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**MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA**

**General Purpose Financial Statements
With Independent Auditor's Report
As Of And For The Year Ended June 30, 1996
With Supplemental Information Schedules**

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 FEB 26 1997

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MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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MADISON PARISH SCHOOL BOARD

Tallulah, Louisiana

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Independent Auditor's Report

Madison Parish School Board
Tallulah, Louisiana

I have audited the accompanying general purpose financial statements of the Madison Parish School Board, Tallulah, Louisiana, as of and for the year ended June 30, 1996. These general purpose financial statements are the responsibility of the Madison Parish School Board's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Madison Parish School Board, Tallulah, Louisiana, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary fund for the year ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary 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 Madison Parish School Board, Tallulah, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with "Government Auditing Standards", I have also issued a report dated December 16, 1996 on my consideration of Madison Parish School Board's internal control structure and a report dated December 16, 1996, on its compliance with laws and regulations.


JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

December 16, 1996

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
COMBINED BALANCE SHEET
All Fund Types and Account Groups
As of and For the Year Ended June 30, 1996

	GOVERNMENTAL FUNDS		FUND	FUND TYPE	GENERAL	GROUPS	TOTAL
	GENERAL FUND	SPECIAL REVENUE FUNDS	INTERNAL SERVICE FUND	ACTIVITY AGENCY FUND	FIXED ASSETS	GENERAL LONG TERM DEBT	(MEMORANDUM ONLY)
ASSETS AND OTHER DEBITS:							
Assets:							
Cash and Cash Equivalents	\$ 2,790,187	\$ 250,381	\$ 147,945	\$ 67,987	\$ -	\$ -	\$ 3,256,500
Investments	-	-	382,776	-	-	-	382,776
Due From Other Funds	80,944	-	14,191	-	-	-	95,135
Due From Government	8,892	39,434	-	-	-	-	48,326
Inventory	-	8,652	-	-	-	-	8,652
Prepaid Expense	15,872	-	24,533	-	-	-	40,405
Land, Buildings, and equipment (net, where applicable, accumulated depreciation)	-	-	-	-	11,403,825	-	11,403,825
Other Debits:							
Amount to be Provided for retirement of general long-term obligations	-	-	-	-	-	376,010	376,010
Other Assets	47,756	-	23,710	-	-	-	71,466
TOTAL ASSETS AND OTHER DEBITS	\$ 2,943,651	\$ 298,467	\$ 593,155	\$ 67,987	\$ 11,403,825	\$ 376,010	\$ 15,683,095

LIABILITIES, EQUITY, AND OTHER CREDITS

Liabilities:							
Salaries Payable	\$ 871,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 871,802
Accounts Payable	243,124	25,491	30,438	-	-	-	299,053
Due to Other Funds	-	65,135	30,000	-	-	-	95,135
Deferred Revenue	-	39,166	-	-	-	-	39,166
Compensated Absences Payable	-	-	-	-	-	376,010	376,010
Total Liabilities:	1,114,926	129,792	60,438	0	0	376,010	1,681,166
Equity and Other Credits:							
Investment in General Fixed Assets	-	-	-	-	11,403,825	-	11,403,825
Fund Balances:							
Undesignated	1,828,725	168,675	532,717	67,987	-	0	2,598,104
Total Equity and Other Credits:	1,828,725	168,675	532,717	67,987	11,403,825	0	14,001,929
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 2,943,651	\$ 298,467	\$ 593,155	\$ 67,987	\$ 11,403,825	\$ 376,010	\$ 15,683,095

combine:

The accompanying notes are an integral part of this statement.

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA

GOVERNMENTAL FUND TYPE
GENERAL AND SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1995

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES:			
Local Sources:			
Taxes	1,510,793.00	-	1,510,793.00
Rentals, Leases & Royalties	41,452.00	-	41,452.00
Earnings On Investments	126,768.00	7,962.00	134,730.00
Food Service	-	39,097.00	39,097.00
Other	18,033.00	76.00	18,109.00
Medical Reimbursements	21,566.00	-	21,566.00
State Sources			
Unrestricted Grants-In-Aid	7,774,581.00	234,565.00	8,009,146.00
Restricted Grants-In-Aid	379,117.00	-	379,117.00
Interest-16th Section Land	2,891.00	-	2,891.00
Revenue In Lieu of Taxes	55,806.00	-	55,806.00
Other	30,537.00	-	30,537.00
Federal Sources:			
Restricted Grants		2,607,006.00	2,607,006.00
Total Revenues	<u><u>9,961,544.00</u></u>	<u><u>2,888,706.00</u></u>	<u><u>12,850,250.00</u></u>

g&srcomp1

The accompanying notes are an integral part of this statement

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
GOVERNMENTAL FUND TYPE
GENERAL & SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1996

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTALS- MEMORANDUM ONLY
TOTAL REVENUES	(9,961,544.00)	(2,888,706.00)	(12,850,250.00)
EXPENDITURES:			
INSTRUCTION:			
REGULAR PROGRAMS	4,062,963.00	52,729.00	4,115,692.00
SPECIAL PROGRAMS	940,851.00	1,120,172.00	2,061,023.00
EDUCATIONAL PROGRAMS	982,500.00	124,409.00	1,106,909.00
SUPPORT SERVICES:			
STUDENT SERVICES		111,512.00	111,512.00
PUPIL SUPPORT SERVICES	424,505.00		424,505.00
INSTR. STAFF SERVICES	493,644.00	519,544.00	1,013,188.00
GENERAL ADMINISTRATION	220,772.00	378,922.00	599,694.00
SCHOOL ADMINISTRATION	638,667.00		638,667.00
BUSINESS SERVICE	128,690.00		128,690.00
OPER. & MAINT. PLANT SERV.	1,040,331.00	70,476.00	1,110,807.00
STUDENT TRANSPORTATION	681,439.00		681,439.00
FOOD SERVICES	82,706.00	537,891.00	620,597.00
CENTRAL SERVICES	1,025.00		1,025.00
BUILDING IMPROVEMENT	153,191.00	35,273.00	188,464.00
OTHER		32,435.00	32,435.00
TOTAL EXPENDITURES:	9,851,284.00	2,983,363.00	12,834,647.00
EXCESS OF REVENUES OVER EXPENDITURES	110,260.00	(94,657.00)	15,603.00
OTHER FINANCING SOURCES (USES)			
TRANSFERS IN	43,197.00	47,452.00	90,649.00
TRANSFERS OUT	(47,452.00)		(47,452.00)
OTHER		62,071.00	62,071.00
TOTAL OTHER FINANCING SOURCES (USES)	(4,255.00)	109,523.00	105,268.00
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	106,005.00	14,866.00	120,871.00
BAL. AT BEGINNING OF YEAR	1,722,720.00	153,809.00	1,876,529.00
BAL. AT END OF YEAR	1,828,725.00	168,675.00	1,997,400.00

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The accompanying notes are an integral part of this statement.

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
GOVERNMENTAL FUND TYPE
GENERAL AND SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
(GAAP) BASIS AND ACTUAL - BUDGET
FOR THE YEAR ENDED JUNE 30, 1996

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE (FAVORABLE UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE (FAVORABLE UNFAVORABLE)
REVENUES:						
LOCAL SOURCES:						
TAXES	1,510,793.00	1,510,793.00	0.00	-	-	0.00
RENTALS, LEASES & ROYALTIES	41,452.00	41,452.00	0.00	-	-	0.00
EARNINGS ON INVESTMENTS	126,768.00	126,768.00	0.00	-	7,962.00	7,962.00
FOOD SERVICE	-	-	0.00	-	39,097.00	39,097.00
OTHER	18,033.00	18,033.00	0.00	150,692.00	76.00	(150,616.00)
MEDICAL REIMBURSEMENTS	21,568.00	21,568.00	0.00	-	-	0.00
STATE SOURCES:						
UNRESTRICTED GRANTS-IN-AID	7,774,581.00	7,774,581.00	0.00	234,565.00	234,565.00	0.00
RESTRICTED GRANTS-IN-AID	379,117.00	379,117.00	0.00	-	-	0.00
INTEREST-16TH SECTION LAND	2,891.00	2,891.00	0.00	-	-	0.00
REVENUE IN LIEU OF TAXES	55,806.00	55,806.00	0.00	-	-	0.00
OTHER	30,537.00	30,537.00	0.00	-	-	0.00
FEDERAL SOURCES:						
RESTRICTED GRANTS				2,536,861.00	2,807,006.00	70,145.00
TOTAL REVENUES	9,961,544.00	9,961,544.00	0.00	2,922,118.00	2,888,706.00	(33,412.00)

G&SRCOMP The accompanying notes are an integral part of this statement

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
GOVERNMENTAL FUND TYPE
GENERAL & SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
(GAAP) BASIS AND ACTUAL - BUDGET
FOR THE YEAR ENDED JUNE 30, 1996

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
TOTAL REVENUES	(9,961,544.00)	(9,961,544.00)	0.00	(2,922,118.00)	(2,888,706.00)	(33,412.00)
EXPENDITURES:						
INSTRUCTION:						
REGULAR PROGRAMS	4,062,963.00	4,062,963.00	0.00	25,666.00	52,729.00	(27,063.00)
SPECIAL PROGRAMS	940,851.00	940,851.00	0.00	1,078,285.00	1,120,172.00	(41,887.00)
EDUCATIONAL PROGRAMS	967,978.00	982,500.00	(14,522.00)	62,335.00	124,409.00	(62,074.00)
SUPPORT SERVICES:					111,512.00	(111,512.00)
STUDENT SERVICES				239,568.00		239,568.00
PUPIL SUPPORT SERVICES	424,505.00	424,505.00	0.00	272,625.00	519,544.00	(246,919.00)
INSTR. STAFF SERVICES	493,644.00	493,644.00	0.00	156,253.00	378,922.00	(222,669.00)
GENERAL ADMIN STRATION	220,772.00	220,772.00	0.00			
SCHOOL ADMINISTRATION	638,667.00	638,667.00	0.00			
BUSINESS SERVICE	128,669.00	128,690.00	(1.00)			
BUSINESS SERVICE	1,040,331.00	1,040,331.00	0.00		70,476.00	(70,476.00)
OPER. & MAINT. PLANT SERV.	681,439.00	681,439.00	0.00			0.00
STUDENT TRANSPORTATION	82,706.00	82,706.00	0.00	1,083,495.00	537,891.00	545,604.00
FOOD SERVICES	285.00	1,025.00	(740.00)			0.00
CENTRAL SERVICES	153,191.00	153,191.00	0.00	600.00	35,273.00	(34,673.00)
BUILDING IMPROVEMENT				36,086.00	32,435.00	3,651.00
OTHER				2,954,913.00	2,983,363.00	(28,450.00)
TOTAL EXPENDITURES:	9,836,021.00	9,851,284.00	(15,263.00)			
EXCESS OF REVENUES OVER EXPENDITURES	85,249.00	110,260.00	5,365.00	(32,795.00)	(94,657.00)	(61,862.00)
OTHER FINANCING SOURCES (Uses)						
TRANSFERS IN	43,197.00	43,197.00	0.00	47,452.00	47,452.00	0.00
TRANSFERS OUT	(47,452.00)	(47,452.00)	0.00			
OTHER				62,071.00	62,071.00	0.00
TOTAL OTHER FINANCING SOURCES (USES)	(4,255.00)	(4,255.00)	0.00	109,523.00	109,523.00	0.00
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	80,994.00	106,005.00	25,011.00	(76,728.00)	14,866.00	(61,862.00)
BAL. AT BEGINNING OF YEAR	1,722,720.00	1,722,720.00	0.00	153,809.00	153,809.00	0.00
BAL. AT END OF YEAR	1,803,714.00	1,828,725.00	25,011.00	77,081.00	168,675.00	(61,862.00)

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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
PROPRIETARY FUND

Statement of Revenues, Expenses, and
Changes In Retained Earnings
For the Year Ended June 30, 1996

OPERATING REVENUES	
Services Provided Other Funds	\$ 84,558
Total operating revenues	<u>84,558</u>
OPERATING EXPENSES	
Workmen's Compensation	83,783
Professional Services	30,899
Office Expense	2,029
Total operating expenses	<u>116,711</u>
OPERATING INCOME (LOSS)	<u>(32,153)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest	<u>32,569</u>
NET INCOME (Loss)	416
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>532,301</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 532,717</u>

s/a stmt-e

The accompanying notes are an integral part of this statement.

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
PROPRIETARY FUND

Statement of Cash (and Cash Equivalents) Flows
For the Year Ended June 30, 1996

Cash Flows From Operating Activities:	\$	(32,153)
Changes in Assets and Liabilities		
Increases(decreases) in Accounts Receivable		(14,191)
Total Cash Flows From Operating Activities:		<u>(46,344)</u>
Cash Flows From Investing Activities		
Interest Income		32,569
Total Cash Flows From Investing Activities		<u>32,569</u>
		<hr/>
Net Increase (Decrease) in Cash & Cash Equivalents:		<u>(13,775)</u>
Cash and Cash Equivalents at Beginning of Year:		<u>161,720</u>
Cash and Cash Equivalents at End of Year:	\$	<u>147,945</u>

The accompanying notes are an integral part of this statement.

s/a stmtnt-f

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

INTRODUCTION

The Madison Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 for the purpose of providing public education for the children within Madison Parish. The School Board is authorized by LSA-R.S. 17:51 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 composed of eight members who are elected from eight districts for terms of four years.

The School Board operates six schools within the parish with a total enrollment of 3,201 pupils for the year ended June 30, 1996. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Madison 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.

B. REPORTING ENTITY

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

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

C. FUND ACCOUNTING

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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

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

Governmental Funds

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

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

Proprietary Funds

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

Fiduciary Funds

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

1. School Activity Agency Fund -- accounts for assets held by the School Board as an agent for individual schools and school

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is followed by all governmental funds and the agency fund. The School Board uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

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, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

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

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

Expenditures

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

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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.

Other Financing Sources

Transfers between funds that are not expected to be repaid (or any types), are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the school board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

All proprietary funds and non-expendable trust funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary funds and non-expendable trust funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.

E. BUDGETS

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

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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

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

F. ENCUMBRANCES

Encumbrance Accounting is not used.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days.

Under state law, the Madison Parish School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

L INVENTORIES

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. All inventory items purchased are valued at the lower of cost (first-in, first-out) or

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

J. PREPAID ITEMS

Prepaid expenses consist of pre-paid insurance premiums.

K. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures (immaterial) are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

L. COMPENSATED ABSENCES

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

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 year of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

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

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

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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

The accounting for sabbatical leave depends on whether the compensation during the sabbatical is for service during the period of the leave or, instead, for past service. Sabbatical leave for service is rendered; a liability should be accounted for in the period the service is rendered; a liability should not be reported in advance of the sabbatical. Sabbatical leave for the past service should be accrued during the period(s) the employees earn the right to the leave if it is probable that the school board will compensate the employees for the benefits through paid time off or some other means.

Only the current portion of the liability for compensated absences should be reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. the remainder of the liability should be reported in the general long-term obligations account group.]

M. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

N. FUND EQUITY

Reserves

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

Designated Fund Balances

Designated Fund Balances represent tentative plans for future use of financial resources.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

O. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. SALES TAXES

In 1993, the Madison Parish School Board became the tax collecting agency for the parish. Total receipts for 1996 were 2,243,962. Total Disbursements for 1996 were \$2,243,962.

Q. TOTAL COLUMNS ON COMBINED STATEMENTS

The total columns presented in the combined financial 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.

2. EXPENDITURES - ACTUAL AND BUDGET

The following individual funds had actual expenditures/expenses over budgeted expenditures/expenses for the year ended June 30, 1996:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 9,836,021	\$ 9,851,284	<15,263>
Special Revenue Funds	\$ 2,954,913	\$ 2,983,363	<28,450>

3. LEVIED TAXES

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

Parish Wide Taxes:	<u>Authorized Millage</u>
	<u>1996</u>
Constitutional:	5.27
Additional Support:	5.27

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

4. CASH AND CASH EQUIVALENTS

At June 30, 1996, the School Board had cash and cash equivalents (book balances) totaling \$ 3,256,500.00 as follows:

Demand Deposits	2,079,725
CD's and Other Investments	<u>1,176,775</u>
Total	<u><u>3,256,500</u></u>

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. At June 30, 1996, the School Board has \$3,885,824 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$5,052,475 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

5. INVESTMENTS

At June 30, 1996, the School Board holds investments totaling \$ 382,775 as follows:

	Carrying Amount	Market Value
Paine-Webber Mortgage-Backed Securities	<u>382,775</u>	<u>342,786</u>
TOTAL	<u><u>382,775</u></u>	<u><u>342,786</u></u>

The investments are in the name of the Madison Parish School Board at the Madison Parish School Board Office.

6. GENERAL FIXED ASSETS

	Land	Buildings	Furniture & Equipment	Total
Balance at June 30, 1995	301,310	7,088,561	3,020,495	10,410,366
Additions	-0-	-0-	1,016,283	1,016,283
Deletions	-0-	-0-	<u>(22,824)</u>	<u>(22,824)</u>
Balance at June 30, 1996	<u>301,310</u>	<u>7,088,561</u>	<u>4,013,954</u>	<u>11,403,825</u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

7. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

	Balance July 1, 1995	Additions	Reductions	Balance June 30, 1996
Liability For:				
Compensated Absences	373,160	33,235	(30,385)	376,010
Balance at June 30, 1996	<u>373,160</u>	<u>33,235</u>	<u>(30,385)</u>	<u>376,010</u>

8. RETIREMENT SYSTEMS

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

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

	1996	
	Employee	Employer
La Teacher's Retirement System (TRS):		
Regular	8.00%	16.5%
Plan A	9.10%	16.5%
La School Employees' Retirement System (LSERS)	6.29%	6.0%

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. For the 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 in 1974. For the year ended June 30, 1996, the current-year payroll for the School Board totaled \$7,946,585. The employer contributions and total current-year payroll of covered employees for the year ended June 30, 1996, follow:

	Regular	Plan A	LSERS	Total
Employer Contribution	886,160	114,588	55,348	1,056,096
Total covered current-year payroll	5,633,586	703,295	861,844	7,198,725

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

9. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Madison Parish School Board provides certain continuing health care and life insurance benefits for its 85 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 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 were \$204,185 for 1996.

10. LIABILITY FOR COMPENSATED ABSENCES

During fiscal year 1996, employees were allowed to accrue ten to twelve days sick leave each year, without limit, and could elect to receive any unused portion of their local sick leave in cash. Effective September 1, 1991, the School Board adopted a new sick leave policy that will not allow employees to receive cash for unused local sick days. Due to this change, many employees elected to receive cash for their unused portion of local sick days prior to August 31, 1991.

Teachers and administrative personnel do not receive paid vacations but are paid only for the number of days they are required to work each year (183 days for teachers and 230 days for administrative personnel). Maintenance employees are granted vacation leave in varying amounts. In the event of termination an employee is reimbursed for any unused accumulated leave. The School Board has no liability for unused vacation pay since all vacation leave is used or lost if not taken each year. Vacation pay is charged to operations when taken by the employees of the School Board.

11. SELF-INSURANCE FUND

Beginning in 1992, the School Board established a Worker's Compensation self-insurance plan for School Board employees to minimize the cost of insurance to the School Board. This program is for the benefit of all School Board employees. The School Board established an Internal Service Fund to account for these activities and to facilitate accountability and management control.

12. ACCOUNTS, SALARIES & OTHER PAYABLES

	General Fund	Special Revenue Funds	Total
Salaries	871,802	0	871,802
Accounts	243,124	43,596	286,720
Total	<u>1,114,926</u>	<u>43,596</u>	<u>1,158,522</u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

13. INTERFUND RECEIVABLES & PAYABLES

<u>Due To General Fund</u>	80,944.16	<u>Due From</u>
Workmens Comp		30,000.00
Summer Feed		817.00
Medicaid		(23,865.00)
Serve America		1,309.90
Dependent Care		6,806.00
IASA Fund		22,079.00
Voc Ed		10,791.79
Adult Ed		510.02
Drug Free		16,781.00
Health Prog		9,473.50
Comp Health		6,240.95
	<hr/>	<hr/>
<i>Total Due To/From</i>	80,944.16	80,944.16
<u>Due To Workmen's Comp Fund</u>	14,191.36	
IASA-Chapter 1		3,001.36
General Fund		1,285.00
Lunch Fund		9,905.00
	<hr/>	<hr/>
	14,191.36	14,191.36
<i>Total Due To / From</i>	<u>95,135.52</u>	<u>95,135.52</u>

14. COMMITMENTS AND CONTINGENCIES

The Board is the defendant in several lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse affect on the accompanying combined financial statements, and, accordingly, no provision for losses has been recorded.

The Board participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Board has not complied by the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 1996, may be impaired. In the opinion of the Board, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Thus no provision has been recorded in the accompanying financial statements for such contingencies.

SUPPLEMENTAL INFORMATION SCHEDULES

Special Revenue Funds

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Supplemental Information Schedules
As of and For the Year Ended June 30, 1996

School Lunch Fund

The School Lunch Fund accounts for operations of the school cafeterias where the governing body has decided that periodic determination of revenue earned, expenditures incurred, and the amount of subsidies required from state and federal sources is appropriate.

Education Consolidation and Improvement Act Funds

Chapter I of the Education Consolidation and Improvement Act (ECIA) is a program for economically and educationally deprived school children that is federally financed, state administered and locally operated by the school board. The Chapter I services are provided through various projects that are designed to meet the special needs of the educationally deprived children. The activities supplement rather than replace state and locally mandated activities.

Chapter II of the Education Consolidation and Improvement Act encompasses the regular program for which the federal government provides block grant funds to the school system based on a per pupil allocation for audio-visual material and equipment and for library resources.

Special Education – Public Law 94-142

Public Law 94-142 is a federally financed program of free education in the least restrictive environment for children with exceptionalities.

Summer Food Service Program for Children

The Summer Food Service Program for Children provides assistance to states through grants, aids and other means. This program conducts non-profit food service programs for needy children during the summer months and at other approved times, when area schools are closed for vacation.

Drug Free Schools

The Drug-Free School Program provides funds for certain types of alcohol and drug abuse prevention, treatment and rehabilitation services specified by statute.

Job Training Partnership Act

The Job Training Partnership Act (JTPA) provides funds to states to use to establish programs to prepare youth and unskilled adults for entry into the labor force. These programs should afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment and who are in special need of such training to obtain productive employment.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Supplemental Information Schedules (Continued)

Fiduciary Fund Type -- School Activity Agency Fund

The School Activity Agency Fund accounts for those monies collected by pupils and school personnel for school-purposed or for school-related purposes. The school activity accounts are classified as agency funds, and the School Board's responsibility for these accounts is fiduciary in nature.

Each school accounts for its individual student body organizations. The revenues of these accounts consist primarily of fees, fund raising projects and contributions. Expenditures are made for a wide variety of school activities. These accounts are under the supervision of the school principals.

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996

	SCHOOL LUNCH	CHAPTER I	CHAPTER II	PUBLIC LAW	SUMMER FOOD	IN SCHOOL HEALTH	JTPA	TOTAL
ASSETS								
Cash	184,408.00	26,494.00	-	-	39,479.00	-	-	250,381.00
Receivables from General Fund	-	-	-	-	-	-	-	0.00
Due from fed/state govt	-	-	26,573.00	-	-	12,861.00	-	39,434.00
Inventory	8,652.00	-	-	-	-	-	-	8,652.00
TOTAL ASSETS	193,060.00	26,494.00	26,573.00	0.00	39,479.00	12,861.00	0.00	298,467.00
LIABILITIES AND FUND EQUITY								
Liabilities:								
Salaries Payable	-	-	-	-	-	-	-	0.00
Accounts Payable	15,390.00	-	6,714.00	-	-	3,387.00	-	25,491.00
Due to other funds	9,905.00	25,080.00	19,859.00	-	817.00	9,473.00	-	65,134.00
Deferred Revenues	-	1,414.00	-	-	37,752.00	-	-	39,166.00
TOTAL LIABILITIES	25,295.00	26,494.00	26,573.00	0.00	38,569.00	12,860.00	0.00	129,791.00
Fund Equity:								
Fund Balance - Unreserved	167,765.00	-	-	-	910.00	-	-	168,675.00
TOTAL FUND EQUITY	167,765.00	0.00	0.00	0.00	910.00	0.00	0.00	168,675.00
TOTAL LIABILITIES & FUND EQUITY	193,060.00	26,494.00	26,573.00	0.00	39,479.00	0.00	0.00	298,467.00

CBSSRF

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1996

	School Lunch	Chapter I	Chapter II	Public Law	Summer Food	Drug-Free Schools	In School Health	JTPA	TOTAL
REVENUES:									
Local Sources:									
Earnings on Investments	\$ 7,962	\$							7,962
Food Service	39,097								39,097
Other	76								76
State Sources:									
Unrestricted Grants-in-Aid	234,565								234,565
Federal Sources:									
Restricted Grants-in-Aid	738,057	1,363,552	195,271	88,851	80,856	16,781	103,522	22,118	2,607,006
TOTAL REVENUES	1,017,757	1,363,552	195,271	88,851	80,856	16,781	103,522	22,118	2,888,706
EXPENDITURES:									
Instruction:									
Regular Programs	-		52,729		-	-	-	-	52,729
Special Programs	-	876,308	101,445		-	16,781	103,522	22,118	1,120,172
Education Programs		113,269	11,140						124,409
Student Services		111,512	-						111,512
Instructional Staff	502,604		18,940						519,544
General Administration		232,118	7,377	88,851	50,576				378,922
Plant Services	66,926	996	2,554						70,476
Food Service	508,521				29,370				537,891
Building Improvement	35,273								35,273
Other		29,349	3,086						32,435
TOTAL EXPENDITURES:	1,113,324	1,363,552	195,271	88,851	79,946	16,781	103,522	22,118	2,983,363
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(95,567)	0	0	0	910	0	0	0	(94,657)
OTHER FINANCING SOURCES (USES)									
VALUE OF USDA COMMODITIES	62,071								62,071
OPERATIONAL TRANSFERS IN	47,452								47,452
TOTAL OTHER FINANCING SOURCES (USES)	109,523	0	0	0	0	0	0	0	109,523
EXCESS (Deficiency) of Revenues and of other sources over expenditures and other uses	13,956	0	0						14,866
FUND BALANCES (Deficit) AT BEGINNING OF YEAR	153,809		0				0		153,809
FUND BALANCES (Deficit) AT END OF YEAR	\$ 167,765	\$ 0	\$ 0	\$ 0	\$ 910	\$ 0	\$ 0	\$ 0	\$ 168,675

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MADISON PARISH SCHOOL BOARD
AGENCY FUNDS

BALANCE SHEET
JUNE 30, 1996

		<u>SCHOOL ACTIVITY FUND</u>
ASSETS:		
Cash		<u>67,986.73</u>
Total Assets		<u><u>67,986.73</u></u>
LIABILITIES:		
Deposits held for Others		<u>67,986.73</u>
Total Liabilities		<u><u>67,986.73</u></u>

agencyfds

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUND
SCHOOL FUND ACTIVITY ACCOUNTS
SCHEDULE OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

	<u>Fund Balance July 1, 1995</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Fund Balance June 30, 1996</u>
Tallulah High School	50,845.46	108,465.66	116,335.16	42,975.96
Tallulah Elementary School	6,831.77	28,245.39	28,040.04	7,037.12
Reuben McCall High School	1,418.64	68,436.06	60,172.25	9,682.45
Reuben McCall Junior High School	1,405.42	24,429.38	23,618.21	2,216.59
Wright Elementary School	443.40	16,565.95	14,619.94	2,389.41
Thomastown High School	<u>4,211.63</u>	<u>4,553.90</u>	<u>5,080.33</u>	<u>3,685.20</u>
Total	<u>\$65,156.32</u>	<u>\$250,696.34</u>	<u>\$247,865.93</u>	<u>\$67,986.73</u>

changebal

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 1996

	<u>TOTAL COMPENSATION</u>
Joseph Candler, Jr.	4,800.00
Jack Head	4,200.00
Norwyn Johnson	4,200.00
Percy Stan Livingston	4,200.00
Jay Morgan	4,200.00
C.J. Oney	4,200.00
Percy Wright	4,200.00
James Lee Williams	<u>4,200.00</u>
Total	34,200.00

comppd

JIMMIE SELF, CPA
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Independent Auditor's report on
Schedule of Federal Financial Assistance

Madison Parish School Board
Tallulah, Louisiana

I have audited the general purpose financial statements of the Madison Parish School Board, Tallulah, Louisiana as of and for the year ended June 30, 1996, and have issued my report thereon dated December 16, 1996. These general purpose financial statements are the responsibility of the Madison Parish School Board's, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

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



JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

December 16, 1996

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
Schedule of Federal Financial Assistance
For the Year Ended June 30, 1996

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	EXPENDITURES
United States Department of Agriculture:		
Passed Through Louisiana Department of Education:		
National School Lunch Program *	10.555	\$ 736,057
National School Breakfast Programs	10.553	234,565
Summer Food Program	10.559	80,856
Passed Through Louisiana Department of Agriculture and Forestry:		
Food Distribution Program	10.550	62,071
Total United States Department of Agriculture		<u>1,113,549</u>
United States Department of Education:		
Passed Through Louisiana Department of Education:		
Adult Education - State-Administered Program	84.002	18,457
Chapter I Programs - Local Educational Agencies *	84.010	1,363,552
Special Education State Grants - IDEA	84.027	69,558
Vocational Education		
Basic Grants to States	84.048	52,729
Federal, State, and Local Partnerships for Educational Improvement	84.151	32,151
Total United States Department of Education		<u>1,536,447</u>
Other Financial Assistance		
United States Department of Labor:		
Job Training Partnership Act	17250	22,116
Department of Health & Human Services		
Programs (Medicaid)	13714	23,685
Drug Free Schools	13992	16,781
Total Other Financial Assistance		<u>88,851</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$ 2,738,847</u>
FEDERALF		
* DENOTES MAJOR PROGRAM		

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**Independent Auditor's Report On Compliance With
Laws and Regulation Based On An Audit Of
General Purpose Financial Statements Performed In
Accordance With Government Auditing Standards**

Madison Parish School Board
Tallulah, Louisiana

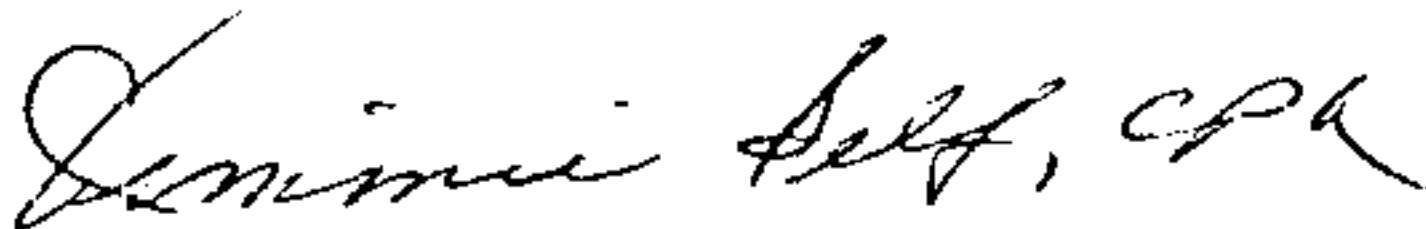
I have audited the general purpose financial statements of the Madison Parish School Board, Tallulah, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 16, 1996.

I conducted my audit in accordance with generally accepted auditing standards and "Government Auditing Standards," issued by the Comptroller General of the United States. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The results of my tests disclosed no instances of noncompliance that are required to be reported under "Government Auditing Standards."

This report is intended for the information of the Madison Parish School Board's management, and the legislative Auditor of the State of Louisiana. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.



JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

December 16, 1996

JIMMIE SELF, CPA
A Professional Accounting Corporation
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Monroe, Louisiana 71201
Phone (318) 323-4656 Fax (318) 388-0724

Independent Auditor's Report On Compliance
With Specific Requirements Applicable To Major
Federal Financial Assistance Programs

Madison Parish School Board
Tallulah, Louisiana

I have audited the general purpose financial statements of the Madison Parish School Board, Tallulah, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 16, 1996.

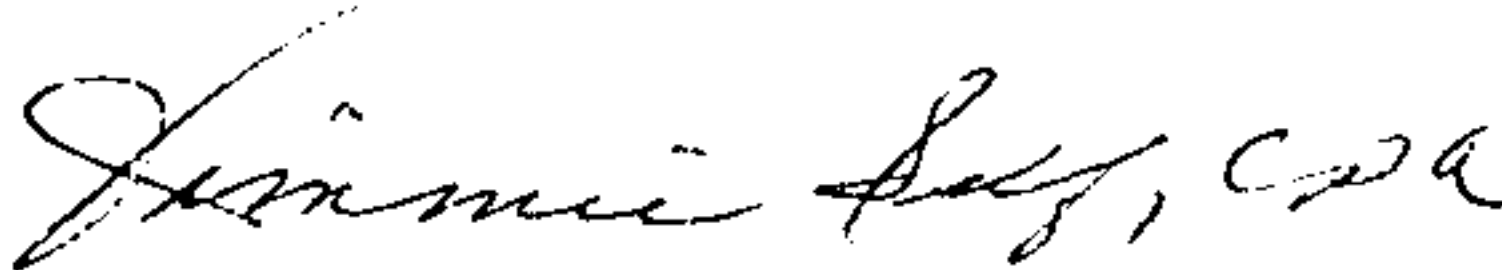
I have also audited Madison Parish School Board's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of federal Financial Assistance, for the year ended June 30, 1996. The management of Madison Parish School Board, is responsible for the Madison Parish School Board, compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

I conducted my audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Madison Parish School Board, compliance with those requirements. I believe that my audit provides a reasonable basis for my opinion.

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

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

This report is intended for the information of the Madison Parish School Board's management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



JIMMIE SELF
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December 16, 1996

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**Independent Auditor's Report On Compliance With The General
Requirements Applicable To Federal Financial Assistance Programs**

Madison Parish School Board
Tallulah, Louisiana

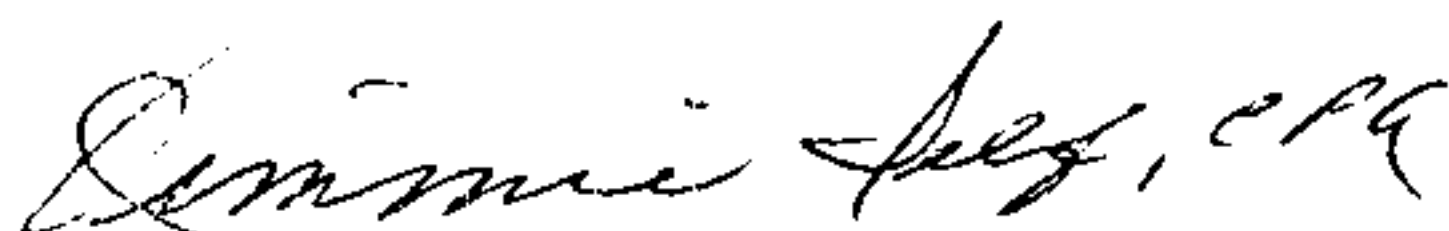
I have audited the general purpose financial statements of the Madison Parish School Board, Tallulah, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 16, 1996.

I have applied procedures to test the Madison Parish School Board's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Assistance, for the year ended June 30, 1996. Political Activity, Davis-Bacon Act, Civil Rights, Cash management, Federal Financial Reports, Allowable costs/Cost Principles, Drug-Free Workplace Act, and Administrative Requirements.

My procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion of the Madison Parish School Board's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of the procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Madison Parish School Board had not complied, in all material respects, with those requirements. However, the results of my procedures disclosed any immaterial instances of non-compliance with those requirements, which are described in the accompanying schedule of findings and questioned costs.

This report is intended for the information of the Madison Parish School Board's management and the Legislative Auditor of the State of Louisiana, and the Louisiana Department of Education. However, this report is a matter of public record and its distribution is not limited.



JIMMIE SELF
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December 16, 1996

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Independent Auditor's Report On Compliance With Specific Requirements
Applicable to Non - Major Federal Financial Assistance Program Transactions

Madison Parish School Board
Tallulah, Louisiana

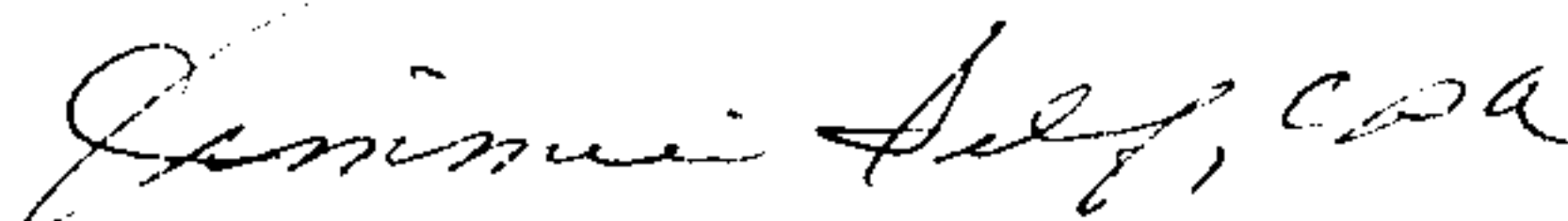
I have audited the general purpose financial statements of the Madison Parish School Board, Tallulah, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 16, 1996.

In connection with my audit of the general purpose financial statements of the Madison Parish School Board, as of June 30, 1996, and for the year then ended, and with my consideration of the internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget circular A-128, "Audits of State and Local Governments," I selected certain transactions applicable to certain non-major financial assistance programs for the year ended June 30, 1996.

As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material noncompliance with the requirements listed in the previous paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Madison Parish School Board, had not complied, in all material respects, with those requirements. Also, the results of my procedures did not disclose any immaterial instances of non-compliance with those requirements.

This report is intended for the information of the Madison Parish School Board's management, and the Legislative Auditor of the State of Louisiana. However, this restriction is not intended to limit the distribution of this report, which is a matter of public record.



JIMMIE SELF
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December 16, 1996

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Independent Auditor's Report On Internal Control Structure Based
On An Audit Of General Purpose Or Basic Financial Statements Performed
In Accordance With Government Auditing Standards

Madison Parish School Board
Tallulah, Louisiana

I have audited the general purpose financial statements of the Madison Parish School Board, Tallulah, Louisiana as of and for the year ended June 30, 1996, and have issued my report thereon dated December 16, 1996.

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

The management of the Madison Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weakness under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

However, I noted certain matters involving the internal control structure and its operation that I have reported to the management of the Madison Parish of the Madison Parish School Board, Tallulah, Louisiana, in the accompanying management letter.

This report is intended for the information of the Madison Parish School Board's management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of the report, which is a matter of public record.

Jimmie Self, CPA
JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT

December 16, 1996

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**Independent Auditor's Report On Internal Control Structure
Used In Administering Federal Financial Assistance Programs**

**Madison Parish School Board
Tallulah, Louisiana**

I have audited the general purpose financial statements of the Madison Parish School Board, Tallulah, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated December 16, 1996. I have also audited the compliance of the Madison Parish School Board, with requirements applicable to major federal financial assistance programs and have issued my report thereon dated December 16, 1996.

I conducted my audit in accordance with generally accepted auditing standards, "Government Auditing Standards, "Issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Madison Parish School Board, Tallulah, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing my audit for the year ended June 30, 1996, I considered the internal control structure of the Madison Parish School Board, in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements of Madison Parish School Board, and on the compliance of Madison Parish School Board, with requirements applicable to major programs on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated December 16, 1996.

The management of the Madison Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

- Budget.
- Cash.
- Revenue/receipts - service revenue and receivables - proprietary fund.
- Expenditures/disbursements/purchasing.
- Payroll/personnel.
- Property, plant and equipment, and capital expenditures.
- Budgeting/budgetary funding.

(Continued)

Tax collection/distribution.
Single Audit and similar grant programs.
Debt and debt service.

(Cont'd)

General Requirements

Political activity.
Davis-Bacon Act.
Civil rights.
Cash management.
Relocation assistance and real property acquisition.
Federal financial reports.
Allowable costs/cost principles.
Drug - free Workplace Act.
Administrative requirements.

Specific Requirements

Types of services allowed or not allowed.
Eligibility.
Matching, level of effort, or earmarking.
Reporting.
Special requirements, if any.
Claims for Advances and Reimbursements.
Amounts Claimed or Used for Matching.

During the year ended June 30, 1996, the Madison Parish School Board had two major federal financial assistance programs and expended 80% of its total federal financial assistance.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants.

A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

However, I noted certain matters involving the internal control structure and its operation that I have reported to the management of the Madison Parish School Board, Tallulah, Louisiana, in the accompanying management letter.

This report is intended for the information of the Madison Parish School Board's management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



**JIMMIE SELF
CERTIFIED PUBLIC ACCOUNTANT**

December 16, 1996

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Phone (318) 323-4656 Fax (318) 388-0724

Management Letter

Mr. Samuel Dixon, Superintendent,
and School Board Members
Madison Parish School Board
Tallulah, Louisiana

Dear Sir:

During the course of my audit of the financial statements of the Madison Parish School Board, Tallulah, Louisiana, for the year ended June 30, 1996, and the completion of the Systems Survey and Compliance Questionnaire, I came across a few problems that this letter will address.

Prior Year Problems: These seem to have resolved to your satisfaction, and substantially to mine as well, except for the Fixed Assets which continue to pose a problem. Also probably two of the district's autos used by board members do not have decals yet.

Findings and Questioned Costs: There were no findings and questioned costs of material nature or dollar amount. Relatively immaterial problems are listed below.

Although you have made progress in the accountability of your fixed assets, there are many areas that still need to be inventoried and tagged.

1. The Madison Parish School Board has assigned a part-time permanent fixed asset clerk to inventory, tag and account for the fixed assets. This is still in progress and needs to be completed.
2. All requests should be signed.
3. Additional effort should be made to post transactions more timely.

Sincerely,


Jimmie Self, CPA

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