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CONCORDIA PARISH SCHOOL BOARD

VIDALIA, LOUISIANA

JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report may be submitted to the auditor, or reviewed, orally 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 2-2-00

**CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA**

June 30, 1999

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CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA

June 30, 1999

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Concordia Parish School Board
Vidalia, Louisiana

We have audited the accompanying general purpose financial statements of the Concordia Parish School Board, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Concordia Parish School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Concordia Parish School Board, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 1999 on our consideration of the Concordia Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The year 2000 supplementary information on page 20 is not a required part of the basic financial statements but is supplementary 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 the presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that Concordia Parish School Board is or will become year 2000 compliant, that the Concordia Parish School Board's year 2000 remediation efforts will be successful in

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PAYNE, MOORE & HERRINGTON, LLP

Concordia Parish School Board
Vidalia, Louisiana

whole or in part, or that parties with whom the Concordia Parish School Board does business are or will become year 2000 compliant.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Concordia Parish School Board, taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Concordia Parish School Board. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A 133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of the Concordia Parish School Board.

Payne, Moore & Herrington, LLP
Certified Public Accountants

November 11, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

**CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999**

EXHIBIT A

	GOVERNMENTAL FUND TYPE		FIDUCIARY FUND TYPE-	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	AGENCY FUNDS	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
ASSETS AND OTHER DEBITS						
Cash and cash equivalents	\$ 2,926,349	\$ 1,893,320	\$ 280,630	\$	\$	\$ 5,100,299
Receivables	189,526	368,527				558,053
Due from other funds	235,470	63,599				299,069
Inventory		27,283				27,283
Land, buildings, equipment, and improvements				20,980,805		20,980,805
Amount to be provided for retirement of general long-term obligations					834,433	834,433
TOTAL ASSETS AND OTHER DEBITS	\$ 3,351,345	\$ 2,352,729	\$ 280,630	\$ 20,980,805	\$ 834,433	\$ 27,799,942
LIABILITIES AND FUND EQUITY						
Liabilities:						
Bank overdraft	\$	\$ 94	\$	\$	\$	\$ 94
Accounts payable	39,132	886,704	461			926,297
Salaries payable	1,786,093	231,729				2,017,822
Payroll withholdings payable	235,520					235,520
Due to other funds		281,027	18,042			299,069
Deposits due others			262,127			262,127
Compensated absences payable					834,433	834,433
Total Liabilities	2,060,745	1,399,554	280,630	-	834,433	4,575,362
Fund Equity:						
Investment in general fixed assets				20,980,805		20,980,805
Fund balances:						
Reserved for inventory		27,273				27,273
Unreserved - undesignated	1,290,600	925,902				2,216,502
Total Fund Equity	1,290,600	953,175	-	20,980,805	-	23,224,580
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,351,345	\$ 2,352,729	\$ 280,630	\$ 20,980,805	\$ 834,433	\$ 27,799,942

The accompanying notes are an integral part of the financial statements.

**CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1999**

EXHIBIT B

	GOVERNMENTAL FUND TYPES		
	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES			
Local sources			
Taxes			
Ad valorem	\$ 1,766,188		\$ 1,766,188
Sales and use		2,933,633	2,933,633
Tuition	21,618		21,618
Food services		233,775	233,775
Earnings on investments	104,176	91,534	195,710
Other revenue from local sources	114,034	374,190	488,224
State sources			
Unrestricted grants-in-aid	13,353,248		13,353,248
Restricted grants-in-aid	1,082,711	200,000	1,282,711
Revenue in lieu of taxes	152,464		152,464
Federal sources			
Unrestricted grants-in-aid		49,274	49,274
Restricted grants-in-aid	455,577	3,762,836	4,218,413
Total Revenues	<u>17,050,016</u>	<u>7,645,242</u>	<u>24,695,258</u>
EXPENDITURES			
Education			
Instruction			
Regular programs	9,108,154	837,252	9,945,406
Special education programs	2,069,666		2,069,666
Special programs	191,446		191,446
Adult and continuing education programs	160,072	66,572	226,644
Vocational programs	342,606		342,606
Other instructional programs	529,335	981,713	1,511,048
Support services			
Pupil support services	701,764		701,764
Instructional staff support	693,464	625,715	1,319,179
General administration	350,745	448,837	799,582
School administration	1,231,714		1,231,714
Business services	228,826	40,766	269,592
Operations and maintenance of plant services	1,100,669	872,500	1,973,169
Student transportation services	963,055		963,055
Central services	382,357		382,357
Operation of non-instructional services			
Food services		1,976,099	1,976,099
Community service	5,485	51,556	57,041
Facilities acquisition and construction	370,595	1,786,643	2,157,238
Total Expenditures	<u>18,429,953</u>	<u>7,687,653</u>	<u>26,117,606</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,379,937)	(42,411)	(1,422,348)
OTHER FINANCING SOURCES (USES)			
Proceeds from insurance		934,591	934,591
Sale of assets	3,399	988	4,387
Operating transfers in	1,875,599	1,845,316	3,720,915
Operating transfers out	(26,429)	(3,694,486)	(3,720,915)
Total Other Financing Sources (Uses)	<u>1,852,569</u>	<u>(913,591)</u>	<u>938,978</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	472,632	(956,002)	(483,370)
FUND BALANCES, BEGINNING OF YEAR	817,968	1,909,177	2,727,145
FUND BALANCES, END OF YEAR	\$ 1,290,600	\$ 953,175	\$ 2,243,775

The accompanying notes are an integral part of the financial statements.

CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1999

EXHIBIT C

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Local sources						
Taxes						
Ad valorem	\$ 1,699,500	\$ 1,766,188	\$ 66,688	\$ 2,869,104	\$ 2,933,633	\$ 64,529
Sales and use						
Tuition	30,000	21,618	(8,382)			
Food services				260,600	233,775	(26,825)
Earnings on investments	64,000	104,176	40,176	83,690	91,534	7,844
Community services activities	109,965	114,034	4,069			
Other revenue from local sources				392,978	374,190	(18,788)
State sources						
Unrestricted grants-in-aid	13,333,956	13,353,248	19,292			
Restricted grants-in-aid	950,472	1,082,711	132,239	200,000	200,000	
Revenue in lieu of taxes	152,870	152,464	(406)			
Federal sources						
Unrestricted grants-in-aid				48,509	49,274	765
Restricted grants-in-aid	400,868	455,577	54,709	4,234,465	3,762,836	(471,629)
Total Revenues	<u>16,741,631</u>	<u>17,050,016</u>	<u>308,385</u>	<u>8,089,346</u>	<u>7,645,242</u>	<u>(444,104)</u>
EXPENDITURES						
Education						
Instruction						
Regular programs	9,073,989	9,108,154	(34,165)	857,391	837,252	20,139
Special education programs	2,071,659	2,069,666	1,993			
Special programs	223,773	191,446	32,327			
Adult and continuing education programs	145,469	160,072	(14,603)	70,072	66,572	3,500
Vocational programs	361,480	342,606	18,874			
Other instructional programs	544,823	529,335	15,488	1,325,957	981,713	344,244
Support services						
Pupil support services	741,752	701,764	39,988			
Instructional staff support	677,908	693,464	(15,556)	739,560	625,715	113,845
General administration	435,262	350,745	84,517	492,569	448,837	43,732
School administration	1,266,011	1,231,714	34,297			
Business services	230,319	228,826	1,493	4,750	40,766	(36,016)
Operations and maintenance of plant services	1,081,817	1,100,669	(18,852)	872,044	872,500	(456)
Student transportation services	975,572	963,055	12,517	2,900		2,900
Central services	371,672	382,357	(10,685)			
Operation of non-instructional services						
Food services				1,877,540	1,976,099	(98,559)
Community service programs	6,497	5,485	1,012	54,963	51,556	3,407
Facilities acquisition and construction	359,971	370,595	(10,624)	1,806,058	1,786,643	19,415
Total Expenditures	<u>18,567,974</u>	<u>18,429,953</u>	<u>138,021</u>	<u>8,103,804</u>	<u>7,687,653</u>	<u>416,151</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,826,343)	(1,379,937)	446,406	(14,458)	(42,411)	(27,953)
OTHER FINANCING SOURCES (USES)						
Proceeds from insurance				934,591	934,591	
Sale of assets		3,399	3,399	150	988	838
Operating transfers in	1,902,830	1,875,599	(27,231)	1,769,392	1,845,316	75,924
Operating transfers out	(25,827)	(26,429)	(602)	(3,681,499)	(3,694,486)	(12,987)
Total Other Financing Sources (Uses)	<u>1,877,003</u>	<u>1,852,569</u>	<u>(24,434)</u>	<u>(977,366)</u>	<u>(913,591)</u>	<u>63,775</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	50,660	472,632	421,972	(991,824)	(956,002)	35,822
FUND BALANCES, BEGINNING OF YEAR	<u>817,968</u>	<u>817,968</u>	<u>-</u>	<u>1,909,177</u>	<u>1,909,177</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 868,628</u>	<u>\$ 1,290,600</u>	<u>\$ 421,972</u>	<u>\$ 917,353</u>	<u>\$ 953,175</u>	<u>\$ 35,822</u>

The accompanying notes are an integral part of the financial statements.

**CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Concordia Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Concordia 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 five districts for terms of four years.

The School Board operated 11 schools within the parish with a total enrollment of approximately 4,100 for the year ended June 30, 1999. 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.

The financial statements of the Concordia 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. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations) constitutes GAAP for governmental units.

In defining the Concordia Parish School Board's reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles. The basic criteria for including a potential component unit within the reporting entity is whether the primary government is financially accountable for the potential component unit. A primary government is financially accountable if it appoints a voting majority of the organization's governing body and either (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing body, a governing board appointed by a higher level of government, or a jointly appointed board. An entity is fiscally dependent if it does not have the authority to do all of the following procedures.

1. Determine its budget without another government having the authority to approve and modify that budget.
2. Levy taxes or set rates or charges without approval from another government.
3. Issue bond debt without approval from another government.

This report includes all funds and account groups which meet the above criteria. No potential component units were excluded or included in the accompanying financial statements.

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

The more significant of Concordia Parish School Board's accounting policies are described below.

B. 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises assets, liabilities, fund equity, revenues, and expenditures or expense, as appropriate. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. *Fiduciary funds are used to account for assets held for other.* The School Board's current operations require the use of the governmental and fiduciary fund categories. The funds types used by the School Board are described as follows:

Governmental Funds:

General Fund

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

Special Revenue Funds

The special revenue funds account for the proceeds of specific revenue sources, such as state and federal grants, which are legally restricted to expenditures for specified purposes.

Fiduciary Funds – Agency Funds

Agency funds account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

**C. GENERAL FIXED ASSETS AND
LONG-TERM OBLIGATIONS GROUP OF ACCOUNTS**

The account groups are used to account for fixed assets and long-term obligations which are not reported in the respective governmental funds.

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at estimated cost where no historical records are available. The majority of fixed assets are valued at actual cost, with the balance *valued at estimated cost based on the actual cost of like items*. Donated fixed assets are valued at their fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal expenditure of the governmental funds. Public domain or infrastructure general fixed assets consisting of sidewalks, parking lots, etc. are not capitalized, as these assets are immovable and of value only to the School Board. No depreciation is recognized on general fixed assets of the School Board.

Long-term obligations, such as certificates of indebtedness payable and installment purchases payable, are recognized as a liability of a governmental fund only when due. For other long-term obligations, such as compensated absences, only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

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

The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund types agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 be used to pay liabilities of the current period. The School Board uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the current year.

State revenue sharing, which is based on population and homesteads in the parish, is recorded as revenue in lieu of taxes in the year received which coincides with the recognition of the related ad valorem taxes discussed above.

State equalization entitlement funds are recognized as unrestricted grants-in-aid when the School Board is entitled to them.

Sales taxes are recognized when received by the Sales Tax Fund, except for taxes collected by the Louisiana Department of Public Safety and Corrections, which are recognized in the year received by the state.

Federal and state grants and reimbursements are recorded when the School Board is entitled to the funds.

Revenue from services provided to other local governments are recorded as other revenues from local sources 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.

Substantially all other revenues are recognized when received by the School Board.

Based on the above criteria, sales taxes, federal and state grants, and certain revenues from local sources have been treated as susceptible to accrual.

Expenditures

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

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

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring current available resources is recognized in the general long-term obligations account group.

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

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

Principal and interest on general long-term debt and installment purchase payments are recognized when done.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, the sale of fixed assets, and proceeds for insurance are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

E. BUDGET AND BUDGETARY ACCOUNTING

Preliminary budgets for the ensuing years are prepared by the business manager and made available for public inspection and comments from the taxpayers at the School Board office during August. At a board meeting in September, a public hearing is held and the proposed budgets are legally adopted by the School Board. The budgets, which include proposed expenditures and the means of financing them, are published in the official journal at least 15 days prior to the public hearings.

The School Board adopted budgets for the General Fund and all special revenue funds. Budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end and must be reappropriated during the following year to be expended. Formal budget integration (within the accounting records) is employed as a management control device. The superintendent of schools is authorized to transfer amounts between line items within any fund. However when actual revenues within a fund fail to meet budgeted revenues by five per cent or more and/or actual expenditures within a fund exceed budgeted expenditures by five per cent or more, a budget amendment is adopted by the School Board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

Encumbrance accounting 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.

G. CASH AND CASH EQUIVALENTS

Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 1999, the School Board has cash and cash equivalents (book balances) as follows:

Demand deposits	\$ 4,731,988
Petty cash	175
Time deposits	<u>368,136</u>
Total	<u>\$ 5,100,299</u>

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 1999, are secured as follows:

Bank balances	<u>\$ 5,435,610</u>
Federal deposit insurance	\$ 300,000
Pledge securities (uncollateralized)	<u>7,846,658</u>
Total	\$ 8,146,658

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the School Board, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106. However, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days if notified by the School Board that the fiscal agent bank has failed to pay deposited funds upon demand.

H. INVENTORY

Inventory of the School Lunch Special Revenue Fund consists of foods purchased by the School Board and commodities granted by the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry. Commodities are recorded as revenues, based on value information from the USDA, when received. All purchased inventory items are valued at actual cost. Inventory is recorded as expenditures when consumed, using a first-in, first-out basis. Inventory on hand at year-end is reported as a reserve of fund balance to indicate that it is not a part of expendable available financial resources.

I. VACATION, SICK, AND SABBATICAL LEAVE

All twelve month employees earn from 10 to 15 days of vacation leave each year, depending upon length of service with the School Board. Vacation leave can be accumulated with no maximum. Upon separation from service, all unused vacation leave is paid to the employee.

All School Board employees earn 10 days of sick leave each year that can be accumulated without limitation. Upon retirement or death, employees or their heirs are paid for up to 25 days of accumulated sick leave at the employee's current rate of pay. Under the Louisiana Teachers Retirement System, all accumulated sick leave, including the 25 days paid to the teacher, is used in the retirement benefit computation as earned service. Under the Louisiana School Employees Retirement System, all accumulated sick leave, excluding the 25 days paid to the employee, is used in the retirement benefit computation as earned service.

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

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

The cost of leave privilege, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees or their heirs are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

At June 30, 1999 employees of the School Board have accumulated and vested \$834,433 in employee leave benefits, computed in accordance with GASB Codification Section C60. The liability is recorded within the general long-term obligations account group.

J. SALES TAX

On April 1, 1978, the voters of Concordia Parish approved the assessment of a one per cent sales tax. Eighty per cent of the proceeds of the tax is dedicated to the payment of salaries and related benefits of teachers and other School Board employees. The remaining twenty per cent of the proceeds is dedicated to purchase and improve school lands, buildings, and equipment and to provide educational and instructional supplies. This tax is collected by the School Board and has no expiration date. During the year ended June 30, 1994, the voters of the parish approved an additional one per cent sales tax. Sixty per cent of the proceeds of the tax is dedicated to repairs and upkeep of buildings, plant services, and instructional materials and supplies. The remaining forty per cent of the proceeds is dedicated to salaries and related benefits of teachers and other School Board employees. This tax is collected by the School Board and was renewed by voter approval in November, 1999.

K. DUE TO/FROM OTHER FUNDS

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, if any, are classified as "interfund receivable" or "interfund payable" on the balance sheet.

L. TOTAL COLUMNS ON COMBINED STATEMENTS

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.

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

M. ESTIMATES

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

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem tax millage for the year ended June 30, 1999:

	<u>Authorized</u>	<u>Levied</u>	<u>Expiration Date</u>
Parishwide taxes:			
Constitutional	5.00	3.10	Indefinite
Construction, maintenance, and operation	23.25	24.58	2002

The difference between authorized and levied millages is the result of reassessments of taxed property as required by Article 7, Section 18 (f) of the Louisiana Constitution of 1974.

3. RECEIVABLES

The receivables of \$558,053 at June 30, 1999 are as follows:

<u>Class of receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Sales taxes	\$	\$ 80,328	\$ 80,328
Grants:			
Federal		232,802	232,802
State	131,151		131,151
Other	<u>58,375</u>	<u>55,397</u>	<u>113,772</u>
Total	\$ 189,526	\$ 368,527	\$ 558,053

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

4. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds at June 30, 1999, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 235,470	\$
Special revenue funds:		
Title I		4,543
Title II		167
Title IV (DFSCA)		710
Title VI		14
Adult Education		13,427
School Lunch	15,331	39
Sales Tax 80%	16,094	218,775
Sales Tax 20%	8,033	
Sales Tax 40%		40,235
Sales Tax 60%	24,141	
Technology Challenge Grant		3,117
School Activity Agency Funds	<u> </u>	<u>18,042</u>
Total	\$ 299,069	\$ 299,069

5. GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets for the year ended June 30, 1999:

	<u>Balance at July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 1999</u>
Land	\$ 442,384	\$	\$	\$ 442,384
Buildings and Improvements	12,259,936	1,841,220		14,101,156
Furniture and Equipment	<u>6,433,548</u>	<u>729,355</u>	<u>(725,638)</u>	<u>6,437,265</u>
Total	\$ 19,135,868	\$ 2,570,575	\$ (725,638)	\$ 20,980,805

As a result of a physical inventory, the board reestablished its inventory listing of fixed assets based on actual physical count, removing those items which had been junked in previous years and not removed from the listing and adding items which had been purchased in previous years and not added on the list.

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

6. RETIREMENT SYSTEMS

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

**A. TEACHER'S RETIREMENT SYSTEM
OF LOUISIANA (TRS)**

The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Plan members are required to contribute 8.0 percent and 5.0 percent of their annual covered salary for the Plan A and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 16.5 percent of annual covered payroll for both membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRS for the years ending June 30, 1999, 1998, and 1997, were \$1,884,204, \$1,755,590, and \$1,774,677, respectively, equal to the required contributions for each year.

**B. LOUISIANA SCHOOL EMPLOYEES'
RETIREMENT SYSTEM (LSERS)**

The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits.

Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement system, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

Plan members are required to contribute 6.35 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 6.00 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The School Board's contributions to the LSERS for the years ending June 30, 1999, 1998, and 1997, were \$60,245, \$55,797, and \$58,436, respectively, equal to the required contributions for each year.

7. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Concordia Parish 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 an insurance company or the State Employees Group Benefits Program, whose monthly premiums are paid jointly by the employee and by the School Board. The School Board recognizes the cost of providing these benefits (the board's portion of premiums) as an expenditure when the monthly premiums are due, which was \$1,356,113 for 1999. Of that amount, \$125,341 was for retiree benefits.

8. CHANGES IN AGENCY DEPOSITS DUE OTHERS

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

	<u>Sales Tax</u>	<u>School Activity</u>	<u>Total</u>
Balance at July 1, 1998	\$ 0	\$ 220,083	\$ 220,083
Additions	18,322,168	836,562	19,158,730
Reductions	<u>(18,322,168)</u>	<u>(794,518)</u>	<u>(19,116,686)</u>
Balance at June 30, 1999	\$ 0	\$ 262,127	\$ 262,127

9. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Long-term obligations at July 1, 1998	\$ 883,504
Additions	27,269
Deductions	<u>(76,340)</u>
Long-term obligations at June 30, 1999	\$ 834,433

**CONCORIDA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
JUNE 30, 1999**

NOTES TO FINANCIAL STATEMENTS

10. LITIGATION AND CLAIMS

At June 30, 1999, the School Board is not involved in any lawsuits which would have a material effect on the financial statements nor is it aware of any unasserted claims.

11. RISK MANAGEMENT

The School Board is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees and others. To handle such risk of loss, the School Board maintains commercial insurance policies covering, automobile liability and medical payments, workers compensation, general liability, errors and omissions, and surety bond coverage on the superintendent. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

12. COMMMITMENTS AND CONTINGENCIES

Grant Audit

The Concordia Parish School Board receives grants for specific purposes that are subject to review and audit by the Louisiana Department of Education. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowance, if any, would be insignificant.

REQUIRED SUPPLEMENTAL INFORMATION

**CONCORDIA PARISH SCHOOL BOARD
REQUIRED SUPPLEMENTAL INFORMATION
YEAR 2000 SUPPLEMENTARY INFORMATION**

JUNE 30, 1999

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Concordia Parish School Board's operations.

The Concordia Parish School Board has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting School Board operations. Based on this inventory, the School Board has updated and replaced computer hardware and software and other electronic equipment. The School Board has also completed the testing and validation process and test results were successful.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Concordia Parish School Board is or will be year 2000 ready, that the Concordia Parish School Board's remediation efforts will be successful in whole or in part, or that parties with whom the School Board does business will be year 2000 ready.

See independent auditor's report.

ADDITIONAL INFORMATION SCHEDULES

**CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
ADDITIONAL INFORMATION SCHEDULES
YEAR ENDED JUNE 30, 1999**

SPECIAL REVENUE FUNDS

**ELEMENTARY AND SECONDARY
EDUCATION ACT FUNDS**

Title I

Title I of the Elementary and Secondary Education Act (ESEA) is a program designed to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families. The program is federally financed, state-administered, and locally operated by the School Board. The activities supplement, rather than replace, state and locally mandated activities.

Title II

Title II of the Elementary and Secondary Education Act (ESEA) is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers and instruction in the areas of mathematics, science, computer learning, and foreign languages and to increase the accessibility of such instruction to all students.

**Drug-Free Schools and
Communities Act Fund**

The Drug Free Schools and Communities Act is a program by which the federal government provides funds to the School Board for the establishment, operation, and improvement of local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools.

Title VI

Title VI of the Elementary and Secondary Education Act (ESEA) is a program by which the federal government provides funds to the School Board a) to assist local educational reform efforts, b) to support efforts to accomplish the National Education Goals, c) to implement promising educational reform programs, d) to provide a continuing source of innovation and educational improvement, including support for library services and instructional and media materials, and e) to meet the special educational needs of at risk and high cost students.

ADULT EDUCATION FUND

The Adult Education Fund accounts for allotments of federal Adult Education State-Administered Program funds from the Louisiana Department of Education to provide adult education programs in the parish.

SPECIAL REVENUE FUNDS

SCHOOL LUNCH FUND

The School Lunch Fund accounts for operations of the school cafeterias. Funding is provided by federal and state grants-in-aid and charges for meals served.

SUMMER FOOD SERVICE FOR CHILDREN PROGRAM FUND

The Summer Food Service For Children Program is a program by which the federal government provides funds to the School Board to conduct food service for needy children during the summer months.

COREGIS LOSS FUND

The Coregis Loss Fund is used to account for insurance proceeds resulting from a fire loss and the subsequent expenditure of those funds to reconstruct Ferriday Junior High School.

SALES TAX 80% FUND

The Sales Tax 80% Fund accounts for the monthly collection of the School Board's one per cent parish sales tax. The fund also accounts for the use of the tax as follows: salaries and expenditures directly relating to the collection process, expenditures relating to retirement and group insurance programs, transfers to the Sales Tax 20% Special Revenue Fund, and transfers to other funds for the payment of salaries.

SALES TAX 20% FUND

The Sales Tax 20% Fund accounts for the portion (20 per cent) of the parish sales taxes to acquire and improve land for building sites, purchases, erect and improve school buildings and other related facilities, acquire equipment and furnishings, provide educational supplies and equipment, and maintain instructional equipment.

SALES TAX 40% FUND

The Sales Tax 40% Fund accounts for the portion (40 per cent) of the parish sales taxes to supplement other revenues available for the payment of salaries of teachers and other personnel and for providing unemployment compensation benefits, retirement, and other insurance programs.

SALES TAX 60% FUND

The Sales Tax 60% Fund accounts for the monthly collection of the School Board's one per cent parish sales tax. The fund also accounts for the use of the tax as follows: additional support for curriculum improvement and for improving, purchasing, and erecting school buildings and other related facilities.

SPECIAL REVENUE FUNDS

TECHNOLOGY CHALLENGE GRANT FUND

The Technology Challenge Grant Fund accounts for a federal grant to be used in preparing the educational community for America 2000 and beyond – for teachers and students to become technologically skilled and comfortable in applying Information Superhighway resources for teaching and learning purposes by using electronic technology and networking to support professional development and instructional improvement in 5 parishes: Catahoula, Concordia, Franklin, Morehouse, and Tensas. It is geared toward students in grades 6-12.

CONCORDIA PARISH SCHOOL BOARD
 VIDALIA, LOUISIANA
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 1999

SCHEDULE 1

ASSETS	ESEA	ADULT EDUCATION	SCHOOL LUNCH	SUMMER FOOD SERVICE PROGRAM	COREGIS LOSS	SALES TAX			TECHNOLOGY CHALLENGE GRANT	TOTAL
						80 PER CENT	20 PER CENT	40 PER CENT		
Cash and cash equivalents	\$ 315	\$ 2,062	\$ 400,648	\$ 12,258	\$ 687,572	\$ 84,164	\$ 1,071	\$ 246,207	\$ 56,279	\$ 1,893,320
Receivables	149,068	27,455			95,561	40,164				368,527
Due from other funds			15,331		16,094	8,033		24,141		63,599
Inventory			27,283							27,283
TOTAL ASSETS	\$ 149,383	\$ 29,517	\$ 443,262	\$ 12,258	\$ 687,572	\$ 92,197	\$ 41,235	\$ 270,348	\$ 56,279	\$ 2,352,729

LIABILITIES AND FUND BALANCES

Liabilities										
Bank overdraft										
Accounts payable	\$ 67,865	\$ 1,635	\$ 244	\$ 12,258	\$ 687,572	\$ 18,755	\$	\$ 30,079	\$ 94	\$ 886,704
Salaries payable	76,084	14,456	130,931					6,802	3,457	231,729
Due To Other Funds	5,434	13,427	39						3,117	281,027
Total Liabilities	149,383	29,517	131,214	12,258	687,572	18,755	40,235	36,881	56,279	1,399,554
Fund Equity-fund balances										
Reserved for inventory			27,273							27,273
Unreserved - undesignated			284,775			73,442	1,000	233,467		925,902
Total Fund Equity			312,048			73,442	1,000	233,467		953,175
TOTAL LIABILITIES AND FUND BALANCES	\$ 149,383	\$ 29,517	\$ 443,262	\$ 12,258	\$ 687,572	\$ 92,197	\$ 41,235	\$ 270,348	\$ 56,279	\$ 2,352,729

See Independent Auditor's Report.

CONCORDIA PARISH SCHOOL BOARD
 VIDALIA, LOUISIANA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 1999

SCHEDULE 2

REVENUES	ESEA	ADULT EDUCATION	SCHOOL LUNCH	SUMMER FOOD SERVICE PROGRAM	COREGIS LOSS	SALES TAX			TECHNOLOGY CHALLENGE GRANT	TOTAL
						80 PER CENT	40 PER CENT	60 PER CENT		
Local sources										
Sales and use taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Food services			188,187	45,588						233,775
Earnings on investments			5,938		57,148	19,124	1,039	6,775		91,534
Other revenue from local sources			917		373,273					374,190
State sources-unrestricted grants-in-aid			200,000							200,000
Federal sources										
Unrestricted grants-in-aid	47,086	2,188								49,274
Restricted grants-in-aid	1,404,871	66,857	1,371,721	45,588	57,148	1,861,276	1,465,793	6,775	919,387	3,762,896
Total Revenues	1,451,957	69,045	1,766,763	45,588	57,148	1,861,276	1,465,793	6,775	919,387	7,645,242
EXPENDITURES										
Education										
Instruction										
Regular programs	552,037	66,572			96,110			189,105		837,252
Adult and continuing education programs										66,572
Other instructional programs	163,613							818,100		981,713
Support services										
Instructional staff services	533,736	285			42,186	445,050		19,563	30,230	625,715
General administration	1,110		7,140					2,392		448,837
Business services			52,644		45,732			33,628	1,979	40,766
Operations and maintenance of plant	102,822							499,721		872,500
Operations and non-instructional services										
Food services	51,556		1,915,872	60,227						1,976,099
Community services										51,556
Facilities acquisition and construction										1,786,643
Total Expenditures	1,404,874	66,857	1,975,656	60,227	1,950,407	445,050		708,389	886,327	7,687,653
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	47,083	2,188	(208,893)	(14,639)	(1,893,259)	1,416,226	(188,356)	(701,614)	33,060	(42,411)
OTHER FINANCING SOURCES (USES)										
Insurance proceeds from losses					934,591					934,591
Sale of equipment			988							988
Operating transfers in			136,312			668,919	239,160	802,928		1,845,316
Operating transfers out	(47,083)	(2,188)				(2,146,362)		(1,465,793)	(33,060)	(3,694,486)
Total Other Financing Sources (Uses)	(47,083)	(2,188)	137,300		934,591	(1,479,446)	239,160	802,928	(33,060)	(913,591)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES			(71,593)	(14,639)	(958,668)	(63,220)	50,804	101,314		(956,002)
FUND BALANCES, BEGINNING OF YEAR			383,641	14,639	958,668	396,438	22,638	132,153		1,909,177
FUND BALANCES, END OF YEAR			312,048			333,218	73,442	233,467		953,175

See Independent Auditor's Report.

CONCORDIA PARISH SCHOOL BOARD
 VIDALIA, LOUISIANA
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 ELEMENTARY AND SECONDARY EDUCATION ACT FUNDS
 JUNE 30, 1999

SCHEDULE 3

	TITLE I	TITLE I CARRYOVER	TITLE II	DFSCA	TITLE VI	TOTAL
ASSETS						
Cash	\$ 313	\$ -	\$ 1	\$ -	\$ 1	\$ 315
Receivables	139,422	-	4,656	4,612	378	149,068
<u>TOTAL ASSETS</u>	<u>\$ 139,735</u>	<u>\$ -</u>	<u>\$ 4,657</u>	<u>\$ 4,612</u>	<u>\$ 379</u>	<u>\$ 149,383</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 64,274	\$ -	\$ 3,318	\$ 100	\$ 173	\$ 67,865
Salaries payable	70,918	-	1,172	3,802	192	76,084
Due to other funds	4,543	-	167	710	14	5,434
Total Liabilities	139,735	-	4,657	4,612	379	149,383
Fund Equity-fund balances	-	-	-	-	-	-
Unreserved-undesignated	-	-	-	-	-	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 139,735</u>	<u>\$ -</u>	<u>\$ 4,657</u>	<u>\$ 4,612</u>	<u>\$ 379</u>	<u>\$ 149,383</u>

See Independent Auditor's Report.

CONCORDIA PARISH SCHOOL BOARD
 VIDALIA, LOUISIANA
 SPECIAL REVENUE FUNDS
 ELEMENTARY AND SECONDARY EDUCATION ACT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1999

	TITLE I						SCHEDULE 4
	TITLE I	CARRYOVER	TITLE II	DFSCA	TITLE VI	TOTAL	
REVENUES							
Federal sources							
Unrestricted grants-in-aid	\$ 37,496	\$ 7,181	\$ 992	\$ 967	\$ 450	\$ 47,086	
Restricted grants-in-aid	1,126,300	194,595	29,179	26,210	28,587	1,404,871	
Total Revenues	1,163,796	201,776	30,171	27,177	29,037	1,451,957	
EXPENDITURES							
Education							
Instruction							
Regular instructional programs	441,040	75,292	12,100		23,605	552,037	
Other instructional programs	118,075	39,932		5,606		163,613	
Support services							
Instructional staff services	442,319	48,750	17,079	20,604	4,984	533,736	
General administration	1,110					1,110	
Operations and maintenance of plant services	96,091	6,731				102,822	
Operation of non-instructional services							
Community services	27,666	23,890				51,556	
Total Expenditures	1,126,301	194,595	29,179	26,210	28,589	1,404,874	
EXCESS OF REVENUES OVER EXPENDITURES	37,495	7,181	992	967	448	47,083	
OTHER FINANCING USES							
Operating transfers out	(37,495)	(7,181)	(992)	(967)	(448)	(47,083)	
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-	-	-	
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-	-	-	
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

See independent Auditor's Report.

**CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
JUNE 30, 1999**

AGENCY FUNDS

SCHOOL ACTIVITY AGENCY FUND

The School Activity Agency Fund accounts for monies generated by the individual schools and organizations within the schools of the parish. While the school activity 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 AGENCY FUND

The Sales Tax Agency Fund accounts for the collection of sales taxes by the sales tax department of the Concordia Parish School Board on behalf of various taxing authorities located within the parishes of Catahoula, Concordia, East Carroll, Madison, Caldwell, LaSalle, and Tensas.

CONCORDIA PARISH SCHOOL BOARD
 VIDALIA, LOUISIANA
 SCHOOL ACTIVITY AGENCY FUND
 SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS
 YEAR ENDED JUNE 30, 1999

SCHEDULE 5

<u>SCHOOL</u>	<u>BALANCE JULY 1, 1998</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 1999</u>
Ferriday Kindergarten	\$ 3,858	\$ 23,715	\$ (19,080)	\$ 8,493
Ferriday Lower Elementary	6,308	22,559	(21,745)	7,122
Ferriday Upper Elementary	4,367	22,314	(18,788)	7,893
Ferriday Junior High	12,380	35,170	(33,170)	14,380
Ferriday High	(3,938)	141,958	(126,735)	11,285
Monterey High	52,686	157,250	(155,108)	54,828
Ridgecrest Elementary	485	27,353	(23,478)	4,360
Vidalia Lower Elementary	69,667	54,043	(49,261)	74,449
Vidalia Upper Elementary	9,633	50,732	(46,781)	13,584
Vidalia Junior High	30,981	61,767	(66,328)	26,420
Vidalia High	33,656	239,701	(234,044)	39,313
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	\$ 220,083	\$ 836,562	\$ (794,518)	\$ 262,127

See Independent Auditor's Report.

CONCORDIA PARISH SCHOOL BOARD
 VIDALIA, LOUISIANA
 SALES TAX AGENCY FUND
 SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS
 YEAR ENDED JUNE 30, 1999

SCHEDULE 6

<u>TAXING AUTHORITY</u>	<u>BALANCE JULY 1, 1998</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 1999</u>
Catahoula Parish				
Police Jury	\$	\$ 1,462,016	\$ (1,462,016)	\$
School Board		1,155,753	(1,155,753)	
Town of Jena		614,705	(614,705)	
Town of Ferriday		931,416	(931,416)	
Concordia Parish				
Hospital Service District No. 1		367,154	(367,154)	
Police Jury		676,575	(676,575)	
School Board		2,933,629	(2,933,629)	
Town of Vidalia		790,174	(790,174)	
East Carroll Parish				
Police Jury		486,245	(486,245)	
School Board		1,100,579	(1,100,579)	
Caldwell Parish				
Citizens Medical Center		646,603	(646,603)	
Police Jury		1,200,445	(1,200,445)	
School Board		1,291,303	(1,291,303)	
Town of Columbia		170,464	(170,464)	
LaSalle Parish School Board		2,421,705	(2,421,705)	
Town of Lake Providence		204,324	(204,324)	
Tensas Parish				
Law Enforcement District		103,004	(103,004)	
Police Jury		682,937	(682,937)	
School Board		413,587	(413,587)	
Town of Newellton		106,053	(106,053)	
Town of Olla		180,043	(180,043)	
Town of Jonesville		99,092	(99,092)	
Town of Tallulah		155,472	(155,472)	
Town of St. Joseph		128,890	(128,890)	
		<u>18,322,168</u>	<u>(18,322,168)</u>	
Totals	\$ -	\$ 18,322,168	\$ (18,322,168)	\$ -

See Independent Auditor's Report.

CONCORDIA PARISH SCHOOL BOARD
 VIDALIA, LOUISIANA
 SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
 YEAR ENDED JUNE 30, 1999

SCHEDULE 7

Eddie Coleman, Sr.		\$	4,200
Marie Cowan	(*)		2,100
Mike Grantham, President			4,500
Manson Nelson, Sr.	(*)		2,100
Charles Partridge	(*)		2,100
Ricky Raven, Sr.			4,200
Georgia Washington	(*)		2,100
Ernest L. White			4,500
Sam Williams, Jr.	(*)		2,100
Johnnie L. Brown			2,100
Mary H. Campbell			2,100
Darrell Crofford			2,100
Donald Joseph			2,100
Martha Rabb			<u>2,100</u>
Total		\$	<u>38,400</u>

(*) Term expired December 31, 1998

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 \$350 per month, and the president receives \$400 per month for performing the duties of his office.

**SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	PASS-THROUGH ENTITY IDENTIFICATION #	CFDA NUMBER	EXPENDITURES
United States Department of Agriculture- Passed through Louisiana Department of Education- National School Lunch Program	N/A	10.555	\$ 901,395
School Breakfast Program	N/A	10.553	351,789
Summer Food Service Program for Children	N/A	10.559	74,753
Passed through Louisiana Department of Agriculture and Forestry- Food Distribution	N/A	10.550	118,538
Total United States Department of Agriculture			<u>1,446,475</u>
United States Department of Education- Direct assistance- Technology Innovation Challenge Grants	R303A980332	84.303	919,387
Passed through Louisiana Department of Education- Adult Education-State Grant Program	N/A	84.002	69,045
Technology Literacy Challenge Fund Grants	99-LCF-15-F	84.318	44,316
Title I Grants to Local Educational Agencies	99-IASA-15-1		
Special Education Grants to States	98-IASA-15-1 C/O TO 1999	84.010	1,365,573
Special Education-Preschool Grants	99-IB-15-S	84.027	226,960
Vocational Education-Basic Grants to States	99-PF-15	84.173	28,380
Innovative Education Program Strategies	99-VE-15-2-BG		
Eisenhower Professional Development State Grants	99-VE-15-2-SP	84.048	99,396
Safe and Drug-Free Schools and Communities-State Grants	99-IASA-15-VI	84.298	29,038
Total United States Department of Education			<u>28,495</u> <u>2,840,761</u>
United States Department of Health and Human Services- Passed through Louisiana Department of Education- Child Care and Development Block Grant-Starting Points Grant	N/A	93.575	49,459
Total United States Department of Health and Human Services			<u>49,459</u>
United States National Science Foundation- Passed through Catahoula Parish School Board- Education and Human Resources	N/A	47.076	8,789
Total United States National Science Foundation			<u>8,789</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 4,345,484

Notes:
The schedule of expenditures of federal awards was prepared on the modified accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the Concordia Parish School Board's accounting policies.

No federal funds were awarded to subrecipients during the year ended June 30, 1999.
See independent auditor's report.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND OMB CIRCULAR A-133**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Concordia Parish School Board
Vidalia, Louisiana

We have audited the general purpose financial statements of the Concordia Parish School Board as of and for the year ended June 30, 1999, and have issued our report thereon dated November 11, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Concordia Parish School Board's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial 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 that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Concordia Parish School Board in a separate letter dated November 11, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Concordia Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance 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 over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited

MARVIN A. JUNEAU, C.P.A. ROBERT L. LITTON, C.P.A. REBECCA B. MORRIS, C.P.A.
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ERNEST F. SASSER, C.P.A. DALE P. DE SELLE, C.P.A. L. PAUL HODD, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

**Concordia Parish School Board
Vidalia, Louisiana**

may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to the management of Concordia Parish School Board in a separate letter dated November 11, 1999.

This report is intended solely for the information and use of the members of the Concordia Parish School Board, management of the School Board, federal awarding agencies, pass-through entities, and the legislative auditor's office of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties.

Payne, Moore & Herrington, LLP
Certified Public Accountants

November 11, 1999

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



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

**CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA**

Compliance

We audited the compliance of the Concordia Parish School Board with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. Concordia Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Concordia Parish School Board. Our responsibility is to express an opinion on the Concordia Parish School Board's compliance based on our audit.

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

In our opinion, Concordia Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

MARVIN A. JONEAU, C.P.A.
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L. PAUL HOOD, C.P.A.





PAYNE, MOORE & HERRINGTON, LLP

**CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA**

Internal Control Over Compliance

The management of the Concordia Parish 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 Concordia Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A 1-33.

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

This report is intended solely for the information and use of the members of the Concordia Parish School Board, management of the School Board, federal awarding agencies, pass-through entities, and the legislative auditor's office of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Payne Moore & Herrington, LLP
Certified Public Accountants

November 11, 1999

**CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1999**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Reportable conditions identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Corrective Action Plan See attached

Management's Summary Schedule of Prior Audit Findings None

Memorandum of Other Comments and Recommendations See attached

Federal Awards

Internal control over major programs:		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Reportable conditions identified that are not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
--	------------------------------	--

**CONCORDIA PARISH SCHOOL BOARD
VIDALIA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1999**

Identification of major programs:

CFDA Number

Name of Federal Program

10.555
10.553
84.303
84.010

National School Lunch Program
School Breakfast Program
Technology Innovation Challenge Grant
Title I Grants to Local Education Agencies

Dollar threshold used to distinguish
between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**MEMORANDUM OF
OTHER COMMENTS AND RECOMMENDATIONS**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

OTHER COMMENTS AND RECOMMENDATIONS

Concordia Parish School Board
Vidalia, Louisiana

In planning and performing our audit of the general purpose financial statements of the Concordia Parish School Board, as of and for the year ended June 30, 1999, we considered the Board's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal controls.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls, operating efficiency, and compliance. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate report, dated November 11, 1999, contains our report on reportable conditions on the Board's internal control. This letter does not affect our report, dated November 11, 1999, on the general purpose financial statements of the Concordia Parish School Board.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management personnel, and we will be pleased to discuss them with you in detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Payne Moore & Herrington, LLP
Certified Public Accountants

November 11, 1999

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**CONCORDIA PARISH SCHOOL
MEMORANDUM OF OTHER COMMENTS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 1999**

FINDING 99 - 01

COMPLIANCE WITH BUDGET LAW

Criteria: Louisiana Revised Statutes require public bids to be obtained when materials or supplies purchased exceed the sum of \$15,000. Furthermore, it is our understanding that when materials or supplies of the same nature are purchased within a normal operating cycle (fiscal year) and it can be reasonably expected that such purchases will exceed the sum of \$15,000, such purchases are subject to public bid law requirements. In addition, in the event materials or supply purchases exceed \$7,500 but are less than \$15,000, an entity should obtain at least three price quotes from different suppliers.

Condition: During the period from August 5, 1998 through April 15, 1999, 1400 cases of 8 ½ X 11 copy paper were purchased with a total cost of \$25,540, without formal bids obtained.

During January, 1999, library automation software, support, and training were acquired at a cost of \$14,995.25, without solicitation of at least three price quotes.

Recommendation: While these appear to be isolated occurrences, we recommend that Concordia Parish School Board establish policies and procedures to provide reasonable assurance that the entity will comply with the requirements of the public bid law as set forth in the Louisiana Revised Statutes.

Management's Response: See Management's Corrective Action Plan.

FINDING 99-02

ALLOCATION OF EXPENSES TO SALES TAX FUNDS

Criteria: Records of fund expenditures should be maintained for each special revenue fund to account for the fund's actual operating expense when such expenses are shared with other funds.

Condition: Within the sales tax funds which account for the revenue collections, expenses other than salaries are distributed to other jurisdictions based on the number of accounts serviced within the area. Salaries are distributed one-half to the Sales Tax 80% Fund and one-half to the Sales Tax 60% Fund. All fee income is retained by the Sales Tax 80% Fund, which is the basic operating fund of the sales tax department. Due to the fact that all fee income is retained by the Sales Tax 80% Fund, it appears that an unequal distribution of salaries are funded by the Sales Tax 60% Fund.

Recommendation: We recommend that this situation be reviewed and provision made for an equitable distribution of salaries.

Management's Response: See Management's Corrective Action Plan.

FINDING 99-03

COMPLIANCE WITH PURCHASE ORDER PROCEDURES

Criteria: The objective of internal controls is to provide management with reasonable assurance that assets are safeguarded against loss, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Compliance with established purchase order procedures is an integral internal control procedure.

Condition: We noted several instances where the purchase requisition work order was dated after the purchase invoice date. Concordia Parish School Board has established with some vendors open purchase orders whereby acquisitions by designated personnel of less than \$100 can be made without a separate purchase order. Instances were noted whereby purchases of the exact same items at the same time were split, thus the individual invoices were less than \$100.

Recommendation: Employees should be reminded of the policies in place regarding the necessity of obtaining an approval through the issuance of a purchase order.

Management's Response: See Management's Corrective Action Plan.

FINDING 99-04

LACK OF DOCUMENTATION FOR CREDIT CARD CHARGES

Criteria: The objective of internal controls are to provide management with reasonable assurance that assets are safeguarded against loss, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Credit card charges should be supported by documentation to support the charges including copies of original sales tickets, etc., which support the date, items acquired, business purpose, and if applicable, the person and/or persons for whom the charges apply.

Condition: During our audit, we noted that documentation for several purchases charged to a credit card were supported only by the statement received from the credit card company and did not contain underlying documentation to support the charges.

Recommendation: All charges to a credit card should be documented by the sales ticket and notations including the above referenced items to support the purpose of the charges.

Management's Response: See Management's Corrective Action Plan.

FINDING 99-05

DEFICIT BALANCES IN SCHOOL AGENCY FUNDS

Criteria: Expenditures or payables incurred from assets within a fund that results in a deficit fund balance is not in accordance with sound financial policy and may constitute a violation of state statutes.

Condition: We noted that two separate school agency funds had deficit fund balances at the end of the current fiscal year.

Recommendation: We recommend that management institute a policy that prohibits expenditures or the incurring of a liability that would result in a deficit fund balance in any school agency fund.

Management's Response: See Management's Corrective Action Plan.

MANAGEMENT'S CORRECTIVE ACTION PLAN

**CONCORDIA PARISH SCHOOL BOARD
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 1999**

Concordia Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 1999.

Independent Public Accounting Firm:

Payne, Moore & Herrington, LLP
P.O. Box 13200
Alexandria, LA 71315-3200

Audit period: July 1, 1998 to June 30, 1999

The finding from the June 30, 1999 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the report.

REPORTABLE CONDITION AND NONCOMPLIANCE - NO FINDINGS

OTHER COMMENTS AND RECOMMENDATIONS

SEE ATTACHED LETTER

CONCORDIA PARISH SCHOOL BOARD

P.O. Box 950
Vidalia, Louisiana 71373-0950

Dr. Lester Peterman
Superintendent

Phone
(318) 757-8651
(318) 336-4226
FAX (318) 336-5875

CONCORDIA PARISH SCHOOL BOARD MEMORANDUM OF OTHER COMMENTS AND RECOMMENDATIONS YEAR ENDED - JUNE 30, 1999

Mr. Ernest F. Sasser, CPA
Payne, Moore & Herrington, LLP
P.O. Box 13200
Alexandria, Louisiana 71315-3200

RE: Managements Corrective Action Plan

Finding 99 - 01 Compliance with budget law..

Criteria: Louisiana Revised Statutes require public bids to be obtained when materials or supplies purchased exceeds the sum of \$15,000. Furthermore, it is our understanding that when materials or supplies of the same nature are purchased within a normal operating cycle (fiscal year) and it can be reasonably expected that such purchases will exceed the sum of \$15,000, such purchases are subject to public bid law requirements. In addition, in the event materials or supply purchases exceed \$7,500 but are less than \$15,000, an entity should obtain at least three price quotes from different suppliers.

Condition: During the period from August 5, 1998 through April 15, 1999, 1400 cases of 8 ½ x 11 copy paper was purchased with a total cost of \$25,540, without formal bids obtained.

During January, 1999, library automation software, support and training was acquired at a cost of \$14,995.25, without solicitation of at least three price quotes.

Managements Response: We concur with your findings..however, we do believe them to be the exception and not the rule.

CPSB Policy DJED, indicates the following: "Purchases of materials or supplies of at least \$7,500, but not more than \$15,000 shall be made by obtaining not less than three (3) telephone or facsimile quotations." "A written confirmation of the accepted offer shall be obtained and made a part of the purchase file." "If quotations are received that are lower than the quote accepted, a notation shall be entered into the file as to the reasons for rejection of the lower quotes."

In both noted instances our personnel did obtain quotes. Those related to the paper purchases were made available, however, we did not bid the total package as you have correctly stated. There was no attempt to evade the law. We do have a storage problem and quite often paper goes down in price after the first of the year. I have been informed that we also received quotes on the library software, however, those quotes were not made available at the time. We have discussed the proper procedures with those persons involved and sincerely do not think this to have been an intended disregard for proper procedure. Procedures will be undertaken within the business department that will insure policy compliance.

Finding 99 - 02 Allocation of expenses to sales tax funds...

Criteria: Records of fund expenditures should be maintained for each special revenue fund to account for the funds actual operating expenses when such expenses are shared with other funds.

Condition: Within the sales tax funds which account for the revenue collections, expenses other than salaries are distributed to other jurisdictions based on the number of accounts serviced within the area. Salaries are distributed one-half to the Sales Tax 80% Fund and one-half to the Sales Tax 60% Fund. All fee income is retained by Sales Tax 80% Fund, which is the basic operating fund of the sales tax department. Due to the fact that all fee income is retained by the Sales Tax 80% Fund, it appears that an unequal distribution of salaries are funded by the Sales Tax 60% Fund.

Recommendation: We recommend that this situation be reviewed and provision made for an equitable distribution of salaries.

Managements Response: With the thought that no additional personnel was hired to collect the new tax. And, that the original tax had absorbed all of those cost incurred, as a practical matter only, it was decided that a division of 50/50 to be reasonable. However, you have presented a valid point. Based on the fact that the monies recovered from services provided to others is approximately 30% of collections, we will cost expenses in the future in a like fashion. Seventy (70%) percent will be allocated to the Sales Tax 80% Fund, with the remaining thirty (30%) percent to the Sales Tax 40% Fund.

Finding 99 - 03 Compliance with purchase order procedures...

Criteria: The objective of internal controls are to provide management with reasonable assurance that assets are safeguarded against loss, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with general accepted accounting principles. Compliance with established purchase order procedures is an integral internal control procedure.

Condition: We noted several instances where the purchase requisition work order was dated after the purchase invoice date. Concordia Parish School Board has established with some vendors open purchase orders whereby acquisitions by designated personnel of less than \$100 can be made without a separate purchase order. Instances were noted whereby purchases of the exact same items at the same time were split, thus the individual invoices were less than \$100.

Recommendation: Employees should be reminded of the policies in place regarding the necessity of obtaining an approval through the issuance of a purchase order.

Managements Response: CPSB Policy #DJE-RR, does address the usage of purchase orders, both open and specific. This problem seems more closely related to general maintenance than any other area. All personnel authorized to use the open purchase order system will be reminded of the original intent and cautioned against misuse. This problem will be discussed at our next administrative meeting and all supervisory people will be given a copy of our system's policy. After the fact purchases, or purchases without approved purchase orders will be discontinued. The assistant director did discuss possible misuse of the open purchase order system with me just prior to your arrival, therefore, we do concur with your finding.

Finding 99 - 04 Lack of documentation for credit card charges...

Criteria: The objective of internal controls are to provide management with reasonable assurance that assets are safeguarded against loss, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Credit card charges should be supported by documentation to support the charges including copies of original sales tickets, etc., which support the date, items acquired, business purpose, and if applicable the person and/or persons for whom the charges apply.

Condition: During our audit, we noted that documentation for several purchases charged to a credit card were supported only by the statement received from the credit card company and did not contain underlying documentation to support the charges.

Recommendation: All charges to a credit card should be documented by the sales ticket, and notations included the above referenced items to support the purpose of the charges.

Managements Response: I think most of the charges in which you are referring were those made by our prior Superintendent. After having discussed this issue with our Finance Committee Chairman, again prior to your arrival, we have taken steps to insure that this does not happen in the future. Other than gasoline credit cards, the Superintendent of Education is the only person authorized a company card. Dr. Peterman has informed me that he does not want a card issued to him, therefore, we will not have to visit this issue anytime in the immediate future. We will inform all persons driving company vehicles that original tickets will have to be maintained in the future. As a matter of practice, we do monitor all oil company purchases.

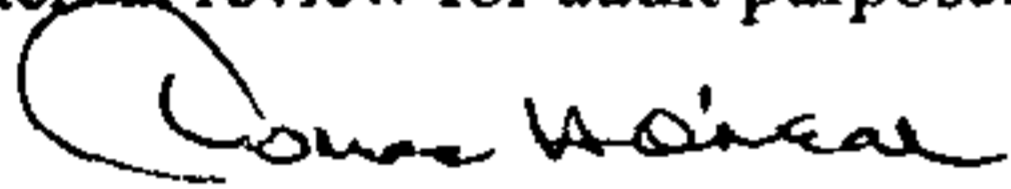
Finding 99 - 05 Deficit balances in school agency funds

Criteria: Expenditures or payables incurred from assets within a fund that results in a deficit fund balance is not in accordance with sound financial policy and may constitute a violation of state statutes.

Condition: We noted that two separate school agency funds had deficit fund balances at the end of the current fiscal year.

Recommendation: We recommend that management institute a policy that prohibits expenditures or the incurrance of a liability that would result in a deficit fund balance in any school agency fund.

Managements Response: Once an individual is promoted to the position of assistant school principal, he or she must attend an in-service relative to the responsibilities of that position. One portion of the in-service deals with financial reporting and relative responsibilities. RS 17:414.3, Concordia Parish School Policy #DIA (accounting system) and The Louisiana Handbook for School Administrators are all provided for their reference and use. In addition our internal audit program provides for two reviews, per school, per year. Both schools currently have new principals, however, deficit balances are not acceptable and will be corrected. I have discussed this issue with our internal auditors and was informed that one principal assured them that the deficit would be corrected prior to the closing of the current year. The other, did not include a liability that he owed to the central office on his financial statements. After the auditors adjusted his statement to reflect the liability, he fell to a deficit situation. I am going to request that each principal inform the Office of the Superintendent as to what course of action that they intend to follow to correct this situation. Once their plan is received and approved by the Superintendent, a copy will be forwarded to internal review for audit purposes. We will aggressively address this citation, it will not go un-noticed.



Thomas H. O'Neal
Director Business Affairs
12/15/99



Dr. Lester Peterman
Superintendent
12/15/99