411,250
Commodities - United States				
Department of Agriculture	-	-	105,260	105,260
Total revenues	<u>30,629,859</u>	<u>943,878</u>	<u>8,311,286</u>	<u>39,885,023</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	11,744,384	-	-	11,744,384
Special education programs	3,820,054	-	5,135,641	8,955,695
Other education programs	1,271,869	-	-	1,271,869
Support services:				
Pupil support services	1,528,938	-	59,507	1,588,445
Instructional staff services	293,123	-	48,527	341,650
General administration services	1,019,223	18,258	26,239	1,063,720
School administration services	2,033,618	-	-	2,033,618
Business and central services	453,420	-	-	453,420
Plant operation and maintenance	2,565,057	405,140	4,917	2,975,114
Transportation	2,117,449	-	57,174	2,174,623
Central services	496,663	-	-	496,663

The accompanying notes are an integral part of this statement.

Expenditures (continued):

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	Governmental Fund Types			Total
	General	1992 Debt Service	Other Governmental Funds	
Non-instructional services:				
Food service	\$ 116,025	\$ -	\$ 1,816,187	\$ 1,932,212
Community service programs	17,514	-	-	17,514
Debt service:				
Principal retirement	-	45,000	190,000	235,000
Interest and bank charges	-	21,279	140,450	161,729
Capital outlay	606,495	-	783,095	1,389,590
Total expenditures	<u>28,083,832</u>	<u>489,677</u>	<u>8,261,737</u>	<u>36,835,246</u>
Excess (deficiency) of revenues over expenditures	<u>2,546,027</u>	<u>454,201</u>	<u>49,549</u>	<u>3,049,777</u>
Other financing sources (uses):				
Operating transfers out	(341,597)	(478,924)	(873,495)	(1,694,016)
Operating transfers in	1,458,909	-	235,107	1,694,016
Total other financing sources (uses)	<u>1,117,312</u>	<u>(478,924)</u>	<u>(638,388)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,663,339	(24,723)	(588,839)	3,049,777
Fund balances at beginning of year	<u>6,710,134</u>	<u>1,087,672</u>	<u>1,889,525</u>	<u>9,687,331</u>
Fund balances at end of year	<u>\$ 10,373,473</u>	<u>\$ 1,062,949</u>	<u>\$ 1,300,686</u>	<u>\$ 12,737,108</u>

The accompanying notes are an integral part of this statement.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS -**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2006**

Total net changes in fund balance - governmental funds		\$ 3,049,777
Capital assets:		
Capital outlay capitalized	\$ 1,889,055	
Loss on capital outlay disposals	(59,660)	
Depreciation expense for the year ended June 30, 2006	<u>(849,550)</u>	979,845
Long-term debt:		
Principal portion of debt service payments	235,000	
Excess of interest paid over interest accrued	31,060	
Excess of compensated absences used over amounts earned	<u>94,556</u>	<u>360,616</u>
Change in net assets - governmental activities		<u>\$ 4,390,238</u>

The accompanying notes are an integral part of this statement.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2006**

**Assets**

Cash and cash equivalents	<u>\$ 1,686,912</u>
<b>Total assets</b>	<b><u>\$ 1,686,912</u></b>

**Liabilities**

Deposits due others	<u>\$ 1,686,912</u>
<b>Total liabilities</b>	<b><u>\$ 1,686,912</u></b>

The accompanying notes are an integral part of this statement.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**1. Summary of Significant Accounting Policies**

The accounting policies of the School Board conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic financial Statements – and Management's Discussion and Analysis – for State and local Governments*, issued June 1999. The following is a summary of the School Board's significant policies.

**a. Reporting Entity**

The Assumption Parish School Board (School Board) was created by Louisiana Revised Statute (LRS) 17:51 for the purpose of providing public education for the residents of Assumption Parish, Louisiana. The School Board is authorized by LRS 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 authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is comprised of 9 members who are elected from 9 districts for a term of four years.

The School Board operates 9 schools within the parish with a total enrollment of approximately 4,675 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

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

**b. Basis of Presentation**

The School Board's *Basic Financial Statements* consist of the government-wide statements on all of the non-fiduciary activities and the fund financial statements (individual major fund and combined non-major fund). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

1. **Summary of Significant Accounting Policies** (continued)

b. **Basis of Presentation** (continued)

**Government-Wide Financial Statements**

The government-wide financial statements include the statement of net assets and the statement of activities for all non-fiduciary activities. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are advances between fiduciary funds and the various functions of the School Board. The government-wide presentation focuses primarily on the sustainability of the School Board as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

All programs of the School Board are considered *Governmental Activities* which are normally supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues included in the Statement of Activities are derived from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

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. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Fund Financial Statements**

The daily accounts and operations of the School Board continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in current assets.

The funds of the School Board are classified into two broad categories: Governmental and Fiduciary.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

1. **Summary of Significant Accounting Policies** (continued)

b. **Basis of Presentation** (continued)

**Governmental Fund Types:**

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the School Board's governmental fund types:

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

**Special Revenue Funds** - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal grant and entitlement programs established for various educational objectives.

**Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or improvement of major capital facilities.

**Debt Service Fund** - The Debt Service Funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

**Fiduciary Fund Type:**

Fiduciary funds are used to account for assets held by the School Board in a trustee or agency capacity. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

c. **Basis of Accounting / Measurement Focus**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for the Fiduciary Fund. The Fiduciary Fund is only reported in the Statement of Net Fiduciary Assets at the Fund Financial Statement level.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

1. **Summary of Significant Accounting Policies** (continued)

c. **Basis of Accounting / Measurement Focus** (continued)

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**Program Revenues**

Program revenues included in the Statement of Activities are derived directly from parties outside of the school board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

**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 by function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. Depreciation on the buildings is assigned to the general administration function due to the fact that school buildings serve multiple purposes. Interest on long term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Fund Financial Statements (FFS)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Agency Fund type is accounted for on a flow of economic resources measurement focus (accrual basis). With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

1. **Summary of Significant Accounting Policies** (continued)

c. **Basis of Accounting / Measurement Focus** (continued)

The following paragraphs describe the revenue recognition practices under the modified accrual basis of accounting:

**Revenues**

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The Board definition of available means expected to be received within sixty days of the end of the fiscal year.

Non-exchange transactions, in which the Board receives value without directly giving value in return, include sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales taxes and gross receipts business taxes are considered measurable when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special Assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

**Expenditures**

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine month period but paid over a twelve month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

1. **Summary of Significant Accounting Policies** (continued)

c. **Basis of Accounting / Measurement Focus** (continued)

Principal and interest on general long-term debt are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred if it is expected to be paid within the next twelve months. Liabilities which will not be liquidated with expendable available financial resources are not recorded in the funds.

d. **Budget Practices**

The proposed budgets were completed and made available for public inspection at the School Board office. A public hearing was held for suggestions and comments from taxpayers. The proposed budgets were formally adopted by the School Board after the public hearing. The funds for which budgets were prepared included proposed expenditures and the means of financing them, and were published in the official journal ten days prior to the public hearings.

The budgets for the General and Special Revenue Funds were prepared on the modified accrual basis of accounting. Formal budgetary integration is used during the year as a management control device. Any part of appropriations which is not expensed is reappropriated in the next year. Current year transactions which are directly related to prior year's budget are reappropriated in the current year.

The School Board is authorized to transfer amounts between line items within any fund. When actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget, and the final amended budget.

e. **Cash and Cash Equivalents**

Cash and cash equivalents include money market accounts and short-term investments, including investments in the Louisiana Asset Management Pool, as described below, with a maturity date within three months of the date of acquisition. Under state law, the Assumption Parish School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasury and organized under the laws of the State of Louisiana, which operates a local government investment pool.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

1. **Summary of Significant Accounting Policies** (continued)

f. **Investments**

The Assumption Parish School Board may also invest in bonds, debentures, and other indebtedness which are fully guaranteed by the United States, issued or guaranteed by federal agencies backed by full faith and credit of the United States and issued or guaranteed by United States instrumentalities which are federally sponsored. Investments are stated at fair value. Fair value was determined using quoted market prices.

Investment income includes interest earned, realized gains and losses, and unrealized gains and losses (changes in fair value).

g. **Federal Grants Receivable**

Federal grants receivable consists of receivables for reimbursement of expenditures under various federal programs and grants. All amounts are expected to be collected within the next twelve months.

h. **Inventory**

Inventory of the School Food Services 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 Education. The commodities are recorded as revenues and expenditures when consumed. All inventory items purchased are valued at the lower of cost (first-in, first-out) or market, and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

i. **Capital Assets**

Capital assets are capitalized at historical cost, or estimated historical cost for assets where the actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of the donation. The system for the accumulation of fixed asset cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 5 to 15 years for equipment, 10 to 20 years for building and land improvements, and 30-40 years for buildings.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

1. **Summary of Significant Accounting Policies** (continued)

j. **Compensated Absences**

All 12-month employees earn from 5 to 15 days of vacation leave each year, depending on length of service with the School Board. Up to 5 days of vacation leave may be carried forward to the next calendar year. Upon death or retirement, unused annual leave is paid to the employee or designated heir at the employee's current rate of pay.

All school board employees earn 10 days of sick leave each year. Sick leave can be accumulated without limitation. Upon death or retirement, a maximum of 25 days of unused sick leave is paid to the employee or designated heir at the employee's current rate of pay. Under the Louisiana Teacher's Retirement System, the unused sick leave is used in the retirement benefit computation as earned service. Under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Leave may be granted for rest and recuperation and professional and cultural improvement.

At June 30, 2006 and 2005, employees of the School Board have accumulated and vested compensated absence benefits of \$1,221,597 and \$1,316,154, respectively.

In Governmental Fund types, sick and vacation leave that has been claimed by employees as of the end of the fiscal year is recorded as an expenditure in the year claimed. Sick leave accrued as of the end of the fiscal year is valued using employees' current rates of pay. Accrued sick leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire.

k. **Sales, Use and Property Taxes**

The Assumption Parish School Board is authorized to collect a two and one-half percent sales and use tax within Assumption Parish. One percent of this sales and use tax, approved by the voters of the parish on April 24, 1965, is dedicated for the payment of teachers' salaries and/or for the operation of the public schools in Assumption Parish. The other one percent sales tax was approved by voters of the parish on November 28, 1981. The proceeds of this sales tax are to be used for the payment of salaries of teachers and other school employees, and for operation and maintenance and/or for capital improvements to the public schools of Assumption Parish. The one-half of one percent sales and use tax was approved by voters on May 1, 1999. The proceeds are to be used to pay the Tax Refunding Sales Tax Bonds, Series 1999, and after making all required bond payments, are to be used for providing additional funds for the acquisition, installation, maintenance, and operation of air conditioning systems in parish schools, including the payment of utility costs with any excess to be used for additional support for the schools in the parish.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

1. **Summary of Significant Accounting Policies** (continued)

k. **Sales, Use and Property Taxes** (continued)

The School Board is also authorized to collect a two percent sales and use tax levied by the Assumption Parish Police Jury. In addition, the School Board is authorized to collect a one percent sales and use tax levied by the Village of Napoleonville. Both the Jury and the Village pay the School Board a fixed collection fee. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

Ad valorem taxes are collected by the Assumption Parish Tax Collector's Office and remitted to the School Board on a monthly basis. Values are established by the Assumption Parish Assessor's Office each year based on 10% of the assessed market value of residential property and commercial land and on 15% of the assessed market value of commercial buildings, public utilities and personal property.

Ad valorem taxes are assessed and levied on a calendar year basis, based on the assessed value on January 1 of the assessment year. However, before taxes can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are due and payable by November 15. An enforceable lien attaches on the property as of November 15. As of December 31, taxes become delinquent and interest and penalty accrue. Taxes are generally collected in January, February and March of the fiscal year.

l. **Estimates**

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

m. **Designations of Fund Equity**

**Designation for Operations** – The designation for operations is for the establishment and maintenance of an operating reserve 10% of the School Board's current operating budget. This is funded by setting aside a minimum of 50% of each year's surplus until the 10% level is reached.

**Designation for Capital Expenditures** – The designation for capital expenditures is for the payment of major capital outlay projects.

**Designation for Internal Purposes** – The designation for internal purposes is for textbook purchases, compliance with Fire Marshall, self-insured retention purposes, and unemployment compensation claims. This balance is consistent with prior year.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

1. **Summary of Significant Accounting Policies** (continued)

m. **Designations of Fund Equity** (continued)

Designation for Education Excellence – The designation for education excellence is for the spending of state funds in accordance with the plan submitted to the Department of Education. This balance is consistent with prior year.

n. **Interfund Transactions / Balances**

During the course of normal operations, the School Board has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Cash not transferred at year end will result in an interfund balance.

o. **Risk Management**

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, business interruption, errors and omissions; employee injuries and illnesses, natural disasters; and employee health benefits. The School Board carries commercial insurance for all risks of loss.

2. **Equity in Pooled Cash and Deposits**

A. **Equity in Pooled Cash**

The School Board maintains a cash pool that is available for use by all funds. Positive book cash balances are displayed on the combined balance sheet as "Cash and cash equivalents." Negative book cash balances are included in "Due to Other Funds" on the combined balance sheet.

At June 30, 2006 the School Board had cash (book balances) totaling \$10,386,901. Included in cash and cash equivalents on the balance sheet at June 30, 2006, are the following:

	<u>2006</u>
Money market accounts	\$ 7,905,532
LAMP	<u>2,481,369</u>
Total cash	\$ <u>10,386,901</u>

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

2. **Equity in Pooled Cash and Deposits** (continued)

B. **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the School System's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2006, the School Board's bank balance was \$9,966,694. Of this amount, the School Board has no money that was exposed to custodial credit risk by being uninsured and uncollateralized. It is the School Board's policy to either have deposits secured by federal deposit insurance or pledged by securities owed by the fiscal agent financial institution.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and school districts.

At June 30, 2006 and 2005, the School Board also had invested \$2,481,369 in the Louisiana Asset Management Pool (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section I50.126, the investment in LAMP as of June 30, 2006 is not categorized in the three risk categories provided by GASB because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Due to the short-term nature of the LAMP portfolio and the immediate access at par feature, investments in LAMP are considered cash equivalents by the School Board.

3. **Investments**

As of June 30, 2006, the Board had the following investments and maturities:

<b>INVESTMENT MATURITIES (IN YEARS)</b>				
<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>	<b><u>1-5</u></b>	<b><u>6-10</u></b>	<b><u>11-15</u></b>
<b>General Fund</b>				
U.S. Agencies	\$ 3,056,844	\$ 2,818,676	\$ 70,118	\$ 168,050
<b>Debt Service Fund</b>				
U.S. Agencies	828,135	706,333	93,490	28,312
<b>Total Investments</b>	<b><u>\$ 3,884,979</u></b>	<b><u>\$ 3,525,009</u></b>	<b><u>\$ 163,608</u></b>	<b><u>\$ 196,362</u></b>

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

3. **Investments** (continued)

**Interest Rate Risk-** The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk-** Under Louisiana R.S. 33:2955, as amended, the School System may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, Louisiana Asset Management Pool (LAMP), and other investments as provided in the statute. The Board has no investment policy that would further limit its investment choices. As of June 30, 2006, the Board's investment in U.S. Agencies was rated AAA by Moody's Investors Service and AAA by Standard & Poor's.

**Concentration of Credit Risk-** The Board places no limit on the amount the Board may invest in any one issuer. More than 5 percent of the Board's investments are in Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and Federal Farm Credit. These investments are 60.5%, 34.4% and 5.1%, respectively.

4. **Ad Valorem Taxes**

The following is a summary of authorized and levied parishwide ad valorem taxes for the fiscal year ended June 30, 2006:

	<u>Millage</u>
Constitutional	5.49
Maintenance and operating	6.10
Bond and interest	27.87
Special tax - operations	<u>2.00</u>
Total millage	<u>41.46</u>

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**5. Due From/To Other Funds**

Individual balances due from/to other funds are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$2,576,455	\$ -
Special Revenue Funds:		
School Food Services	-	3,515
Title I	-	123,826
Title II	-	24,810
Title III	-	7,485
Title IV	-	1,507
Head Start	-	123,456
Vocational Education	2,927	12,605
8 (g) Programs	41	720
Teaching American History	-	60,552
IDEA	-	196,180
Project First	-	31,089
Foreign Language Incentive Program	-	197
REAP	-	9,751
CSRP	-	10,708
McKinney Vento	-	4,393
Reading First	-	127,992
IDEA Transition Assistance	-	7,190
LASIG	-	6,572
Seimens Performance Contract	-	389,205
Impact Aid	-	607,684
Reading Edge	-	1,619
Debt Service Fund:		
Debt Service PC	-	93,302
'92 Debt Service Fund	-	735,065
Total	<u>\$ 2,579,423</u>	<u>\$ 2,579,423</u>

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**6. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2006 is as follows:

	<u>Balance</u> <u>6/30/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/06</u>
Land	\$ 480,573	\$ -	\$ -	\$ 480,573
Buildings	19,112,974	578,200	42,950	19,648,224
Improvements	5,254,545	1,978,354	-	7,232,899
Construction in progress	1,279,256	1,512,662	2,556,554	235,364
Furniture and equipment	<u>3,033,364</u>	<u>376,393</u>	<u>302,305</u>	<u>3,107,452</u>
	29,160,712	4,445,609	2,901,809	30,704,512
Accumulated depreciation	( <u>17,124,706</u> )	( <u>849,550</u> )	( <u>285,595</u> )	( <u>17,688,661</u> )
Capital assets, net of depreciation	<u>\$ 12,036,006</u>	<u>\$ 3,596,059</u>	<u>\$ 2,616,214</u>	<u>\$ 13,015,851</u>

Depreciation expense of \$849,550 for the year ended June 30, 2006 was charged to the following governmental functions:

Plant operation and maintenance	\$ 310,291
Regular education programs	450,318
Pupil transportation	41,008
Food service expenditures	<u>47,933</u>
	<u>\$ 849,550</u>

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**7. General Long-term Obligations**

The following is a summary of the changes in general long-term obligation transactions for the year ended June 30, 2006:

	<u>Bonds</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance, June 30, 2005	\$ 3,170,000	\$ 1,316,154	\$ 4,486,154
Additions	-	-	-
Retirements	( 235,000)	( 94,557)	( 329,557)
Balance, June 30, 2006	<u>\$ 2,935,000</u>	<u>\$ 1,221,597</u>	<u>\$ 4,156,597</u>

Compensated absences payable consists of the portion of accumulated sick and annual leave of the governmental funds that is not expected to require current resources.

A schedule of the bonds outstanding as of June 30, 2006 is as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest To Maturity</u>	<u>Principal Outstanding</u>
School District No. 1 Refunding Bond: Series 1999	\$1,850,000	4.7% to 8.0%	9/01/09	<u>\$88,212</u>	<u>\$850,000</u>
Refunding Sales Tax Bonds District No. 1: Series 1999	\$620,000	4.2% to 5.4%	10/01/12	<u>\$ 76,336</u>	<u>\$385,000</u>
Certificates of Indebtedness: Series 2004	\$1,700,000	4.54%	10/01/20	<u>\$556,581</u>	<u>\$1,700,000</u>

The School Board accumulates the tax proceeds in the Debt Service Funds. At June 30, 2006, the School Board has accumulated \$1,553,112 in the debt service funds for future debt service requirements.

The School Board is in compliance with the requirements of its long-term debt agreements.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

7. **General Long-term Obligations** (continued)

The bonds are due as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2007	274,000	121,833	395,833
2008	347,000	107,070	454,070
2009	365,000	90,206	455,206
2010	379,000	72,424	451,424
2011	164,000	59,748	223,748
2012-2016	704,000	199,958	903,958
2017-2021	702,000	69,890	771,890
	<u>\$ 2,935,000</u>	<u>\$ 721,129</u>	<u>\$ 3,656,129</u>

8. **Defined Benefit Pension Plans**

*Plan Description* - Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems. Each system is administered and controlled at the State level by a separate board of trustees, with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan B.

At any age, ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits under the Teachers' Retirement System plans. At age 60 or older, five years of service credit is required to become vested for retirement benefits and survivor benefits under the Teachers' Retirement System plans.

Ten years of service credit is required to become vested for retirement benefits and twenty years of service credit is required under the School Employees' Retirement System plan. There is no vesting period for employees to become eligible for disability benefits under this same plan.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**8. Defined Benefit Pension Plans (continued)**

Each of the Systems issued an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing to or calling:

Teachers Retirement System -	8401 United Plaza Blvd. P. O. Box 94123, Baton Rouge, Louisiana 70804-9123 (225) 925-6446
School Employees' Retirement System -	8660 United Plaza Blvd. Baton Rouge, LA 70809 (225) 925-6484

*Funding Policy* - Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contributions rates in effect for the year ended June 30, 2006, for the School Board and covered employees were as follows:

	School Board			Employees		
	2006	2005	2004	2006	2005	2004
Teachers' Retirement System:						
Regular Plan	15.9%	15.5%	13.8%	8.00%	8.00%	8.00%
Plan B	15.9%	13.5%	13.8%	5.00%	5.00%	5.00%
School Employees' Retirement System	18.4%	14.8%	8.5%	7.50%	7.50%	7.50%

As provided by Louisiana Revised Statute 11:103, the School Board's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The contribution requirements to the systems which substantially equaled the expenditures for each of these years were as follows:

	2006	2005	2004
Teachers' Retirement System:			
Regular Plan	\$ 2,443,016	\$ 2,526,805	\$ 2,286,340
Plan B	\$ 81,844	\$ 87,017	\$ 78,730
School Employees' Retirement System	\$ 236,090	\$ 213,446	\$ 154,436

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**9. Postretirement Benefits**

The School Board, in accordance with State statutes, provides certain postretirement health care and life insurance benefits to its former employees. Substantially all of the School Board's employees may become eligible for such benefits based upon age and years of service. The health insurance premiums are paid jointly by the School Board and the retirees. For the year ended June 30, 2006, the School Board paid approximately 75% of the health insurance premiums for retired employees. The cost of retirement health care is recognized as an expenditure/expense as premiums are paid. For fiscal year 2006, the School Board's cost for providing all health care and life insurance benefits to the 448 active and 373 retired employees and their dependents amounted to \$5,373,778.

The School Board has a continuing future obligation for life insurance and health care benefits for retired teachers and noninstructional employees and their dependents. This future liability is not funded but will be payable by the General Fund out of future years' operations. Although actuarial consultants estimated that this future liability is significant, current generally accepted accounting principles do not require the School Board to reflect this liability in the basic financial statements.

**10. Changes in Agency Deposits Due Others**

A summary of changes in agency fund deposits due others are as follows:

	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance end of year</u>
Sales Tax Fund	\$ 924,834	\$ 8,822,958	(\$ 8,620,809)	\$ 1,126,983
School Activity Agency Fund	<u>499,291</u>	<u>1,320,383</u>	<u>( 1,259,745)</u>	<u>559,929</u>
Total	<u>\$ 1,424,125</u>	<u>\$ 10,143,341</u>	<u>(\$ 9,880,554)</u>	<u>\$ 1,686,912</u>

**11. Excess of Expenditures Over Appropriations in Individual Funds**

The following funds had expenditures in excess of their budgets:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Impact Aid	\$ 607,684	\$ 0	\$ 607,684
Multi-Sensory(8G)	6,532	6522	10

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**12. Litigation and Claims**

The School Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

**13. Commitments**

As of June 30, 2006, the School Board was committed to construction contract agreements totaling \$852,008. Of this amount, \$235,364 was expended at June 30, 2006.

Leases that do not meet criteria for capitalization are classified as operating leases with related rentals charged to operations as incurred.

The following is a schedule by year of future minimum lease payments under these arrangements as of June 30, 2006, that have initial or remaining terms in excess of one year.

<u>Year Ending June 30</u>	<u>Minimum Payments</u>
2007	\$ 141,240
2008	141,240
2009	29,810
	<u>\$ 312,290</u>

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**14. Operating Transfers**

<u>Fund</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 1,458,909	\$ 341,597
Special Revenue Funds:		
School Food Services	232,139	-
Title I	-	82,517
Title II	-	20,896
Title IV	-	245
Title V	-	6,410
Adult Education	-	239
Title III	-	552
Teaching American History	-	18,626
REAP	-	12,015
IDEA	-	75,370
McKinney Vento	-	5,487
Reading First	-	41,971
IDEA Transition Assistance	-	5,920
LASIG	-	1,382
Vocational Education	2,927	-
8(g) Multi-Sensory	41	-
Foreign Language Incentive Program	-	1,484
Impact Aid	-	600,381
Debt Service Fund:		
'92 Debt Service Fund	-	478,924
Total	<u>\$ 1,694,016</u>	<u>\$ 1,694,016</u>

**15. Prior Period Adjustment**

A prior period adjustment was made to net assets in the amount of \$255,088 to reflect a correction to accumulated depreciation.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**MAJOR FUND DESCRIPTIONS**  
**JUNE 30, 2006**

**GENERAL FUND**

The General Fund is used to account for resources traditionally associated with the School Board which are not required legally or by sound financial management to be accounted for in another fund.

**1992 DEBT SERVICE**

The 1992 Debt Service Fund is used to accumulate funds for the payment of refunding general obligation bonds which are due in various annual installments.

**ASSUMPTION PARISH SCHOOL BOARD**  
Napoleonville, Louisiana

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Ad valorem	\$ 3,358,209	\$ 3,358,209	\$ 3,514,239	\$ 156,030
Sales and use	3,622,256	4,087,070	4,217,043	129,973
Rentals, leases, and royalties	500	500	11,090	10,590
Earnings on investments	50,000	50,000	231,569	181,569
Other	474,320	474,320	390,882	(83,438)
State sources:				
Unrestricted grants-in-aid	20,382,850	20,662,011	20,780,277	118,266
Restricted grants-in-aid	639,668	639,668	1,156,588	516,920
Federal sources:				
Restricted grants-in-aid - direct	203,320	203,320	328,171	124,851
Restricted grants-in-aid - subgrants	-	-	-	-
Total revenues	<u>28,731,123</u>	<u>29,475,098</u>	<u>30,629,859</u>	<u>1,154,761</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	13,345,846	13,345,846	11,744,384	1,601,462
Special education programs	4,817,010	4,817,010	3,820,054	996,956
Other education programs	1,234,400	1,234,400	1,271,869	(37,469)
Support services:				
Pupil support services	1,510,266	1,510,266	1,528,938	(18,672)
Instructional staff services	297,072	297,072	293,123	3,949
General administration services	1,279,599	1,279,599	1,019,223	260,376
School administration services	2,032,266	2,032,266	2,033,618	(1,352)
Business and central services	472,564	472,564	453,420	19,144
Plant operation and maintenance	2,935,912	2,935,912	2,565,057	370,855
Transportation	1,884,139	1,884,139	2,117,449	(233,310)
Central services	562,205	562,205	496,663	65,542

The accompanying notes are an integral part of this statement.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<b>Expenditures (continued):</b>				
Non-instructional services:				
Food service	\$ 361,747	\$ 361,747	\$ 116,025	\$ 245,722
Community service programs	10,579	10,579	17,514	(6,935)
Capital outlay	<u>1,500,000</u>	<u>1,500,000</u>	<u>606,495</u>	<u>893,505</u>
Total expenditures	<u>32,243,605</u>	<u>32,243,605</u>	<u>28,083,832</u>	<u>4,159,773</u>
Excess (deficiency) of revenues over expenditures	<u>(3,512,482)</u>	<u>(2,768,507)</u>	<u>2,546,027</u>	<u>5,314,534</u>
Other financing sources (uses):				
Operating transfers out	-	-	(341,597)	(341,597)
Operating transfers in	<u>564,130</u>	<u>564,130</u>	<u>1,458,909</u>	<u>894,779</u>
Total other financing sources (uses)	<u>564,130</u>	<u>564,130</u>	<u>1,117,312</u>	<u>553,182</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(2,948,352)</u>	<u>(2,204,377)</u>	<u>3,663,339</u>	<u>5,867,716</u>
Fund balances at beginning of year	<u>6,710,134</u>	<u>6,710,134</u>	<u>6,710,134</u>	<u>-</u>
<b>Fund balances at end of year</b>	<b><u>\$ 3,761,782</u></b>	<b><u>\$ 4,505,757</u></b>	<b><u>\$ 10,373,473</u></b>	<b><u>\$ 5,867,716</u></b>

The accompanying notes are an integral part of this statement.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NON-MAJOR FUND DESCRIPTIONS**  
**JUNE 30, 2006**

**SCHOOL FOOD SERVICES**

The School Food Service program includes lunch and breakfast and is used to account for the operations of the school food service program in the parish school system during the regular school term. The basic goals of the school food service program are to serve nutritionally adequate, attractive and moderately priced meals; to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults.

**TITLE I**

Title I of the Elementary and Secondary Education Act (ESEA) is a program for economically and educationally deprived school children that is federally financed, state-administered, and locally operated by the School Board. The Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

**EDUCATION FOR ECONOMIC SECURITY ACT (EESA) - TITLE II**

Education for Economic Security Act - Title II is a federally funded program to provide financial assistance to improve the skills of teachers in the instructional areas of mathematics, science, computer learning, and foreign languages; and increase the access of all students to this instruction.

**DRUG-FREE SCHOOLS AND COMMUNITIES ACT- TITLE IV**

The Drug-Free Schools and Communities Act - Title IV is a federally funded program designed to serve students in grades Kindergarten through the 12th grade. Funds are distributed by the State Department of Education as per an established formula for public and non-public schools. All funds are received on a reimbursement basis.

The local education agency's responsibility is to establish and implement comprehensive drug abuse education and prevention programs to be coordinated for all students in elementary and secondary schools that are mandatory, appropriate, and developmentally based.

**TITLE V**

Title V is a federally funded grant that encourages comprehensive systematic school reform, upgrade instructional and professional development to align with high standards, strengthen accountability and promote the coordination of resources to improve education for all children.

**HEAD START**

The Head Start program is a federally financed program that provides comprehensive health, educational, nutritional, social, and other services to economically disadvantaged children and their families and to involve parents in their children's activities so that the children will attain overall social competence.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NON-MAJOR FUND DESCRIPTIONS**  
**JUNE 30, 2006**

**IDEA TRANSITION ASSISTANCE**

IDEA Transition Assistance is designed to assist the LDE in improving post-school outcomes for children and youth with disabilities by providing a full time coordinator for training and technical assistance in the southern half of the state. Citations related to transition practices issued by the Federal monitoring required the Division of Special Populations to specifically address transition services for students with disabilities. While some progress has been made towards compliance on transition issues, there remain significant deficits involving transition from school to post-school activities for our students and children. The Project Coordinator will provide technical assistance to LEA's/students/parents in transition planning for students with disabilities. In addition, the project coordinator will provide technical assistance to LEA's in support of students with disabilities enrolled in the Pre-GED/Skills Options Programs. The Project Coordinator will also provide training and technical assistance in self-determination and student-led IEP's. Collaboration with state level LDE personnel and adult agencies that may provide services to eligible students with disabilities upon exit from the LEA will also be a required component for the Project Coordinator.

**ADULT EDUCATION**

Adult Education is a federally funded program offering higher education opportunities to persons who are aged 16 or older. The program also contains a state funded portion.

**VOCATIONAL EDUCATION**

Vocational Education is a federally funded program restricted to expenditures for salaries, supplies, and equipment to be used in vocational education programs.

**TITLE III**

Title III is a federally funded grant designed for language instruction for limited English proficient and immigrant students.

**8g PROGRAMS**

Multi Sensory is a state funded program that serves students in Kindergarten through 9th grade. The funds are used to provide multi-sensory art experiences to students at these levels.

The 8(g) Textbook Programs are state grants provided by the State Board of Elementary and Secondary Education to create a program which enhances or builds upon regular classroom instruction.

The purpose of the Student Enhancement Program is to implement an early childhood/parent education activity designed to improve the readiness of 4-year old children through a developmentally appropriate curriculum and through early intervention strategies with their families.

The Innovative Professional Development Program provides for three teacher workshops with a duration of two to three days each. The workshops provide training to teachers regarding technology integration.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NON-MAJOR FUND DESCRIPTIONS**  
**JUNE 30, 2006**

**TEACHING AMERICAN HISTORY**

Teaching American History is a federally funded program. The purpose of the program is to support programs to raise student achievement by improving teachers' knowledge, understanding, and appreciation of American History.

**RURAL EDUCATION ACHIEVEMENT PROGRAM (REAP)**

The Rural Education Achievement Program is a federally funded program. The purpose of this program is to provide funds for any of the following programs: 1) teacher recruitment and retention, 2) teacher professional development, 3) educational technology, and 4) parental involvement activities.

**IDEA, PRESCHOOL**

IDEA and Preschool are federally funded programs. IDEA Part -B serves students ages 3 through 21 who have been found eligible through Bulletin 1508, for special education services. The funds are used for materials, supplies, and equipment for direct instruction in special education classes. The Pre-School Flow Through funds target the education of students ages 3 through 5 who have been found eligible, through Bulletin 1508, for special education services within a non-categorical preschool setting or for those needing only speech services. The funds are used for supplies for direct instruction.

**COMPREHENSIVE SCHOOL REFORM PROGRAM (CSR)**

The Comprehensive School Reform Program is a federally funded program. The purpose of this program is to raise student achievement by helping high-poverty, low-performing schools implement research-based comprehensive school reform programs.

**MCKINNEY VENTO**

McKinney Vento is a federally funded program. The purpose of this program is to ensure that each child of a homeless individual or each homeless youth has equal access to the same free, appropriate public education as any non-homeless child or youth.

**READING FIRST**

The purpose of the No Child Left Behind (NCLB) Act of 2001 is to ensure that all children in America learn to read well by the end of the third grade; provide the necessary assistance to the State and districts to establish researched-based reading programs; significantly increase professional development; and to provide assistance to the districts in preparing classroom teachers to effectively screen, diagnose, and monitor the progress and outcome in order to overcome reading barriers for their students.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**NON-MAJOR FUND DESCRIPTIONS**  
**JUNE 30, 2006**

**LOUISIANA STATE IMPROVEMENT GRANT (LASIG)**

The IDEA District/School Improvement Program seeks to increase the number and quality of general and special education teachers, related service personnel, administrators, and other staff; increase the access to, and participation of, children and youth with disabilities and their families in appropriate and effective special education services and supports; and increase and improve the learning results of children and youth with disabilities. The overall purpose of the Family School Linkages (FSL) Project is to investigate and report: 1) specific ways families can contribute more substantively to schools' educational mission and outcomes and 2) specific ways schools can contribute more substantively and effectively to family capacity and functioning.

**SIEMENS PERFORMANCE CONTRACT**

The purpose of this fund is to provide resources for the purpose of meeting the contract requirements between the Board and Siemens Building Technologies for the sale and installation of an energy saving scope of work, to include but not limited to, lighting retrofits, water conservation retrofits, and boiler replacements. The resources are provided by the issuance of certificates of indebtedness, Department of Natural Resources funds, and the use of Board's reserves.

**1979 DEBT SERVICE**

The 1979 Debt Service Fund is used to accumulate funds for the payment of refunding sales tax bonds which are due in various annual installments.

**READING EDGE**

The Reading Edge is a reading component with a strong focus on academic achievement specifically for the adolescent reader in grades 4-8. Implementation of the The Reading Edge in the 4 middle schools will provide an innovative approach to improving the reading skill of the districts' middle school students by providing them with strategies, techniques, and cooperative learning activities in homogeneous grouping.

**IMPACT AID**

The objective of the Emergency Impact Aid program is to provide funds to, SEAs, LEAs, and Bureau of Indian Affairs (BIA)-funded schools to assist with cost of educating students displaced by Hurricane Katrina or Hurricane Rita during year 2005-2006. Funds are also provided for non-public schools on behalf of displaced students they serve.

**DEBT SERVICE PC**

The Debt Service PC Fund is used to accumulate funds for the payment of 1.7 million Certificate of Indebtedness which are due in various semi-annual installments.

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**NON-MAJOR GOVERNMENTAL FUNDS -**

**COMBINING BALANCE SHEET**

**JUNE 30, 2006**

	<u>Foreign Language Incentive Program</u>	<u>School Food Services</u>	<u>Impact Aid</u>	<u>Title I</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ -	\$ 1,205,298	\$ -	\$ -
Receivables	197	172,687	607,684	253,849
Due from other funds	-	-	-	-
Inventory	-	28,497	-	-
<b>Total assets</b>	<b>\$ 197</b>	<b>\$ 1,406,482</b>	<b>\$ 607,684</b>	<b>\$ 253,849</b>
<b><u>Liabilities and fund equity</u></b>				
<b><u>Liabilities:</u></b>				
Salaries payable, payroll deductions and withholdings payable	\$ -	\$ 85,439	\$ -	\$ 122,240
Accounts payable	-	24,498	-	7,783
Due to other funds	197	3,515	607,684	123,826
<b>Total liabilities</b>	<b>197</b>	<b>113,452</b>	<b>607,684</b>	<b>253,849</b>
<b><u>Fund equity:</u></b>				
Fund balance	-	1,293,030	-	-
<b>Total liabilities and fund equity</b>	<b>\$ 197</b>	<b>\$ 1,406,482</b>	<b>\$ 607,684</b>	<b>\$ 253,849</b>

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**NON-MAJOR GOVERNMENTAL FUNDS -**

**COMBINING BALANCE SHEET**

**JUNE 30, 2006**

	<u>Title II</u>	<u>Title IV</u>	<u>Title V</u>	<u>Head Start</u>	<u>IDEA Transition Assistance</u>
<b><u>Assets</u></b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 102	\$ -
Receivables	36,238	1,507	32,654	200,523	8,811
Due from other funds	-	-	-	-	-
Inventory	-	-	-	-	-
<b>Total assets</b>	<b>\$ 36,238</b>	<b>\$ 1,507</b>	<b>\$ 32,654</b>	<b>\$ 200,625</b>	<b>\$ 8,811</b>
<b><u>Liabilities and fund equity</u></b>					
<b>Liabilities:</b>					
Salaries payable, payroll deductions and withholdings payable	\$ 8,616	\$ -	\$ -	\$ 72,370	\$ -
Accounts payable	2,812	-	1,565	4,799	1,621
Due to other funds	24,810	1,507	31,089	123,456	7,190
<b>Total liabilities</b>	<b>36,238</b>	<b>1,507</b>	<b>32,654</b>	<b>200,625</b>	<b>8,811</b>
<b>Fund equity:</b>					
Fund balance	-	-	-	-	-
<b>Total liabilities and fund equity</b>	<b>\$ 36,238</b>	<b>\$ 1,507</b>	<b>\$ 32,654</b>	<b>\$ 200,625</b>	<b>\$ 8,811</b>

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**NON-MAJOR GOVERNMENTAL FUNDS -  
COMBINING BALANCE SHEET**

**JUNE 30, 2006**

	<u>Adult Education</u>	<u>Vocational Education</u>	<u>Title III</u>	<u>8G Programs</u>	<u>Teaching American History</u>
<b><u>Assets</u></b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	14,165	7,485	1,728	61,180
Due from other funds	-	2,927	-	41	-
Inventory	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 17,092</b>	<b>\$ 7,485</b>	<b>\$ 1,769</b>	<b>\$ 61,180</b>
<b><u>Liabilities and fund equity</u></b>					
<b>Liabilities:</b>					
Salaries payable, payroll deductions and withholdings payable	\$ -	\$ 2,927	\$ -	\$ 1,049	\$ -
Accounts payable	-	1,560	-	-	628
Due to other funds	-	12,605	7,485	720	60,552
<b>Total liabilities</b>	<b>-</b>	<b>17,092</b>	<b>7,485</b>	<b>1,769</b>	<b>61,180</b>
<b>Fund equity:</b>					
Fund balance	-	-	-	-	-
<b>Total liabilities and fund equity</b>	<b>\$ -</b>	<b>\$ 17,092</b>	<b>\$ 7,485</b>	<b>\$ 1,769</b>	<b>\$ 61,180</b>

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**NON-MAJOR GOVERNMENTAL FUNDS -**

**COMBINING BALANCE SHEET**

**JUNE 30, 2006**

	<u>Reading Edge</u>	<u>REAP</u>	<u>IDEA</u>	<u>CSRP</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables	1,619	18,916	261,135	10,708
Due from other funds	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<b>\$ 1,619</b>	<b>\$ 18,916</b>	<b>\$ 261,135</b>	<b>\$ 10,708</b>
<b><u>Liabilities and fund equity</u></b>				
<b>Liabilities:</b>				
Salaries payable, payroll deductions and withholdings payable	\$ -	\$ 9,165	\$ 62,611	\$ -
Accounts payable	-	-	2,344	-
Due to other funds	1,619	9,751	196,180	10,708
<b>Total liabilities</b>	<b>1,619</b>	<b>18,916</b>	<b>261,135</b>	<b>10,708</b>
<b>Fund equity:</b>				
Fund balance	-	-	-	-
<b>Total liabilities and fund equity</b>	<b>\$ 1,619</b>	<b>\$ 18,916</b>	<b>\$ 261,135</b>	<b>\$ 10,708</b>

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**NON-MAJOR GOVERNMENTAL FUNDS -**

**COMBINING BALANCE SHEET**

**JUNE 30, 2006**

	<u>McKinney Vento</u>	<u>Reading First</u>	<u>LASIG</u>	<u>Debt Service PC</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables	12,893	286,119	6,770	-
Due from other funds	-	-	-	-
Inventory	-	-	-	-
<b>Total assets</b>	<b>\$ 12,893</b>	<b>\$ 286,119</b>	<b>\$ 6,770</b>	<b>\$ -</b>
<b><u>Liabilities and fund equity</u></b>				
<b>Liabilities:</b>				
Salaries payable, payroll deductions and withholdings payable	\$ 8,500	\$ 156,170	\$ -	\$ -
Accounts payable	-	1,957	198	-
Due to other funds	4,393	127,992	6,572	93,302
<b>Total liabilities</b>	<b>12,893</b>	<b>286,119</b>	<b>6,770</b>	<b>93,302</b>
<b>Fund equity:</b>				
Fund balance	-	-	-	(93,302)
<b>Total liabilities and fund equity</b>	<b>\$ 12,893</b>	<b>\$ 286,119</b>	<b>\$ 6,770</b>	<b>\$ -</b>

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**NON-MAJOR GOVERNMENTAL FUNDS -**

**COMBINING BALANCE SHEET**

**JUNE 30, 2006**

	<u>Siemens Performance Contract</u>	<u>1979 Debt Service</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ -	\$ 505,568	\$ 1,710,968
Receivables	-	9	1,996,877
Due from other funds	-	-	2,968
Inventory	-	-	28,497
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 505,577</b>	<b>\$ 3,739,310</b>
<b><u>Liabilities and fund equity</u></b>			
<b>Liabilities:</b>			
Salaries payable, payroll deductions and withholdings payable	\$ -	\$ -	\$ 529,087
Accounts payable	-	15,414	65,179
Due to other funds	389,205	-	1,844,358
<b>Total liabilities</b>	<b>389,205</b>	<b>15,414</b>	<b>2,438,624</b>
<b>Fund equity:</b>			
Fund balance	(389,205)	490,163	1,300,686
<b>Total liabilities and fund equity</b>	<b>\$ -</b>	<b>\$ 505,577</b>	<b>\$ 3,739,310</b>

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

**NON-MAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Foreign Language Incentive Program</u>	<u>School Food Services</u>	<u>Impact Aid</u>	<u>Title I</u>
<b><u>Revenues</u></b>				
Local sources:				
Taxes - ad valorem	\$ -	\$ -	\$ -	\$ -
Food sales	-	306,634	-	-
Earnings on investments	-	33,702	-	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid	-	107,115	-	-
Restricted grants-in-aid	-	-	-	-
Federal sources:				
Restricted grants-in-aid - subgrants	21,919	1,323,404	607,684	1,277,310
Commodities - United States Department of Agriculture	-	105,260	-	-
<b>Total revenues</b>	<b>21,919</b>	<b>1,876,115</b>	<b>607,684</b>	<b>1,277,310</b>
<b><u>Expenditures</u></b>				
Instruction:				
Special education programs	20,435	-	7,303	1,194,793
Support services:				
Pupil support services	-	-	-	-
Instructional staff services	-	-	-	-
General administration	-	-	-	-
Plant operation and maintenance	-	-	-	-
Facility acquisition	-	-	-	-
Non-instructional services:				
School food service	-	1,816,187	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
<b>Total expenditures</b>	<b>20,435</b>	<b>1,816,187</b>	<b>7,303</b>	<b>1,194,793</b>
Excess (deficiency) of revenues over expenditures	1,484	59,928	600,381	82,517
Other financing sources (uses)				
Bond proceeds	-	-	-	-
Operating transfers out	(1,484)	-	(600,381)	(82,517)
Operating transfers in	-	232,139	-	-
<b>Total other sources (uses)</b>	<b>(1,484)</b>	<b>232,139</b>	<b>(600,381)</b>	<b>(82,517)</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	292,067	-	-
Fund balances at beginning of year	-	1,000,963	-	-
<b>Fund balances at end of year</b>	<b>\$ -</b>	<b>\$ 1,293,030</b>	<b>\$ -</b>	<b>\$ -</b>

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**NON-MAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Title II</u>	<u>Title IV</u>	<u>Title V</u>	<u>Head Start</u>	<u>IDEA Transition Assistance</u>
<b><u>Revenues</u></b>					
Local sources:					
Taxes - ad valorem	\$ -	\$ -	\$ -	\$ -	\$ -
Food sales	-	-	-	-	-
Earnings on investments	-	-	-	-	-
Other	-	-	-	-	-
State sources:					
Unrestricted grants-in-aid	-	-	-	-	-
Restricted grants-in-aid	-	-	-	-	-
Federal sources:					
Restricted grants-in-aid - subgrants	289,724	12,513	86,828	658,844	77,368
Commodities - United States Department of Agriculture	-	-	-	-	-
<b>Total revenues</b>	<b>289,724</b>	<b>12,513</b>	<b>86,828</b>	<b>658,844</b>	<b>77,368</b>
<b><u>Expenditures</u></b>					
Instruction:					
Special education programs	268,828	12,268	80,418	471,463	71,448
Support services:					
Pupil support services	-	-	-	59,507	-
Instructional staff services	-	-	-	48,527	-
General administration	-	-	-	17,256	-
Transportation	-	-	-	57,174	-
Plant operation and maintenance	-	-	-	4,917	-
Facility acquisition	-	-	-	-	-
Non-instructional services:					
School food service	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
<b>Total expenditures</b>	<b>268,828</b>	<b>12,268</b>	<b>80,418</b>	<b>658,844</b>	<b>71,448</b>
Excess (deficiency) of revenues over expenditures	20,896	245	6,410	-	5,920
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Operating transfers out	(20,896)	(245)	(6,410)	-	(5,920)
Operating transfers in	-	-	-	-	-
<b>Total other sources (uses)</b>	<b>(20,896)</b>	<b>(245)</b>	<b>(6,410)</b>	<b>-</b>	<b>(5,920)</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balances at beginning of year	-	-	-	-	-
<b>Fund balances at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

**NON-MAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Adult Education</u>	<u>Vocational Education</u>	<u>Title III</u>	<u>8G Programs</u>	<u>Teaching American History</u>
<b><u>Revenues</u></b>					
Local sources:					
Taxes - ad valorem	\$ -	\$ -	\$ -	\$ -	\$ -
Food sales	-	-	-	-	-
Earnings on investments	-	-	-	-	-
Other	-	-	-	-	-
State sources:					
Unrestricted grants-in-aid	-	-	-	-	-
Restricted grants-in-aid	-	-	-	11,049	-
Federal sources:					
Restricted grants-in-aid - subgrants	5,009	56,931	13,116	-	244,080
Commodities - United States Department of Agriculture	-	-	-	-	-
<b>Total revenues</b>	<b>5,009</b>	<b>56,931</b>	<b>13,116</b>	<b>11,049</b>	<b>244,080</b>
<b><u>Expenditures</u></b>					
Instruction:					
Special education programs	4,770	59,858	12,564	11,090	225,454
Support services:					
Pupil support services	-	-	-	-	-
Instructional staff services	-	-	-	-	-
General administration	-	-	-	-	-
Transportation	-	-	-	-	-
Plant operation and maintenance	-	-	-	-	-
Facility acquisition	-	-	-	-	-
Non-instructional services:					
School food service	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
<b>Total expenditures</b>	<b>4,770</b>	<b>59,858</b>	<b>12,564</b>	<b>11,090</b>	<b>225,454</b>
Excess (deficiency) of revenues over expenditures	239	(2,927)	552	(41)	18,626
Other financing sources (uses)					
Bond proceeds	-	-	-	-	-
Operating transfers out	(239)	-	(552)	-	(18,626)
Operating transfers in	-	2,927	-	41	-
<b>Total other sources (uses)</b>	<b>(239)</b>	<b>2,927</b>	<b>(552)</b>	<b>41</b>	<b>(18,626)</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-
Fund balances at beginning of year	-	-	-	-	-
<b>Fund balances at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**NON-MAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Reading Edge</u>	<u>REAP</u>	<u>IDEA</u>	<u>CSRP</u>
<b><u>Revenues</u></b>				
Local sources:				
Taxes - ad valorem	\$ -	\$ -	\$ -	\$ -
Food sales	-	-	-	-
Earnings on investments	-	-	-	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid	-	-	-	-
Restricted grants-in-aid	94,654	-	-	-
Federal sources:				
Restricted grants-in-aid - subgrants	-	162,448	1,065,031	44,503
Commodities - United States Department of Agriculture	-	-	-	-
Total revenues	<u>94,654</u>	<u>162,448</u>	<u>1,065,031</u>	<u>44,503</u>
<b><u>Expenditures</u></b>				
Instruction:				
Special education programs	94,654	150,433	989,661	44,503
Support services:				
Pupil support services	-	-	-	-
Instructional staff services	-	-	-	-
General administration	-	-	-	-
Transportation	-	-	-	-
Plant operation and maintenance	-	-	-	-
Facility acquisition	-	-	-	-
Non-instructional services:				
School food service	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>94,654</u>	<u>150,433</u>	<u>989,661</u>	<u>44,503</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>12,015</u>	<u>75,370</u>	<u>-</u>
Other financing sources (uses)				
Bond proceeds	-	-	-	-
Operating transfers out	-	(12,015)	(75,370)	-
Operating transfers in	-	-	-	-
Total other sources (uses)	<u>-</u>	<u>(12,015)</u>	<u>(75,370)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

**NON-MAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>McKinney Vento</u>	<u>Reading First</u>	<u>LASIG</u>	<u>Debt Service PC</u>
<b><u>Revenues</u></b>				
Local sources:				
Taxes - ad valorem	\$ -	\$ -	\$ -	\$ -
Food sales	-	-	-	-
Earnings on investments	-	-	-	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Federal sources:				
Restricted grants-in-aid - subgrants	66,302	1,380,254	17,982	-
Commodities - United States Department of Agriculture	-	-	-	-
Total revenues	<u>66,302</u>	<u>1,380,254</u>	<u>17,982</u>	<u>-</u>
<b><u>Expenditures</u></b>				
Instruction:				
Special education programs	60,815	1,338,283	16,600	-
Support services:				
Pupil support services	-	-	-	-
Instructional staff services	-	-	-	-
General administration	-	-	-	-
Transportation	-	-	-	-
Plant operation and maintenance	-	-	-	-
Facility acquisition	-	-	-	-
Non-instructional services:				
School food service	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	93,302
Total expenditures	<u>60,815</u>	<u>1,338,283</u>	<u>16,600</u>	<u>93,302</u>
Excess (deficiency) of revenues over expenditures	<u>5,487</u>	<u>41,971</u>	<u>1,382</u>	<u>(93,302)</u>
Other financing sources (uses)				
Bond proceeds	-	-	-	-
Operating transfers out	(5,487)	(41,971)	(1,382)	-
Operating transfers in	-	-	-	-
Total other sources (uses)	<u>(5,487)</u>	<u>(41,971)</u>	<u>(1,382)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	(93,302)
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (93,302)</u>

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

**NON-MAJOR GOVERNMENTAL FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Siemens Performance Contract</u>	<u>1979 Debt Service</u>	<u>Total</u>
<b><u>Revenues</u></b>			
Local sources:			
Taxes - ad valorem	\$ -	\$ 225,585	\$ 225,585
Food sales	-	-	306,634
Earnings on investments	-	16,037	49,739
Other	-	-	-
State sources:			
Unrestricted grants-in-aid	-	-	107,115
Restricted grants-in-aid	-	-	105,703
Federal sources:			
Restricted grants-in-aid - subgrants	-	-	7,411,250
Commodities - United States			
Department of Agriculture	-	-	105,260
Total revenues	<u>-</u>	<u>241,622</u>	<u>8,311,286</u>
<b><u>Expenditures</u></b>			
Instruction:			
Special education programs	-	-	5,135,641
Support services:			
Pupil support services	-	-	59,507
Instructional staff services	-	-	48,527
General administration	-	8,983	26,239
Transportation	-	-	57,174
Plant operation and maintenance	-	-	4,917
Facility acquisition	783,095	-	783,095
Non-instructional services:			
School food service	-	-	1,816,187
Debt service:			
Principal retirement	-	190,000	190,000
Interest and bank charges	-	47,148	140,450
Total expenditures	<u>783,095</u>	<u>246,131</u>	<u>8,261,737</u>
Excess (deficiency) of revenues over expenditures	<u>(783,095)</u>	<u>(4,509)</u>	<u>49,549</u>
Other financing sources (uses)			
Bond proceeds	-	-	-
Operating transfers out	-	-	(873,495)
Operating transfers in	-	-	235,107
Total other sources (uses)	<u>-</u>	<u>-</u>	<u>(638,388)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(783,095)</u>	<u>(4,509)</u>	<u>(588,839)</u>
Fund balances at beginning of year	393,890	494,672	1,889,525
Fund balances at end of year	<u>\$ (389,205)</u>	<u>\$ 490,163</u>	<u>\$ 1,300,686</u>

**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS**

**FOR THE YEAR ENDED JUNE 30, 2006**

Leonard Alcorn	\$	6,000
Andrea Barras		6,000
John Beck		6,600
Doris Dugas		6,000
Lawrence Howell		6,000
Edward Landry		6,000
Electa Fletcher Mickens		6,000
Ray Nicholas		6,000
Jessica Ourso		6,000
		<hr/>
Total	\$	<u>54,600</u>



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**INDEPENDENT AUDITORS' 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**

The Members of the  
Assumption Parish School Board  
Napoleonville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Assumption Parish School Board as of and for the year ended June 30, 2006, which collectively comprise the Assumption Parish School Board's basic financial statements and have issued our report thereon dated December 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Assumption Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Assumption Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 06-1.

We noted certain additional matters that we reported to management of Assumption Parish School Board in a separate letter dated December 21, 2006.

This report is intended solely for the information and use of the Assumption Parish School Board, management, others within the organization and 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 Legislative Auditor as a public document.

*Paul Thurston & Metterville*

December 21, 2006



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Members of the  
Assumption Parish School Board  
Napoleonville, Louisiana

**Compliance**

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

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

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

### **Internal Control Over Compliance**

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

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

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Assumption Parish School Board as of and for the year ended June 30, 2006, and have issued our report thereon dated December 21, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Assumption Parish School Board's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Assumption Parish School Board, management, others within the organization, and 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 Legislative Auditor as a public document.

*Postlethwaite & Nettleton*

December 21, 2006



**ASSUMPTION PARISH SCHOOL BOARD**

**Napoleonville, Louisiana**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

<b><u>Federal Grantor/Pass-through Grantor/Program Title</u></b>	<b><u>Federal CFDA Number</u></b>	<b><u>Agency or Pass-through Number</u></b>	<b><u>Federal Expenditures</u></b>
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>			
Passed through Louisiana Department of Agriculture and Forestry - Food Distribution	10.550	None	\$ 105,260
Passed through Louisiana Department of Education:			
National School Lunch Program	10.555	None	997,473
National School Breakfast Program	10.553	None	286,652
National After School Snack Program	10.555	None	20,382
			<hr/>
			1,409,767
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
Passed through Louisiana Department of Education:			
Adult Education	84.002A	28-05-44-04	2,327
Adult Education	84.002A	28-05-21-04	2,682
CSRP-Comprehensive School Reform Program	84.332A	28-04-T6-04-C	44,503
Drug-Free School and Communities Act	84.186A	28-05-70-04	7,354
Drug-Free School and Communities Act	84.186A	Q186A050019	5,159
Enhancing Education Through Technology	84.318X	28-04-49-04	1,928
Enhancing Education Through Technology	84.318X	28-04-49-04-C	13,013
IDEA - District and School Improvement	84.027A	28-04-SD-04	2,311
IDEA - District and School Improvement	84.027A	28-06-SD-04	15,671
IDEA - Part B	84.027A	28-05-B1-04	311,172
IDEA - Part B	84.027A	H027A050033	753,858
IDEA - Preschool	84.173A	28-05-P1-04	19,411
IDEA - Preschool Carryover	84.173A	H173A050082	2,508
IDEA - Transition Assistance	84.027A	27-04-B5-04	12,160
IDEA - Transition Assistance	84.027A	28-05-B5-04	65,209
Impact Aid	84.938		607,684
Louisiana Assistive Technology Reimb. Program	84.027A	28-05-TR-04	12,797
MCKinney Vento	84.196A	28-05-H1-04	9,956
MCKinney Vento	84.196A	28-06-H1-04	56,346
Naval Junior Reserve Officer Training Program		JROTC036S	52,033
Reading First	84.357A	28-04-RS-04	180,513
Reading First	84.357A	28-05-RF-04-C	568,240
Reading First	84.357A	28-05-RF-04-C	93,746
Reading First	84.357A	28-05-RS-04	343,404
Reading First	84.357A	28-06-RF-04	194,351
REAP-Rural Education Achievement Program	84.358B	28-05-RE-04-C	39,367
REAP-Rural Education Achievement Program	84.358B	28-05-RE-04	59,934
REAP-Rural Education Achievement Program	84.358B	28-06-RE-04	63,147
Region 3 Teaching American History	84.215X	U215X040286	244,080
Starting Points	93.558	28-06-35	16,805

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
Passed through Louisiana Department of Education:			
Title I	84.010A	S010A050018	856,917
Title I	84.010A	28-05-T1-04	420,393
Title II	84.367A	28-05-50-04	151,083
Title II	84.367A	S367A050017	138,641
Title III	84.365A	28-05-S3-04-C	7,040
Title III	84.365A	28-06-S3-04	6,076
Title V	84.298A	28-05-80-04	832
Title V	84.298A	S298A50018	85,996
Vocational Education	84.048	28-06-02-04	56,931
			<u>5,525,578</u>
<b>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN RESOURCES</b>			
Head Start	93.600	06CH0407/13	43,601
Head Start	93.600	06CH0407/14	615,243
			<u>658,844</u>
<b>FEDERAL EMERGENCY MANAGEMENT ASSOCIATION</b>			
Emergency Food & Shelter National Program	97.024	LA1603	18,898
Emergency Food & Shelter National Program	97.024	LA1603	231,593
			<u>250,491</u>
<b>Total</b>			<u><u>\$ 7,844,680</u></u>

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Assumption Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

**NOTE B - FOOD DISTRIBUTION**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

**NOTE C - RELATIONSHIP TO FINANCIAL STATEMENTS**

The expenditures are recognized as follows:

General Fund	\$ 328,171
Other Governmental	7,516,509
	<u>\$ 7,844,680</u>

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2006**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Assumption Parish School Board.
2. There were no reportable conditions relating to the audit of the financial statements of Assumption Parish School Board.
3. One instance of noncompliance relative to the financial statements of Assumption Parish School Board, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit. This item is reported in Part B of this Schedule
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for Title I, Impact Aid, and FEMA expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Assumption Parish School Board.
7. The following programs are identified as major programs for the year ended June 30, 2006:

	Federal
	<u>CFDA Number</u>
Title I	84.010A
Impact Aid	84.938
FEMA	97.024

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Assumption Parish School Board was determined not to be a low-risk auditee.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2006**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**REPORTABLE CONDITIONS IN INTERNAL CONTROL**

None

**COMPLIANCE WITH LAWS AND REGULATIONS**

**06-1 Louisiana Budget Law**

*Criteria:* Louisiana Revised Statute 39:1305 requires that a budget shall be adopted for the general fund and each special revenue fund.

*Condition:* The School Board did not adopt a budget for one of its special revenue funds.

*Effect:* The failure to adopt a budget for this special revenue fund is a violation of Louisiana Revised Statute 39:1305.

*Recommendation:* The school board shall adopt budgets for each special revenue fund each year.

*Response:* We concur with the recommendation. All budgets will be adopted each year as required.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2006**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT – REPORTABLE CONDITIONS IN INTERNAL CONTROL**

**05-1 Controls over Payroll**

*Condition:* All personnel in the payroll, human resources, and accounting departments have complete access to all payroll functions within the computer system.

*Current Status:* No similar findings were noted in the current audit of the financial statements. Access to payroll functions has been limited within these departments, with some personnel having access to only some functions of the program.

**05-2 Controls over Transportation**

*Condition:* The mileage reports that have been submitted by each driver at the beginning of each school year have not been approved by the transportation department. Additionally, each route has not been verified by the transportation department to ensure that the mileage reports are correct. Any changes to the mileage reports or routes have not been approved and verified by the transportation department

*Current Status:* No similar findings were noted in the current audit of the financial statements.

**A. FINDINGS – FINANCIAL STATEMENT AUDIT – COMPLIANCE WITH LAWS AND REGULATIONS**

**05-3 Transportation Department**

*Condition:* A bus driver was paid for mileage and operational expenses during the fiscal year for reimbursement calculated using mileage that was not being driven by the respective bus driver. The respective driver was overpaid by \$5,230.91.

*Current Status:* No similar findings were noted in the current audit of the financial statements.

**05-4 Louisiana Public Bid Law**

*Condition:* The School Board did not obtain 3 quotes for one purchase that was in excess of state bid requirements.

*Current Status:* No similar findings were noted in the current audit of the financial statements.

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2006**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT – COMPLIANCE WITH LAWS AND REGULATIONS**  
(continued)

**05-5 Louisiana Budget Law**

*Condition:* The School Board did not adopt budgets for two of its special revenue funds.

*Current Status:* Similar finding was noted in the current audit of the financial statements for one special revenue fund.

**05-6 Louisiana Budget Law**

*Condition:* The Reading First Fund had actual excess expenditures of 7.8% over the budgeted amount of the total expenditures.

*Current Status:* No similar findings were noted in the current audit of the financial statements.

**05-7 Security for Deposits**

*Condition:* At June 30, 2005, the School Board's deposits were unsecured by \$29,382.

*Current Status:* No similar findings were noted in the current audit of the financial statements.

**B. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT**  
**UNITED STATES DEPARTMENT OF EDUCATION**

**05-8 Teaching American History**

*Condition:* The annual performance report had not yet been filed at June 30, 2005.

*Current Status:* No similar findings were noted in the current audit of the financial statements.



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**INDEPENDENT AUDITORS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Members of the  
Assumption Parish School Board

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Assumption Parish School Board 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 Assumption Parish 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) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. 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.

**Results:**

In performing the testing on the sample of expenditures/revenues, we noted no transactions that were inappropriately classified or were recorded at an inappropriate amount.

### **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.

**Results:**

No differences were noted between the number of full-time classroom teachers per Schedule 4 and Schedule 2, or between the schedules and the Oct. 1 payroll records.

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.

**Results:**

No differences were noted between the number of principals and assistant principals per Schedule 4 and Schedule 2, or between the schedules and the Oct. 1 payroll records.

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 determined if the individual's education level was properly classified on the schedule.

**Results:**

In our sample of 25 employees, no discrepancies existed between the aforementioned listing and the schedule.

### **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 National School Lunch Program (CFDA 10.555) application.

**Results:**

We noted no discrepancies between the schools as listed in the National School Lunch Program application and the list supporting the schools represented in the schedule.

### **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.

**Results:**

In our sample of 25 employees, no discrepancies existed between the aforementioned listing and the schedule.

### **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 and extra compensation were properly included on the schedule.



**Results:**

In our sample of 25, we noted reasonableness between the level of compensation that would be appropriate for the education and experience level per the district wide salary schedule and the amount actually paid per the aforementioned listing. Note that reasonableness is considered because the actual pay that was used in the computation of the average and the annual salary per the salary schedule may be different due to docs in pay or other factors.

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

**Results:**

We noted no differences in the averages reported on the schedule and our calculations.

**Class Size Characteristics (Schedule 6)**

9. We obtained a list of teachers and the classes that they teach with the class size and reconciled that list to the total classes for each class size category as reported on the schedule. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

**Results:**

In our sample of 10 classes, 8 discrepancies existed between the aforementioned listing and the schedule.

**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 Assumption Parish School Board.

**Results:**

No differences were noted.

**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 Assumption Parish School Board.

**Results:**

No differences were noted.

**The iLEAP 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 Assumption Parish School Board.

**Results:**

No differences were noted.

We were not engaged to, and did not, conduct an audit, 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 Assumption 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.

*Postlethwaite & Nettleton*

December 21, 2006

**ASSUMPTION PARISH SCHOOL BOARD**  
**Napoleonville, Louisiana**

**SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2006**

**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certified and uncertified number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial Statistical Report (AFSR).

**Schedule 4 - Experience of Public Teachers and Full-time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data**

This schedule includes average classroom teacher's salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the legislature in the Annual School Report (ASR).

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 8 - The Graduation Exit Exam**

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 9 - The *iLEAP* Tests**

The IOWA tests have been replaced by the *iLEAP* test in 2006. This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes two years of data for the IOWA test and one year data for *iLEAP*.

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

Schedule 1

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

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teachers Salaries	\$ 9,739,607	
Other Instructional Staff Salaries:	1,461,396	
Employee Benefits	5,268,804	
Purchased Professional and Technical Services	27,407	
Instructional Materials and Supplies	565,038	
Instructional Equipment	118,993	
Total Teacher and Student Interaction Activities		\$ 17,181,245
Other Instructional Activities		93,025
Pupil Support Activities	1,177,438	
Less: Equipment for Pupil Support Activities	(3,395)	
Net Pupil Support Activities		1,174,043
Instructional Staff Services	409,056	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		409,056

Total General Fund Instructional Expenditures

\$ 18,857,369

Total General Fund Equipment Expenditures

\$ 172,916

**Certain Local Revenue Sources**

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 477,941
Renewal Ad Valorem Taxes	2,947,443
Debt Service Ad Valorem Taxes	-
Up to 1% of Collections by Sheriff	88,855
Sales and Use Taxes	4,217,043
Total Local Taxation Revenue	<u>\$ 7,731,282</u>

Local Earnings on Investments in Real Property:

Earnings from 16th Section Property	\$ 27,202
Earnings from Other Real Property	-
Total Local Earnings on Investments in Real Property	<u>\$ 27,202</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 15,364
Revenue Sharing - Other Taxes	94,376
Revenue Sharing - Excess Portion	2,828
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 112,568</u>

Nonpublic Textbook Revenue

\$ 6,469

Nonpublic Transportation Revenue

\$ 39,429

**ASSUMPTION PARISH SCHOOL BOARD**  
Napoleonville, Louisiana

Schedule 2

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	3	1%	1	17%	0	0%	0	0%
Bachelor's Degree	222	76%	4	67%	0	0%	0	0%
Master's Degree	48	16%	1	17%	6	30%	0	0%
Master's Degree + 30	18	6%	0	0%	14	70%	0	0%
Specialist in Education	0	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>291</b>	<b>100%</b>	<b>6</b>	<b>100%</b>	<b>20</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

Schedule 3

**Number and Type of Public Schools  
For the year ended June 30, 2006**

Type	Number
Elementary	5
Middle/Jr. High	3
Secondary	1
Combination	0

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

Schedule 4

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

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	1	3	0	2	5	11
Principals	0	0	0	2	2	2	3	9
Classroom Teachers	37	33	78	36	34	21	58	297
<b>Total</b>	<b>37</b>	<b>33</b>	<b>79</b>	<b>41</b>	<b>36</b>	<b>25</b>	<b>66</b>	<b>317</b>

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

Schedule 5

**Public School Staff Data**

As of June 30, 2006

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC and Rehired Retirees</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	36,161	36,047
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	35,907	35,807
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	282.2	274.2

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

Schedule 6

**Class Size Characteristics**

As of May 1, 2006

School Type:	1-20		21-26		27-33		34+		Total
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	
Elementary	51%	114	36%	81	13%	28	0%	1	224
Elementary Activity Classes	61%	56	30%	28	5%	5	3%	3	92
Middle/Jr. High	25%	60	55%	133	20%	48	0%	0	241
Middle/Jr. High Activity Classes	55%	34	24%	15	18%	11	3%	2	62
High	36%	132	39%	142	26%	94	0%	0	368
High Activity Classes	49%	28	16%	9	30%	17	5%	3	57
Combination	0%	0	0%	0	0%	0	0%	0	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0	0

**ASSUMPTION PARISH SCHOOL BOARD**  
Napoleonville, Louisiana

Schedule 7

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

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	9	2.6%	7	2.0%	10	2.9%	7	2.0%	8	2.3%	7	2.0%
Mastery	38	10.9%	78	22.3%	59	17.0%	27	7.7%	65	18.6%	37	10.6%
Basic	146	41.7%	157	45.0%	125	35.9%	150	42.9%	163	46.7%	130	37.4%
Approaching Basic	92	26.3%	71	20.3%	76	21.8%	90	25.7%	62	17.8%	82	23.6%
Unsatisfactory	65	18.6%	36	10.3%	78	22.4%	76	21.7%	51	14.6%	92	26.4%
<b>Total</b>	<b>350</b>	<b>100.0%</b>	<b>349</b>	<b>100.0%</b>	<b>348</b>	<b>100.0%</b>	<b>350</b>	<b>100.0%</b>	<b>349</b>	<b>100.0%</b>	<b>348</b>	<b>100.0%</b>

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	3	1.0%	0	0.0%	0	0.0%	5	1.6%	6	2.0%	9	2.6%
Mastery	22	7.3%	46	15.6%	31	9.5%	9	2.9%	24	7.9%	20	5.8%
Basic	149	49.3%	121	41.2%	143	43.7%	184	59.0%	170	55.7%	206	60.3%
Approaching Basic	110	36.4%	90	30.6%	116	35.5%	73	23.3%	56	18.5%	52	15.2%
Unsatisfactory	18	6.0%	37	12.5%	37	11.4%	41	13.1%	49	16.1%	55	16.1%
<b>Total</b>	<b>302</b>	<b>100.0%</b>	<b>294</b>	<b>100.0%</b>	<b>327</b>	<b>100.0%</b>	<b>312</b>	<b>100.0%</b>	<b>303</b>	<b>100.0%</b>	<b>342</b>	<b>100.0%</b>

**ASSUMPTION PARISH SCHOOL BOARD**  
Napoleonville, Louisiana

Schedule 8

**The Graduation Exit Exam for the 21st Century**  
**For the year ended June 30, 2006**

District Achievement Level Results	Spring 2005 GEE 21							
	English Language Arts				Mathematics			
	2006		2005		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>								
Advanced	1	0.4%	3	1.2%	16	6.2%	21	8.3%
Mastery	33	12.7%	40	15.7%	51	19.7%	47	18.6%
Basic	148	57.1%	141	55.5%	114	44.0%	109	43.1%
Approaching Basic	51	19.7%	57	22.4%	45	17.4%	35	13.8%
Unsatisfactory	26	10.1%	13	5.0%	33	12.7%	41	16.3%
<b>Total</b>	<b>259</b>	<b>100.0%</b>	<b>254</b>	<b>100.0%</b>	<b>259</b>	<b>100.0%</b>	<b>253</b>	<b>100.0%</b>

District Achievement Level Results	Spring 2005 GEE 21							
	Science				Social Studies			
	2006		2005		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>								
Advanced	4	1.7%	2	1.0%	0	0.0%	1	0.5%
Mastery	19	8.1%	34	17.8%	8	3.4%	19	10.0%
Basic	101	42.8%	80	41.9%	128	54.5%	101	53.2%
Approaching Basic	73	30.9%	53	27.7%	61	26.0%	45	23.7%
Unsatisfactory	39	16.6%	22	11.5%	38	16.2%	24	12.7%
<b>Total</b>	<b>236</b>	<b>100.0%</b>	<b>191</b>	<b>100.0%</b>	<b>235</b>	<b>100.0%</b>	<b>190</b>	<b>100.0%</b>

**ASSUMPTION PARISH SCHOOL BOARD**  
Napoleonville, Louisiana

Schedule 9

**The IOWA Tests**  
For the year ended June 30, 2006

	Composite	
	2005	2004
<b>Test of Basic Skills (ITBS)</b>		
Grade 3	55	56
Grade 5	52	48
Grade 6	41	37
Grade 7	44	48
<b>Test of Educational Development (ITED)</b>		
Grade 9	46	45

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.

**iLEAP**  
For the year ended June 30, 2006

District Achievement Level Results	ELA		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	6	2.0%	8	2.7%	4	1.4%	3	1.0%
Mastery	57	19.4%	33	11.2%	27	9.2%	33	11.2%
Basic	129	43.9%	126	42.9%	155	52.7%	168	57.1%
Approaching Basic	63	21.4%	76	25.9%	83	28.2%	60	20.4%
Unsatisfactory	39	13.3%	51	17.3%	25	8.5%	30	10.2%
<b>Total</b>	<b>294</b>	<b>100.0%</b>	<b>294</b>	<b>100.0%</b>	<b>294</b>	<b>100.0%</b>	<b>294</b>	<b>100.0%</b>

District Achievement Level Results	ELA		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	7	2.2%	6	1.9%	4	1.2%	5	1.5%
Mastery	44	13.6%	29	9.0%	40	12.4%	39	12.1%
Basic	117	36.1%	163	50.5%	110	34.1%	163	50.5%
Approaching Basic	101	31.2%	64	19.8%	112	34.7%	76	23.5%
Unsatisfactory	55	17.0%	61	18.9%	57	17.6%	40	12.4%
<b>Total</b>	<b>324</b>	<b>100.0%</b>	<b>323</b>	<b>100.0%</b>	<b>323</b>	<b>100.0%</b>	<b>323</b>	<b>100.0%</b>

**ASSUMPTION PARISH SCHOOL BOARD**

Napoleonville, Louisiana

Schedule 9 (continued)

**The IOWA Tests  
For the year ended June 30, 2006**

District Achievement Level Results	ELA		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	9	3.0%	6	2.0%	6	2.0%	9	3.0%
Mastery	44	14.5%	23	7.6%	22	7.3%	22	7.3%
Basic	145	47.9%	148	48.8%	152	50.2%	156	51.5%
Approaching Basic	66	21.8%	57	18.8%	86	28.4%	69	22.8%
Unsatisfactory	39	12.9%	69	22.8%	37	12.2%	47	15.5%
<b>Total</b>	<b>303</b>	<b>100.0%</b>	<b>303</b>	<b>100.0%</b>	<b>303</b>	<b>100.0%</b>	<b>303</b>	<b>100.0%</b>

District Achievement Level Results	ELA		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	8	2.2%	2	0.6%	1	0.3%	1	0.3%
Mastery	33	9.2%	19	5.3%	27	7.6%	22	6.1%
Basic	147	40.9%	179	50.0%	122	34.2%	186	52.0%
Approaching Basic	124	34.5%	81	22.6%	144	40.3%	87	24.3%
Unsatisfactory	47	13.1%	77	21.5%	63	17.6%	62	17.3%
<b>Total</b>	<b>359</b>	<b>100.0%</b>	<b>358</b>	<b>100.0%</b>	<b>357</b>	<b>100.0%</b>	<b>358</b>	<b>100.0%</b>

District Achievement Level Results	ELA		Mathematics	
	2006		2006	
Students	Number	Percent	Number	Percent
<b>Grade 9</b>				
Advanced	0	0.0%	14	5.0%
Mastery	22	7.8%	18	6.4%
Basic	107	37.8%	129	45.9%
Approaching Basic	98	34.6%	61	21.7%
Unsatisfactory	56	19.8%	59	21.0%
<b>Total</b>	<b>283</b>	<b>100.0%</b>	<b>281</b>	<b>100.0%</b>

JOHN BECK  
PRESIDENT

EARL T. MARTINEZ  
SUPERINTENDENT

LEONARD ALCORN  
VICE-PRESIDENT

## ASSUMPTION PARISH SCHOOL BOARD

*"Celebrating 127 Years of Educating Assumption Parish"*

4901 HIGHWAY 308  
NAPOLEONVILLE, LOUISIANA 70390

LEONARD ALCORN  
ANDREA BARRAS  
JOHN BECK  
DORIS DUGAS  
LAWRENCE HOWELL

PHONE: (985) 369-7251 • FAX: (985) 369-2530  
Website: <http://www.assumption.k12.la.us>

ELECTA FLETCHER MICKENS  
RAY NICHOLAS  
JESSICA OURSO  
EDWARD D. LANDRY

**BUSINESS SERVICES DEPARTMENT**  
*mboudreaux@assumption.k12.la.us*

December 27, 2006

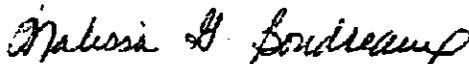
Postlethwaite and Netterville  
P. O. Box 1190  
Donaldsonville, LA 70390

To Whom It May Concern:

Please be advised of the following corrective action plans to be implemented as a result of the June 30, 2006 audit:

1. **Finding 06-01 Louisiana Public Bid Law** - We concur with the recommendation. All budgets will be adopted each year as required.
2. **Management Letter point - Information System Control Environment**
  - a. Establish a password policy. Passwords should be required to be at least seven characters, alpha numeric, cash sensitive, and should have at least one special character. Additionally, passwords should be required to change every 60 to 90 days. Implementation of a new password policy will be effective with the upgrade to our email system which is scheduled for February 2007.
  - b. Access to the server should be restricted. Changing of the current lock system for this area of the building will be completed in January 2007 upon receipt of price quotes.
  - c. A regularly schedule backup routine for all critical data shall be established in January 2007.
  - d. In order to aid in data recovery, a Disaster Recovery Plan should be adopted. A committee will be formulated to build upon a very sketchy DRP.
  - e. Passwords should be required to access the Quicken accounting systems at the schools. Oversight should take place at the main office. Secretarial meetings will be held in the near future to review the process of establishing a security system for the schools in regards to Quicken access.
  - f. Resources shall be allocated to the technology department for the purpose of obtaining the hardware requirements stated, 2 AD 2003 / Exchange 2003 design solutions and dedicated hardware firewall device.
  - g. All updates shall be monitored and consideration given to changing the "local admins" setting on the individual workstations.

Sincerely,



Malissa G. Boudreaux  
Director of Business Services

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**"An Equal Opportunity Employer"**

The Assumption Parish School Board does not discriminate on the basis of race, color, national origin, sex, age, or disability in any of its programs, activities, admission, or employment practices as required by Title VI, Title IX, Section 504, and Title II.

To the Members of the  
Assumption Parish School Board  
Napoleonville, LA.

We have audited the general-purpose financial statements of the Assumption Parish School Board for the year ended June 30, 2006, and have issued our report thereon dated December 21, 2006. Professional standards suggest that we provide you with the following information related to our audit.

As stated in our engagement letter dated June 30, 2006, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Assumption Parish School Board. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure. During the course of the performance of our audit procedures and documentation of the School Board's internal controls, we noted certain immaterial items that have been communicated to management by way of discussion. The following is a description of items that were of such significance to comment in a formal management letter.

## Information System Control Environment

**Finding:** The controls related to the computer system should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that data can be recovered in the event of a system failure or disaster.

**Recommendation:** The School Board should consider implementing the following:

- Obtain a solution to restrict access to the Data Center, either by way of a locked door or keypad entrance. In addition, all employee accessible doors should remain locked at all times.
- A regularly scheduled backup routine for all critical data immediately, either to tape or to the newly purchased Storage Area Network (SAN)
- Creating an official Disaster Recovery Plan (DRP) that includes a “phone list contact tree”, as well as outlining all software vendor contact information, all software currently utilized, and the steps necessary to get all systems running again, beginning with the most critical system. P & N recommends APSB thoroughly review the Service Level Agreement (SLA) published by SunGard and the JPAMS vendor to be confident and absolute of what they can expect from those vendors in the midst of an emergency or wide-spread catastrophe.
- Institute password policies that are managed by Active Directory, and that meet the ISC2 recommendations for passwords, which include a minimum of seven characters, with both letters and numbers and at least one special character. Additionally, the ISC2 says that passwords should expire every 60 to 90 days. P & N recommends that APSB establish a password policy reflecting these accepted standards immediately.
- Obtain at least 2 AD 2003 / Exchange 2003 design solutions from different external IT vendors and review them carefully before deciding which methodology to accept.
- Carefully monitor all updates, as they may cause application inconsistencies without rigorous testing prior to the installations. In addition, currently all client users are set to be “Local Admins” on their workstations.
- Provide a dedicated hardware device, such as a Cisco PIX 515 as the firewall device, in association with the ISA 2004 server.
- The schools Quicken systems should continue to be closely monitored at the school board level.

This information is intended solely for the use of the Board Members and management of the Assumption Parish School Board and should not be used for any other purpose.

*Pastthorait & Mettrudly*

Donaldsonville, Louisiana

December 21, 2006