

Union Parish School Board

Farmerville, Louisiana



Comprehensive Annual Financial Report

For the Year Ended June 30, 2005

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**Union Parish School Board
Farmerville, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2005**

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 1/18/06

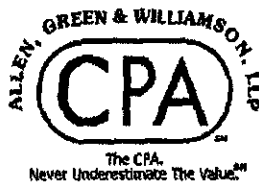
**Union Parish School Board
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**Union Parish School Board
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Independent Auditors' Report

Board Members
Union Parish School Board
Farmerville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Union Parish School Board, as of and for the year ended June 30, 2005, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Parish School Board as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2005, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The accompanying supplemental information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by OMB Circular A-133, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Also, the accompanying other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 22, 2005

Union Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION

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

Union Parish School Board

Management's Discussion and Analysis (MD&A)

Our discussion and analysis of Union Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2005. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

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

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

The School Board's fund financial statements provide detailed information about the most significant funds – not the School Board as a whole. Some funds are required to be established by state law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (for example grants received from the U.S. Department of Education). The fund balance of all governmental funds decreased by \$143,514 during the 2004-2005 fiscal year. This decrease was largely in part to increase in benefits, Strategies that Empower People (STEP) increases, and normal rise in cost of operations. The Board had to rely on the small beginning fund balances and the two designations to meet expenditures.

General Fund The general fund is made up of three main funding sources, which are as follows: local, state, and federal. Local sources include such items as taxes, interest and rental that account for about 6.5% of the total revenue. State sources which total 93.5% of the revenue consist of the MFP, PIP reimbursement and other allotments.

The general fund incurred a \$335,307 deficiency in the current year. During the last several years student enrollment has showed a steady decrease, which directly affect MFP dollars. The Union Parish School Board has continued to operate the same number of schools (10) despite the declining enrollment. This deficit was mainly caused by (as stated above) increase in benefits and Strategies that Empower People (STEP) raises, and several years ago an unfunded 4% pay raise that continues to be a cost to the Board with no dedicated revenue to offset the expenditure.

Education Excellence The educational excellence fund accounts for monies collected from the state of Louisiana for Tobacco settlement. Current year revenues increased \$49,250, from the previous year; and expenditures increased \$25,631 from the previous year. The fund balance showed an increase of \$23,619 in the current year.

Title I This fund is a cost reimbursement fund that accounts for federal dollars received for the Title I program. Since this fund is a cost reimbursement fund there has been no change in fund balance between 2003-2004 and 2004-2005, since both years ending fund balance was zero. For 2004-2005 total revenue received from federal sources was \$1,079,690; this is a decrease of \$13,663 or 1.3% from the previous year. Since this is a cost reimbursement program, expenditures decrease in the same dollar amount and percentage from the previous year also.

Special Funds This fund is a cost reimbursement fund that accounts for various federal and state dollars received. Since this fund is a cost reimbursement fund there has been no change in fund balance between 2003-2004 and 2004-2005, since both years ending fund balance was zero. Within this fund federal dollars are collected for Preschool Grant, Vocational Education Grant, First Tech Grant, Starting Points Preschool Grant, workforce investment grant, Enhancing education through technology grant, assistive Technology Grant region 8, strategies that empower people, and Plato. For 2004-2005 total revenues received from federal sources was \$1,312,837; this is an increase of \$477,722 or 57.2% from the previous year. Also within this fund state awards are accounted for and include K-3 stipends program, Leap 21 tutoring program, Leap 21 summer remediation program, Louisiana teacher assistance and assessment program, Class size reduction program BHG grant, 600 Summer Remediation program, -12 accounts reward program and student improvement plan. For 2004-2005 total revenues received from state sources was \$ 278,490; this is an increase of \$14,220 or 5.3% from the previous year.

Union Parish School Board

Management's Discussion and Analysis (MD&A)

year. Since this is cost reimbursement program expenditures increase in the same dollar amount and percentage from the previous year for federal and state expenditures.

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

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

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

This fund had an \$88,513 increase in the current year. Every effort was made to reduce expenditures in this fund and to operate within current year revenues. Only emergency repairs were made as overall cash flow was of concern.

Other Governmental Funds This includes several cost reimbursement programs, two sales tax funds and school food service. These funds had an increase of \$79,661 mainly because the estimations for June collections were lower than the amount actually collected, leaving larger fund balances than the year before.

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

Union Parish School Board

Management's Discussion and Analysis (MD&A)

Financial Section

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Basic Financial Statements

Required Supplemental Information

Budgetary Information for Major Funds

Supplemental Information

Nonmajor Funds Combining Statements & Budgetary Information

Agency Funds Statements/Schedules

Schedule of Compensation Paid Board Members

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

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

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

Union Parish School Board

Management's Discussion and Analysis (MD&A)

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statements

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

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

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

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

Union Parish School Board

Management's Discussion and Analysis (MD&A)

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were \$3,161,890 at June 30, 2005. Of this amount, there is a deficit of \$609,277 in unrestricted fund balance. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

**Table 1
Net Assets
June 30,**

	Governmental Activities		Dollar
	<u>2005</u>	<u>2004</u>	<u>Variance</u>
Current and other assets	\$ 2,361,611	\$ 2,649,614	\$ (288,003)
Capital assets	<u>3,393,386</u>	<u>3,991,016</u>	<u>(597,630)</u>
Total assets	<u>5,754,997</u>	<u>6,640,630</u>	<u>(885,633)</u>
Current and other liabilities	1,834,679	1,979,169	(144,490)
Long-term liabilities	<u>758,428</u>	<u>815,251</u>	<u>(56,823)</u>
Total liabilities	<u>2,593,107</u>	<u>2,794,420</u>	<u>(201,313)</u>
Net assets			
Invested in capital assets, net of debt	3,393,386	3,991,016	(597,630)
Restricted	377,781	298,119	79,662
Unrestricted	<u>(609,277)</u>	<u>(442,925)</u>	<u>(166,352)</u>
Total net assets	<u>\$ 3,161,890</u>	<u>\$ 3,846,210</u>	<u>\$ (684,320)</u>

The \$609,277 deficit in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. It means that the School Board does not have sufficient funds to pay off its bills today including all of its noncapital liabilities such as compensated absences.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities, reflected later as Statement B in the government-wide financial statements. Table 2 on the next page, take the information from that statement and rearrange it slightly by grouping all revenues in the same section.

Union Parish School Board

Management's Discussion and Analysis (MD&A)

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

	Governmental Activities		Dollar Variance
	2005	2004	
Net assets – beginning	\$ 3,846,211	\$ 5,585,389	\$ (1,739,178)
Revenues:			
Program revenues			
Charges for services	204,357	238,649	(34,292)
Federal grants	4,542,714	4,013,034	529,680
State grants and entitlements	694,271	591,620	102,651
General revenue			
Ad valorem taxes	796,531	755,590	40,941
Sales taxes	3,372,796	3,311,638	61,158
State minimum foundation program	12,443,208	12,231,948	211,260
Other general revenues	325,912	463,576	(137,664)
Total revenues	22,379,789	21,606,055	773,734
Functions/Program expenses:			
Instruction			
Regular programs	8,390,463	8,796,977	(406,514)
Special programs	2,285,634	2,937,885	(652,251)
Other instructional programs	2,623,373	1,768,740	854,633
Support services			
Student services	561,929	534,097	27,832
Instructional staff support	2,011,611	1,596,781	414,830
General administration	599,688	529,498	70,190
School administration	943,391	956,014	(12,623)
Business services	242,719	252,185	(9,466)
Plant services	1,441,030	1,822,321	(381,291)
Student transportation services	1,911,882	1,883,555	(28,327)
Central services	30,387	41,975	(11,588)
Food services	2,019,767	2,222,766	(202,999)
Community service programs	2,236	2,440	(204)
Total expenses	23,064,110	23,345,234	(281,124)
Increase (decrease) in net assets	(684,321)	(1,739,179)	1,054,858
Net assets - ending	\$ 3,161,890	\$ 3,846,210	\$ (684,320)

Governmental Activities As reported in the Statement of Activities, the cost of all governmental activities this year was \$23,064,110. The amount that taxpayers ultimately financed for these activities through School Board taxes was only \$4,169,327 because some of the cost was paid by those who benefited from the program \$204,357 or by other governments and organizations who subsidized certain programs with grants and contributions \$5,236,985. \$12,769,120 was paid from Minimum Foundation Funds of \$12,443,208 and other revenues of \$325,912 (which is mainly interest income and other local sources). The remaining \$684,321 reduced equity.

Union Parish School Board

Management's Discussion and Analysis (MD&A)

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

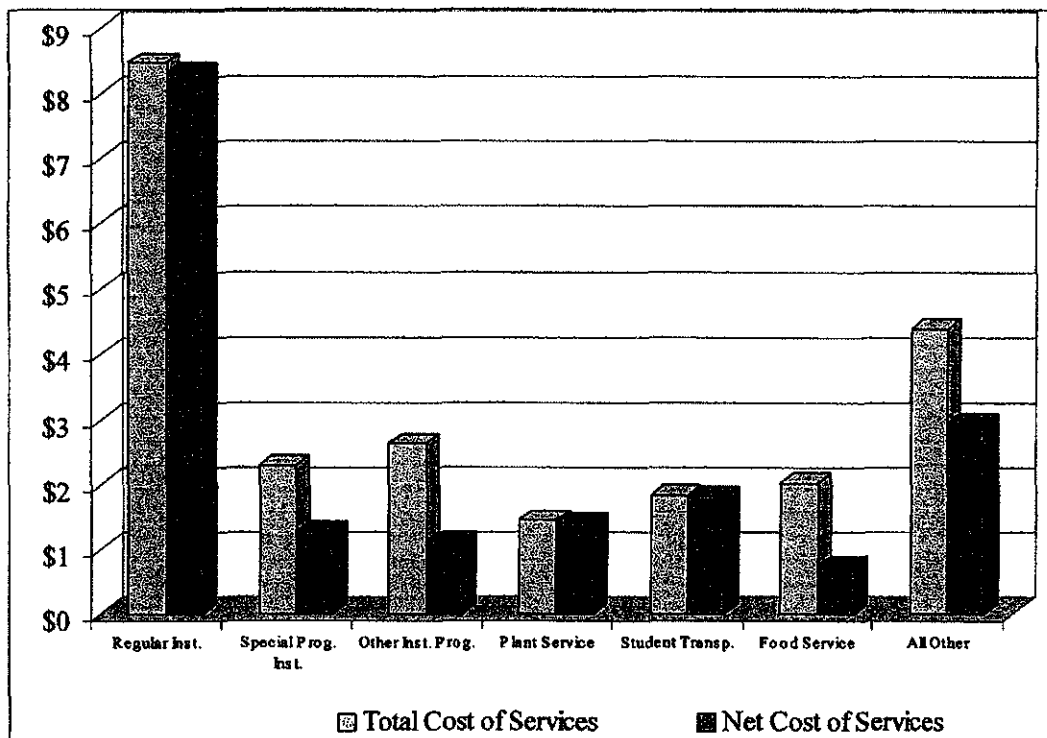
Table 3
Total Cost and Net Cost of Services
For the Year Ended June 30,

	Total cost of services			Net cost of services		
	<u>2005</u>	<u>2004</u>	<u>Dollar Variance</u>	<u>2005</u>	<u>2004</u>	<u>Dollar Variance</u>
Regular instruction	\$ 8,390,463	\$ 8,796,977	(\$406,514)	\$ 8,238,308	\$ 8,366,169	\$ (127,861)
Special instruction	2,285,634	2,937,885	(652,251)	1,269,368	1,717,522	(448,154)
Other instructional programs	2,623,373	1,768,740	854,633	1,124,270	1,068,525	55,745
Plant services	1,441,030	1,822,321	(381,291)	1,408,997	1,776,703	(367,706)
Student transportation services	1,911,882	1,883,555	28,327	1,900,538	1,872,109	(28,429)
Food services	2,019,767	2,222,766	(202,999)	746,837	850,892	(104,055)
All others	<u>4,391,961</u>	<u>3,912,990</u>	<u>478,971</u>	<u>2,934,450</u>	<u>2,850,011</u>	<u>84,439</u>
Total	<u>\$23,064,110</u>	<u>\$23,345,234</u>	<u>(\$281,124)</u>	<u>\$17,622,768</u>	<u>\$18,501,931</u>	<u>\$(879,163)</u>

Union Parish School Board

Management's Discussion and Analysis (MD&A)

2005
Total Cost of Services
Versus
Net Cost of Services
(in millions)



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

General Fund Budgetary Highlights The School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with the actual results is provided in the required supplemental information section of this report.)

The revisions to total revenues totaled a decrease of \$392,307. The beginning budget reflected a transfer in of \$285,000 which should have been reflected as a transfer from designated fund balance to undesignated, instead of a transfer in. This overstated revenues. Ad valorem taxes were reduced based on the 2004 tax roll by \$53,442. Interest had to be reduced also as we had no money to invest and checking account rates were not as anticipated.

Budgeted expenditures were increased by \$188,506. Additional dollars were needed to cover acting superintendent salary, rise in retirement, and insurance. Also additional monies were needed for interim principal and property insurance of \$59,840 was added to General Fund from District A.

Union Parish School Board

Management's Discussion and Analysis (MD&A)

CAPITAL ASSET

Capital Assets At June 30, 2005, the School Board had \$3,393,386 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of just over \$597,630, or 14.9 percent, from last year.

	Capital Assets June 30,		
	2005	2004	Change
Land	\$ 422,251	\$ 422,251	0.0 %
Buildings	2,363,556	2,761,898	(14.4)
Furniture and equipment	607,579	806,867	(24.7)
Total	\$3,393,386	\$3,991,016	(14.9)%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our elected and appointed officials and citizens consider many factors when setting the School Board's 2005-2006 fiscal year budget and tax rates. The School Board's budgets are used to gain a better overview of the financial operations of the Board and to assist management in making decisions for daily and future operations.

Over 90% of the general fund revenues are from the MFP. MFP revenue is based on the final approved October 1 SIS student count and was not finalized until February, 2005. During the last few years enrollment has continued to decline, but efforts made to level this drop are beginning to show. However, the organization of a local private Christian school continues to threaten enrollment. Union Parish currently has the lowest millage for education in the state of Louisiana. Increases in retirement and benefits, salary increases and general operating costs, along with low millage and, reduction in MFP has put a severe strain on the budget. Staffing has been monitored and adjustments have been made, where able to reduce the number of staff, and yet continue to educate the children of this parish.

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

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

The proposed budget for 05-06 will need to be monitored closely, as it once again reflects a decrease in fund balance. Plans for the future need to be carefully considered to assure the Board that quality education for the children of Union Parish is provided.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Donna Cranford, Business Manager, at Union Parish School Board, P. O. 308, Farmerville, Louisiana 71241-0308, telephone number (318) 368-9715.

Union Parish School Board

BASIC FINANCIAL STATEMENTS

UNION PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS
June 30, 2005

Statement A

**GOVERNMENTAL
ACTIVITIES**

ASSETS

Cash and cash equivalents	\$ 988,222
Receivables (net)	1,325,943
Inventory	47,446
Capital assets not being depreciated	
Land	422,251
Capital assets being depreciated, net of depreciation	
Buildings	2,363,556
Furniture and equipment	<u>607,579</u>
TOTAL ASSETS	<u>5,754,997</u>

LIABILITIES

Accounts, salaries and other payables	1,743,748
Deferred revenue	90,931
Long-term liabilities	
Due within one year	415,159
Due in more than one year	<u>343,269</u>
TOTAL LIABILITIES	<u>2,593,107</u>

NET ASSETS

Invested in capital assets, net of related debt	3,393,386
Restricted for:	
Salaries, benefits, and operations	360,573
School Food Service	17,208
Unrestricted	<u>(609,277)</u>
TOTAL NET ASSETS	<u>\$ 3,161,890</u>

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

UNION PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2005**

Statement B

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
FUNCTIONS/PROGRAMS					
<i>Governmental activities:</i>					
Instruction:					
Regular programs	\$ 8,390,463	\$ 0	\$ 152,155	\$ 0	(8,238,308)
Special programs	2,285,634		1,016,266		(1,269,368)
Other instructional programs	2,623,373		1,499,103		(1,124,270)
Support services:					
Student services	561,929		83,081		(478,848)
Instructional staff support	2,011,611		1,282,558		(729,053)
General administration	599,688		7,303		(592,385)
School administration	943,391		5,679		(937,712)
Business services	242,719		78,462		(164,257)
Plant services	1,441,030		32,033		(1,408,997)
Student transportation services	1,911,882		11,344		(1,900,538)
Central services	30,387		202		(30,185)
Food services	2,019,767	204,357	1,068,573		(746,837)
Community service programs	2,236		226		(2,010)
Total Governmental Activities	23,064,110	0	5,236,985	0	(17,622,768)
<i>General revenues:</i>					
Taxes:					
Property taxes, levied for general purposes					796,531
Sales taxes, levied for general purposes					3,372,796
Grants and contributions not restricted to specific programs					
Minimum Foundation Program					12,443,208
Other unrestricted state					125,876
Interest and investment earnings					73,296
Miscellaneous					128,740
Total general revenues					16,938,447
Changes in net assets					(684,321)
Net assets - beginning					3,846,211
Net assets - ending					\$ 3,161,890

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

UNION PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2005

	<u>GENERAL</u>	<u>EDUCATION EXCELLENCE</u>	<u>TITLE I</u>	<u>SPECIAL FUNDS</u>
ASSETS				
Cash and cash equivalents	\$ 748,279	\$ 23,619	\$ 0	\$ 23
Receivables	181,256	0	379,626	224,580
Interfund receivables	742,671	0	869	24,300
Inventory	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>1,672,206</u>	<u>23,619</u>	<u>380,495</u>	<u>248,903</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	1,612,774	0	69,439	19,149
Interfund payables	869	0	311,056	229,754
Deferred revenues	<u>57,257</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>1,670,900</u>	<u>0</u>	<u>380,495</u>	<u>248,903</u>
Fund Balances:				
Reserved for:				
Inventory	0	0	0	0
Unreserved, reported in:				
General Fund - Designated	0	0	0	0
General Fund - Undesignated	1,306	23,619	0	0
Special Revenue Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>1,306</u>	<u>23,619</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,672,206</u>	<u>\$ 23,619</u>	<u>\$ 380,495</u>	<u>\$ 248,903</u>

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

Statement C

DISTRICT A		OTHER GOVERNMENTAL	TOTAL
\$	154,991	\$ 61,310	\$ 988,222
	5,815	534,666	1,325,943
	0	0	767,840
	0	47,446	47,446
	<u>160,806</u>	<u>643,422</u>	<u>3,129,451</u>
	36,580	5,806	1,743,748
	0	226,161	767,840
	0	33,674	90,931
	<u>36,580</u>	<u>265,641</u>	<u>2,602,519</u>
	0	13,772	13,772
	0	0	0
	0	0	24,925
	<u>124,226</u>	<u>364,009</u>	<u>488,235</u>
	<u>124,226</u>	<u>377,781</u>	<u>526,932</u>
\$	<u>160,806</u>	\$ <u>643,422</u>	\$ <u>3,129,451</u>

Union Parish School Board



UNION PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2005**

Statement D

Total fund balances - governmental funds \$ 526,932

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

Costs of capital assets	\$ 13,213,815	
Depreciation expense to date	<u>(9,820,429)</u>	
		3,393,386

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

Balances at June 30, 2005 are:

Long-term liabilities	
Compensated absences payable	<u>(758,428)</u>

Net Assets - Governmental Activities \$ 3,161,890

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

UNION PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2005

	<u>GENERAL</u>	<u>EDUCATION EXCELLENCE</u>	<u>TITLE I</u>	<u>SPECIAL FUNDS</u>
REVENUES				
<i>Local sources:</i>				
<i>Taxes:</i>				
Ad valorem	\$ 641,106	\$ 0	\$ 0	\$ 0
Sales and use	0	0	0	0
Interest earnings	55,000	0	0	0
Food services	0	0	0	0
Other	169,162	0	0	0
<i>State sources:</i>				
Equalization	12,067,552	0	0	0
Other	197,847	131,718	0	278,490
Federal sources	0	0	1,079,690	1,312,837
Total Revenues	13,130,667	131,718	1,079,690	1,591,327
EXPENDITURES				
<i>Current:</i>				
<i>Instruction:</i>				
Regular programs	6,419,703	21,505	0	66,845
Special programs	1,309,290	0	0	56,527
Other instructional programs	705,406	86,594	782,432	460,994
<i>Support services:</i>				
Student services	417,764	0	0	28,911
Instructional staff support	655,198	0	138,823	932,114
General administration	309,180	0	61,309	45,936
School administration	815,222	0	0	0
Business services	147,641	0	73,038	0
Plant services	651,478	0	23,888	0
Student transportation services	1,628,344	0	0	0
Central services	28,974	0	0	0
Food services	72,300	0	0	0
Community service programs	2,036	0	200	0
Capital outlay	303,438	0	0	0
Total Expenditures	13,465,974	108,099	1,079,690	1,591,327
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	\$ (335,307)	\$ 23,619	\$ 0	\$ 0

Statement E

<u>DISTRICT A</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 155,425	\$ 0	\$ 796,531
0	3,372,796	3,372,796
1,525	16,771	73,296
0	204,357	204,357
4,100	37,566	210,828
0	375,656	12,443,208
26,164	185,928	820,147
0	2,150,187	4,542,714
<u>187,214</u>	<u>6,343,261</u>	<u>22,463,877</u>
0	1,400,248	7,908,301
0	906,281	2,272,098
0	530,424	2,565,850
0	115,254	561,929
0	252,519	1,978,654
5,903	177,360	599,688
0	128,169	943,391
9,098	12,942	242,719
583,540	136,334	1,395,240
0	201,812	1,830,156
0	1,413	30,387
0	1,901,004	1,973,304
0	0	2,236
0	0	303,438
<u>598,541</u>	<u>5,763,760</u>	<u>22,607,391</u>
\$ (411,327)	\$ 579,501	\$ (143,514)

(CONTINUED)

UNION PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2005

	<u>GENERAL</u>	<u>EDUCATION EXCELLENCE</u>	<u>TITLE I</u>	<u>SPECIAL FUNDS</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Transfers out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	(335,307)	23,619	0	0
FUND BALANCES - BEGINNING	336,613	0	0	0
FUND BALANCES - ENDING	\$ 1,306	\$ 23,619	\$ 0	\$ 0

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

Statement E

<u>DISTRICT A</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 499,840	\$ 0	\$ 499,840
0	(499,840)	(499,840)
<u>499,840</u>	<u>(499,840)</u>	<u>0</u>
88,513	79,661	(143,514)
<u>35,713</u>	<u>298,120</u>	<u>670,446</u>
<u>\$ 124,226</u>	<u>\$ 377,781</u>	<u>\$ 526,932</u>

(CONCLUDED)

UNION PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2005**

Statement F

Total net change in fund balances - governmental funds	\$	(143,514)
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Depreciation expense	(\$ 816,980)	
Capital outlays	303,438	(513,542)

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

Cost of assets scrapped	\$ 1,656,772	
<u>Accumulated depreciation</u>	<u>(1,572,684)</u>	
Net loss on disposal	84,088	(84,088)

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used \$ 415,159 exceeded the amounts earned (\$358,336) by \$ 56,823

56,823

Change in net assets of governmental activities	\$	<u>(684,321)</u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

UNION PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2005

Statement G

**AGENCY
FUND**

ASSETS

Cash and cash equivalents

\$ 306,800

Total assets

306,800

LIABILITIES

Deposits due others

306,800

Total liabilities

\$ 306,800

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

Union Parish School Board
Notes to the Basic Financial Statements

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Union Parish School Board
Notes to the Basic Financial Statements

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

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

The School Board operates ten schools within the parish with a total enrollment of approximately 3,403 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

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

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

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

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

Educational excellence fund – accounts for tobacco settlement issued through the state of Louisiana.

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

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

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

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

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

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

Fund Financial Statements (FFS)

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

Union Parish School Board
Notes to the Basic Financial Statements

judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Revenues

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

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

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

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

Expenditures

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

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

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

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

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

Union Parish School Board
Notes to the Basic Financial Statements

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

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure as per GASB Statement No. 31.

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

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

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

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

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

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

J. DEFERRED REVENUES Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed and the revenue is recognized.

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

All 12-month employees earn from 12 to 18 days of sick leave each year, depending on their length of service with the School Board, and 9-month employees earn ten days of sick leave each year. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee.

Union Parish School Board
Notes to the Basic Financial Statements

or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

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

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

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

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

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

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

M. FUND EQUITY OF FUND FINANCIAL STATEMENTS

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

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

N. INTERFUND ACTIVITY Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and or subject to elimination upon consolidation. Services provided, deemed to be at market or near market rate, are treated as revenues and

Union Parish School Board
Notes to the Basic Financial Statements

expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the governmental-wide financial statements.

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

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

P. BUDGETS

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

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

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

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

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

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

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations in Individual Funds The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2005:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
2001 sales tax fund	\$ 1,638,928	\$ 1,643,187	\$ 4,259

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

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

The Union Parish sheriff's office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Millage rates adopted	September 13, 2004
Levy date	October 14, 2004
Tax bills mailed	December 01, 2004
Due date	December 31, 2004
Collection dates	December 2004 – February 2005
Lien date	January 01, 2005
Tax sales date – 2005 delinquent property	June 30, 2005

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2000. Total assessed value was \$389,355,600 in calendar year 2005. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$91,544,520 of the assessed value in calendar year 2004.

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

All property taxes are recorded in the general, District A special revenue fund and debt service fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are

Union Parish School Board
Notes to the Basic Financial Statements

primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. No receivable has been recorded for 2004 property taxes because the lien date is subsequent to year-end.

The tax roll is not prepared by the parish tax assessor until November of each year; therefore, the amount of 2005 property taxes to be collected within the next year is not known. As a result, no property taxes receivable for 2005 taxes is included on the accompanying combined balance sheet.

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	3.42	3.27	Statutory
Maintenance	1.72	1.56	2008
Maintenance	2.98	2.98	2009

NOTE 4 - DEPOSITS At June 30, 2005, the School Board has cash and cash equivalents of \$988,222 as follows:

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

Custodial credit risk: At year end, the School Board's carrying amount of deposits was \$988,222 and the bank balance was \$2,939,355. These deposits are reported as follows: Statement A – cash and cash equivalents, \$988,222. Of the bank balance, \$275,879 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining balance was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statue 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

Union Parish School Board
Notes to the Basic Financial Statements

NOTE 5 - RECEIVABLES The receivables at June 30, 2005, are as follows:

	<u>General</u>	<u>Title I</u>	<u>Special Funds</u>	<u>District A</u>	<u>Other Governmental</u>	<u>Total</u>
Taxes:						
Ad valorem	\$ 21,889	\$ 0	\$ 0	\$5,815	\$ 0	\$ 27,704
Sales and use	0	0	0	0	310,361	310,361
Intergovernmental						
– grants						
State	57,257	0	155,827	0	48,191	261,275
Federal	0	379,626	68,753	0	176,114	624,193
Other	102,110	0	0	0	0	102,110
Total	<u>\$181,256</u>	<u>\$379,626</u>	<u>\$224,580</u>	<u>\$5,815</u>	<u>\$534,666</u>	<u>\$1,325,943</u>

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

NOTE 6 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2004, is as follows:

	<u>Balance beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance ending</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 422,251	\$ 0	\$ 0	\$ 422,251
Total capital assets not being depreciated	422,251	0	0	422,251
Capital assets being depreciated				
Buildings	8,856,134	0	0	8,856,134
Furniture and equipment	5,288,764	303,438	1,656,772	3,935,430
Total capital assets being depreciated	14,144,898	303,438	1,656,772	12,791,564
Accumulated depreciation				
Buildings	6,094,236	398,342	0	6,492,578
Furniture and equipment	4,481,897	418,638	1,572,684	3,327,851
Total accumulated depreciation	10,576,133	816,980	1,572,684	9,820,429
Total capital assets being depreciated, net	3,568,765	(513,452)	84,088	2,971,135
Governmental activities, capital assets, net	\$ 3,991,016	\$(513,542)	\$ 84,088	\$3,393,386

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

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$538,985
Special programs	13,536
Other instructional programs	57,523
Instructional staff support	32,957
Plant services	45,790
Student transportation	81,726
Food services	46,463
Total depreciation expense	<u>\$816,980</u>

NOTE 7 - RETIREMENT SYSTEMS

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

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

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

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

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

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

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

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

Union Parish School Board
Notes to the Basic Financial Statements

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

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

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2005 are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.00%	15.50%
Plan A	9.10%	15.50%
Louisiana School Employees' Retirement System	7.50%	14.80%

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 2005, amounted to \$11,202,676, \$31,869 and \$1,288,783, respectively. Employer contributions for the year ended June 30, 2005, and each of the two preceding years are as follows:

	TRS.....		LSERS.....	
	Annual	Percentage	Annual	Percentage
	Actuarially	of Annual	Actuarially	of Annual
	Required	Required	Required	Required
	Contribution	Contribution	Contribution	Contribution
Fiscal Year Ended		Paid		Paid
June 30, 2003	\$ 1,718,676	86.35%	\$ 98,892	109.17%
June 30, 2004	1,837,881	64.42	145,265	58.45
June 30, 2005	1,995,075	87.00	234,350	81.49

Annual actuarially required contributions for each plan above is based on the plan's annual financial report for that year except for the year ended June 30, 2005. Each annual actuarially required contribution for the year ended June 30, 2005, is based upon each plan's annual financial report for the year ended June 30, 2004, which is the latest information available.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees' Group Benefits Program. The monthly premiums are paid jointly by the employee and by the School Board. The School Board's portion of the cost is recognized as an expenditure when the monthly premium is paid. For the year ended June 30, 2005, the cost of retiree benefits totaled \$947,425 for 228 retirees.

Union Parish School Board
Notes to the Basic Financial Statements

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2005, are as follows:

	General	Title I	Special Funds	District A	Other Governmental	Total
Salaries	\$1,591,431	\$ 0	\$ 0	\$ 0	\$ 0	\$1,591,431
Accounts	21,343	69,439	19,149	36,580	5,806	152,317
Total	<u>\$1,612,774</u>	<u>\$ 69,439</u>	<u>\$ 19,149</u>	<u>\$ 36,580</u>	<u>\$ 5,806</u>	<u>\$1,743,748</u>

NOTE 10 - COMPENSATED ABSENCES At June 30, 2005, employees of the School Board have accumulated and vested \$415,159 of employee leave benefits, including \$9,545 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

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

	Balance, beginning	Additions	Reductions	Balance, ending
Agency funds:				
School activities fund	\$336,085	\$ 900,603	\$ 929,888	\$ 306,800
Sales tax collection fund	0	8,042,603	8,042,603	0
Total	<u>\$336,085</u>	<u>\$ 8,943,206</u>	<u>\$ 8,972,491</u>	<u>\$ 306,800</u>

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2005:

	Beginning balance	Additions	Deletions	Ending balance	Amounts due within one year
Governmental activities					
Other liabilities					
Compensated absences	<u>\$ 815,251</u>	<u>\$ 358,336</u>	<u>\$ 415,159</u>	<u>\$ 758,428</u>	<u>\$ 415,159</u>
Governmental activities					
Long-term liabilities	<u>\$ 815,251</u>	<u>\$ 358,336</u>	<u>\$ 415,159</u>	<u>\$ 758,428</u>	<u>\$ 415,159</u>

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

Union Parish School Board
Notes to the Basic Financial Statements

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

Receivable fund	Amount	Payable fund	Amount
General fund	\$742,671	Title I	\$311,056
		Special funds	205,454
		Other governmental funds	226,161
Title I	869	General fund	869
Special Funds	24,300	Special funds	24,300
Total	<u>\$767,840</u>		<u>\$767,840</u>

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

NOTE 14 - RESERVED AND DESIGNATED FUND BALANCES (FFS LEVEL ONLY)

Reservations:

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

NOTE 15 - INTERFUND TRANSFERS Operating transfers for the year ended June 30, 2005, were as follows:

Fund	Transfer in	Transfer out
District A	\$ 499,840	\$ 0
Other Governmental	0	499,840
Total	<u>\$ 499,840</u>	<u>\$ 499,840</u>

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

NOTE 16 - LITIGATION AND CLAIMS

Litigation At June 30, 2005, the School Board is involved in a few matters involving litigation. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

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

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

Union Parish School Board
Notes to the Basic Financial Statements

NOTE 17 - ON-BEHALF PAYMENTS On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$46,866. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 18 - RISK MANAGEMENT The School Board is at risk for property damage, liability and theft which are covered by insurance policies.

NOTE 19 - ECONOMIC DEPENDENCY *Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$12,443,208 to the School Board, which represents approximately 55.4% of the School Board's total revenue for the year.*

Union Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION

Union Parish School Board
Budgetary Comparison Schedules

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

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

EDUCATIONAL EXCELLENCE Louisiana Revised Statute (LRS):39:98.1-98.5 established the Education Excellence Fund (EEF) as a component of the Millennium Trust. By legislative mandate, the State Department of Education has the responsibility of providing for the appropriations and oversight of monies from the Education Excellence Fund with the specific purpose of ensuring that all expenditures are used to support "excellence in educational practice."

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

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

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

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

UNION PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2005**

Exhibit 1-1

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 302,004	\$ 302,004	\$ 336,613	\$ 34,609
Resources (inflows)				
Local sources:				
Ad valorem taxes	688,777	635,335	641,106	5,771
Interest earnings	53,481	39,377	55,000	15,623
Other	189,355	160,802	169,162	8,360
State sources:				
Equalization	12,067,609	12,067,609	12,067,552	(57)
Other	198,910	187,702	197,847	10,145
Transfers from other funds	285,000	0	0	0
Amounts available for appropriations	13,785,136	13,392,829	13,467,280	74,451
Charges to appropriations (outflows)				
Instruction:				
Regular programs	6,743,789	6,648,656	6,419,703	228,953
Special education programs	1,348,968	1,340,933	1,309,290	31,643
Other instructional programs	658,570	696,627	705,406	(8,779)
Support services:				
Student services	433,950	431,692	417,764	13,928
Instructional staff support	675,216	678,788	655,198	23,590
General administration	258,832	302,237	309,180	(6,943)
School administration	822,695	837,525	815,222	22,303
Business services	161,061	163,723	147,641	16,082
Plant services	694,523	759,294	651,478	107,816
Student transportation services	1,679,401	1,750,369	1,628,344	122,025
Central services	24,333	30,000	28,974	1,026
Food services	0	50,000	72,300	(22,300)
Community service programs	1,840	1,840	2,036	(196)
Capital Outlay	0	0	303,438	(303,438)
Total charges to appropriations	13,503,178	13,691,684	13,465,974	225,710
BUDGETARY FUND BALANCES, ENDING	\$ 281,958	\$ 298,855	\$ 1,306	\$ 300,161

UNION PARISH SCHOOL BOARD

**EDUCATION EXCELLENCE
Budgetary Comparison Schedule
For the Year Ended June 30, 2005**

Exhibit 1-2

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
State sources:				
Other	<u>131,718</u>	<u>131,718</u>	<u>131,718</u>	<u>0</u>
Amounts available for appropriations	<u>131,718</u>	<u>131,718</u>	<u>131,718</u>	<u>0</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	36,293	36,293	21,505	14,788
Other instructional programs	<u>95,425</u>	<u>95,425</u>	<u>86,594</u>	<u>8,831</u>
Total charges to appropriations	<u>131,718</u>	<u>131,718</u>	<u>108,099</u>	<u>23,619</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>0</u>	\$ <u>0</u>	\$ <u>23,619</u>	\$ <u>23,619</u>

UNION PARISH SCHOOL BOARD

TITLE I
Budgetary Comparison Schedule
For the Year Ended June 30, 2005

Exhibit 1-3

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
Federal sources	1,129,672	1,199,444	1,079,690	(119,754)
Amounts available for appropriations	1,129,672	1,199,444	1,079,690	(119,754)
Charges to appropriations (outflows)				
Instruction:				
Other instructional programs	783,898	827,713	782,432	45,281
Support services:				
Instructional staff support	190,554	193,562	138,823	54,739
General administration	63,832	67,635	61,309	6,326
Business services	69,786	74,786	73,038	1,748
Plant services	21,302	34,748	23,888	10,860
Community service programs	300	1,000	200	800
Total charges to appropriations	1,129,672	1,199,444	1,079,690	119,754
BUDGETARY FUND BALANCES, ENDING	\$ 0	\$ 0	\$ 0	0

UNION PARISH SCHOOL BOARD

**SPECIAL FUNDS
Budgetary Comparison Schedule
For the Year Ended June 30, 2005**

Exhibit 1-4

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
State sources:				
Other	259,913	292,572	278,490	(14,082)
Federal sources	<u>1,401,015</u>	<u>1,451,122</u>	<u>1,312,837</u>	<u>(138,285)</u>
Amounts available for appropriations	<u>1,660,928</u>	<u>1,743,694</u>	<u>1,591,327</u>	<u>(152,367)</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	95,355	72,958	66,845	6,113
Special education programs	271,459	32,499	56,527	(24,028)
Other instructional programs	331,520	475,592	460,994	14,598
Support services:				
Student services	30,530	30,530	28,911	1,619
Instructional staff support	876,421	1,077,227	932,114	145,113
General administration	<u>55,643</u>	<u>54,888</u>	<u>45,936</u>	<u>8,952</u>
Total charges to appropriations	<u>1,660,928</u>	<u>1,743,694</u>	<u>1,591,327</u>	<u>152,367</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	<u>0</u>

UNION PARISH SCHOOL BOARD

**DISTRICT A
Budgetary Comparison Schedule
For the Year Ended June 30, 2005**

Exhibit 1-5

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 67,380	\$ 67,380	\$ 35,713	(31,667)
Resources (inflows)				
Local sources:				
Ad valorem taxes	150,866	154,666	155,425	759
Interest earnings	4,046	1,500	1,525	25
Other	0	4,300	4,100	(200)
State sources:				
Other	25,584	26,164	26,164	0
Federal sources	4,300	0	0	0
Transfers from other funds	<u>500,646</u>	<u>493,500</u>	<u>499,840</u>	<u>6,340</u>
Amounts available for appropriations	<u>752,822</u>	<u>747,510</u>	<u>722,767</u>	<u>(24,743)</u>
Charges to appropriations (outflows)				
Support services:				
General administration	5,386	5,904	5,903	1
Business services	2,150	8,900	9,098	(198)
Plant services	<u>744,785</u>	<u>723,712</u>	<u>583,540</u>	<u>140,172</u>
Total charges to appropriations	<u>752,321</u>	<u>738,516</u>	<u>598,541</u>	<u>139,975</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>501</u>	\$ <u>8,994</u>	\$ <u>124,226</u>	<u>115,232</u>

Union Parish School Board
Budgetary Comparison Schedules

A. BUDGETS

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

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

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

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

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

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

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

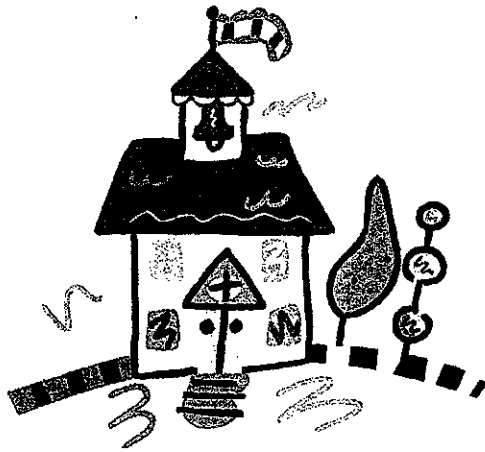
UNION PARISH SCHOOL BOARD

**Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2005**

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

	<u>GENERAL FUND</u>	<u>DISTRICT A</u>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 13,467,280	\$ 722,767
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(338,613)	(35,713)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>0</u>	<u>(499,840)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>13,130,667</u>	<u>187,214</u>
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	13,465,974	598,541
Transfer to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>0</u>	<u>0</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 13,465,974</u>	<u>\$ 598,541</u>

Union Parish School Board



Union Parish School Board

SUPPLEMENTAL INFORMATION

Union Parish School Board

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

SPECIAL EDUCATION

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

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

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

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

Union Parish School Board

Nonmajor Special Revenue Funds

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

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

UNION PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2005

	<u>TITLE II</u>	<u>TITLE III</u>	<u>TITLE IV</u>	<u>TITLE V</u>
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Receivables	110,761	0	23,475	15,935
Interfund receivable	0	0	0	0
Inventory	0	0	0	0
Total Assets	<u>110,761</u>	<u>0</u>	<u>23,475</u>	<u>15,935</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts, salaries and other payables	0	0	0	1,716
Interfund payable	110,761	0	23,475	14,219
Deferred revenue	0	0	0	0
Total Liabilities	<u>110,761</u>	<u>0</u>	<u>23,475</u>	<u>15,935</u>
Fund Equity				
Fund Balances:				
Reserved for inventory	0	0	0	0
Unreserved and undesignated	0	0	0	0
Total Equity	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 110,761</u>	<u>\$ 0</u>	<u>\$ 23,475</u>	<u>\$ 15,935</u>

Exhibit 2

ADULT EDUCATION	SG	SPECIAL EDUCATION	1979 SALES TAX	2001 SALES TAX	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 0	\$ 0	\$ 33,939	\$ 22,446	\$ 4,925	\$ 61,310
5,623	41,379	27,132	155,181	155,180	0	534,666
0	0	0	0	0	0	0
0	0	0	0	0	47,446	47,446
5,623	41,379	27,132	189,120	177,626	52,371	643,422
0	0	271	3,397	0	422	5,806
5,623	41,379	26,861	2,776	0	1,067	226,161
0	0	0	0	0	33,674	33,674
5,623	41,379	27,132	6,173	0	35,163	265,641
0	0	0	0	0	13,772	13,772
0	0	0	182,947	177,626	3,436	364,009
0	0	0	182,947	177,626	17,208	377,781
\$ 5,623	\$ 41,379	\$ 27,132	\$ 189,120	\$ 177,626	\$ 52,371	\$ 643,422

UNION PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2005

	<u>TITLE II</u>	<u>TITLE III</u>	<u>TITLE IV</u>	<u>TITLE V</u>
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 0	\$ 0	\$ 0	0
Interest earnings	0	0	0	0
Food services	0	0	0	0
Other	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	0	0	0	0
Federal sources	307,944	23,922	51,260	15,935
Total revenues	307,944	23,922	51,260	15,935
EXPENDITURES				
Current:				
Instruction:				
Regular programs	0	0	0	0
Special Programs	0	0	0	0
Other instructional programs	224,765	2,410	0	0
Support services:				
Student services	0	0	50,255	0
Instructional staff support	65,589	20,871	0	15,024
General administration	17,590	641	1,005	911
School administration	0	0	0	0
Business services	0	0	0	0
Plant services	0	0	0	0
Student transportation services	0	0	0	0
Central services	0	0	0	0
Food services	0	0	0	0
Total expenditures	307,944	23,922	51,260	15,935
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	0

Exhibit 3

ADULT EDUCATION	8G	SPECIAL EDUCATION	1979 SALES TAX	2001 SALES TAX	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 0	\$ 0	\$ 1,687,864	\$ 1,684,932	\$ 0	\$ 3,372,796
0	0	0	5,971	5,261	5,539	16,771
0	0	0	0	0	204,357	204,357
0	0	0	37,566	0	0	37,566
0	0	0	0	0	375,656	375,656
19,428	155,676	10,824	0	0	0	185,928
33,039	0	650,341	0	0	1,067,746	2,150,187
52,467	155,676	661,165	1,731,401	1,690,193	1,653,298	6,343,261
0	11,457	0	684,498	704,293	0	1,400,248
0	0	591,376	154,059	160,846	0	906,281
49,349	123,101	0	64,119	66,680	0	530,424
0	0	0	32,560	32,439	0	115,254
3,118	21,118	27,222	47,921	51,656	0	252,519
0	0	40,823	99,362	17,028	0	177,360
0	0	0	62,456	65,713	0	128,169
0	0	0	6,359	6,583	0	12,942
0	0	1,744	67,044	67,546	0	136,334
0	0	0	99,288	102,524	0	201,812
0	0	0	1,413	0	0	1,413
0	0	0	111,693	118,002	1,671,309	1,901,004
52,467	155,676	661,165	1,430,772	1,393,310	1,671,309	5,763,760
\$ 0	\$ 0	\$ 0	\$ 300,629	\$ 296,883	\$ (18,011)	\$ 579,501

(CONTINUED)

UNION PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2005

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

Exhibit 3

ADULT EDUCATION	8G	SPECIAL EDUCATION	1979 SALES TAX	2001 SALES TAX	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	(249,963)	(249,877)	0	(499,840)
0	0	0	(249,963)	(249,877)	0	(499,840)
0	0	0	50,666	47,006	(18,011)	79,661
0	0	0	132,281	130,620	35,219	298,120
\$ 0	\$ 0	\$ 0	\$ 182,947	\$ 177,626	\$ 17,208	\$ 377,781

(CONCLUDED)

Union Parish School Board

Agency Funds

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

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

UNION PARISH SCHOOL BOARD

AGENCY FUNDS
Combining Schedule of Changes in Assets and Liabilities
For the Year Ended June 30, 2005

Exhibit 4

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 336,085	\$ 900,603	\$ 929,888	\$ 306,800
LIABILITIES				
Deposits due others	336,085	900,603	929,888	306,800
*****SALES TAX COLLECTION FUND*****				
ASSETS				
Cash and cash equivalents	0	8,042,603	8,042,603	0
LIABILITIES				
Deposits due others	0	8,042,603	8,042,603	0
*****TOTAL*****				
ASSETS				
Cash and cash equivalents	336,085	8,943,206	8,972,491	306,800
LIABILITIES				
Deposits due others	\$ 336,085	\$ 8,943,206	\$ 8,972,491	\$ 306,800

UNION PARISH SCHOOL BOARD
SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2005

Exhibit 5

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
BERNICE HIGH	\$ 53,678	\$ 76,792	\$ 71,925	\$ 58,545
DOWNSVILLE HIGH	83,434	165,302	167,758	80,978
FARMERVILLE ELEMENTARY	66,899	99,224	98,309	67,814
FARMERVILLE HIGH	22,473	209,038	212,794	18,717
FARMERVILLE MIDDLE	21,672	103,787	104,455	21,004
LILLIE MIDDLE	4,232	40,003	38,844	5,391
LINVILLE HIGH	27,897	85,350	84,706	28,541
MARION HIGH	3,972	19,106	17,936	5,142
ROCKY BRANCH ELEMENTARY	48,649	41,409	70,752	19,306
SPEARSVILLE HIGH	<u>3,179</u>	<u>60,592</u>	<u>62,409</u>	<u>1,362</u>
Total	<u>\$ 336,085</u>	<u>\$ 900,603</u>	<u>\$ 929,888</u>	<u>\$ 306,800</u>

UNION PARISH SCHOOL BOARD
SALES TAX COLLECTION AGENCY FUND -
Schedule of Changes In Deposits Due Others
For the Year Ended June 30, 2005

Exhibit 6

DEPOSIT BALANCE AT BEGINNING OF YEAR

\$ 0

ADDITIONS

Sales tax collections

8,042,603

DEDUCTIONS

Transfer to general fund - sales tax collection fee

37,532

Payments to:

Union Parish Sheriff

1,646,943

Union Parish School Board

3,331,009

Union Parish Police Jury

1,651,251

Town of Farmerville

314,074

Town of Bernice

631,568

Town of Marion

236,175

Village of Junction City

137,770

Audit fee (sales tax vendors)

9,986

Other expenses

46,295

Total deductions

8,042,603

DEPOSIT BALANCE AT END OF YEAR

\$ 0

UNION PARISH SCHOOL BOARD

GENERAL

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2005**

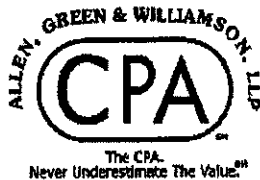
Exhibit 7

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

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

Union Parish School Board

SINGLE AUDIT INFORMATION



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

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

Board Members

Union Parish School Board
Farmerville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Parish School Board, as of and for the year ended June 30, 2005, which collectively comprise the School Boards' basic financial statements, and have issued our report thereon dated December 22, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

Management Letter Items

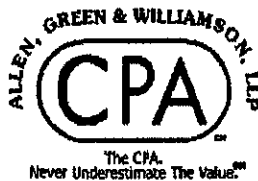
We noted certain matters which we have reported to management of the School Board in a separate letter.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 22, 2005



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1963 - 2000

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

Board Members
Union Parish School Board
Farmerville, Louisiana

Compliance

We have audited the compliance of the Union Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB Circular A-133 Compliance Supplement) that is applicable to each of its major federal programs for the year ended June 30, 2005. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with the requirements, which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 05-F1.

Internal Control Over Compliance

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

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the School Board's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 05-F1.

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 the 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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, we believe that the reportable condition noted above is not a material weakness.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 22, 2005

**Union Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005**

Exhibit 8

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
National School Lunch Program	10.555	NONE	\$ 696,009
School Breakfast Program	10.553	NONE	275,813
Summer Feeding Program for Children	10.559	NONE	680
Total United States Department of Agriculture			<u>972,502</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	28-05-044-56	33,039
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010	28-05-T1-56	1,079,690
Title II (Improving Teacher Quality State Grants)	84.367	25-05-50-56	307,944
Title III	84.365A	28-05-53-56	23,922
Title IV (Safe and Drug Free Schools)	84.186	28-05-70-56	51,260
Title V	84.298A	28-05-80-56	15,935
Special Education:			
Grants to States (Part B)	84.027	25-05-B1-56	593,910
Assistive Tech Grant Region 8	84.027A	28-04-B6-56	345,119
Preschool Grants	84.173	28-05-PI-56	21,331
Vocational Education: Basic Grants to States	84.048	28-05-02-56	56,267
Rural Education Achievement Program (REAP)	84.358		83,120
Enhancing Education through Technology (Ed-Tech) State Program	84.318	28-05-49-56	33,727
TLCF - First Technology Grant	84.318X	28-05-03-56	152,290
Fund for the improvement of Education (PLATO)	84.215K	U21K040334	497,050
Total United States Department of Education			<u>3,294,604</u>
United States Department of Health and Human Services			
Passed through the Louisiana Department of Education			
Child Care and Development Block Grant (Starting Points Preschool)	93.575	280535	53,265
TANF - PreGed/Skills Option Program	93.558	28-03-B6-56	36,100
TANF - Strategies to empower people (STEP)	93.558	28-05-EP-56	14,609
United States Department of Labor			
Passed Through Union Community Action Association:			
Workforce Investment Act	17.259	NONE	<u>76,390</u>
TOTAL CASH FEDERAL AWARDS			<u>4,447,470</u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture and Forestry:			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution Program (Commodities)	10.550	NONE	<u>95,244</u>
TOTAL FEDERAL AWARDS			<u>\$ 4,542,714</u>

Union Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

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

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

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

	Federal Sources
Title I	\$1,079,690
Special Funds	1,312,837
Other Governmental funds	
Title II	307,944
Title III	23,922
Title IV	51,260
Title V	15,985
Adult education	33,039
Special education	650,341
School food service	<u>1,067,746</u>
Total	\$4,542,714

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

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

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

**Union Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. *There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.*
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There was one reportable condition required to be disclosed by OMB Circular A-133. The reportable condition was not considered to be a material weakness.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed one audit finding which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA #84.215K Fund for the Improvement of Education (PLATO)
 - Child Nutrition Cluster
 - CFDA #10.555 National School Lunch Program
 - CFDA #10.553 School Breakfast Program
 - CFDA #10.559 Summer Feeding Program for Children
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular A-133, Section .530.

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

NONE

**Union Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005**

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

Reference # and title: 05-F1 Improper payment's with PLATO funds

Federal program and specific federal award identification

<u>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA Number</u>	<u>Pass-through Grantor No.</u>	<u>Federal Award year</u>
United States Department of Education Passed through Louisiana Department of Education Fund for the Improvement of Education (PLATO)	84.215K	U21KO40334	2005

Criteria or specific requirement: Time records are the supporting documentation for wages or salaries paid. These time records, in order to be useful documents, must reflect the actual hours worked and the work performed. Further more, the general costs of government, such as salaries and expenses of the chief executive of a political subdivision, are unallowable cost as per OMB Circular A-87, attachment B, paragraph 23.

Condition found: The superintendent for the 2004-2005 fiscal year had been employed as a full-time information technology staff member paid with PLATO funds. The wages paid each month were approximately \$2,000. Upon being hired as the interim superintendent he still received these funds while acting as Superintendent. The time sheets for the PLATO grant indicated that he worked eight hours each day performing information technology function.

Identification of Questioned Cost: \$12,443.

Possible asserted effect (cause and effect):

Cause: The Board approved this payment method. The board was under the assumption that they could save General Fund monies by continuing to pay the superintendent the \$2,000 monthly from the PLATO grant.

Effect: The terms of the grant agreement have not been fulfilled.

Recommendations to prevent future occurrences: The grant administration should ensure that the payments received by employees are based on actual work performed on behalf of the grant.

**Union Parish School Board
Corrective Action Plan for Current Year Audit Finding
June 30, 2005**

Finding reference # and Title: 05-F1 Improper payment's with PLATO funds

Condition found: The superintendent for the 2004-2005 fiscal year had been employed as a full-time information technology staff member paid with PLATO funds. The wages paid each month were approximately \$2,000. Upon being hired as the interim superintendent he still received these funds while acting as Superintendent. The time sheets for the PLATO grant indicated that he worked eight hours each day performing information technology function.

Corrective action planned: Funds have been repaid by check # 38,331 to United States Department of Education for \$12,443.48

Person responsible for corrective action: June 30, 2006

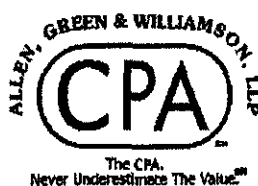
Judy Mabry, Superintendent
Union Parish School Board
P. O. Box 308
Farmerville, LA 71241-0308

Telephone: (318)-368-9715
Fax: (318)-559-3864

Anticipated completion date: December 15, 2005

Union Parish School Board

OTHER INFORMATION



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Management Letter

Board Members
Union Parish School Board
Farmerville, Louisiana

In planning and performing our audit of the financial statements of the Union Parish School Board for the year ended June 30, 2005, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving internal control that are presented for your consideration. This letter does not affect our report dated December 22, 2005, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations which have been discussed with appropriate members of management are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Management's response has also been included. We have performed no audit work to verify the content of the responses.

05-M1 Student Activity Funds

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

- When reviewing the internal control structure and policies at the schools we note that at one school personal checks are cashed, janitors are being paid for extra work from the school account instead of being paid from central office, inventory is not taken on concessions, and tickets are not regularly being used for all admission charges to school functions. At another school, blank checks are not safe guarded and personal checks are being cashed.
- **Bank Reconciliations:** We selected three bank reconciliations at both schools. We noted at one school three outstanding checks did not clear timely.
- **Receipts:** We selected ten receipts at each school and noted the following exceptions;
 - (1) Two receipts were not deposited on a timely basis.
 - (2) One receipt could not be traced to its support such as teacher or office log receipt, concessions inventory, admission ticket reconciliation, or other support.
- **Disbursements:** We selected ten disbursements at each school and noted the following exceptions:
 - (1) Ten invoices were not approved for payment by the principal.
 - (2) Five invoices were paid from statement not original invoice.
 - (3) Two disbursements paid sales tax.

Recommendation: Deposits should be made intact. Personal checks should not be cashed by schools. All salaries should be paid through payroll at the central office. Some controls should be established for concessions such as periodic inventory. Blank checks should be locked up when not in use. Adequate documentation should be retained for receipts and disbursements.

Management's response: Memo will be sent out to all schools that no personal checks should be cashed, additional pay should be authorized and paid by the School Board office only. Schools will be required to take inventory on concessions quarterly, and use tickets for all admissions to school functions. Management will continue to work with school secretaries and principals to assure that each school is following the student activity policies set by the board.

05-M2 Fixed Assets

Comment: A part of our testing of fixed assets we select ten items added to the fixed asset listing for the current year. Of the ten, three assets could not be traced to a purchase order or invoice. We also tested ten items deleted from the fixed asset listing for the current year. Of the ten, five of the ten could not be traced to its proper deletion documentation.

Recommendation: The School Board should retain a copy of purchase orders and invoices of newly acquired additions to the fixed asset listing, and retain proper deletion documentation while removing an item from the fixed asset listing.

Management's response: The fixed asset listing is being monitored closely and copies of purchase orders and invoices will be obtained for all additions and appropriate documentation will be collected for the disposal or sale of fixed assets from the listing.

05-M3 Declining Fund Balance

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

Fiscal year ended June 30, 2001	(650,702)
Fiscal year ended June 30, 2002	(458,841)
Fiscal year ended June 30, 2003	(331,044)
Fiscal year ended June 30, 2004	(540,488)
Fiscal year ended June 30, 2005	(335,307)

During this time period revenues have averaged \$12,971,401 while expenses have averaged \$13,486,221. These deficiencies have left the fund balance for the general fund at \$1,306 at June 30, 2005. Unless drastic measures are taken in the 2005-2006 fiscal year, the General Fund ending fund balance will be a deficit.

Recommendation: The broad solutions are that revenues must increase or expenditures must decrease. Once the budget for expenditures has been reduced to the minimum, the revenues must be increased. The above trend of deficiencies cannot continue. At the present rate, the School Board fund balance for the general fund will have a deficit at the end of the 2006 year.

Management's response: The school board, thanks to local support, was able to pass a three year 15 mill tax in April 2005. These new dollars will become new revenue items in 2005-2006

* * * * *

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

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

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 22, 2005

**Union Parish School Board
Status of Prior Management Letter Items
June 30, 2005**

04-M1 Student Activity Funds

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

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

Corrective action taken: Current year management letter item 05-M1.

04-M2 Fixed Assets

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

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

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

Corrective action taken: Current year management letter item 05-M2.

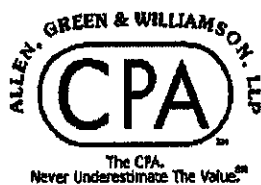
04-M3 Declining Fund Balance

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

Fiscal year ended June 30, 2001	(650,702)
Fiscal year ended June 30, 2002	(458,841)
Fiscal year ended June 30, 2003	(331,044)
Fiscal year ended June 30, 2004	(540,488)

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

Corrective action taken: Current year management letter item 05-M3.



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Union Parish School Board
Farmerville, Louisiana

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

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

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

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

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

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

Comment: The reconciliation of schedules 2 and 4 to the School Board's payroll records resulted in a difference of 10. Several teachers were included in two function codes and as a result were counted twice.

Management's Response: Software and Services provided Schedules 2, 4 and 5. The payroll office will work closely with Software and Services to resolve the issue of duplicate counts. There was a problem with the program that was used to prepare Schedules 2 and 4. Internal edits should have been preformed to assure the accuracy of these schedules and in the future these edits will be applied after the schedules are provided to this office. The Board has recently hired a Network Administrator that may also be able to provide assistance to the payroll office in preparing this type of information.

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

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

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

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

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

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

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

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

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

Public Staff Data (Schedule 5)

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

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

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

Comment: The recalculation resulted in a difference in the column Classroom Teachers Excluding ROTC and Rehired Retirees. It appears the first two rows in the column may be in the wrong order.

Management's Response: The numbers were transposed and have been corrected.

Class Size Characteristics Schedule 6)

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

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

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

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

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

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

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

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

The Iowa Tests(Schedule 9)

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

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

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 22, 2005

Union Parish School Board

Schedule 1

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2005**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$7,113,471.00	
Other Instructional Staff Activities	450,149.00	
Employee Benefits	2,704,466.00	
Purchased Professional and Technical Services	.00	
Instructional Materials and Supplies	174,492.00	
Instructional Equipment	<u>0.00</u>	

Total Teacher and Student Interaction Activities \$10,442,578.00

Other Instructional Activities 7,494.00

Pupil Support Activities 482,764.00

Less: Equipment for Pupil Support Activities 0.00

Net Pupil Support Activities 482,764.00

Instructional Staff Services 754,773.00

Less: Equipment for Instructional Staff Services 0.00

Net Instructional Staff Services 754,773.00

Total General Fund Instructional Expenditures \$11,687,609.00

Total General Fund Equipment Expenditures \$.00

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 310,421.00
Renewable Ad Valorem Tax	438,280.00
Debt Service Ad Valorem Tax	-0-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	47,830.00
Sales and Use Taxes	<u>3,336,573.00</u>
Total Local Taxation Revenue	<u>\$ 4,133,104.00</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property \$ 8,491.00

Earnings from Other Real Property 10,381.00

Total Local Earnings on Investment in Real Property \$ 18,872.00

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax \$ 52,170.00

Revenue Sharing - Other Taxes 73,706.00

Revenue Sharing - Excess Portion -0-

Other Revenue in Lieu of Taxes -0-

Total State Revenue in Lieu of Taxes \$ 125,876.00

Nonpublic Textbook Revenue \$ -0-

Nonpublic Transportation Revenue \$ -0-

Union Parish School Board

Schedule 2

**Education Levels of Public School Staff
As of October 1, 2004**

Category	207 Full-time Classroom Teachers				11 Principals & Assistant Principals			
	Certificated		Uncertificated		11 Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree								
Bachelor's Degree	130	65	4	100				
Master's Degree	41	20			1	9		
Master's Degree + 30	29	14			8	73		
Specialist in Education	13	1			2	18		
Ph. D. or Ed. D.								
Total	203	100	4	100	11	100		

Union Parish School Board

Schedule 3

**Number and Type of Public Schools
For the Year Ended June 30, 2005**

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

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

Union Parish School Board

Schedule 4

**Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2004**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25 + Yrs.	Total
Assistant Principals								
Principals			2	2	2		6	11
Classroom Teachers	23	24	56	21	23	21	39	207
Total	23	24	58	23	25	21	45	228

Union Parish School Board

Schedule 5

**Public School Staff Data
For the Year Ended June 30, 2005**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$34,889.75	\$33,971.48
Average Classroom Teachers' Salary Excluding Extra Compensation	\$34,266.90	\$33,537.92
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	219.970820	208.970822

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

Union Parish School Board

Schedule 6

**Class Size Characteristics
As of October 1, 2004**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	47.1	120	52.6	134	0	0	.4	1
Elementary Activity Classes	33.3	8	66.7	16	0	0	0	0
Middle/ Jr. High	27.1	42	63	97	10.4	16	0	0
Middle/ Jr. High Activity Classes	33.3	9	40.7	11	14.8	4	11.1	3
High	55.1	54	34.7	34	10.2	10		0
High Activity Classes	77.3	17	9.1	2	4.6	1	9.1	2
Combination	74.7	417	19	106	6.1	34	.2	1
Combination Activity Classes	78.1	50	12.5	8	6.3	4	3.1	2

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

Union Parish School Board

Schedule 7

**Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2005**

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	1	0	4	1	0	0	3	1	1	0	2	1
Mastery	31	11	35	13	20	7	26	9	31	11	22	7
Basic	111	40	117	42	115	39	113	41	105	38	116	39
Approaching Basic	70	25	66	24	88	30	58	21	86	31	83	28
Unsatisfactory	63	23	56	20	71	24	75	27	55	20	71	24
Total	276		278		294		275		278		294	

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0	0	0	0	0	4	1	5	2	2	1
Mastery	32	10	28	10	19	7	13	4	12	4	5	2
Basic	95	31	93	34	98	36	135	43	142	46	111	38
Approaching Basic	103	34	100	36	105	39	62	20	69	22	58	20
Unsatisfactory	75	25	53	19	49	18	97	31	79	26	120	41
Total	305		274		271		311		307		296	

Union Parish School Board

Schedule 8

**The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2005**

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	1	1	4	2	0	0	5	2	13	6	9	4
Mastery	15	8	33	15	20	8	25	12	20	9	28	11
Basic	89	45	89	89	87	37	78	39	93	40	89	35
Approaching Basic	48	24	52	23	68	29	35	17	50	22	52	20
Unsatisfactory	46	23	49	22	61	26	59	29	58	24	79	31
Total	199		227		236		202		232		257	

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	3	2	3	2	0	0	0	0	0	0	1	1
Mastery	16	8	24	17	17	10	9	5	17	9	17	9
Basic	97	50	79	40	69	39	105	54	92	46	73	41
Approaching Basic	50	26	59	30	55	31	55	28	53	27	50	88
Unsatisfactory	29	15	34	17	37	21	27	14	37	19	39	22
Total	195		199		178		196		199		180	

Union Parish School Board**Schedule 9****The IOWA Tests
For the Year Ended June 30, 2005**

	Composite		
	2005	2004	2003
Test of Basic Skills (ITBS)			
Grade 3	54	52	58
Grade 5	55	54	51
Grade 6	44	43	42
Grade 7	44	44	45
Tests of Educational Development (ITED)			
Grade 9	42	38	43

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 of better than 72 percent of the students in the norm group.