

at the time they are purchased or constructed, and the related assets are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost.

K. COMPENSATED ABSENCES

The School Board has the following policy relating to vacation and sick leave:

All certified teachers and administrative employees covered under the Teacher Retirement System shall be entitled to a minimum of 10 days absence per year because of personal illness or other emergencies, without loss of pay. Such sick leave when not used in any year shall be accumulated to the credit of the teacher without limitation. Upon retirement of any teacher, or upon his/her death prior to retirement, the Board shall pay to such teacher, or to his/her heirs, sick leave which has been accrued to such teacher, not to such teacher, not to exceed 25 days of unused sick leave.

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvements. Any employee with a teacher certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. For the purpose of this audit the amount is considered immaterial.

L. FUND EQUITY

Reserves

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

Designated Fund Balance

Designated fund balances represent tentative plans for future

Other Supplementary Information Section:

Schedule or Federal Financial Assistance	15	63
Activity of Compensation Paid to Board Members		64
Status of Prior Year Findings		65

- Accounting Services
- Tax Services

LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

- Audit Services
- Computer Consultant

Phone: (318) 323-0192 • Fax (318) 323-0134 • P.O. Box 1188 • 141 DeSiard Street, Suite 300 • Monroe, LA 71210-1188

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants
Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

INDEPENDENT AUDITOR'S REPORT

To East Carroll Parish School Board
Lake Providence, Louisiana

I have audited the accompanying general purpose financial statements of East Carroll Parish School Board, as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of East Carroll Parish School Board, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128: "Audits of State and Local Governments". Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

I was unable to verify the beginning balance of fixed assets, nor was I able to satisfy myself as to the correct beginning balances by other auditing procedures. The recorded fixed assets are included in the General Fixed Assets Account Group and represent 61% of total assets.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to verify fixed assets beginning balances, or had I been able to satisfy myself as to those balances by other auditing procedures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of East Carroll Parish School Board, as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
INCORPORATED

Monroe, Louisiana
December 13, 1996

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana
ALL FUND TYPES

Combined Statement of Revenues, Expenditures and Changes In Fund Balances
For the Year Ended June 30, 1996

	GOVERNMENTAL FUNDS		FUDUCIARY	TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	TRUST AND AGENCY FUNDS	
REVENUES				
Local Sources	\$ 1,406,213	\$ 33,228	\$ 219,462	\$ 1,658,903
State Sources	5,572,696	1,243,425	-	6,816,121
Federal Sources	236,841	886,392	-	1,123,233
Total Revenues	7,215,750	2,163,045	219,462	9,598,257
EXPENDITURES				
Instructional:				
Regular Programs	2,709,543	21,997	-	2,731,540
Special Programs	489,912	136,108	-	626,020
Adult Education	57,170	-	-	57,170
Support Services:				
Pupil Services	328,530	407,949	-	736,479
Instructional Staff	135,173	663,771	-	798,944
General & Administrative	123,125	332,299	-	455,424
School Administration	456,774	-	-	456,774
Business Administration	69,105	874	-	69,979
Plant Maintenance & Administration	600,566	374,690	-	975,256
Pupil Transportation	359,197	17,818	-	377,015
Central Activities	67,429	-	-	67,429
Employee Benefits	863,784	70,223	-	934,007
Community Service	4,932	-	-	4,932
Facility Acquisition/Construction	1,682,190	153,186	-	1,835,376
Other Operating Costs	(11,597)	-	214,827	203,230
Total Expenditures	7,935,833	2,178,915	214,827	10,329,575
EXCESS (DEF.) OF REV./EXPENDITURES	(720,083)	(15,870)	4,635	(731,318)
OTHER SOURCES/USES: Transfer In/Out	16,998	(16,998)	-	-
EXCESS REVENUES & OTHER SOURCES OVER EXPENDITURES OVER OTHER SOURCES	(737,081)	1,128	4,635	(731,318)
FUND BALANCES-BEGINNING	2,811,765	(14,735)	60,698	2,857,728
FUND BALANCES-END	\$ 2,074,684	\$ (13,607)	\$ 65,333	\$ 2,126,410

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Notes in the Financial Statements
As of and For the Year Ended June 30, 1996

SUMMARY OF ORGANIZATION STRUCTURAL

The East Carroll Parish School Board was created by Louisiana Statue (LSA-R.S.) 17:81 for the purpose of providing public education for the children within East Carroll Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of Louisiana Board of Elementary and Secondary Education. The School Board is comprised of nine (9) members who are elected from nine districts for terms of four years.

The School Board operates six schools within the parish a total enrollment of 1,988 pupils for the year ended October 30, 1996. In conjunction with the regular educational programs, some of these schools offer special education and/or adult educational programs. In addition, the School Board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the East Carroll Parish School Board have been prepared in conformity with generally accepted accounting principles (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. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the school Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. The School Board includes all funds, account groups, activities, etcetera, that are within the oversight responsibility of the School Board.

Certain units of local government over which the School Board exercises no oversight responsibility, such as the parish policy jury and municipalities within the parish are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the East Carroll Parish School Board.

C. FUND ACCOUNTING

The School Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities are not recorded in the funds because they do not directly affect net expendable financial resources.

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

Governmental Funds

Governmental funds account for all or most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund - the general operating fund of the School Board and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Funds

Proprietary Funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. The School Board has one proprietary fund, which is an internal service fund. The internal service fund accounts for the financing of goods or services provided by one department to other departments or governments on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary Funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board:

1. School Activity Agency Funds & Retiree's Insurance Fund account for assets held by the School Board as an agent for individual schools and school organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and the agency fund. The Governmental Funds and expendable Trust Funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlement (which include state equalization and state revenue sharing) are recorded as unrestricted grants are recorded when the reimbursable expenditures have been incurred.

Ad Valorem taxes are recorded in the year the taxes are due and payable. Ad Valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Fees, charges and commissions for service are recorded when the School Board is entitled to the funds.

Interest earnings on time deposits are recognized as revenue when the time deposits have matured and the interest is available.

Expenditures

Salaries are recorded as expenditures when earned by employees. Teachers' salaries are earned over a nine-month period but are paid over a twelve-month period.

Purchases of various operating supplies, capital outlays, etc. are recorded as expenditures when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid

F. ENCUMBRANCES

Encumbrance Accounting is not used.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days. Under state law, the East Carroll Parish School Board may deposit funds in demand deposits, interest-bearing demand deposits money market accounts, or time deposits with state banks organized under 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 investments are state as cost.

H. 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.

I. INVENTORIES

Inventory in the governmental fund types is equally offset by a fund balance reserve which shows that these inventories do not constitute "available spendable resources" even though they are a component of total assets.

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory used. Inventory is stated at the lower of cost or market using the first-in, first out (FIFO) basis. Inventory consists of commodities and purchased food held for consumption.

J. FIXED ASSETS

Fixed Assets of governmental funds are recorded as expenditures

OFFICIAL
FILE COPY
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
WITH SUPPLEMENTARY INFORMATION

As Of And For The Year Ended June 30, 1996

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate 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 1996 12 19

use of financial resources.

M. TOTAL COLUMNS ON COMBINED STATEMENTS

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

N. FUND DEFICITS

The general fund had an operating deficit of \$2,811,765. The deficit was created due to a prior period error in recording of revenues. In 1995 the receipt of approximately \$4,000,000.00 in insurance reimbursement were incorrectly recorded as revenue which overstated the fund balance in 1995. Consequently, when the construction cost were expended in fiscal year 1996 (with no offsetting revenue recognized) a deficit was made. No audit adjustment to the books were made in 1996 because the error counter balanced (offset itself) in 1996.

O. SALES TAXES

Sales taxes are collected by the Sales Tax Collector for Catahoula, Concordia, East Carroll, Tensas La Salle, and Caldwell Parishes. They are remitted monthly to East Carroll Parish School Board.

2. CASH AND CASH EQUIVALENTS

At June 30, 1996, the School Board has cash and cash equivalents (book balances) totaling \$2,961,730 as follows:

Demand Deposits	\$ 2,961,730
Total	<u>\$ 2,961,730</u> =====

2. CASH AND CASH EQUIVALENTS (CONTINUED)

These deposits are stated at cost, which approximate market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposits at June 30, 1996, were fully secured by federal deposit insurance.

3. RECEIVABLES

The receivables of \$297,674.00 at June 30, 1996, are as follows:

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL
Grants:			
State/Federal	\$102,496.00	\$195,175.00	\$297,671.00
	=====	=====	=====

4. DUE FROM/TO OTHER FUNDS

FUNDS	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General Funds	\$ 30,560.00	\$ -
Special Revenue Funds:		
Idea	-	3,608.00
Pre-School	-	1,277.00
Child Nutrition	-	-
Summer Feeding	-	223.00
Title I	-	13,855.00
Child Nutrition	-	11,597.00
	\$ 30,560.00	\$ 30,560.00
	=====	=====

5. FIXED ASSETS

The changes in fixed assets for the year ended June 30, 1996, are as follows:

	<u>BUILDINGS</u>	<u>FURNITURE & FIXTURES</u>	<u>TOTAL</u>
Balances @ June 30, 1996	2,913,873	2,537,273	5,451,146
Adjustments & (Deletions)		366,259	366,259
	<u>2,913,873</u>	<u>2,903,532</u>	<u>5,817,405</u>
	=====	=====	=====

The School owns an undetermined amount of Land (approximately 3300 acres) that is not reflected in the above schedule. No information was recorded as to the cost or book value of the Land.

6. AD VALOREM TAXES

All taxable property in Louisiana is required by the law to be assessed annually at a percentage of its fair market value by the parish assessor, with the exception of public utility property, which is assessed by the Louisiana Tax Commission.

The following is a summary of authorized and levied ad valorem taxes for the 1995-96 tax rolls:

	<u>LEVIED</u>
Parishwide Taxes	
Constitutional	5.08
Maintenance	5.43

The Sheriff of East Carroll Parish, as provided by state law, is the official tax collector of general property taxes levied by the School Board. The 1996 property tax calendar as follows:

Levy Date:	September 13, 1995
Tax bills Mailed:	October 28, 1995
Due Date:	December 31, 1995
Lien Date:	January 1, 1996

7. RETIREMENT SYSTEMS (CONTINUED)

Louisiana Teacher's Retirement System and Louisiana School Employees Retirement System both issues a publicly available financial report (audit report) that includes financial statements and required supplementary information for each system. That report may be obtained by writing to Louisiana Teachers Retirement System, Post Office Box 94123, Baton Rouge, Louisiana 70504-94123, telephone number-(504) 925-6476; Louisiana School Employees Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804-4518, telephone number-(504) 925-6484.

8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

In addition to pension benefits described in Note 7, the School Board provides post-retirement health care benefits to all employees who retire and have attained age 60 and who have 10 or more years of service, those who have attained age 55 and have 25 or more years of service, and those at any age who have 30 or more years of service. Currently 109 retirees meet those requirements. The School Board pays for 100% of medical coverage and basic life coverage. The retiree must pay for any supplemental life and dependent coverage. Expenditures for any post-retirement benefits are recognized monthly as premiums are paid.

9. COMPENSATED ABSENCES

At June 30, 1996, employees of the School Board have accumulated and vested \$216,604 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$0.00 is recorded as an obligation of the General Fund, and \$216,604 is recorded within the general long-term obligation account group. No current information was available to determine the increase or decrease in obligations at June 30, 1996.

10. ACCOUNTS, SALARIES, AND OTHER PAYABLES (CONTINUED)

The payables of \$1,140,944 at June 30, 1996 are as follows:

(or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishment, long-term debt proceeds, etcetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim

to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

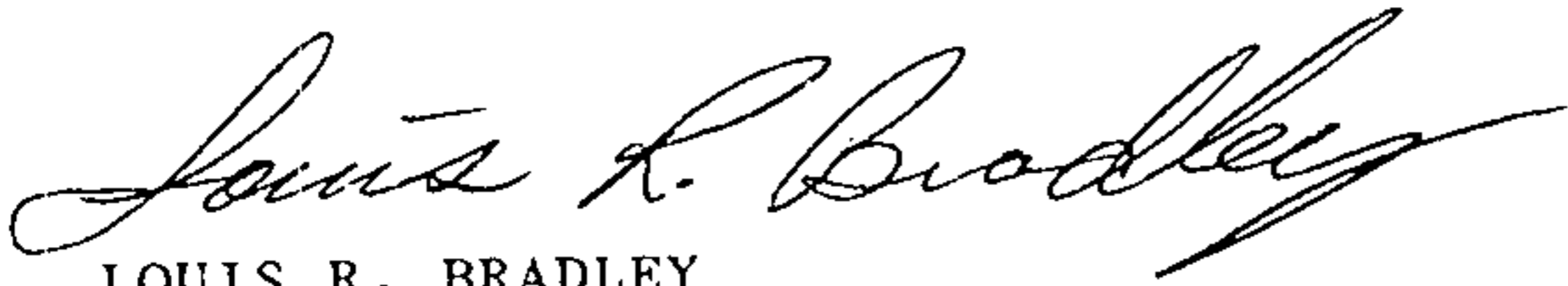
The Board is required by state law to adopt annual budgets for the General Fund and Special Revenue Funds. Each budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles (GAAP).

Formal Budget integration (within the accounting records) is employed as a management control device during the year. The budget was prepared on the modified accrual basis of accounting and was monitored and amended as needed. Amendments to the General Fund and Special Fund Budgets are adopted in an open meeting to reflect such changes.

Once a budget is approved, it can be amended at the Function and Fund Level only by approval of a majority of the members of the Board of Education. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are amended by the Board of Education. Individual amendments were not material in relation to the original appropriations. All budget appropriations lapse at year end.

East Carroll Parish School Board
Report on General Requirements
Page 2

A handwritten signature in cursive script that reads "Louis R. Bradley". The signature is written in dark ink and is positioned above the printed name and title.

LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
INCORPORATED

Monroe, Louisiana
December 13, 1996

- Accounting Services
- Tax Services

LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

- Audit Services
- Computer Consultant

Phone: (318) 323-0192 • Fax (318) 323-0134 • P.O. Box 1188 • 141 DeSiard Street, Suite 300 • Monroe, LA 71210-1188

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants
Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL
FINANCIAL ASSISTANCE

To East Carroll Parish School Board
Lake Providence, Louisiana

I have audited the general purpose financial statements of East Carroll Parish School Board, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 13, 1996. These general purpose financial statements are the responsibility of East Carroll Parish School Board, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, AUDITS OF STATE AND LOCAL GOVERNMENTS. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of East Carroll Parish School Board, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
INCORPORATED

Monroe, Louisiana
December 13, 1996

GENERAL FUND

To account for resources traditionally associated
with governments which are not required to be
accounted for in another fund.

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana
 GENERAL FUND
 Balance Sheet
 For the Year Ended June 30, 1996

	GENERAL FUND

ASSETS	
Cash	\$2,750,601
Account Receivables	102,496
Due From Other Funds	30,560
Due From Funding Source	-
Investments	-
Inventories	-

TOTAL ASSETS	\$2,883,657 =====
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts Payable-Vendors	\$ 70,740
Accrued Salaries & Benefits	738,233
Accrued Payroll Taxes	-
Due To Other Funds	-

Total Liabilities	808,973
Fund Balance	
Unreserved-Undesignated	2,074,684

Total Fund Balance	2,074,684

TOTAL LIABILITES AND FUND BALANCE	\$2,883,657 =====

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana
 GENERAL FUND
 Schedule of Revenues, Expenditures
 and Changes In Fund Balances
 For the Year Ended June 30, 1996

	GENERAL FUND
REVENUES	-----
Local Sources	
Ad Valorem	\$ 260,218
Sales & Use Taxes	902,765
Earnings on Investments	230,013
Other	13,217
State Sources	
Unrestricted Grant In Aid	5,262,836
Restricted Grant In Aid	286,451
Revenue In Lieu Of Taxes	23,409
Federal Sources	
Sub-grants	236,841

Total revenues	7,215,750

EXPENDITURES	
Instructional:	
Regular Programs	2,709,543
Special Programs	489,912
Adult Education	57,170
Support Services:	
Pupil Services	328,530
Instructional Staff	135,173
General & Administrative	123,125
School Administration	456,774
Business Administration	69,105
Plant Maintenance & Administration	600,566
Pupil Transportation	359,197
Central Activities	67,429
Employee Benefits	863,784
Community Services	4,932
Facility Acquisition/Construction	1,682,190
Other Operating Costs	(11,597)

Total expenditures	7,935,833

EXCESS (Def.) OF REV./EXPENDITURES	(720,083)

OTHER SOURCES/USES-Transfer In/Out	16,998
EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES/OTHER USES	(737,081)
FUND BALANCES-BEGINNING	2,811,765

FUND BALANCES-END	\$ 2,074,684
	=====

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana
 GENERAL FUND
 Schedule of Revenues, Expenditures
 and Changes In Fund Balances (Functional)
 For the Year Ended June 30, 1996

	GENERAL FUND

REVENUES	
Local Sources	
Ad Valorem	\$ 260,218
Sales & Use Taxes	902,765
Earnings on Investments	230,013
Other	13,217
State Sources	
Unrestricted Grant In Aid	5,262,836
Restricted Grant In Aid	286,451
Revenue In Lieu Of Taxes	23,409
Federal Sources	
Sub-grants	236,841

Total revenues	7,215,750

EXPENDITURES	
Payroll	
Salaries	4,443,740
Fringes	863,784
Books & Periodicals	92,310
Capital Outlay	1,433,527
Food	
Insurance	57,330
Materials & Supplies	36,051
Professional Services	13,454
Repairs & Maintenance	101,894
Telephone	1,582
Travel	67,678
Utilities	226,344
Other Operating Costs	598,139

Total expenditures	7,935,833

EXCESS (Def.) OF REV./EXPENDITURES	(720,083)

OTHER SOURCES/USES-Transfer In/Out	16,998

EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES/OTHER USES	(737,081)
FUND BALANCES-BEGINNING	2,811,765

FUND BALANCES-END	\$ 2,074,684
	=====

SPECIAL REVENUE FUNDS

Special Education Funds

Idea and Pre-School Fund

The Special Education Funds accounts for allotments for the Louisiana Department of Education for Public Law 94-142 funds which are for the education and enhancement of exceptional children.

Child Nutrition Fund

The School Lunch Fund accounts for the operation of the school food service programs in the parish school system. The basic goals of the school food service programs are to service nutritionally adequate, attractive and moderately priced meals; to help children grow socially and emotionally; to extend educational influence to homes of school children; and to provide learning experience that will improve the children's food habits with the ultimate goal of physically fit adults.

Summer Feeding Fund

The Summer Feeding Fund accounts for the operation of the summer food service program in the parish school system. This program was established to insure continued availability of high-quality meals during the summer months similar to those provided during the school year.

Title I Fund

Chapter 1 Fund-(ECIA) is a federally funded, state administered, and locally operated program to expand and improve elementary school programs to meet the special needs of educationally deprived public and private school children in low income areas of the East Carroll Parish School Board. The activities supplement rather than replace state and locally mandated activities.

Chapter 2-(ECIA) is a federally funded program to involve secondary education by providing money to the school system based on per-pupil allocation for audiovisual materials, equipment and library resources.

East Carroll Parish School Board
 Table of Contents (Continued)
 Page 2

Independent Auditor's Report On Compliance With The General Requirements Applicable To Federal Assistance Programs		35-36
Independent Auditor's Report on Schedule of Federal Financial Awards		37

	SCHEDULES -----	PAGE NO. -----
Financial Statements Of Individual Funds Section:		
General Fund Supplemental Information		38
General Fund Balance Sheet	1	39
General Fund Schedule of Revenues, Expenditures, and Changes In Fund Balance	2	40
General Fund Schedule of Revenues, Expenditures, and Changes In Fund Balance-Budget (GAAP BASIS) and Actual	3	41
Special Revenue Funds Supplemental Information		42-43
Special Revenue Funds Combining Balance Sheet	4	44-45
Special Revenue Funds Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance	5	46-47
Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance	5A	48-49

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana
 SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 For the Year Ended June 30, 1996

	SPECIAL EDUCATION		CHILD
	IDEA FUND	PRE-SCHOOL FUND	NUTRITION FUND
ASSETS			
Cash	\$ -	\$ -	\$ 87,596
Account Receivables	5,748	3,386	-
Due From Other Funds	-	-	-
Due From Funding Source	-	-	-
Investments	-	-	4,178
Inventories	-	-	-
TOTAL ASSETS	\$ 5,748	\$ 3,386	\$ 91,774
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable-Vendors	\$ 2,140	2,109	\$ 29,934
Accrued Salaries & Benefits	-	-	50,243
Accrued Payroll Taxes	-	-	-
Due To Other Funds	3,608	1,277	11,597
Total Liabilities	5,748	3,386	91,774
Fund Balances			
Unreserved-Undesignated	-	-	-
Total Fund Balances	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,748	\$ 3,386	\$ 91,774

The accompanying notes are an integral part of this statement.

East Carroll Parish School Board
 Table of Contents (Continued)
 Page 3

	SCHEDULES -----	PAGE NO. -----
Idea Fund		
Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance Budget (GAAP BASIS) and Actual	6	50
Pre-School Fund		
Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance-Budget (GAAP BASIS) and Actual	7	51
Child Nutrition Fund		
Combining Schedule of Revenues, Expenditures, and Change In Fund Balance-Budget (GAAP BASIS) and Actual	8	52
Summer Feeding Fund		
Combining Schedule of Revenues, Expenditures, and Change In Fund Balance-Budget (GAAP BASIS) and Actual	9	53
Title I Fund		
Combining Schedule of Revenues, Expenditures, and Change In Fund Balance-Budget (GAAP BASIS) and Actual	10	54
JTPA Fund		
Combining Schedule of Revenues, Expenditures, and Change In Fund Balance-Budget (GAAP BASIS) and Actual	11	55
Commodities Fund		
Combining Schedule of Revenues, Expenditures, and Change In Fund Balance-Budget (GAAP BASIS) and Actual	12	56
Trust and Agency Funds Supplemental Information		57
Trust and Agency Funds		
Combining Balance Sheet	13	58-59
Trust and Agency Funds		
Combining Schedule of Revenues, Expenditures, and Change In Fund Balance	14	60-61

SUMMER FEEDING FUND	TITLE I FUND	JTPA FUND	COMMODITIES FUND	TOTAL (MEMORANDUM ONLY)
\$ 9,946	\$ 52,026	\$ -	\$ -	\$ 149,568
4,573	181,471	-	-	195,178
-	-	-	-	-
-	-	-	-	-
-	-	-	-	4,178
-	-	-	-	-
<hr/>				
\$ 14,519	\$ 233,497	\$ -	\$ -	\$ 348,924
<hr/>				
\$ 14,296	\$ 138,811	\$ -	\$ -	\$ 187,290
-	94,438	-	-	144,681
-	-	-	-	-
223	13,855	-	-	30,560
<hr/>				
14,519	247,104	-	-	362,531
<hr/>				
-	(13,607)	-	-	(13,607)
<hr/>				
-	(13,607)	-	-	(13,607)
<hr/>				
\$ 14,519	\$ 233,497	\$ -	\$ -	\$ 348,924
<hr/>				

SUMMER FEEDING FUND	TITLE I FUND	JTPA FUND	COMMODITIES FUND	TOTAL (MEMORANDUM ONLY)
\$ -	\$ -	\$ -	\$ -	\$ 2,464
-	-	-	-	30,764
-	1,236,324	-	-	1,243,425
-	-	-	46,642	46,642
24,436	-	24,259	-	839,750
24,436	1,236,324	24,259	46,642	2,163,045
-	21,997	-	-	21,997
-	136,108	-	-	136,108
35,387	39,004	17,898	46,642	407,949
-	653,239	-	-	663,771
1,427	253,768	-	-	332,299
-	-	-	-	874
365	19,971	-	-	374,690
-	-	-	-	17,818
1,307	-	6,361	-	70,223
-	142,891	-	-	153,186
38,486	1,266,978	24,259	46,642	2,178,915
(14,050)	(30,654)	-	-	(15,870)
-	(16,998)	-	-	(16,998)
-	(16,998)	-	-	(16,998)
(14,050)	(13,656)	-	-	1,128
14,050	49	-	-	(14,735)
\$ -	\$ (13,607)	\$ -	\$ -	\$ (13,607)

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana
 SPECIAL REVENUE FUNDS
 Combining Schedule of Revenues, Expenditures
 and Changes In Fund Balances (Functional)
 For the Year Ended June 30, 1996

	SPECIAL EDUCATION		CHILD NUTRITION FUND
	IDEA FUND	PRE-SCHOOL FUND	
REVENUES			
Earnings on Investments	\$ -	\$ -	\$ 2,464
Other	-	-	30,764
Restricted Grant In Aid	-	7,101	-
In-Kind (Commodities)	-	-	-
Sub-grants	50,505	-	740,550
Total revenues	50,505	7,101	773,778
EXPENDITURES			
Payroll			
Salaries	22,299	4,163	360,406
Fringes	4,116	687	61,868
Books & Periodicals	-	-	-
Capital Outlay	7,570	2,148	5,363
Food	-	-	263,017
Insurance	-	-	-
Materials & Supplies	6,299	-	20,048
Professional Services	-	-	-
Repairs & Maintenance	375	-	28,410
Telephone	-	-	-
Travel	1,623	-	2,554
Utilities	-	-	-
Other Operating Costs	8,223	103	3,278
Total expenditures	50,505	7,101	744,944
EXCESS (Def.) OF REV./EXPENDITURES	-	-	28,834
OTHER FINANCING SOURCES			
Transfer In/Out	-	-	-
Total other sources/uses	-	-	-
EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES/OTHER USES	-	-	28,834
FUND BALANCES-BEGINNING	-	-	(28,834)
FUND BALANCES-END	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

SUMMER FEEDING FUND	TITLE I FUND	JTPA FUND	COMMODITIES FUND	TOTALS (MEMORANDUM ONLY)
\$ -	\$ -	\$ -	\$ -	\$ 2,464
-	-	-	-	30,764
-	1,236,324	-	-	1,243,425
-	-	-	46,642	46,642
24,436	-	24,259	-	839,750
24,436	1,236,324	24,259	46,642	2,163,045
16,681	656,952	17,413	-	1,077,914
43	209,072	6,361	-	282,147
-	23,285	-	-	23,285
-	149,449	-	-	164,530
20,039	-	-	46,642	329,698
-	4,672	485	-	5,157
815	105,512	-	-	132,674
-	22,761	-	-	22,761
345	3,098	-	-	32,228
-	1,488	-	-	1,488
-	26,155	-	-	30,332
-	8,824	-	-	8,824
563	55,710	-	-	67,877
38,486	1,266,978	24,259	46,642	2,178,915
(14,050)	(30,654)	-	-	(15,870)
-	(16,998)	-	-	(16,998)
-	(16,998)	-	-	(16,998)
(14,050)	(13,656)	-	-	1,128
14,050	49	-	-	(14,735)
\$ -	\$ (13,607)	\$ -	\$ -	\$ (13,607)

10. ACCOUNTS, SALARIES, AND OTHER PAYABLES (CONTINUED)

	General Fund	Special Revenue Fund	Totals
Accrued Salaries & Payroll Taxes	\$738,233	\$144,681	\$ 882,914
Account Payable (Vendors)	70,740	187,290	258,030
TOTAL	\$808,973 =====	\$317,675 =====	\$1,140,944 =====

11. CHANGES IN LONG-TERM OBLIGATIONS

	Balance July 1, 1995	Additions	Deductions	Balance June 30, 1996
Compensated Absences	\$216,604 =====	-	-	\$216,604 =====

12. CHANGES IN AGENCY DEPOSITS DUE OTHERS

	Balance July 1, 1995	Additions	Deductions	Balance June 30, 1996
Retirement Ins.	\$10,179	38,299	34,859	\$13,619
School Activity	47,187	181,163	176,636	51,714
Payroll	3,332		3,332	-
TOTAL	\$60,698 =====	219,462 =====	214,827 =====	\$65,333 =====

13. FEDERAL GRANTS

The School Board participates in a number of federally-assisted grant programs. These programs are subjected to program compliance audit by the grantors. Audits of prior years have been conducted and no exceptions or disallowances were made. Based on prior experience, School Board management feels that disallowances, if any, for the fiscal year ended June 30, 1996, will be immaterial.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

General Purpose Financial Statements
and Independent Auditor's Report
With Supplemental Information Schedules

As of and for the Year Ended June 30, 1996

TABLE OF CONTENTS

	STATEMENTS -----	PAGE NO. -----
Independent Auditor's Report		1
General Purpose Financial Statements Combined Statements Section:		
Combined Balance Sheet - All Fund Types and Account Groups	A	3
Combined Statement of Revenues, Expenditures, and Changes In Fund Balances	B	4
Notes and Independent Auditor's Report Section:		
Notes to the Financial Statements		6-19
Independent Auditor's Report On Internal Control Structure In Accordance With Government Auditing Standards		20-23
Independent Auditor's Report On Compliance With Laws, Regulations, Contracts, and Grants Based On An Audit of Financial Statements Performed In Accordance With "Government Auditing Standards"		24-26
Independent Auditor's Report On Internal Control Structure Used In Administering Federal Financial Assistance Programs		27-32
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs		33-34

Special Revenue Funds
Page 2

JTPA Fund

The JTPA Fund is a federally funded, and state administered program used to assist in job training skills and development.

Commodities Fund

The Commodities Fund accounts for donated food provided by the United States Department of Agriculture through the Louisiana Department of Agriculture for distribution to individuals in need and for funds used for administrative costs associated with distribution of the food.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

STATUS OF PRIOR YEAR FINDINGS

For The Year Ended June 30, 1996

During the course of my examination, there were no prior year findings, however the School Board was not in compliance with the state law which requires for an audit engagement to be completed within the six months of the close of the entity's fiscal year. The following instance of noncompliance was either **CLEARED OR NOT CLEARED**.

AUDIT SERVICES:

The audit was up for bids before June 30, 1995. The Board felt another bid should be taken. The audit was re-bid on October 15, 1995. It was taken under advisement for three more weeks. Due to the tardiness of the beginning of the audit, I had difficulty in securing bank confirmations. With the East Carroll Parish School Board closing for two weeks during the holidays, it made the audit about 3 weeks late. **CLEARED**

14. COMMITMENTS AND CONTINGENCIES

Subsequent to the Lake Providence Senior High School building being burned on 1/17/93, the School Board has been designated as a potentially responsible party as the result of asbestos removal and disposition from the burn site. The asbestos is presently maintained in a sanitary landfill, but it would be the financial responsibility of the School Board should the asbestos be required to be moved in the future. No estimate of such possible removal costs are included in these financial statements.

TRUST AND AGENCY FUNDS

Agency Funds

School Activity Funds

The School Activity Funds accounts for those monies collected by pupils and school personnel for school purposes or for school-related purposes. The School Activity Fund is classified as the Agency Fund, and the School Board's responsibility for this fund is fiduciary in nature.

Each school accounts for its individual student body organization. The revenue of these accounts consists primarily of fees, fund-raising projects and contributions. Expenditures are made for a wide variety of school activities. These accounts are under the supervision of the school principal.

Trust Fund

Retirees' Insurance Fund

The Retirees' Insurance Fund accounts for group benefit insurance premiums collected in advance for retired school board employees.

6. Ad Valorem Taxes (Continued)

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.

7. RETIREMENT SYSTEMS

Substantially all employees of the School Board are members of two state-wide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teacher's Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement System (LSER). Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service.

Benefits of the systems are funded by employee and employer contributions. The contribution rates (as a percentage of covered salaries) are established by state law as follows:

	Employee	Employer
Louisiana Teacher's Retirement System:		
Regular	8.00%	16.20%
Plan A	9.10%	16.20%
Louisiana School Employees Retirement System	6.35%	6.00%

The School Board's employer contribution of TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by the State of Louisiana through annual appropriations. Benefits granted by the retirement system are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974.

MONTICELLO HIGH	NORTHSIDE ELEMENTARY	SOUTHSIDE ELEMENTARY	TRANSYLVANIA ELEMENTARY	TOTAL (MEMORANDUM ONLY)
\$ 25,864	\$ 1,129	\$ 1,005	\$ 6,427	\$ 65,333
\$ 25,864	\$ 1,129	\$ 1,005	\$ 6,427	\$ 65,333
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
25,864	1,129	1,005	6,427	65,333
25,864	1,129	1,005	6,427	65,333
\$ 25,864	\$ 1,129	\$ 1,005	\$ 6,427	\$ 65,333

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana
 TRUST AND AGENCY FUNDS, AND PAYROLL ACCOUNT
 Combining Schedule of Revenues, Expenditures, and Changes In Fund Balances
 For the Year Ended June 30, 1996

	TRUST FUNDS		SCHOOL ACTIVITY AGENCY FUNDS		
	RETIREMENT INSURANCE FUND	PAYROLL ACCOUNT	LAKE PROVIDENCE JUNIOR HIGH	LAKE PROVIDENCE SENIOR HIGH	L.P. SENIOR HIGH ATHLETIC FUND
REVENUES	\$ 38,299	\$ -	\$ 11,241	\$ 27,085	\$ 29,987
Total Revenues	38,399	-	11,241	27,085	29,987
EXPENDITURES	34,859	3,332	8,342	23,479	32,872
Total expenditures	34,859	3,332	8,342	23,479	32,872
EXCESS (Def.) OF REVENUES/EXPENDITURES	3,440	(3,332)	2,899	3,606	(2,885)
OTHER FINANCING SOURCES					
Transfer In/Out	-	-	-	-	-
Total other sources/uses	-	-	-	-	-
EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES/OTHER USES	3,440	(3,332)	2,899	3,606	(2,885)
FUND BALANCES-BEGINNING	10,179	3,332	8,475	5,194	-
FUND BALANCES-END	13,619	\$ -	\$ 11,374	\$ 8,800	\$ (2,885)

The accompanying notes are an integral part of this statement.

MONTICELLO HIGH	NORTHSIDE ELEMENTARY	SOUTHSIDE ELEMENTARY	TRANSYLVANIA ELEMENTARY	TOTAL (MEMORANDUM ONLY)
\$ 39,817	\$ 20,951	\$ 22,605	\$ 29,477	\$ 219,462
39,817	20,951	22,605	29,477	219,462
37,261	24,960	22,063	27,659	214,827
37,261	24,960	22,063	27,659	214,827
2,556	(4,009)	542	1,818	4,635
-	-	-	-	-
-	-	-	-	-
2,556	(4,009)	542	1,818	4,635
23,308	5,138	463	4,609	60,698
\$ 25,864	\$ 1,129	\$ 1,005	\$ 6,427	\$ 65,333

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

SPECIAL REVENUE FUND-JTPA FUND
Combining Schedule of Revenues, Expenditures, and Changes
In Fund Balances-Budget (GAAP BASIS) And Actual
For the Year Ended June 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	\$ 24,259	\$ 24,259	\$ -
EXPENDITURES	24,259	24,259	-
EXCESS (Def.) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES Transfer In/Out	-	-	-
TOTAL OTHER SOURCES/USES	-	-	-
EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES OVER OTHER USES	-	-	-
FUND BALANCES-BEGINNING	-	-	-
FUND BALANCES-END	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

SCHEDULE OF COMPENSATION TO SCHOOL BOARD MEMBERS
For the Year Ended June 30, 1996

<u>BOARD MEMBERS</u>	<u>DISTRICT</u>	<u>COMPENSATION</u>
Ralph Coleman	1	\$ 4,974.80
Gene Edmondson	4	4,850.00
Evangelia Fields	2	3,600.00
Fannie Hawkins	6	4,950.00
Ernestine Houston	9	4,850.00
Georjean Jackson	7	5,550.00
Buford Perry	3	5,024.72
Tommy McKeel	8	4,850.00
Michael Owens	5	4,950.00
Jimmy Stuart	2	1,683.60
		<hr/>
		\$ 45,283.12
		=====

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana

SPECIAL REVENUE FUND-COMMODITIES FUND
 Combining Schedule of Revenues, Expenditures, and Changes
 In Fund Balances-Budget (GAAP BASIS) And Actual
 For the Year Ended June 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	\$ 46,642	\$ 46,642	\$ -
EXPENDITURES	46,642	46,642	-
EXCESS (Def.) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES Transfer In/Out	-	-	-
TOTAL OTHER SOURCES/USES	-	-	-
EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES OVER OTHER USES	-	-	-
FUND BALANCES-BEGINNING	-	-	-
FUND BALANCES-END	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

- Accounting Services
- Tax Services

LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

- Audit Services
- Computer Consultant

Phone: (318) 323-0192 • Fax (318) 323-0134 • P.O. Box 1188 • 141 DeSiard Street, Suite 300 • Monroe, LA 71210-1188

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants
Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To East Carroll Parish School Board
Lake Providence, Louisiana

I have audited the general purpose financial statements of East Carroll Parish School Board, as of and for the year ended June 30, 1996, and have issued my report thereon dated June 30, 1996. I have also audited the compliance of East Carroll Parish School Board, with requirements applicable to major federal financial assistance programs and have issued my report thereon dated December 13, 1996.

I conducted my audits in accordance with generally accepted auditing standards; GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, AUDITS OF STATE AND LOCAL GOVERNMENTS. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether East Carroll Parish School Board, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing my audit for the year ended June 30, 1996, I considered the internal control structure of East Carroll Parish School Board, in order to determine my auditing procedures for the purpose of expressing my opinions on the general purpose financial statements of East Carroll Parish School Board, and on the compliance of East Carroll Parish School Board, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated December 13, 1996.

The management of East Carroll Parish School Board, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute,

East Carroll Parish School Board
Report on Internal Control Structure
Used In Administering Federal Financial
Assistance
Page 2

assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

GENERAL REQUIREMENTS

- Political Activity
- Civil Rights
- Federal Financial Reports
- Administrative Requirements
- Davis-Bacon Act
- Cash Management
- Drug-Free Workplace Act
- Allowable Costs/Cost Principle
- Relocation Assistance & Real Property Acquisition

SPECIFIC REQUIREMENTS

- Types of services allowed or unallowed
- Eligibility
- Matching
- Level of effort or earmarking
- Reporting
- Special tests and provisions (if any)
- Claims for advances and reimbursements
- Amounts claimed or used for matching

East Carroll Parish School Board
Report on Internal Control Structure
Used In Administering Federal
Assistance
Page 3

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the year ended June 30, 1996, East Carroll Parish School Board, expended 95 percent of its total federal financial assistance under major federal financial assistance programs.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of East Carroll Parish School Board's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect East Carroll Parish School Board's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

I. FINDING:

INADEQUATE ACCOUNTING SYSTEM

Louisiana Revised Statute 24:515 states in part (paraphrased):

East Carroll Parish School Board
Report on Internal Control Structure
Used In Administering Federal
Assistance
Page 4

- (a) All public offices, including school boards, shall designate or provide an office for their secretary, treasurer, or principal finance officer where their books and records must be kept. All accounts of such public funds shall be kept in the form prescribed by the legislative auditor and he shall have the authority to install a system of accounting in any office which he is authorized to examine and audit.
- (b) The head of every public entity subject to examination and audit under the provisions of R.S. 24:513(A) shall maintain records of all land, building, improvement other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable. The records shall include information as to the date of purpose of such disposition, and the recipient of the property or equipment disposed of. When ascertaining the exact cost, exact selling price, or any other relevant information on property or equipment obtained prior to January 1, 1980, creates a hardship on the School Board involved, such School Board may provide estimates of the information which cannot be ascertained.

The above referenced law imposes a requirement upon the School Board to designate an individual with the responsibilities to comply with the above law. The School Board was in violation of the above law in the following manner:

- (1) The School Board did not maintain a centralized accounting system in accordance with generally accepted accounting principle. Combined financial statements and related footnotes were not prepared. The General Ledgers are maintain in three departments independent of the fiscal office.
- (2) Property Inventory records should be maintained on a current basis to include all land, building, and equipment owned by the School Board.

RECOMMENDATION:

The School Board should create a Business Manager position with the appropriate salary and designate that individual with the responsibility of complying with the state accounting laws, including, but not limited to, implementing a centralized accounting system in conformity with generally accepted accounting principles. Also, property inventory records should be maintained on a current basis to include all land, building, and equipment owned by the School Board.

MANAGEMENT'S RESPONSE:

We agree with this finding and have put into motion a procedure to address this recommendation.

II. FINDING:

INTERFUND DEBT

The Child Nutrition Program had an interfund debt outstanding to the General Fund of \$143,396.80. The debt have accumulated over the years because the Child Nutrition Program revenue was not sufficient to cover its operating cost and the General Fund did not make the required transfer from the Foundation revenue. The Child Nutrition Program neither has the ability nor the intent to repay the debt.

RECOMMENDATION:

The School Board should write-off the interfund debt and provide addition funds from the General Fund to avoid any deficit spending in the Child Nutrition Program.

MANAGEMENT'S RESPONSE:

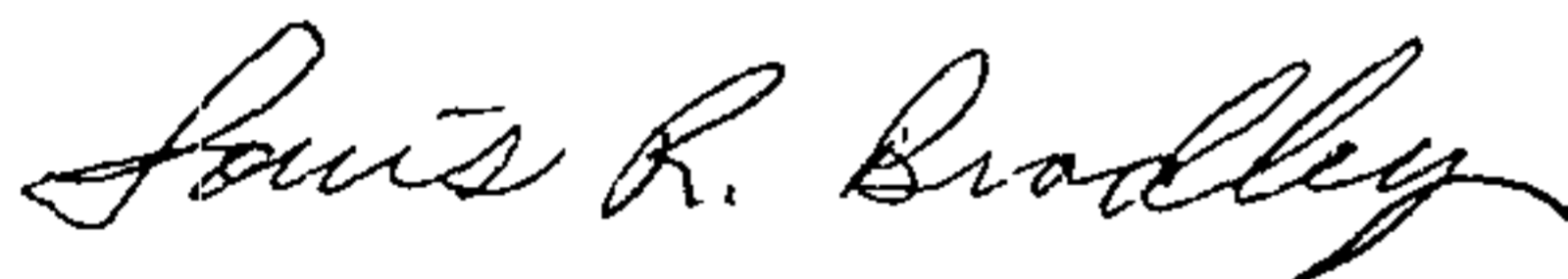
We agree with this finding and will do as recommended.

East Carroll Parish School Board
Report On Internal Control Structure
Used in Administering Federal
Assistance
Page 6

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe none of the reportable conditions described above are a material weakness.

This report is intended for the information of the East Carroll Parish School Board Members, Management, Fund Agencies, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.



LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
INCORPORATED

Monroe, Louisiana
December 13, 1996

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Year Ended June 30, 1996

SOURCE OF FEDERAL ASSISTANCE/ AGENCY	FEDERAL C.F.D.A. NUMBER	EXPENDITURES	MAJOR\ NONMAJOR PROGRAMS
<hr/>			
U.S. DEPT. OF AGRICULTURE Food and Nutrition Services:			
<hr/>			
Passed Through State Dept. of Education:			
Child Nutrition	10.553	\$ 833,891	
Summer Feeding	10.559	24,698	
<hr/>			
Passed Through State Dept. of Agriculture:			
Food Distribution Program-Commodities	10.550	46,642	
TOTAL U.S. DEPT. OF AGRICULTURE		\$ 905,231	MAJOR
<hr/>			
U.S. DEPT. OF LABOR			
<hr/>			
Passed Through State Dept. of Labor:			
Job Training Partnership-JTPA	17.246	\$ 24,259	NON-MAJOR
TOTAL U.S. DEPT. OF LABOR		\$ 24,259	
<hr/>			
U.S. DEPT. OF EDUCATION			
<hr/>			
Passed Through State Dept. of Education:			
<hr/>			
Educationally Deprived Children: Local Educational Agencies: Programs			
Title I - (Chapter I & II)	84.01&84.151	\$ 1,266,978	
Special Education State Grants-IDEA	84.027	50,505	
Special Education S. G.-Pre School	84.173	7,101	
TOTAL U.S. DEPT. OF EDUCATION		\$ 1,324,584	MAJOR
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 2,254,074	

- (b) The head of every public entity subject to examination and audit under the provisions of R.S. 24:513(A) shall maintain records of all land, building, improvement other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable. The records shall include information as to the date of purchase or such disposition, and the recipient of the property or equipment disposed of. When ascertaining the exact cost, exact selling price, or any other relevant information on property or equipment obtained prior to January 1, 1980, creates a hardship on the School Board involved, such School Board may provide estimates of the information which cannot be ascertained.

The above referenced law imposes a requirement upon the School Board to designate an individual with the responsibilities to comply with the above law. The School Board was in violation of the above law in the following manner:

- (1) The School Board did not maintain a centralized accounting system in accordance with generally accepted accounting principle. Combined financial statements and related footnotes were not prepared. The General Ledgers are maintain in three departments independent of the fiscal office.
- (2) Property Inventory records were not posted on a current basis and the land owned by the School Board was not included on the property inventory list.

RECOMMENDATION:

The School Board should create a Business Manager position with the appropriate salary and designate that individual with the responsibility of complying with the state accounting laws, including, but not limited to, implementing a centralized accounting system in conformity with generally accepted accounting principles. Also, property inventory records should be maintained on a current basis to include all land, building, and equipment owned by the School Board.

- Accounting Services
- Tax Services

LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

- Audit Services
- Computer Consultant

Phone: (318) 323-0192 • Fax (318) 323-0134 • P.O. Box 1188 • 141 DeSiard Street, Suite 300 • Monroe, LA 71210-1188

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants
Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To East Carroll Parish School Board
Lake Providence, Louisiana

I have audited the general purpose financial statements of East Carroll Parish School Board, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 13, 1996.

I conducted my audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. The management of East Carroll Parish School Board, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of East Carroll Parish School Board, for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants.

Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The following findings were noted:

I. FINDING:

INADEQUATE ACCOUNTING SYSTEM

Louisiana Revised Statute 24:515 states in part (paraphrased):

- (a) All public offices, including school boards, shall designate or provide an office for their secretary, treasurer, or principal finance officer where their books and records must be kept. All accounts of such public funds shall be kept in the form prescribed by the legislative auditor and he shall have the authority to install a system of accounting in any office which he is authorized to examine and audit.
- (b) The head of every public entity subject to examination and audit under the provisions of R.S. 24:513(A) shall maintain records of all land, building, improvement other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable. The records shall include information as to the date of purchase or such disposition, and the recipient of the property or equipment disposed of. When ascertaining the exact cost, exact selling price, or any other relevant information on property or equipment obtained prior to January 1, 1980, creates a hardship on the School Board involved, such School Board may provide estimates of the information which cannot be ascertained.

The above referenced law imposes a requirement upon the School Board to designate an individual with the responsibilities to comply with the above law. The School Board was in violation of the above law in the following manner:

- (1) The School Board did not maintain a centralized accounting system in accordance with generally accepted accounting principle. Combined financial statements and related footnotes were not prepared. The General Ledgers are maintain in three departments independent of the fiscal office.
- (2) Property Inventory records were not posted on a current basis and the land owned by the School Board was not included on the property inventory list.

RECOMMENDATION:

The School Board should create a Business Manager position with the appropriate salary and designate that individual with the responsibility of complying with the state accounting laws, including, but not limited to, implementing a centralized accounting system in conformity with generally accepted accounting principles. Also, property inventory records should be maintained on a current basis to include all land, building, and equipment owned by the School Board.

MANAGEMENT'S RESPONSE:

We agree with this finding and have put into motion a procedure to address this recommendation.

II. FINDING:

INTERFUND DEBT

The Child Nutrition Program had an interfund debt outstanding to the General Fund of \$143,396.80. The debt have accumulated over the years because the Child Nutrition Program revenue was not sufficient to cover its operating cost and the General Fund did not make the required transfer from the Foundation revenue. The Child Nutrition Program neither has the ability nor the intent to repay the debt.

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana
 TRUST AND AGENCY FUNDS, AND PAYROLL ACCOUNT
 Combining Balance Sheet
 For the Year Ended June 30, 1996

	TRUST FUNDS		SCHOOL ACTIVITY AGENCY FUNDS		
	RETIREMENT INSURANCE FUND	PAYROLL ACCOUNT	LAKE PROVIDENCE JUNIOR HIGH	LAKE PROVIDENCE SENIOR HIGH	L.P. SENIOR HIGH ATHLETIC FUND
ASSETS					
Cash	\$ 13,619	\$ -	\$ 11,374	\$ 8,800	\$ (2,885)
TOTAL ASSETS	\$ 13,619	\$ -	\$ 11,374	\$ 8,800	\$ (2,885)
LIABILITIES AND FUND BALANCES					
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilites	-	-	-	-	-
Fund Balances	13,619	-	11,374	8,800	(2,885)
Total Fund Balances	13,619	-	11,374	8,800	(2,885)
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,619	\$ -	\$ 11,374	\$ 8,800	\$ (2,885)

The accompanying notes are an integral part of this statement.

Phone: (318) 323-0192 • Fax (318) 323-0134 • P.O. Box 1188 • 141 DeSiard Street, Suite 300 • Monroe, LA 71210-1188

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants
Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To East Carroll Parish School Board
Lake Providence, Louisiana

I have audited the general purpose financial statements of East Carroll Parish School Board, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 13, 1996.

I conducted my audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to East Carroll Parish School Board, is the responsibility of East Carroll Parish School Board's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of East Carroll Parish School Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed instances of noncompliance that are required to be reported under GOVERNMENT STANDARDS as follows:

I. FINDING:

INADEQUATE ACCOUNTING SYSTEM

Louisiana Revised Statute 24:515 states in part (paraphrased):

- (a) All public offices, including school boards, shall designate or provide an office for their secretary, treasurer, or principal finance officer where their books and records must be kept. All accounts of such public funds shall be kept in the form prescribed by the legislative auditor and he shall have the authority to install a system of accounting in any office which he is authorized to examine and audit.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

SPECIAL REVENUE FUND-TITLE I FUND
Combining Schedule of Revenues, Expenditures, and Changes
In Fund Balances-Budget (GAAP BASIS) And Actual
For the Year Ended June 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	\$1,101,103	\$1,236,324	\$ 135,221
EXPENDITURES	1,101,103	1,266,978	(165,875)
EXCESS (Def.) OF REVENUES OVER EXPENDITURES	-	(30,654)	30,654
OTHER FINANCING SOURCES Transfer In/Out	-	(16,998)	16,998
TOTAL OTHER SOURCES/USES	-	(16,998)	16,998
EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES OVER OTHER USES	-	(13,607)	13,607
FUND BALANCES-BEGINNING	-	-	-
FUND BALANCES-END	\$ -	\$ (13,607)	\$ 13,607

The accompanying notes are an integral part of this statement.

MANAGEMENT'S RESPONSE:

We agree with this finding and have put into motion a procedure to address this recommendation.

II. FINDING:

INTERFUND DEBT

The Child Nutrition Program had an interfund debt outstanding to the General Fund of \$143,396.80. The debt have accumulated over the years because the Child Nutrition Program revenue was not sufficient to cover its operating cost and the General Fund did not make the required transfer from the Foundation revenue. The Child Nutrition Program neither has the ability nor the intent to repay the debt.

RECOMMENDATION:

The School Board should write-off the interfund debt and provide addition funds from the General Fund to avoid any deficit spending in the Child Nutrition Program.

MANAGEMENT'S RESPONSE:

We agree with this finding and will do as recommended.

This report is intended for the information of the East Carroll Parish School Board Members, Management, Fund Agencies, and Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.



LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
INCORPORATED

Monroe, Louisiana
December 13, 1996

- Accounting Services
- Tax Services

LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

- Audit Services
- Computer Consultant

Phone: (318) 323-0192 • Fax (318) 323-0134 • P.O. Box 1188 • 141 DeSiard Street, Suite 300 • Monroe, LA 71210-1188

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants
Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To East Carroll Parish School Board
Lake Providence, Louisiana

I have audited the general purpose financial statements of East Carroll Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

I have applied procedures to test East Carroll Parish School Board's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

GENERAL REQUIREMENTS

- Political activity
- Civil Rights
- Federal Financial Reports
- Administrative Requirements
- Davis-Bacon Act
- Cash Management
- Drug-Free Workplace Act
- Allowable Costs/Cost Principle
- Relocation Assistance & Real Property Acquisition

My procedures were limited to the applicable procedures described in the Office of Management and Budget's COMPLIANCE SUPPLEMENT FOR SINGLE AUDITS OF STATE AND LOCAL GOVERNMENTS. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on East Carroll Parish School Board's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

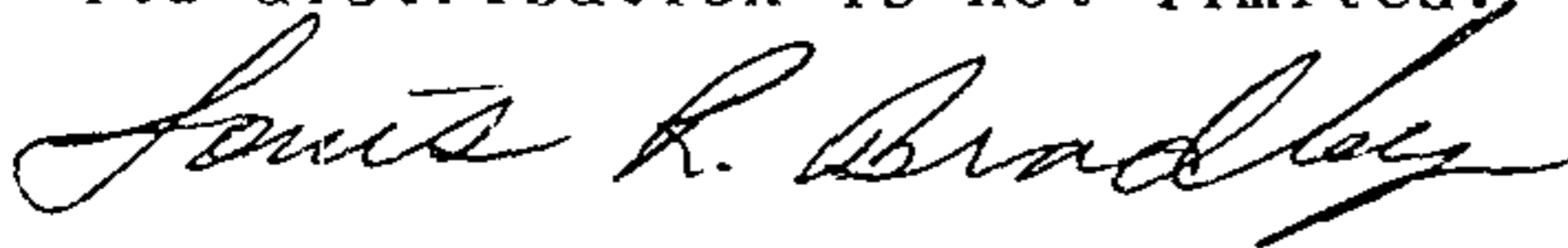
With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that East Carroll Parish School Board, had not complied, in all material respects, with those requirements.

This report is intended for the information of the East Carroll Parish School Board Members, Management, Funding Agencies, and Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

East Carroll Parish School Board
Report on Special Requirements
Page 2

In my opinion, East Carroll Parish School Board, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions (if any); claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of the East Carroll Parish School Board Members, Management, Funding Agencies, and Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.



LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
INCORPORATED

Monroe, Louisiana
December 13, 1996

- Accounting Services
- Tax Services

LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

- Audit Services
- Computer Consultant

Phone: (318) 323-0192 • Fax (318) 323-0134 • P.O. Box 1188 • 141 DeSiard Street, Suite 300 • Monroe, LA 71210-1188

American Institute of Certified Public Accountants • Society of Louisiana Certified Public Accountants
Society of Arkansas Certified Public Accountants • Monroe Chamber of Commerce

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To East Carroll Parish School Board
Lake Providence, Louisiana

I have audited the general purpose financial statements of East Carroll Parish School Board, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 13, 1996.

I have audited East Carroll Parish School Board's compliance with the requirements governing:

SPECIFIC REQUIREMENTS

- Types of services allowed or unallowed
- Eligibility
- Matching
- Level of effort or earmarking
- Reporting
- Special tests and provisions (if any)
- Claims for advances and reimbursements
- Amounts claimed or used for matching

The management of East Carroll Parish School Board is responsible for the East Carroll Parish School Board's compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

I conducted my audit of compliance with those requirements in accordance with generally accepted auditing standards; GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, AUDITS OF STATE AND LOCAL GOVERNMENTS. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about East Carroll Parish School Board's compliance with those requirements. I believe that my audit provides a reasonable basis for my opinion.

The results of my audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. I considered these instances of noncompliance in forming my opinion on compliance, which is expressed in the following paragraph.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

SPECIAL REVENUE FUND-IDEA FUND
Combining Schedule of Revenues, Expenditures, and Changes
In Fund Balances-Budget (GAAP BASIS) And Actual
For the Year Ended June 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	\$ 66,766	\$ 50,505	\$ (16,261)
EXPENDITURES	66,766	50,505	16,261
EXCESS (Def.) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES Transfer In/Out	-	-	-
TOTAL OTHER SOURCES/USES	-	-	-
EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES OVER OTHER USES	-	-	-
FUND BALANCES-BEGINNING	-	-	-
FUND BALANCES-END	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana

SPECIAL REVENUE FUND-PRE-SCHOOL FUND
 Combining Schedule of Revenues, Expenditures, and Changes
 In Fund Balances-Budget (GAAP BASIS) And Actual
 For the Year Ended June 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	\$ 9,576	\$ 7,101	\$ (2,475)
EXPENDITURES	9,576	7,101	2,475
EXCESS (Def.) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES Transfer In/Out	-	-	-
TOTAL OTHER SOURCES/USES	-	-	-
EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES OVER OTHER USES	-	-	-
FUND BALANCES-BEGINNING	-	-	-
FUND BALANCES-END	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana

SPECIAL REVENUE FUND-CHILD NUTRITION FUND
 Combining Schedule of Revenues, Expenditures, and Changes
 In Fund Balances-Budget (GAAP BASIS) And Actual
 For the Year Ended June 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	\$ 822,500	\$ 773,778	\$ (48,722)
EXPENDITURES	822,500	744,944	77,556
EXCESS (Def.) OF REVENUES OVER EXPENDITURES	-	28,834	(28,834)
OTHER FINANCING SOURCES Transfer In/Out	-	-	-
TOTAL OTHER SOURCES/USES	-	-	-
EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES OVER OTHER USES	-	28,834	(28,834)
FUND BALANCES-BEGINNING	-	(28,834)	28,834
FUND BALANCES-END	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this statement.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

SPECIAL REVENUE FUND-SUMMER FEEDING FUND
Combining Schedule of Revenues, Expenditures, and Changes
In Fund Balances-Budget (GAAP BASIS) And Actual
For the Year Ended June 30, 1996

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES	\$ 34,401	\$ 24,436	\$ (9,965)
EXPENDITURES	34,401	38,486	(4,085)
EXCESS (Def.) OF REVENUES OVER EXPENDITURES	-	(14,050)	14,050

OTHER FINANCING SOURCES Transfer In/Out	-	-	-

TOTAL OTHER SOURCES/USES	-	-	-

EXCESS REVENUE & OTHER SOURCES OVER EXPENDITURES OVER OTHER USES	-	(14,050)	14,050
FUND BALANCES-BEGINNING	-	14,050	(14,050)

FUND BALANCES-END	\$ -	\$ -	\$ -
=====			

The accompanying notes are an integral part of this statement.

RECOMMENDATION:

The School Board should write-off the interfund debt and provide addition funds from the General Fund to avoid any deficit spending in the Child Nutrition Program.

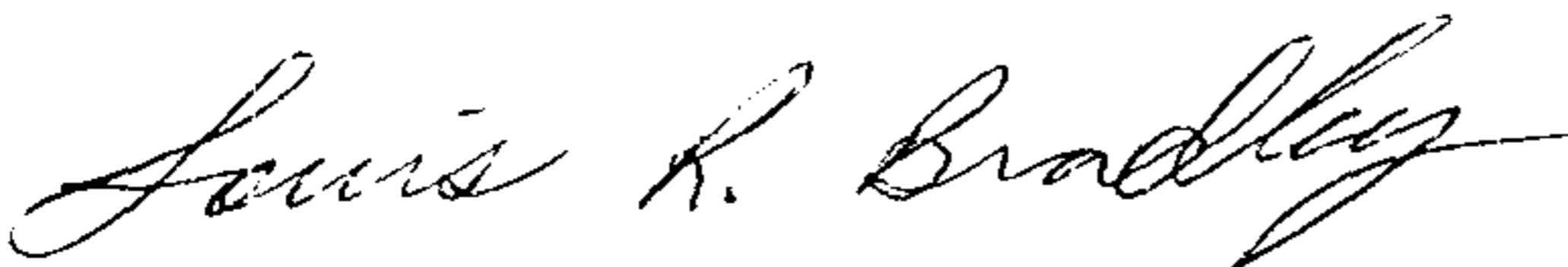
MANAGEMENT'S RESPONSE:

We agree with this finding and will do as recommended.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the East Carroll Parish School Board Members, Management, Funding Agencies, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.



LOUIS R. BRADLEY
CERTIFIED PUBLIC ACCOUNTANT
INCORPORATED

Monroe, Louisiana
December 13, 1996