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**East Feliciana Parish School Board  
Clinton, Louisiana  
General-Purpose Financial Statements  
and  
Auditor's Report  
June 30, 1999**

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 public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-12-2000

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**Independent Auditor's Report**

East Feliciana Parish School Board  
Clinton, Louisiana  
Board Members:

We have audited the accompanying general-purpose financial statements of the

**East Feliciana Parish School Board  
Clinton, Louisiana**

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 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 East Feliciana Parish School Board, Clinton, Louisiana, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

East Feliciana Parish School Board has not presented the disclosures required by Governmental Accounting Standards board Technical Bulletin 98-1, "Disclosures about Year 2000 Issues", as amended by Governmental Accounting Standards Board Technical Bulletin 99-1, that the Governmental Accounting Standards Board has determined are necessary to supplement, although not be a part of, the basic financial statements. In addition, we do not provide assurance that East Feliciana Parish School Board is or will be year 2000 compliant, that East Feliciana Parish School Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which East Feliciana Parish School Board does business will be year 2000 compliant.

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 1999, on our consideration of East Feliciana Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the East Feliciana Parish School Board, Clinton, Louisiana, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis as is the accompanying schedule of expenditures of federal awards which is required by U.S. Office of Management and Budget Circular A-133 Audits of States and Local Governments and Non-Profit Organizations, and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Yours truly,

*Hawthorn, Waymouth & Carroll L.L.P.*

East Feliciana Parish School Board  
 All Fund Types and Account Groups  
 Combined Balance Sheet  
 June 30, 1999

	Governmental Fund Types				Fiduciary Fund Type- Agency Funds	Accounts Groups		Totals (Memo- random Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds		General Fixed Assets	General Long-Term Obligations	
<b>Assets</b>								
Cash and cash equivalents	\$3,170,781	\$432,216	\$3,767,083	\$224,137	\$479,135			\$8,073,352
Receivables	21,678	8,912						30,590
Due from other funds	390,533		95,717					486,250
Due from other governments	343,170	322,153	2,926					668,249
Inventory		25,274						25,274
Prepaid expenses	156,882							156,882
Land, buildings, improvements, furniture and equipment						\$20,950,596		20,950,596
Amount available in debt service funds							\$3,825,508	3,825,508
Amount to be provided for retirement of general long-term obligations							783,869	783,869
<b>Total assets</b>	<u>4,083,044</u>	<u>788,555</u>	<u>3,865,726</u>	<u>224,137</u>	<u>479,135</u>	<u>20,950,596</u>	<u>4,609,377</u>	<u>35,000,570</u>

The accompanying notes are an integral part of these statements.

East Feliciana Parish School Board  
All Fund Types and Account Groups  
Combined Balance Sheet  
June 30, 1999

	Governmental Fund Types			Fiduciary Fund Type- Agency Funds	Accounts Groups		Totals (Memo- random Only)
	General Fund	Special Revenue Funds	Debt Service Funds		Capital Projects Funds	General Fixed Assets	
<b>Liabilities and Fund Equity</b>							
<b>Liabilities</b>							
Cash and cash equivalents fund over draft		\$3,084					\$3,084
Accounts payable	\$31,484	7,183	\$1,778	\$1,631			42,076
Accrued salaries	1,313,950	140,599					1,454,549
Due other funds		256,376	38,440	\$191,434			486,250
Due to other governments		4,068		172,987			177,055
Sales tax escrow				47,449			47,449
Amounts held for schools				67,265			67,265
Compensated absences payable					\$814,377		814,377
Bonds payable					3,795,000		3,795,000
Total liabilities	1,345,434	411,310	40,218	479,135	4,609,377		6,887,105
<b>Fund equity</b>							
Investment in general fixed assets						\$20,950,596	20,950,596
Fund balances							
Reserved for prepaid expenses	156,882						156,882
Reserved for debt service			2,261,088				2,261,088
Unreserved							
Designated for debt service			1,564,420				1,564,420
Undesignated	2,580,728	377,245		222,506			3,180,479
Total fund equity	2,737,610	377,245	3,825,508	222,506		20,950,596	28,113,465
Total liabilities and fund equity	4,083,044	788,555	3,865,726	224,137	479,135	20,950,596	35,000,570

The accompanying notes are an integral part of these statements.

**East Feliciana Parish School Board**  
**Governmental Fund Type**  
**Combined Statement of Revenue, Expenditures and Changes in Fund Equity**  
**Year Ended June 30, 1999**

	Governmental Fund Types				Totals (Memo- random Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	
<b>Revenue</b>					
Local sources					
Taxes					
Ad valorem	\$887,684		\$900,973		\$1,788,657
Sales, use and other	1,022,622		1,022,622		2,045,244
Interest earnings	112,331	\$10,984	122,672	\$5,304	251,291
Other	96,643	95,886	817	3,627	196,973
State sources					
Unrestricted grants	9,879,466				9,879,466
Restricted grants	836,290	170,264			1,006,554
Federal sources					
Federal grants	84,268	2,349,196			2,433,464
	<u>12,919,304</u>	<u>2,626,330</u>	<u>2,047,084</u>	<u>8,931</u>	<u>17,601,649</u>
<b>Expenditures</b>					
Instruction					
Regular programs	5,643,869	119,093			5,762,962
Special Education Programs	1,251,801	91,859			1,343,660
Vocational education	387,128	101,246			488,374
Other instructional	322,027				322,027
Special and Adult Education Programs	114,141	733,292			847,433
Support services					
Pupil services	499,751	101,154			600,905
Instructional staff support	465,168	204,249			669,417
General administration	366,226	17,314	90,868	81	474,489
School administration	828,609	552			829,161
Business services	146,758				146,758
Operations and maintenance	916,108	15,709		22,694	954,511
Student transportation	1,035,694				1,035,694
Food services	90,037	1,281,050			1,371,087
Central services	5,098				5,098
(Continued - amounts carried forward)	<u>12,072,415</u>	<u>2,665,518</u>	<u>90,868</u>	<u>22,775</u>	<u>14,851,576</u>

The accompanying notes are an integral part of these statements.

**East Feliciana Parish School Board**  
**Governmental Fund Type**  
**Combined Statement of Revenue, Expenditures and Changes in Fund Equity**  
**Year Ended June 30, 1999**

	Governmental Fund Types				Totals (Memo- random Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	
(Continued - amounts brought forward)	\$12,072,415	\$2,665,518	\$90,868	\$22,775	\$14,851,576
<b>Expenditures - continued</b>					
Support services					
Community service programs	6,828				6,828
Capital outlay					
Facilities acquisition and construction	56,556			7,471	64,027
Debt service					
Principal retirement			1,030,000		1,030,000
Interest			235,863		235,863
<b>Total expenditures</b>	<u>12,135,799</u>	<u>2,665,518</u>	<u>1,356,731</u>	<u>30,246</u>	<u>16,188,294</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<u>783,505</u>	<u>(39,188)</u>	<u>690,353</u>	<u>(21,315)</u>	<u>1,413,355</u>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	9,992				9,992
Operating transfers out			(9,992)		(9,992)
Sale of fixed assets				150,100	150,100
Other	18,971				18,971
<b>Total other financing sources (uses)</b>	<u>28,963</u>		<u>(9,992)</u>	<u>150,100</u>	<u>169,071</u>
<b>Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses</b>	812,468	(39,188)	680,361	128,785	1,582,426
<b>Fund Equity, beginning of year</b>	<u>1,925,142</u>	<u>416,433</u>	<u>3,145,147</u>	<u>93,721</u>	<u>5,580,443</u>
<b>Fund Equity, end of year</b>	<u>2,737,610</u>	<u>377,245</u>	<u>3,825,508</u>	<u>222,506</u>	<u>7,162,869</u>

The accompanying notes are an integral part of these statements.





East Feliciana Parish School Board  
 Governmental Fund Type  
 Combined Statement of Revenue, Expenditures and Changes in Fund Equity  
 Budget and Actual (GAAP Basis) - General and Special Revenue Funds  
 Year Ended June 30, 1999

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
(Amounts brought forward)	\$12,332,772	\$11,977,280	\$355,492	\$1,524,343	\$1,384,468	\$139,875	\$13,857,115	\$13,361,748	\$495,367
Expenditures continued									
Support services									
Food services	91,165	90,037	1,128	1,176,455	1,281,050	(104,595)	1,267,620	1,371,087	(103,467)
Central services	6,950	5,098	1,852				6,950	5,098	1,852
Community service programs	7,008	6,828	180				7,008	6,828	180
Capital outlay									
Facilities acquisition and construction	51,681	56,556	(4,875)				51,681	56,556	(4,875)
<u>Total expenditures</u>	12,489,576	12,135,799	353,777	2,700,798	2,665,518	35,280	15,190,374	14,801,317	389,057
Excess (Deficiency) of Revenue Over Expenditures	267,048	783,505	516,457	(5,080)	(39,188)	(34,108)	261,968	744,317	482,349
Other Financing Sources (Uses)									
Operating transfers in		9,992	9,992					9,992	9,992
Other	20,710	18,971	(1,739)				20,710	18,971	(1,739)
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	287,758	812,468	524,710	(5,080)	(39,188)	(34,108)	282,678	773,280	490,602
Fund Equity, beginning of year	1,925,142	1,925,142		416,433	416,433		2,341,575	2,341,575	
<u>Fund Equity, end of year</u>	<u>2,212,900</u>	<u>2,737,610</u>	<u>524,710</u>	<u>411,353</u>	<u>377,245</u>	<u>(34,108)</u>	<u>2,624,253</u>	<u>3,114,855</u>	<u>490,602</u>

The accompanying notes are an integral part of these statements.

**East Feliciana Parish School Board**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 1-General Information**

The East Feliciana Parish School Board (School Board) was created by Louisiana Revised Statute (LRS) 17:51 for the purpose of providing public education for the children within East Feliciana Parish. The School Board is authorized by LRS 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of 12 members who are elected from seven districts for terms of four years.

The School Board operates seven schools within the parish with enrollment of approximately 3,000 students. 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.

**Note 2-Summary of Significant Accounting Policies**

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

**A. Financial Reporting Entity**

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

Certain units of local government over which the School Board exercises no authority, such as the East Feliciana Parish Policy Jury and other independently elected officials, are excluded from the accompanying financial statements. These units of government are considered separate from the School Board. The School Board is not a component unit of any other entity nor does it have any component units which require inclusion in the general purpose financial statements.

**East Feliciana Parish School Board**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 2-Summary of Significant Accounting Policies (Continued)**

**B. Fund Accounting**

The financial transactions of the School Board are recorded in individual funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures. Each account group represents a financial reporting system designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not affect net expendable available financial resources. The funds presented in the financial statements are as follows:

**Governmental Fund Types**

**General Fund**

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

**Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund**

The Capital Projects Fund accounts for financial resources used to acquire or construct major capital facilities.

**Debt Service Funds**

Debt service funds account for accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**Agency Funds (Includes School Activity Accounts)**

Agency Funds account for assets held as an agent for schools and school organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**East Feliciana Parish School Board**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 2-Summary of Significant Accounting Policies (Continued)**

**B. Fund Accounting (Continued)**

**General Fixed Assets and General Long-Term Obligation Account Groups**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group rather, than in the governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligations account group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Because they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They instead are reported as liabilities in the General Long-Term Obligations Account Group.

**C. Basis of Accounting**

Basis of accounting refers to when revenue and expenditures or expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental and agency funds are maintained on the modified accrual basis of accounting and use the following practices in recording revenue and expenditures.

**East Feliciana Parish School Board**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 2-Summary of Significant Accounting Policies (Continued)**

C. Basis of Accounting (Continued)

Revenue

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state 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, adopted each year by June 30, become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December, January, and February.

Sales and use taxes are recorded in the month collected by the School Board.

Interest earnings on time deposits are recorded when earned.

Revenue from rentals, leases, and royalties is recorded when earned.

Substantially all other revenue is recorded when received.

Expenditures

Salaries are recorded as expenditures when earned. Teacher salaries are earned over a nine month period, but can be paid over a period up to twelve months.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

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

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

Principal and interest on general long-term obligations are recognized when due.

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

**East Feliciana Parish School Board**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 2-Summary of Significant Accounting Policies (Continued)**

C. Basis of Accounting (Continued)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, sales of fixed assets, books or supplies, proceeds of refunding bonds, payment for refundable bonds, and accrued interest on the sale of bonds are accounted for as other financing sources (uses).

D. Budget Practices

The budget is prepared on the modified accrual basis, consistent with the basis of accounting for comparing budget and actual revenues and expenditures. Formal budget integration is used during the year as a management control device. The School Board does not use encumbrance accounting as a budgetary control.

Proposed general fund and special revenue fund budgets for each fiscal year beginning July 1, and ending June 30, are made available for public inspection at the School Board office. A public hearing is held prior to the adoption of the budget at the School Board office for suggestions and comments from taxpayers. The budget is legally adopted by the School Board by September 15, includes proposed expenditures and the means of financing them for all governmental funds, and is published in the official journal 12 days prior to the public hearing.

The superintendent of schools is authorized to transfer amounts between line items within any fund. However, when actual revenue within a fund is failing to meet estimated annual budgeted revenue and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five per cent or more, a budget amendment is adopted by the School Board in an open meeting. All appropriations lapse at year end. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E. Cash and Cash Equivalents

Under state law, the School Board may deposit funds in a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in United States bonds, treasury notes or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At year end, the School Board had cash and cash equivalents with book balances of \$8,070,248 and bank balances of \$8,989,936.

**East Feliciana Parish School Board**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 2-Summary of Significant Accounting Policies (Continued)**

**E. Cash and Cash Equivalents (Continued)**

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 should at least 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.

Bank deposits are insured or collateralized with securities held by the School Board's agent in the School Board's name, which is considered category 1 level of risk for generally accepted governmental accounting principles.

As of year end, the federal deposit insurance and pledged securities exceeded the bank balances, except for one participating bank which was under collateralized at June 30, 1999 by \$190,173.

**F. Inventory**

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities received through grants to the School Board by the United States Department of Agriculture through the Louisiana Department of Education. Commodities are recorded as revenue when received; however, all inventories are recorded as expenses when consumed. All inventory items purchased are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

**G. Vacation, Sick and Sabbatical Leave**

All twelve-month employees earn ten days of cumulative vacation leave each year. However, upon termination or retirement, all unused vacation leave is forfeited. Nine-month employees earn two days of personal leave each academic year. Any unused personal leave reverts into sick leave at the end of the year.

All School Board employees earn 8 to 18 days of sick leave each year, which can be accumulated without limitation depending upon length of service with the School Board. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay, and all unused sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation or 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.



**East Feliciana Parish School Board**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 2-Summary of Significant Accounting Policies (Continued)**

**G. Vacation, Sick and Sabbatical Leave (Continued)**

Effective August 15, 1999 the Louisiana Legislature's substantially revised the leave policies. The new provisions replaces the "Gayle pay" after all regular sick leave is used with provisions requiring such employees be permitted no more than 90 days extended sick leave each six year period. Also, the changes provides for "medical and recuperative leave" rather than "rest and recuperation" for sabbatical leave purposes

Sabbatical leave benefits are recorded as an expenditure of the period in which paid. The cost of leave privileges, computed in accordance with Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

**H. Prepaid Expenses**

Expenditures for insurance extending over more than one fiscal year are recorded as prepaid expenses. The amount reflected on the balance sheet at year end represents expenditures for future fiscal years and is offset by a fund balance reserve that indicates that it does not represent available spendable resources, even though it is a component of net current assets.

**I. Sales Taxes**

The East Feliciana Parish School Board collects a two percent sales and use tax within East Feliciana Parish.

A one percent sales and use tax was renewed October 21, 1995 the ten years beginning June 30, 1998. One-half of the proceeds of this one percent sales tax are dedicated to the payment of teachers' salaries, and the remainder of the proceeds are to be used for the operation, including maintenance and improvement, of school buildings and sites of the public schools in East Feliciana Parish.

An additional one percent sales tax was approved by voters of the Parish on October 17, 1981 and expires on December 31, 2007. This sales tax is dedicated to capital improvements of the public school system of the Parish, to pay any indebtedness incurred in making capital improvements, and to pay maintenance and operation expenses of the school system.

The sales tax department of the School Board also collects sales and use taxes levied by the East Feliciana Parish Policy Jury. The Policy Jury pays the School Board a collection fee that is negotiated annually. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund

**East Feliciana Parish School Board  
Notes to Financial Statements  
June 30, 1999**

**Note 2-Summary of Significant Accounting Policies (Continued)**

**J. 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 sheets and are not eliminated.

**K. Reserves and Designations of Fund Equity**

Some portions of fund balance are reserved to indicate that a portion of fund equity is legally restricted to a specific future use or is not available for appropriation or expenditure. Other portions of fund balance are designated by the Board for a specific purpose; however, these designations are subject to change.

**L. Use of Estimates**

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

**M. Total Columns on Combined Statements**

Total columns on the combined statements are captioned "Memorandum Only" (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Fund eliminations have not been made in the aggregation of this data.

**Note 3-Levied Taxes**

The following is a summary of authorized and levied ad valorem taxes:

	<b><u>Authorized Millage</u></b>	<b><u>Levied Millage</u></b>
Parish wide taxes		
Constitutional	5.00	3.34
School Board maintenance	17.00	15.51
Debt Service	19.85	19.85

**East Feliciana Parish School Board**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 4-Due From/To Other Funds**

Individual balances due from/to other funds at year end, are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$390,533	
Special Revenue Funds:		
Federal IASA Funds		\$197,433
Other Federal Funds		43,164
Food services		15,779
Debt Service Funds		
Sales Tax	95,717	38,440
Agency Fund - sales tax collections	<u>                    </u>	<u>191,434</u>
<u>Total</u>	<u>486,250</u>	<u>486,250</u>

**Note 5-Due From/To Other Governments**

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

	<u>Due From Other Governments</u>	<u>Due to Other Governments</u>
<b>Governmental Unit</b>		
General Fund		
State of Louisiana	\$331,186	
Other	<u>11,984</u>	
Total general fund	343,170	
Special Revenue Funds		
State of Louisiana	322,153	\$4,068
Debt Service Funds		
Other	2,926	
Agency Fund		
Sales tax - East Feliciana Parish Police Jury	<u>                    </u>	<u>172,987</u>
<u>Total</u>	<u>668,249</u>	<u>177,055</u>

**East Feliciana Parish School Board  
Notes to Financial Statements  
June 30, 1999**

**Note 6-Transfers From/To Other Funds**

Individual transfers in and out are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
From Debt Service Fund - Sales Tax	\$9,992	
Debt Service Fund - Sales Tax		
To General Fund		\$9,992

**Note 7-Fixed Assets**

The changes in general fixed assets follow:

	<u>Balance June 30, 1998</u>	<u>Adjustments/ Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance June 30, 1999</u>
Land	\$2,146,230		\$133,000	\$2,013,230
Buildings and improvements	15,583,606		340,164	15,243,442
Furniture and equipment	2,906,659	\$787,265		3,693,924
Equipment under capital lease	<u>347,992</u>	<u>      </u>	<u>347,992</u>	<u>      </u>
<u>Total</u>	<u>20,984,487</u>	<u>787,265</u>	<u>821,156</u>	<u>20,950,596</u>

Land and buildings were sold for \$150,000 and the sale recorded in the Capital Project Fund. Equipment under capital lease was transferred to furniture and equipment at the conclusion of the lease.

**Note 8-Retirement Systems**

Substantially all employees of the School Board are members in one of two cost sharing, multiple-employer statewide retirement systems. In general, professional employees, such as teachers, principals, and lunchroom workers are members of the Louisiana Teachers Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the systems, with employees' benefits vesting after ten years of service. Benefits of the systems are funded by employee and employer contributions. The contribution rates (as a percent of covered salaries) for the year ended June 30, 1999 are determined by state statute as follows.

**East Feliciana Parish School Board  
Notes to Financial Statements  
June 30, 1999**

**Note 8-Retirement Systems (Continued)**

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers Retirement System	8.00%	16.50%
Louisiana School Employees Retirement System	6.35%	6.00%

Contribution requirements may be amended by state statutes. As provided by Louisiana Revised Statute, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The East Feliciana Parish School Boards contributions for the current year and the two preceding years were equal to the required contributions and are as follows:

	Year Ended June 30,		
	<u>1999</u>	<u>1998</u>	<u>1997</u>
Retirement System			
Louisiana Teachers'	\$1,125,053	\$1,239,488	\$1,088,351
Louisiana School Employees	46,598	44,439	40,647

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

A brief statement of terms of the pension plan follows:

Louisiana School Employees' Retirement System (LSERS)

Membership is mandatory for all employees under age 60 employed by a Louisiana Parish or City School Board who work more than twenty hours per week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide. Members are vested after 10 years of service.

A member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60.

The maximum retirement benefit is an amount equal to 2½% of the average compensation for the three highest consecutive years of membership service, multiplied by the number of years of service, plus a supplementary allowance of \$24.00 per annum or \$2.00 per month for each year

**East Feliciana Parish School Board**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 8-Retirement Systems (Continued)**

Louisiana School Employees' Retirement System (LSERS) (Continued)

of service, not to exceed average final compensation. The supplemental allowance was eliminated for members entering the Plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

Effective January 1, 1992, any member retiring on or after January 1, 1992 shall receive for their first 20 years of service a 2½% accrual rate, with a 3% accrual rate for each year after 20 years.

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and has been certified as disabled by the Medical Board.

Upon the death of a member with five or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from \$300 up to 75% of the member's average compensation for the three highest consecutive years of membership service.

Temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31:3121(b)(7)-2 are not eligible for membership in the Plan. Any part-time employee who works less than 20 hours per week and does not have at least 10 years of credited service will be refunded their contributions.

Louisiana Teachers' Retirement System

The System consists of three membership plans which require mandatory enrollment for all employees that meet the following eligibility requirements:

- TRSL Regular Plan - employees that meet the legal definition of a "teacher" in accordance with Louisiana Revised Statutes 11:701(23)(a).
- TRSL Plan A - employees paid with school food service funds in which the parish has withdrawn from Social Security coverage.
- TRSL Plan B - employees paid with school food service funds in which the parish has not withdrawn from Social Security coverage.

Teachers' Retirement System of Louisiana provides retirement, disability and survivor benefits. Service retirements vest after 10 years of credited service, disabilities after 5 years, provided the member is in active service at the time of filing application for disability retirement. The formula

**East Feliciana Parish School Board  
Notes to Financial Statements  
June 30, 1999**

**Note 8-Retirement Systems (Continued)**

Louisiana Teachers' Retirement System (Continued)

for annual maximum retirement benefits is 2 or 2½ percent (Regular Plan), 1 or 3 percent (Plan A), or 2 percent (Plan B) of final average salary for each year of credited service. Final average salary is based upon the member's highest successive 36 months of salary. Benefits are paid monthly for life. If a member leaves covered employment prior to vesting or dies prior to establishing eligibility for survivor benefits, accumulated member contributions are refunded.

Both systems issue a publicly available annual financial report that includes financial statements and required supplementary information. These reports may be obtained by contacting the Louisiana Teachers Retirement System, P. O. Box 94123, Baton Rouge, Louisiana 70804-9123 (phone number 504-925-6448); and School Employees' Retirement System, P. O. Box 44516, Baton Rouge, Louisiana 70804-4516 (phone number 504-925-6484).

**Note 9-Post-Retirement Health and Life Insurance Benefits**

The East Feliciana Parish School Board in accordance with State statutes 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 two insurance companies whose monthly premiums are paid jointly by the employee, the State Employees Group Benefits Program (the state), and the School Board. The School Board recognizes the cost of providing these benefits as an expenditure when paid and simultaneously recognizes the state's portion of the premiums as a revenue. The employer's cost of providing these benefits for the fiscal year ended June 30, 1999 was as follows:

Number of employees	<u>100</u>
Amount of expenditure	<u>\$272,841</u>

**Note 10-General Long-Term Obligations**

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Capital Lease</u>	<u>Total</u>
Long-term obligations payable at June 30, 1998	\$4,825,000	\$708,448	\$115,480	\$5,648,928
Additions		105,929		105,929
Deductions	<u>(1,030,000)</u>	_____	<u>(115,480)</u>	<u>(1,145,480)</u>
Long-term obligations payable at June 30, 1999	<u>3,795,000</u>	<u>814,377</u>	<u>—</u>	<u>4,609,377</u>

**East Feliciana Parish School Board**  
**Notes to Financial Statements**  
**June 30, 1999**

**Note 10-General Long-Term Obligations (Continued)**

<b>Consolidated School District No. 1 <u>Date of Issue</u></b>	<b><u>Original Issue</u></b>	<b><u>Interest Rate</u></b>	<b><u>Final Pay- ment Date</u></b>	<b><u>Interest to Maturity</u></b>	<b><u>Principal Outstanding</u></b>
Sales Tax Revenue Bonds August 1, 1991	\$2,740,000	5.0%-6.5%	10-01-2002	\$173,276	\$1,300,000
General Obligation Bonds November 25, 1997	<u>3,985,000</u>	4.1%-6.5%	05-01-2002	<u>230,210</u>	<u>2,495,000</u>
<b><u>Total</u></b>	<b><u>6,725,000</u></b>			<b><u>403,486</u></b>	<b><u>3,795,000</u></b>

The principal and interest requirements of the Consolidated School District No. 1 General Obligation Bonds are funded in accordance with Louisiana law by an annual ad valorem tax levy on taxable property within the school district. The principal and interest requirements of the Consolidated School District No. 1 - Sales Tax Bonds are funded by a one percent sales tax whose proceeds are dedicated for that purpose. At June 30, 1999, the School Board has accumulated \$3,825,508 in the debt service funds for future debt requirements. The bonds are due as follows:

<b><u>Fiscal Year</u></b>	<b><u>Principal Payments</u></b>	<b><u>Interest Payments</u></b>	<b><u>Total</u></b>
2000	\$1,085,000	\$185,865	\$1,270,865
2001	1,145,000	132,038	1,277,038
2002	1,210,000	74,045	1,284,045
2003	<u>355,000</u>	<u>11,538</u>	<u>366,538</u>
<b><u>Total</u></b>	<b><u>3,795,000</u></b>	<b><u>403,486</u></b>	<b><u>4,198,486</u></b>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the assessed value of taxable property. At June 30, 1999, the statutory limit is \$11,469,465 and outstanding bonded debt payable from ad valorem taxes totaled \$2,495,000. The School Board is in compliance with all significant limitations and restrictions contained in the board indentures.

**General Obligation School Refunding Bonds, Series 1998**

The School Board adopted a bond resolution on October 7, 1997, for the purpose of refunding all of the outstanding General Obligation School Refunding Bonds, Series 1987, scheduled to mature on May 1 of the years 1998 to 2007. The refunded bonds were issued to refund the original General Obligation Bonds, dated May 1, 1982. The original bonds were issued to acquire and/or improve lands for building site and playgrounds, and other school building improvements.



**East Feliciana Parish School Board  
Notes to Financial Statements  
June 30, 1999**

**Note 11-Compensation Paid to School Board Members**

The 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. The 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. The monthly payment schedule is as follows:

	July 1, 1998 to March 31,	April 1, 1999 to June 30,
Board president	\$400	\$600
Other board members	350	550
Meeting absence deduction	50	50

Payments to board members for the year ended June 30, 1999 were as follows:

Elliot Corcoran	\$4,400	Willie Jackson	\$4,350
Minnie Douglas	4,400	Donald Jefferson	4,350
Alvin Fort	4,400	Jean Lanoue	1,750
Mitch Harrell	4,350	Richard Terrell	5,000
Melinda Howell	1,650	Edward Williams	4,450
Simon Jackson	4,450	Greg O'Quin	1,700
Sam D'Aquila	2,700	Earnest Barnes	2,700
Michael Bradford	2,700		

**Note 12-Federal Grants**

The School Board participates in a number of federally assisted grant programs. These programs are audited in accordance with the 1997 OMB Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations." Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the School Board's management believes that further examinations would not result in any material disallowed costs.

**Note 13-Litigation**

The School Board is involved in three lawsuits of which legal representation is being handled by the insurance carrier. Legal exposure is not expected to exceed insurance coverage.

## **Special Revenue Funds**

### **Federal (IASA) Fund**

The objective of Title I, Part A of the Improving America's Schools Act (IASA), is 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. This program is a federally funded by the U.S. Department of Education and passed through the Louisiana Department of Education.

### **Other Federal Funds**

The Special Education Fund is a federally financed program of free education in the least restricted environment to children with exceptionalities. Vocational Education Grants, Starting Points Grants and Drug Free School Grants.

### **School Food Service Fund**

The School Lunch Fund is used to account for the operations of the school food service program in the parish school system during the regular school term. The purposes of the school food service program are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults. The program is subsidized by grants from the U.S. Department of Agriculture and the Louisiana Department of Education.

**East Feliciana Parish School Board  
Special Revenue Funds  
Combining Balance Sheet  
June 30, 1999**

	<u>Federal IASA Funds</u>	<u>Other Federal Funds</u>	<u>School Food Service Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents		\$15,039	\$417,177	\$432,216
Receivables			8,912	8,912
Inventory			25,274	25,274
Due from other Governments	\$271,351	50,802		322,153
	<u>271,351</u>	<u>65,841</u>	<u>451,363</u>	<u>788,555</u>
<b>Liabilities and Fund Equity</b>				
<b>Liabilities</b>				
Cash and cash equivalents - fund overdraft	\$3,084			\$3,084
Accounts payable	768	\$6,240	\$175	7,183
Accrued salaries	69,642	12,793	58,164	140,599
Due to other funds	197,433	43,164	15,779	256,376
Due to other governments	424	3,644		4,068
	<u>271,351</u>	<u>65,841</u>	<u>74,118</u>	<u>411,310</u>
<b>Fund Equity</b>				
Unreserved	--	--	377,245	377,245
	<u>271,351</u>	<u>65,841</u>	<u>451,363</u>	<u>788,555</u>
Total liabilities and fund equity	<u>271,351</u>	<u>65,841</u>	<u>451,363</u>	<u>788,555</u>

**East Feliciana Parish School Board**  
**Special Revenue Funds**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Equity**  
**Year Ended June 30, 1999**

	<u>Federal IASA Funds</u>	<u>Other Federal Funds</u>	<u>School Food Service Fund</u>	<u>Total</u>
<b>Revenue</b>				
Local services				
Interest earnings			\$10,984	\$10,984
Other (food sales)			95,886	95,886
Federal sources - restricted				
Grants-in-aid - subgrants	\$971,260	\$412,428	965,508	2,349,196
State sources -				
Restricted grants			170,264	170,264
	<u>971,260</u>	<u>412,428</u>	<u>1,242,642</u>	<u>2,626,330</u>
<b>Expenditures</b>				
Instruction				
Regular programs		119,093		119,093
Special Education Programs	930	90,929		91,859
Vocational Education	38,959	62,287		101,246
Special and adult education programs	699,889	33,403		733,292
Support services				
Pupil services	51,278	49,876		101,154
Instructional staff support	159,190	45,059		204,249
General administration	13,653	3,661		17,314
School administration		552		552
Operations and maintenance	8,141	7,568		15,709
Food services			1,281,050	1,281,050
	<u>972,040</u>	<u>412,428</u>	<u>1,281,050</u>	<u>2,665,518</u>
Excess of Revenue Over (Under) Revenue	(780)		(38,408)	(39,188)
Fund Equity				
Beginning of year	780		415,653	416,433
<b>Fund Equity End of Year</b>	<u><u>--</u></u>	<u><u>--</u></u>	<u><u>377,245</u></u>	<u><u>377,245</u></u>

**East Feliciana Parish School Board  
Special Revenue Funds -IASA Funds  
Statement of Revenue, Expenditures and Changes in Fund Equity  
Budget and Actual (GAAP Basis)  
Year Ended June 30, 1999**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenue</b>			
Federal sources - restricted Grants-in-aid - subgrants	1,035,956	\$971,260	(\$64,696)
Total revenue	<u>1,035,956</u>	<u>971,260</u>	<u>(64,696)</u>
<b>Expenditures</b>			
Instruction			
Regular programs			
Special Education Programs	930	930	
Vocational Education	38,959	38,959	
Special and adult education programs	790,356	699,889	90,467
Support services			
Pupil services	51,278	51,278	
Instructional staff support	131,026	159,190	(28,164)
General administration	14,187	13,653	534
Operations and maintenance	10,000	8,141	1,859
Total expenditures	<u>1,036,736</u>	<u>972,040</u>	<u>64,696</u>
<b>Excess of Revenue Over (Under) Revenue</b>	(780)	(780)	
<b>Fund Equity Beginning of Year</b>	<u>780</u>	<u>780</u>	
<b>Fund Equity End of Year</b>	<u><u>--</u></u>	<u><u>--</u></u>	<u><u>--</u></u>

**East Feliciana Parish School Board**  
**Special Revenue Funds - Other Federal Funds**  
**Statement of Revenue, Expenditures and Changes in Fund Equity**  
**Budget and Actual (GAAP Basis)**  
**Year Ended June 30, 1999**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenue</b>			
Federal sources - restricted Grants-in-aid - subgrants	\$487,607	\$412,428	\$75,179
Total revenue	<u>487,607</u>	<u>412,428</u>	<u>75,179</u>
<b>Expenditures</b>			
Instruction			
Regular programs	129,518	119,093	10,425
Special Education Programs	20,018	90,929	(70,911)
Vocational Education	206,933	62,287	144,646
Special and adult education programs	33,403	33,403	
Support services			
Pupil services	57,569	49,876	7,693
Instructional staff support	33,038	45,059	(12,021)
General administration	4,128	3,661	467
School administration	3,000	552	2,448
Operations and maintenance		7,568	(7,568)
Total expenditures	<u>487,607</u>	<u>412,428</u>	<u>75,179</u>
Excess of Revenue Over (Under) Revenue	--	--	--
Fund Equity Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>
Fund Equity End of Year	<u>--</u>	<u>--</u>	<u>--</u>

**East Feliciana Parish School Board**  
**Special Revenue Funds - School Food Service**  
**Statement of Revenue and Expenditures and Changes in Fund Equity**  
**Budget and Actual (GAAP Basis)**  
**Year Ended June 30, 1999**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenue</b>			
Local sources			
Interest earnings	\$14,000	\$10,984	(\$3,016)
Other (food sales)	95,891	95,886	(5)
Federal sources - restricted			
Grants-in-aid - subgrants	892,000	965,508	73,508
State sources -			
Restricted grants	170,264	170,264	
	<u>1,172,155</u>	<u>1,242,642</u>	<u>70,487</u>
 <b>Expenditures</b>			
Support services			
Food services	<u>1,176,455</u>	<u>1,281,050</u>	<u>(104,595)</u>
Total expenditures	<u>1,176,455</u>	<u>1,281,050</u>	<u>(104,595)</u>
 Excess of Revenue Over (Under) Revenue	(4,300)	(38,408)	(34,108)
 Fund Equity Beginning of Year	<u>415,653</u>	<u>415,653</u>	
 <b>Fund Equity End of Year</b>	<u><u>411,353</u></u>	<u><u>377,245</u></u>	<u><u>(34,108)</u></u>

## **Debt Service Funds**

### **Consolidated School District No. 1 Funds**

The Consolidated School District No. 1 Debt Service Fund accumulates monies for payment of a \$5,445,000 bond issue, which is financed by a special property tax on property within the parish, and a \$2,740,000 bond issue which is funded by a one percent sales tax . These bonds were issued to construct and improve buildings, and other school related facilities and acquire the necessary equipment and furnishings.



**East Feliciana Parish School Board  
Debt Service Funds  
Combining Balance Sheet  
June 30, 1999**

	<u>Ad Valorem</u>	<u>Sales Tax</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$252,130	\$3,514,953	\$3,767,083
Due from other funds		95,717	95,717
Due from other governments	2,926		2,926
	<u>255,056</u>	<u>3,610,670</u>	<u>3,865,726</u>
 <b>Liabilities and Fund Equity</b>			
<b>Liabilities</b>			
Accounts payable		\$1,778	\$1,778
Due to other funds		38,440	38,440
		<u>40,218</u>	<u>40,218</u>
 <b>Fund equity</b>			
Fund balances			
Reserved for debt service	\$255,056	2,006,032	2,261,088
Unreserved			
Designated for debt service		1,564,420	1,564,420
Total fund equity	<u>255,056</u>	<u>3,570,452</u>	<u>3,825,508</u>
Total Liabilities and Fund Equity	<u>255,056</u>	<u>3,610,670</u>	<u>3,865,726</u>

**East Feliciana Parish School Board  
Debt Service Funds  
Combining Statement of Revenue, Expenditures, and Changes in Fund Equity  
Year Ended June 30, 1999**

	<u>Ad Valorem</u>	<u>Sales Tax</u>	<u>Total</u>
<b>Revenue</b>			
Local sources			
Taxes			
Ad valorem	\$900,973		\$900,973
Sales, use and other		\$1,022,622	1,022,622
Interest earnings	17,389	105,283	122,672
Other	817		817
	<u>919,179</u>	<u>1,127,905</u>	<u>2,047,084</u>
<b>Expenditures</b>			
General administration			
Tax assessment and collection services	33,429	57,439	90,868
Debt service			
Principal retirement	755,000	275,000	1,030,000
Interest	144,825	91,038	235,863
Total expenditures	<u>933,254</u>	<u>423,477</u>	<u>1,356,731</u>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<u>(14,075)</u>	<u>704,428</u>	<u>690,353</u>
<b>Other Financing Sources (Uses)</b>			
Operating transfers out		(9,992)	(9,992)
Total other financing sources (uses)		<u>(9,992)</u>	<u>(9,992)</u>
<b>Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses</b>	<u>(14,075)</u>	<u>694,436</u>	<u>680,361</u>
<b>Fund Equity, beginning of year</b>	<u>269,131</u>	<u>2,876,016</u>	<u>3,145,147</u>
<b>Fund Equity, end of year</b>	<u>255,056</u>	<u>3,570,452</u>	<u>3,825,508</u>

## **Agency Funds**

### **School Activity Fund**

The School Activity Fund accounts for monies generated by the schools and organizations within the schools of the parish. While these 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 Fund**

The Sales Tax Fund accounts for the collection and distribution of a two percent sales and use tax levied by the School Board and a one and three-fourths percent sales and use tax levied by the East Feliciana Parish Police Jury.

**East Feliciana Parish School Board  
Agency Funds  
Combining Balance Sheet  
June 30, 1999**

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	<u>\$67,265</u>	<u>\$411,870</u>	<u>\$479,135</u>
Total assets	<u><u>67,265</u></u>	<u><u>411,870</u></u>	<u><u>479,135</u></u>
 <b>Liabilities</b>			
Due other funds		\$191,434	\$191,434
Amounts held for schools	\$67,265		67,265
Due to other governments		172,987	172,987
Sales tax escrow		<u>47,449</u>	<u>47,449</u>
Total liabilities	<u><u>67,265</u></u>	<u><u>411,870</u></u>	<u><u>479,135</u></u>

**East Feliciana Parish School Board  
Statement of Changes in Agency Funds  
Year Ended June 30, 1999**

	<u>Balance</u> <u>July 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1999</u>
<b>School Activity Funds</b>				
Cash and deposits held for schools				
Clinton Elementary	\$15,009	\$66,085	\$66,887	\$14,207
Clinton High	27,634	165,321	161,876	31,079
Clinton Middle	7,020	36,427	39,031	4,416
Jackson Complex	17,519	159,060	163,793	12,786
Slaughter Elementary	9,527	34,767	39,517	4,777
Totals	<u>76,709</u>	<u>461,660</u>	<u>471,104</u>	<u>67,265</u>
<b>Sales Tax Collection Fund</b>				
Assets				
Cash and cash equivalents	<u>\$409,649</u>	<u>\$5,762,110</u>	<u>\$5,759,889</u>	<u>\$411,870</u>
Liabilities				
Accounts payable	\$5,980		\$5,980	
Due other funds	206,807	\$1,863,207	1,878,580	\$191,434
Due to other governments	134,969	3,898,903	3,860,885	172,987
Sales tax escrow	61,893		14,444	47,449
Total liabilities	<u>409,649</u>	<u>5,762,110</u>	<u>5,759,889</u>	<u>411,870</u>
<b>Total Agency Funds</b>				
Assets				
Cash and cash equivalents	<u>\$486,358</u>	<u>\$6,223,770</u>	<u>\$6,230,993</u>	<u>\$479,135</u>
Liabilities				
Accounts payable	\$5,980		\$5,980	
Due other funds	206,807	\$1,863,207	1,878,580	\$191,434
Amounts held for schools	76,709	461,660	471,104	67,265
Due to other governments	134,969	3,898,903	3,860,885	172,987
Sales tax escrow	61,893		14,444	47,449
Total liabilities	<u>486,358</u>	<u>6,223,770</u>	<u>6,230,993</u>	<u>479,135</u>

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.



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ROBERT E. WALES, C.P.A.  
J. CHARLES PARKER, C.P.A.  
LOUIS C. MCKNIGHT, III, C.P.A.  
ANTHONY J. CRISTINA, III, C.P.A.  
CHARLES R. PEVEY, JR., C.P.A.  
DAVID J. BROUSSARD, C.P.A.

ROBERT E. HAWTHORN, C.P.A.  
(1986-1977)  
JOHN F. WAYMOUTH, C.P.A.  
(1902-1987)  
HOWARD V. CARROLL, C.P.A.  
(1900-1993)  
WARREN C. BEEF, C.P.A.  
RETIRED  
ROBERT J. ZERINCHI, C.P.A.  
RETIRED  
CARL L. HANCOCK, C.P.A.  
RETIRED

CERTIFIED PUBLIC ACCOUNTANTS

8555 UNITED PLAZA BLVD.  
BATON ROUGE, LOUISIANA 70809  
(225) 923-3000 • FAX (225) 923-3008

October 28, 1999

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

East Feliciana Parish School Board  
Clinton, Louisiana

Board Members:

We have audited the financial statements of the

**East Feliciana Parish School Board  
Clinton, Louisiana**

as of and for the year ended June 30, 1999, and have issued our report thereon dated October 28, 1999. We conducted our audit in accordance with generally accepted auditing standards and 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 East Feliciana Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as items 99-3 and 99-4.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered East Feliciana 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 financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect East Feliciana Parish School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1 and 99-2.

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We consider the reportable conditions 99-1 and 99-2, described above, to be material weaknesses.

This report is intended for the information of the East Feliciana Parish School Board, management, the Louisiana Department of Education, the Single Audit Clearing House, and the Louisiana State Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

*Hawthorn, Weymouth, & Carroll L.L.P.*

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

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RETIRED  
CARL L. HANCOCK, C.P.A.  
RETIRED

October 28, 1999

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

East Feliciana Parish School Board  
Clinton, Louisiana

Board Members:

Compliance

We have audited the compliance of the

**East Feliciana Parish School Board  
Clinton, Louisiana**

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. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of East Feliciana Parish School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.



As described in item 99-5 in the accompanying schedule of findings and questioned costs, East Feliciana Parish School Board did not comply with requirements regarding procurement policies, state laws, and reimbursement of federal funds that are applicable to its School Lunch and Breakfast Programs. Compliance with such requirements is necessary, in our opinion, for the School Board to comply with requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, East Feliciana 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.

#### Internal Control Over Compliance

The management of the East Feliciana 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 the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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 internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the East Feliciana Parish School Board, management, the Louisiana Department of Education, the Single Audit Clearing House, and the Louisiana State Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

*Hawthorn, Waymouth, & Carroll L.L.P.*

**East Feliciana Parish School Board  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 1999**

<b>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</b>	<b><u>CFDA or other Number</u></b>	<b><u>Agency or Pass-through Number</u></b>	<b><u>Federal Expend- itures</u></b>
<b>United States Department of Agriculture</b>			
Pass-through programs from Louisiana Department of Education			
National School Lunch Program	10.555		\$646,073
School Breakfast Program	10.553		245,275
State Child Food Program - Food Distribution	10.550		<u>74,160</u>
Total pass-through programs			<u>965,508</u>
<b>United States Department of Education</b>			
Pass-through program from Louisiana Department of Education			
Bureau of IASA Title I			
1999 Title I Grants to Local Educational Agencies	84.010	99-IASA-19	843,479
1998 Title I Grants to Local Educational Agencies	84.010	98-IASA-19	24,841
1997 Title I Grants to Local Educational Agencies	84.010	97-IASA-19	7,224
Bureau of Consolidated Educational Programs			
1999 Eisenhower Professional Development State Grants	84.281	99-IASA-19-II	23,340
1998 Eisenhower Professional Development State Grants	84.281	98-IASA-19-II	458
1999 Innovative Education Program Strategies	84.298	99-IASA-19-VI	19,049
1998 Innovative Education Program Strategies	84.298	98-IASA-19-VI	1,729
Bureau of Management Assistance			
Special Education - Grants to States	84.027	99-IB-19-S	208,438
Special Education - Preschool Grants	84.173	99-IP-19-S	23,410
Bureau of Student Services			
Safe and Drug-Free Schools and Greatest Need Title IV	84.186	99-IASA and IASAGN-19-IV	50,183
Bureau of Adult Education and Community Services			
Adult Education - State Grant Program	84.002	99-AE-19-F	28,580
Office of the Superintendent			
LA Learn (Goals 2000)	84.276	S276A50018-95	59,996
Bureau of Secondary Education			
Vocational Education - Basic Grants to States	84.028	99-VE-19-2B-BG	39,199
Vocational Education - Tech-Prep Education	84.243	La Tech College	<u>28,569</u>
Total pass-through programs			<u>1,358,495</u>
<b>United States Department of Health and Human Services</b>			
Pass-through program from Louisiana Department of Education			
Office of Student Standards and Assessments			
Child Care and Development Block Grant - Starting Points	93.575	CFMS - 533836	<u>49,812</u>
<b>United States Army</b>			
R.O.T.C.	LA13-0000		<u>84,268</u>
Total expenditures of federal awards			<u>2,458,083</u>

See accompanying notes to schedule of expenditures of federal awards.

**East Feliciana Parish School Board  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 1999**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of East Feliciana Parish School Board and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**East Feliciana Parish School Board  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999**

**Prior Year Financial Statement Audit**

Reportable Conditions

*98-1 State Bid Law Compliance*

This condition resulted from a quandary in interpreting the bid law for the purchase of equipment and related documentation. Nothing new has occurred regarding these findings.

*98-2 Accounting for Furniture and Equipment*

The School Board has not yet implemented a comprehensive inventory of furniture and equipment. See finding 99-1 for further details.

*98-3 School Activity Fund Shortage*

Management has revised the accounting and procedure policies regarding school activity funds. Continued monitoring and follow through of findings are being performed.

*98-4 Audit Report*

Planning by the accounting firm and management was performed to facilitate a timely audit report for the current year.

*98-5 Compliance with Expenditure Laws*

Beginning in April 1999 the Board no longer compensates board members prior to meetings.

**Prior Year Findings and Questioned Costs - Major Federal Awards Programs Audit**

*98-6 Department of Education and Department of Agriculture*

This finding also pertains to the prior year finding 98-1 mentioned above. Nothing new has occurred regarding these findings.

**East Feliciana Parish School Board  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 1999**

**Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the East Feliciana Parish School Board.
2. Two reportable conditions in internal control over financial reporting disclosed during the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. These conditions are considered to be material weaknesses.
3. No instances of noncompliance material to the financial statements of the East Feliciana Parish School Board were disclosed during the audit.
4. One reportable condition in internal control related to the audit of the major federal award programs is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs: Title I Grants, and the National School Lunch, for the East Feliciana Parish School Board expresses a qualified opinion.
6. Audit findings relative to the federal award programs for the East Feliciana Parish School Board are reported in the Findings and Questioned Costs section of this schedule.
7. The programs tested as major programs included:

<u>Name of Program</u>	<u>CFDA No</u>
National School Lunch Program	10.555
National School Breakfast Program	10.553
Title I Grants to Local Educational Agencies	84.010

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The East Feliciana Parish School Board was determined to be a low risk auditee.

**East Feliciana Parish School Board  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 1999**

**Findings - Financial Statement Audit**

*99-1 Accounting for Furniture and Equipment*

**Reportable Condition**

The School Board has not updated the detailed furniture and equipment inventory records to reflect the additions and deletions for the year. This finding is a repeat of prior year finding 98-2.

**Criteria**

Management should maintain fixed assets records to ensure proper safeguards of assets.

**Recommendation**

Management should take the following steps to ensure proper recording and accounting of the additions and deletions of fixed assets:

- a. Current year additions should be reconciled between the fixed asset inventory and the general ledger capital outlay accounts.
- b. A schedule of items deleted from the inventory should be maintained with an explanation as to the reason for the retirement.

**Management's Response**

Management indicated they are in the process of implementing a new computer program that will account for fixed assets.

*99-2 Lunch Program Purchases*

**Reportable Condition**

School Food Service purchases are not being properly approved. Also, food purchases, especially after October 1999, were not made with the low bid supplier and reasons for utilization of alternate suppliers were not documented or approved. Purchase orders, which document the authorization and approval of food orders were not being prepared.

**Criteria**

Board procedure is to use the supplier quoting the lowest price on repetitive purchase goods. Purchase orders are to be properly used for expenditures exceeding \$500.

**Cause and Effect**

Lack of control over food costs results in an inefficient use of school food service funds.

**Recommendation**

Management should have a signed, completed purchase order prior to placing orders with suppliers. The personnel authorizing purchase orders should verify bid compliance prior to approving the purchase order.

**East Feliciana Parish School Board  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 1999**

**Findings - Financial Statement Audit (Continued)**

*99-2 Lunch Program Purchases (continued)*

Management's Response

Management indicated procedures will be implemented to strengthen controls in this program.

*99-3 Pledged Collateral*

Reportable Condition

There was not adequate pledged collateral maintained for one of the participating fiscal banks. The shortage at June 30, 1999 was \$190,173.

Criteria

According to state law and the fiscal agreement with the participating banks, funds on deposit are to be either federally insured or have securities pledged and held with a third party for 100% of the deposited funds.

Recommendation

Management should monitor the adequacy of the pledged securities held in safekeeping.

Management's Response

Management indicated they will monitor pledged securities.

*99-4 Payroll Withholding Forms*

Reportable Condition

Our test of payroll detected several instances of not having current federal and state payroll withholding forms included in the employee personnel files.

Criteria

Federal and state payroll laws require current payroll tax deduction forms completed and signed by each employee.

Recommendation

Management should takes steps to insure all employee payroll records are complete.

Management's Response

Management indicated they will review and update these payroll records.

**East Feliciana Parish School Board  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 1999**

**Findings and Questioned Cost - Major Federal Awards Programs Audit**

*99-5 Department of Agriculture - School Food Program CFDA #10.555 and 10.553*

**Condition**

The finding 99-2 above pertains to these programs

**Findings and Questioned Cost - Non-Major Federal Awards Programs Audit**

*99-6 Department of Health and Human Services - Starting Points Preschool Program cfda #93.575*

**Statement of condition and criteria**

Some expenditures were made at a preschool school other than the one listed in the grant application and contract.

**Questioned\_costs**

Questioned costs are four invoices which total \$1,160.

**Recommendation**

We recommend clarification for this activity be included in the contract.

**Management's response**

It is management's understanding that since both preschool classes were working on the same project the expenditures are acceptable.