

Statement A

FIDUCIARY- AGENCY FUNDS	*****ACCOUNT GROUPS*****			TOTAL (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
\$ 161,088	\$ 0	\$ 0	\$ 0	2,510,274
0	0	0	0	260,882
0	0	0	0	927,021
0	0	0	0	55,104
9,161	0	0	0	9,161
0	14,316,987	0	0	14,316,987
0	0	665,712	0	665,712
0	0	3,279,219	0	3,279,219
<u>\$ 170,249</u>	<u>\$ 14,316,987</u>	<u>\$ 3,944,931</u>	<u>\$ 0</u>	<u>22,024,360</u>
\$ 0	\$ 0	\$ 0	\$ 0	1,066,269
0	0	0	0	927,021
9,161	0	0	0	9,161
161,088	0	0	0	161,088
0	0	3,010,000	0	3,010,000
0	0	300,750	0	300,750
0	0	634,181	0	634,181
<u>\$ 170,249</u>	<u>\$ 0</u>	<u>\$ 3,944,931</u>	<u>\$ 0</u>	<u>6,108,470</u>
\$ 0	\$ 14,316,987	\$ 0	\$ 0	14,316,987
				55,104
				665,712
0	0	0	0	215,000
0	0	0	0	663,087
<u>\$ 0</u>	<u>\$ 14,316,987</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>15,915,890</u>
<u>\$ 170,249</u>	<u>\$ 14,316,987</u>	<u>\$ 3,944,931</u>	<u>\$ 0</u>	<u>22,024,360</u>

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND
REVENUES				
Local sources:				
Taxes: Ad valorem	\$ 392,252	\$ 94,771	\$ 781,084	\$ 0
Taxes: Sales and use	0	1,322,601	0	0
Interest earnings	88,078	29,166	34,059	0
Food service	0	267,183	0	0
Other	22,560	36,390	25,283	0
State sources:				
Equalization	9,610,198	268,245	0	0
Other	324,975	134,423	0	0
Federal sources	9,500	2,156,913	20,000	0
Total revenues	\$ 10,447,563	\$ 4,309,692	\$ 860,426	\$ 0
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 4,806,588	\$ 562,408	\$ 0	\$ 0
Special programs	843,803	938,943	0	0
Adult and continuing education	442,031	98,371	0	0
Support services:				
Student services	263,058	26,756	0	0
Instructional staff support	432,488	327,457	0	0
General administration	210,405	105,790	86,235	0
School administration	636,821	51,404	0	0
Business services	44,540	1,629	0	0
Plant services	885,918	465,387	0	0
Student transportation services	1,298,838	83,147	0	0
Central services	10,198	4,953	0	0
Food services	47,868	1,679,207	0	0
Community service program	2,647	0	0	0
Facilities acquisition and construction	0	0	0	19,416
Debt service:				
Principal retirement	240,383	0	435,000	0
Interest and bank charges	29,027	0	196,598	0
Total expenditures	\$ 10,194,613	\$ 4,345,452	\$ 717,833	\$ 19,416
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 252,950	\$ (35,760)	\$ 142,593	\$ (19,416)

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

Statement B

TOTAL
(MEMORANDUM
ONLY)

\$ 1,268,107
1,322,601
151,303
267,183
84,233

9,878,443
459,398

2,186,413

\$ 15,617,681

\$ 5,368,996
1,782,746
540,402

289,814
759,945
402,430
688,225
46,169
1,351,305
1,381,985
15,151
1,727,075
2,647
19,416

675,383

225,625

\$ 15,277,314

\$ 340,367

(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 208,056	\$ 0	\$ 20,250
Operating transfers out	(28,609)	(199,697)	0	0
Other sources	0	2,801	0	0
Bond refinancing:				
Proceeds from sale of bonds	0	0	2,615,000	0
Issuance costs	0	0	(31,485)	0
Payments to bond escrow agent:				
From net bond proceeds	0	0	(2,583,515)	0
From existing fund balance	0	0	(140,000)	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (28,609)</u>	<u>\$ 11,160</u>	<u>\$ (140,000)</u>	<u>\$ 20,250</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 224,341</u>	<u>\$ (24,600)</u>	<u>\$ 2,593</u>	<u>\$ 834</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>374,913</u>	<u>338,287</u>	<u>663,119</u>	<u>19,416</u>
FUND BALANCES AT END OF YEAR	<u>\$ 599,254</u>	<u>\$ 313,687</u>	<u>\$ 665,712</u>	<u>\$ 20,250</u>

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

Statement B

TOTAL
(MEMORANDUM
ONLY)

\$ 228,306
(228,306)
2,801

2,615,000
(31,485)

(2,583,515)
(140,000)

\$ (137,199)

\$ 203,168

1,395,735

\$ 1,598,903

(CONCLUDED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS - GENERAL , SPECIAL REVENUE AND DEBT SERVICE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1996

*****GENERAL FUND*****			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 386,563	\$ 392,252	\$ 5,689
Sales and use	0	0	0
Interest earnings	73,000	88,078	15,078
Food service	0	0	0
Other	18,000	22,560	4,560
State sources:			
Unrestricted	9,610,381	9,610,198	(183)
Restricted	288,932	324,975	36,043
Federal sources			
	9,500	9,500	0
Total revenues	\$ 10,386,376	\$ 10,447,563	\$ 61,187
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 4,899,652	\$ 4,806,588	\$ 93,064
Special programs	869,736	843,803	25,933
Adult and continuing education	444,050	442,031	2,019
Support services:			
Student services	270,460	263,058	7,402
Instructional staff support	433,760	432,488	1,272
General administration	286,934	210,405	76,529
School administration	644,201	636,821	7,380
Business services	36,380	44,540	(8,160)
Plant services	881,107	885,918	(4,811)
Student transportation services	1,343,582	1,298,838	44,744
Central services	20,000	10,198	9,802
Food services	0	47,868	(47,868)
Community service program	3,704	2,647	1,057
Facilities acquisition and construction			
	0	0	0
Debt service:			
Principal retirement	240,555	240,383	172
Interest and bank charges	29,378	29,027	351
Total expenditures	\$ 10,403,499	\$ 10,194,613	\$ 208,886

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

Statement C

*****SPECIAL REVENUE*****

*****DEBT SERVICE*****

*****SPECIAL REVENUE*****			*****DEBT SERVICE*****		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 93,285	\$ 94,771	\$ 1,486	\$ 768,829	\$ 781,084	\$ 12,255
1,225,000	1,322,601	97,601	0	0	0
18,500	29,166	10,666	34,000	34,059	59
266,424	267,183	759	0	0	0
34,000	36,390	2,390	0	25,283	25,283
268,245	268,245	0	0	0	0
348,419	134,423	(213,996)	0	0	0
2,050,394	2,156,913	106,519	20,000	20,000	0
<u>\$ 4,304,267</u>	<u>\$ 4,309,692</u>	<u>\$ 5,425</u>	<u>\$ 822,829</u>	<u>\$ 860,426</u>	<u>\$ 37,597</u>

\$ 531,115	\$ 562,408	(\$ 31,293)	\$ 0	\$ 0	\$ 0
1,007,456	938,943	68,513	0	0	0
97,597	98,371	(774)	0	0	0
23,639	26,756	(3,117)	0	0	0
329,425	327,457	1,968	0	0	0
118,802	105,790	13,012	87,735	86,235	1,500
47,878	51,404	(3,526)	0	0	0
1,417	1,629	(212)	0	0	0
554,102	465,387	88,715	0	0	0
76,583	83,147	(6,564)	0	0	0
8,000	4,953	3,047	0	0	0
1,683,793	1,679,207	4,586	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	538,000	435,000	103,000
0	0	0	255,066	196,598	58,468
<u>\$ 4,479,807</u>	<u>\$ 4,345,452</u>	<u>\$ 134,355</u>	<u>\$ 880,801</u>	<u>\$ 717,833</u>	<u>\$ 162,968</u>

(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS - GENERAL , SPECIAL REVENUE AND DEBT SERVICE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1996

	*****GENERAL FUND*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (17,123)	\$ 252,950	\$ 270,073
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 0	\$ 0	\$ 0
Operating transfers out	0	(28,609)	(28,609)
Other financing sources	0	0	0
Bond refinancing:	0	0	0
Proceeds from sale of bonds	0	0	0
Issuance costs	0	0	0
Payments to bond escrow agent:	0	0	0
From net bond proceeds	0	0	0
From existing fund balance	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$ (28,609)	\$ (28,609)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (17,123)	\$ 224,341	\$ 241,464
FUND BALANCES AT BEGINNING OF YEAR	159,912	374,913	534,825
FUND BALANCES AT END OF YEAR	\$ 142,789	\$ 599,254	\$ 742,043

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

Statement C

*****SPECIAL REVENUE*****			*****DEBT SERVICE*****		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ (175,540)	\$ (35,760)	\$ 139,780	\$ (57,972)	\$ 142,593	\$ 200,565
\$ 184,520	\$ 208,056	\$ 23,536	\$ 0	\$ 0	\$ 0
(183,750)	(199,697)	(15,947)	0	0	0
0	2,801	2,801	0	0	0
0	0	0	0	0	0
0	0	0	0	2,615,000	2,615,000
0	0	0	0	(31,485)	(31,485)
0	0	0	0	(2,583,515)	(2,583,515)
0	0	0	0	(140,000)	(140,000)
\$ 770	\$ 11,160	\$ 10,390	\$ 0	\$ (140,000)	\$ (140,000)
\$ (174,770)	\$ (24,600)	\$ 150,170	\$ (57,972)	\$ 2,593	\$ 60,565
336,973	338,287	1,314	663,119	663,119	0
\$ 162,203	\$ 313,687	\$ 151,484	\$ 605,147	\$ 665,712	\$ 60,565

(CONCLUDED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1995

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 375,943	\$ 90,572	\$ 746,462	\$ 0
Sales and use	0	1,262,963	0	0
Interest earnings	56,898	10,386	29,832	21,500
Food service	0	257,342	0	0
Other	22,837	2,373	0	0
State sources:				
Unrestricted grants-in-aid	9,516,782	267,573	0	0
Restricted grants-in-aid	592,738	127,253	0	0
Payments in-lieu-of-taxes	103,023			
Federal sources:	0		0	0
Restricted grants-in-aid	0	2,169,622		
Payments in-lieu-of-taxes	9,489		20,422	
Total revenues	\$ 10,677,710	\$ 4,188,084	\$ 796,716	\$ 21,500
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 5,372,440	\$ 602,638	\$ 0	\$ 0
Special programs	1,344,440	994,011	0	0
Support services:				
Student services	251,125	19,286	0	0
Instructional staff support	448,562	284,160	0	0
General administration	245,015	103,416	85,243	0
School administration	696,127	47,904	0	0
Business services	42,793	1,414	0	0
Plant services	830,753	403,516	0	0
Student transportation services	1,285,810	75,943	0	0
Central services	41,622	4,320	0	0
Food services	0	1,670,247	0	0
Community service program	2,500	0	0	0
Facilities acquisition and construction	0	0	0	952,449
Debt service:				
Principal retirement	62,149	0	380,000	0
Interest and bank charges	14,784	0	262,315	0
Total expenditures	\$ 10,638,120	\$ 4,206,855	\$ 727,558	\$ 952,449

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

Statement D

TOTAL
(MEMORANDUM
ONLY)

\$ 1,212,977
1,262,963
118,616
257,342
25,210

9,784,355
719,991
103,023

2,169,622

29,911

\$ 15,684,010

5,975,078
2,338,451

270,411
732,722
433,674
744,031
44,207
1,234,269
1,361,753
45,942
1,670,247
2,500
952,449

442,149

277,099

\$ 16,524,982

(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL 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>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 39,590	\$ (18,771)	\$ 69,158	\$ (930,949)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 150,000	\$ 228,442	\$ 0	\$ 150,000
Operating transfers out	(194,695)	(183,747)	0	(150,000)
Proceeds from issuance of debt	150,000	0	0	0
Proceeds from capital lease financing	33,595	149,581	0	0
Total other financing sources (uses)	\$ 138,900	\$ 194,276	\$ 0	\$ 0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 178,490	\$ 175,505	\$ 69,158	\$ (930,949)
FUND BALANCES AT BEGINNING OF YEAR	196,423	162,782	593,961	950,365
FUND BALANCES AT END OF YEAR	\$ 374,913	\$ 338,287	\$ 663,119	\$ 19,416

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

Statement D

TOTAL
(MEMORANDUM
ONLY)

\$ (840,972)

\$ 528,442
(528,442)
150,000

183,176

\$ 333,176

\$ (507,796)

1,903,531

\$ 1,395,735

(CONCLUDED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1995

*****GENERAL FUND*****			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 382,159	\$ 375,943	\$ (6,216)
Sales and use	0	0	0
Interest earnings	50,000	56,898	6,898
Food service	0	0	0
Other	50,116	22,837	(27,279)
State sources:			
Unrestricted	9,789,026	9,619,805	(169,221)
Restricted	582,147	592,738	10,591
Federal sources	10,238	9,489	(749)
Total revenues	\$ 10,863,686	\$ 10,677,710	\$ (185,976)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 5,355,946	\$ 5,372,440	\$ (16,494)
Special programs	1,400,218	1,344,440	55,778
Adult and continuing education	0	0	0
Support services:			
Student services	256,465	251,125	5,340
Instructional staff support	463,011	448,562	14,449
General administration	255,311	245,015	10,296
School administration	683,558	696,127	(12,569)
Business services	43,021	42,793	228
Plant services	833,366	830,753	2,613
Student transportation services	1,422,908	1,285,810	137,098
Central services	42,000	41,622	378
Food services	0	0	0
Community service program	3,704	2,500	1,204
Facilities acquisition and construction	0	0	0
Debt service:			
Principal retirement		62,149	(62,149)
Interest and bank charges		14,784	(14,784)
Total expenditures	\$ 10,759,508	\$ 10,638,120	\$ 121,388

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

Statement E

*****SPECIAL REVENUE*****

BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 92,046	\$ 90,572	\$ (1,474)
1,221,000	1,262,963	41,963
8,503	10,386	1,883
244,105	257,342	13,237
2,100	2,373	273
242,597	267,573	24,976
279,984	127,253	(152,731)
<u>2,285,808</u>	<u>2,169,622</u>	<u>(116,186)</u>
<u>\$ 4,376,143</u>	<u>\$ 4,188,084</u>	<u>\$ (188,059)</u>

\$ 798,418	\$ 602,638	\$ 195,780
968,683	946,835	21,848
94,379	47,176	47,203
18,250	19,286	(1,036)
306,875	284,160	22,715
110,747	103,416	7,331
46,250	47,904	(1,654)
2,500	1,414	1,086
444,427	403,516	40,911
72,980	75,943	(2,963)
8,000	4,320	3,680
1,615,047	1,670,247	(55,200)
0	0	0
600	0	600
0	0	0
0	0	0
<u>\$ 4,487,156</u>	<u>\$ 4,206,855</u>	<u>\$ 280,301</u>

(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1995

	*****GENERAL FUND*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 104,178	\$ 39,590	\$ (64,588)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 150,000	\$ 150,000	\$ 0
Operating transfers out	(200,000)	(194,695)	5,305
Proceeds from issuance of debt	150,000	150,000	0
Proceeds from capital lease financing	0	33,595	33,595
Total other financing sources (uses)	\$ 100,000	\$ 138,900	\$ 38,900
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 204,178	\$ 178,490	\$ (25,688)
FUND BALANCES AT BEGINNING OF YEAR	196,423	196,423	0
FUND BALANCES AT END OF YEAR	\$ 400,601	\$ 374,913	\$ (25,688)

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

Statement E

*****SPECIAL REVENUE*****

BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ (111,013)	\$ (18,771)	\$ 92,242
\$ 243,399 (176,250)	\$ 228,442 (183,747)	\$ (14,957) (7,497)
0	149,581	149,581
\$ 67,149	\$ 194,276	\$ 127,127
\$ (43,864)	175,505	(219,369)
162,782	162,782	0
\$ 118,918	\$ 338,287	\$ (219,369)

(CONCLUDED)

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

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**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

INTRODUCTION

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

The School Board operates eleven schools within the parish with a total enrollment of approximately 4,025 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Union 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.

A. 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 also has no *component units*, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS AND ACCOUNT GROUPS

The accounts of the School Board are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

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

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Governmental Funds

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

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

Special Revenue Funds - account for revenue sources that are legally restricted to expenditures for specified purposes (not including expendable trusts or major capital projects).

Debt Service Fund - accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Capital Projects Fund - accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Fiduciary Funds

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

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

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

Sales Tax Collection Agency Fund - accounts for monies collected on behalf of other taxing authorities within the parish.

Deferred Compensation Agency Fund - accounts for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Account Groups

The *general fixed assets group* is used to account for fixed assets not accounted for in proprietary or trust funds.

The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental Funds

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

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

Revenues

Ad valorem taxes and sales taxes are susceptible to accrual.

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

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

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees who elect to be paid over twelve months are accrued at June 30.

Other Financing Sources (Uses)

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

Fiduciary Funds

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the School Board holds for others in an agency capacity.

D. BUDGETS

The following summarizes the budget activities of the School Board during the year ended June 30, 1996 and 1995:

	Budget Year	
	<u>1996</u>	<u>1995</u>
Completed and available for public inspection	August 28, 1995	August 29, 1994
Public notices	August 24, 1995	August 25, 1994
Public hearings	September 11, 1995	September 12, 1994
Board adoption	September 11, 1995	September 12, 1994

1. The School Board adopted budgets for the General Fund and all special revenue funds.
2. The budgets are prepared on the modified accrual basis of accounting.
3. All appropriations (unexpended budget balances) lapse at year end.
4. Encumbrance accounting (e.g. purchase orders, contracts) is not recognized within the accounting records for budgetary control purposes.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS (Continued)

5. Formal budget integration (within the accounting records) is employed as a management control device. The superintendent of schools is authorized to transfer amounts between line items within any fund. However, when actual revenues within a fund fail to meet budgeted revenues by five percent or more and/or actual expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These amendments were considered significant by the School Board. All budget amendments are approved by the School Board.

E. ENCUMBRANCES

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

F. CASH AND CASH EQUIVALENTS

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

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, except for investments in Deferred Compensation Agency Fund, which are reported at market.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

H. INVENTORY

Inventories of the governmental fund-type are recorded as expenditures as purchased except for inventory of the School Food Service Fund.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. INVENTORY (Continued)

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

I. FIXED ASSETS

Fixed assets used in governmental fund types of the School Board are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest during construction is not capitalized on general fixed assets.

Public domain (infrastructure) general fixed assets (e.g. roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

J. COMPENSATED ABSENCES

All 12-month employees earn 10 days of noncumulative vacation leave each year. Upon separation of employment, all unused vacation leave is forfeited.

All 12-month employees earn from 12 to 18 days of sick leave each year, depending on their length of service with the School Board, and 9-month employees earn 10 days of sick leave each year. Sick leave can be accumulated without limitation.

Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service. Under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service.

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

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. COMPENSATED ABSENCES (Continued)

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

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

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

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

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

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

Only the current portion of the liability for compensated absences is 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 is reported in the general long-term obligations account group.

K. LONG-TERM OBLIGATIONS

The School Board reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. FUND EQUITY

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

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

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. 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.

N. SALES TAXES

The Union Parish School Board is authorized to collect a one percent sales tax within Union Parish. The tax is for an indefinite period of time. The proceeds from the tax are dedicated for salaries and retirement benefits for school teachers and other school employees and/or for maintaining and operating school buildings, facilities, and equipment. The costs of collecting and administering the tax are paid from the Sales Tax Special Revenue Fund.

O. MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in aggregation of this data.

P. ADOPTION OF GASB PRONOUNCEMENTS

In September 1993, GASB issued Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" (GASB 20), which discusses the application of authoritative accounting pronouncements for proprietary accounting and other funds that use proprietary accounting.

The School Board was required to adopt GASB 20 in fiscal year 1995. GASB 20 allows the School Board to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, or to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989. The School Board has elected to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. NEW APPLICABLE GASB PRONOUNCEMENTS

In November 1994, the GASB issued Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" (GASB 27). GASB 27 prescribes changes in pension accounting and disclosure requirements for employers participating in single employer/agent multiple defined benefit plans, cost sharing multiple employer defined benefit plans, and defined contribution plans. The School Board sponsors a multiple-employer defined contribution plan which has some characteristics of a defined benefit pension plan. GASB 27 is effective for fiscal years beginning after June 15, 1997. The School Board has not yet determined when GASB 27 will be adopted or determined the effects of adoption.

NOTE 2 - EXPENDITURES - ACTUAL AND BUDGET

The following individual fund had actual expenditures over budgeted expenditures for the two years ended June 30, 1996:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<u>Year ended June 30, 1995</u>			
School Food Service Special Revenue Fund	\$1,526,062	\$1,644,326	\$(118,264)
<u>Year ended June 30, 1996</u>			
Sales Tax Special Revenue Fund	1,102,008	1,196,283	(94,275)

For each of the above funds, actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the final budget revision.

NOTE 3 - LEVIED TAXES

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

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

Property Tax Calendar

	<u>1994</u>	<u>1995</u>
Millage rates adopted	May 9, 1994	May 8, 1995
Levy date	September 22, 1994	October 6, 1995
Tax bills mailed	On or about October 15, 1994	On or about November 1, 1995
Due date	December 31, 1994	December 31, 1995
Lien date	January 1, 1995	January 1, 1996

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 3 - LEVIED TAXES (Continued)

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1992. Total assessed value was \$71,820,740 in calendar year 1995. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$20,565,510 of the assessed value in calendar year 1995.

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

All property taxes are recorded in the General, District A Special Revenue Fund and Debt Service Fund on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the Parish Tax Assessor in November of each year; therefore, the amount of 1966 property taxes to be collected occurs in December, January and February of the next year. As a result, no property taxes receivable for 1996 taxes is included on the accompanying balance sheet because it is not available within 60 days of the School Board's year-end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 3 - LEVIED TAXES (Continued)

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Year ended June 30, 1995			
Parish-wide taxes:			
Constitutional	5.00	3.82	Statutory
Maintenance	1.84	1.82	1998
Maintenance	3.18	3.15	1999
District taxes:			
Bond and interest	Variable	15.00	2002
Year ended June 30, 1996			
Parish-wide taxes:			
Constitutional	5.00	3.82	Statutory
Maintenance	1.84	1.82	1998
Maintenance	3.18	3.15	1999
District taxes:			
Bond and interest	Variable	15.00	2002

NOTE 4 - DEPOSITS AND INVESTMENTS

At year-end, the School Board's carrying amount of deposit was \$2,510,274 and the bank balance was \$3,429,074. Of the bank balance, \$259,809 was covered by federal depository insurance. The remaining balance, \$3,169,265 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 5 - RECEIVABLES

The receivables of \$260,882 at June 30, 1996, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 3,397	\$ 888	\$ 7,319	\$ 11,604
Intergovernmental - grants:				
Federal	9,500	101,929	20,000	131,429
State	9,438	63,980	-	73,418
Other	<u>44,431</u>	<u>-</u>	<u>-</u>	<u>44,431</u>
Total	<u>\$66,766</u>	<u>\$166,797</u>	<u>\$27,319</u>	<u>\$260,882</u>

NOTE 6 - FIXED ASSETS

The changes in general fixed assets follow:

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
Land	\$ 106,384	\$ -	\$ -	\$ 106,384
Buildings	8,115,964	1,129,832	-	9,245,796
Furniture and equipment	4,745,368	220,189	(750)	4,964,807
Construction in progress	<u>1,110,416</u>	<u>19,416</u>	<u>(1,129,832)</u>	<u>-</u>
Total	<u>\$14,078,132</u>	<u>\$1,369,437</u>	<u>\$(1,130,582)</u>	<u>\$ 14,316,987</u>
	<u>Balance July 1, 1994</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1995</u>
Land	\$ 106,384	\$ -	\$ -	\$ 106,384
Buildings	8,115,964	-	-	8,115,964
Furniture and equipment	4,378,714	368,390	1,736	4,745,368
Construction in progress	<u>157,967</u>	<u>952,449</u>	<u>-</u>	<u>1,110,416</u>
Total	<u>\$12,759,029</u>	<u>\$1,320,839</u>	<u>\$ 1,736</u>	<u>\$14,078,132</u>

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 7 - RETIREMENT SYSTEMS

Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Each system is administered and controlled at the State level by a separate board of trustees, with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the Systems, with employee benefits vesting after 10 years of service.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with 10 years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally 2% (with less than 25 years of service) or 2.5% (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally 3% times the years of creditable service times the retirees' average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55, or after 10 years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2 per month times the 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:

<u>1995 - 1996</u>	<u>Employee</u>	<u>Employer</u>
LA Teachers Retirement System		
Regular	8.00%	16.50%
Plan A	9.10%	16.50%
LA School Employees Retirement	6.35%	6.00%

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 7 - RETIREMENT SYSTEMS (Continued)

<u>1994 - 1995</u>	<u>Employee</u>	<u>Employer</u>
LA Teachers Retirement System		
Regular	8.00%	16.20%
Plan A	9.10%	16.20%
LA School Employees Retirement	6.35%	6.00%

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, the School Board's employer contribution is 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. For the years ended June 30, 1996 and 1995, the current-year payroll for the School Board totaled \$8,765,097 and \$9,711,465. The employer contributions and total current-year payroll of covered employees for 1996 and 1995, follow:

TRS.....		<u>LSERS</u>	<u>Total</u>
	<u>Regular</u>	<u>Plan A</u>		
<u>Year Ended June 30, 1996</u>				
Employee contribution	\$ 567,074	\$ 10,672	\$ 74,823	\$ 652,569
Employer contribution	1,162,365	19,350	70,673	1,252,388
Total covered current-year payroll	7,045,231	117,270	1,178,266	8,340,767
<u>Year Ended June 30, 1995</u>				
Employee contribution	\$ 590,004	\$ 12,303	\$ 73,441	\$ 675,748
Employer contribution	1,204,383	21,902	65,870	1,292,155
Total covered current-year payroll	7,375,020	135,195	1,156,521	8,666,736

Although contributions are determined by statute, actuarial contributions are determined for the Systems. For the year ended June 30, 1995, the latest information available, the Systems' (TRS and LSERS) actuarially required contribution from all sources was \$391.7 million and \$10.5 million, respectively. The required contribution represents 16.2 and 5.0 percent, respectively, of salaries for the year ended June 30, 1995.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 7 - RETIREMENT SYSTEMS (Continued)

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to-date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the Systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The Systems do not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligations at June 30, 1995 for the Systems, each as a whole, the Systems' net assets available for benefits on that date (valued at market), and the resulting unfunded (overfunded) pension benefit obligations were as follows:

	<u>Teachers' Retirement System</u>	<u>School Employees' Retirement System</u>
Pension Benefit Obligation	\$10,570,300,000	\$908,811,746
Net Assets Available for Benefits	<u>6,081,700,000</u>	<u>986,376,389</u>
Unfunded (Overfunded) Pension Benefit Obligation	<u>\$ 4,488,600,000</u>	<u>\$(77,564,643)</u>

The School Board's total actuarially determined contribution requirements as a percentage of total contributions required of all entities for the year ended June 30, 1996 were as follows:

Teachers' Retirement System	.29%
School Employees' Retirement System	.56%

Ten-year historical trend information showing each System's progress in accumulating sufficient assets to pay benefits when due is presented in each System's respective June 30, 1995 annual financial report, which is the latest report available.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

The Union Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees and the School Board. The School Board recognizes the cost of providing these benefits (school board's portion of premiums) as an expenditure when the monthly premiums are due, which was \$744,241 and \$690,935 for 1996 and 1995, respectively. For 1996 and 1995, the cost of retiree benefits totaled \$203,547 and \$350,107, respectively for approximately 230 and 212 retirees, respectively.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$1,066,269 at June 30, 1996, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Salaries	\$978,582	\$ -	\$ 978,582
Accounts	<u>17,254</u>	<u>70,433</u>	<u>87,687</u>
Total	<u>\$995,836</u>	<u>\$70,433</u>	<u>\$1,066,269</u>

NOTE 10 - COMPENSATED ABSENCES

At June 30, 1996, employees of the School Board have accumulated and vested \$634,181 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is not expected to be paid from current available resources; therefore the liability of \$634,181 is recorded within the general long-term obligations account group.

NOTE 11 - LEASES

The School Board records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of equipment under capital leases:

<u>Type</u>	<u>Recorded Amount</u>
School buses (10)	\$346,720
Computer equipment - School Food Service	81,087
Computer software - School Food Service	68,813
Computer software - General	<u>33,595</u>
Total	<u>\$530,215</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1996:

	<u>Equipment</u>
1996-1997	\$123,286
1997-1998	123,286
1998-1999	46,352
1999-2000	46,352
2000-2001	<u>7,726</u>
Total minimum lease payments	347,002
Less - amounts representing executory costs	-
Net minimum lease payments	347,002
Less - amounts representing interest	<u>46,252</u>
Present value of net minimum lease payments	<u>\$300,750</u>

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 12 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in School Activity Agency Fund deposits due others for each of the two years ended June 30, 1996 follows:

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 1996</u>
Agency funds:				
School activity accounts	\$183,012	\$ 777,104	\$ 799,028	\$161,088
Sales tax collection	-	<u>4,151,506</u>	<u>4,151,506</u>	-
Total	<u>\$183,012</u>	<u>\$4,928,610</u>	<u>\$4,950,534</u>	<u>\$161,088</u>
	<u>Balance July 1, 1994</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 1995</u>
Agency funds:				
School activity accounts	\$151,471	\$ 769,873	\$ 738,332	\$183,012
Sales tax collection	-	<u>3,759,774</u>	<u>3,759,774</u>	-
Total	<u>\$151,471</u>	<u>\$4,529,647</u>	<u>\$4,498,106</u>	<u>\$183,012</u>

NOTE 13 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the two years ended June 30, 1996:

	<u>Bonded Debt</u>	<u>Certificate of Indebtedness</u>	<u>Compensated Absences</u>	<u>Lease- Purchase Agreements</u>	<u>Total</u>
Balance, July 1, 1994	\$ 3,810,000	\$ -	\$ 577,880	\$ 269,787	\$4,657,667
Additions	-	150,000	64,288	183,495	397,783
Deductions	<u>(380,000)</u>	-	<u>(55,700)</u>	<u>(62,149)</u>	<u>(497,849)</u>
Balance, June 30, 1995	3,430,000	150,000	586,468	391,133	4,557,601
Additions	2,615,000	-	123,537	-	2,738,537
Deductions	<u>(3,035,000)</u>	<u>(150,000)</u>	<u>(75,824)</u>	<u>(90,383)</u>	<u>(3,351,207)</u>
Balance, June 30, 1996	<u>\$ 3,010,000</u>	<u>\$ -</u>	<u>\$ 634,181</u>	<u>\$ 300,750</u>	<u>\$ 3,944,931</u>

All school board bonds outstanding at June 30, 1996, in the amount of \$3,010,000, are general obligation bonds with maturities from 1997 to 2002 and interest rates from 4.97 to 6.70 percent. Bond principal and interest payable in the next fiscal year are \$445,000 and \$157,036, respectively. The individual issues are as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
1987	\$4,815,000	6.50-6.70%	1997	\$ 28,810	\$ 430,000
1996	2,615,000	4.97%	2002	<u>521,950</u>	<u>2,580,000</u>
Totals				<u>\$550,760</u>	<u>\$3,010,000</u>

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 13 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (Continued)

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 1996, the School Board has accumulated \$665,712 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
1997	\$ 445,000	\$157,036	\$ 602,036
1998	470,000	127,580	597,580
1999	490,000	104,122	594,122
2000	510,000	79,768	589,768
2001	535,000	54,422	589,422
2002	560,000	27,832	587,832
Total	<u>\$3,010,000</u>	<u>\$550,760</u>	<u>\$3,560,760</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 1996, the statutory limit is \$25,137,259, and outstanding bonded debt totals \$3,010,000.

NOTE 14 - INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

	<u>Due from</u>	<u>Due to</u>
General Fund	\$647,783	\$460,176
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Title I	2,118	46,780
Title VI	-	50
Special Education	-	12,253
Special Fund	25,906	101,492
Sales Tax	1,717	230,247
District A	229,247	71,712
School Food Service	-	4,311
Capital Projects Fund	<u>20,250</u>	<u>-</u>
Total	<u>\$927,021</u>	<u>\$927,021</u>

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 15 - DESIGNATED FUND BALANCES

At June 30, 1996, the School Board had designated \$215,000 of the fund balance of the General Fund for self-insurance for workers' compensation and to cover the deductibles for property insurance. The following is an analysis of the changes in the designated fund balances for the two years ended June 30, 1996:

	<u>Designated for Self-Insurance</u>		<u>Total</u>
	<u>Property</u>	<u>Workers' Compensation</u>	
Balance at July 1, 1994	\$ 130,000	\$ 63,094	\$193,094
Additions	-	36,906	36,906
Deductions	(15,000)	-	(15,000)
Balance at June 30, 1995	<u>115,000</u>	<u>100,000</u>	<u>215,000</u>
Additions	-	-	-
Deductions	-	-	-
Balance at June 30, 1996	<u>\$ 115,000</u>	<u>\$100,000</u>	<u>\$ 215,000</u>

NOTE 16 - INTERFUND TRANSFERS

Operating transfers for the two years ended June 30, 1996 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Year ended June 30, 1996:		
General Fund		
Special Revenue Funds:		\$ 28,609
Special Fund		
Sales Tax	\$ 8,359	
District A	199,697	199,697
Capital Projects Fund		
Totals	<u>20,250</u>	_____
	<u>\$228,306</u>	<u>\$228,306</u>
Year ended June 30, 1995:		
General Fund		
Special Revenue Funds:	\$150,000	\$194,695
Special Fund		
Sales Tax	17,547	
District A	1,717	183,747
School Food Service	183,747	
Capital Projects Fund	25,431	
Totals	<u>150,000</u>	<u>150,000</u>
	<u>\$528,442</u>	<u>\$528,442</u>

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LEGISLATIVE AUDITOR

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE TWO YEARS 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 JAN 02 1997

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
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**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND
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ALLEN, GREEN & ROBINETTE, L.L.P.

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INDEPENDENT AUDITORS' REPORT

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

We have audited the accompanying general purpose financial statements of the Union Parish School Board as of and for the two years ended June 30, 1996, as listed in the foregoing table of contents. These 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, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that 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 Union Parish School Board as of June 30, 1996, and the results of operations for the two years then ended, in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued a report dated August 21, 1996 on our consideration of the Union Parish School Board's internal control structure and a report dated August 21, 1996 on its compliance with laws, regulations, contracts, and grants.

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents, including the Schedule of Federal Financial Assistance, are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Union Parish School Board. Such information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
August 21, 1996

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

All Fund Types and Account Groups
Combined Balance Sheet
June 30, 1996

	*****GOVERNMENTAL FUNDS*****			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 1,340,717	\$ 370,076	\$ 638,393	\$ 0
Receivables	66,766	166,797	27,319	0
Interfund receivable	647,783	258,988	0	20,250
Inventory	0	55,104	0	0
Deferred compensation plan assets	0	0	0	0
Fixed assets	0	0	0	0
Other debits:				
Amount available in debt service fund	0	0	0	0
Amount to be provided for payment of debt	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 2,055,266	\$ 850,965	\$ 665,712	\$ 20,250
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts, salaries and other payables	\$ 995,836	\$ 70,433	\$ 0	\$ 0
Interfund payable	460,176	466,845	0	0
Deferred compensation benefits payable	0	0	0	0
Deposits due others	0	0	0	0
Bonds payable	0	0	0	0
Leases payable	0	0	0	0
Compensated absences payable	0	0	0	0
Total Liabilities	\$ 1,456,012	\$ 537,278	\$ 0	\$ 0
Equity and other credits:				
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:				
Reserved:				
For inventory		55,104		
For debt service			665,712	
Unreserved:				
Designated	215,000	0		0
Undesignated	384,254	258,583		20,250
Total Equity and other credits	\$ 599,254	\$ 313,687	\$ 665,712	\$ 20,250
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 2,055,266	\$ 850,965	\$ 665,712	\$ 20,250

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

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 17 - RISK MANAGEMENT

The School Board initiated a risk management program for workers' compensation in 1991. During fiscal year 1996 and 1995, a total of \$11,551 and \$122,321, respectively, were paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$200,000. Maximum retention exposure for aggregate claims amounts to \$1,000,000. An amount for self-insurance losses of \$100,000 was designated for year ending June 30, 1996.

Changes in the claims amount for years ending June 30, 1994, 1995 and 1996 are as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Ending of Fiscal Year Liability</u>
Year ending June 30:				
1994	\$31,651	\$ 33,322	\$(19,843)	\$45,130
1995	45,130	125,315	(122,321)	48,124
1996	48,124	24,891	(11,551)	61,464

NOTE 18 - LITIGATION AND CLAIMS

Litigation

At June 30, 1996, the School Board is involved in various litigation. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

Construction Project

A major construction project was completed at June 30, 1996. The project included the rebuilding of a significant portion of Farmerville High School which was destroyed by fire. The project was being funded primarily through insurance proceeds from the fire loss. Costs incurred on the project totaled \$1,129,832 as of June 30, 1996.

Grant Disallowances

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

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 18 - LITIGATION AND CLAIMS (Continued)

Tax Arbitrage Rebate

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

NOTE 19 - DEFERRED COMPENSATION PLAN

The School Board maintains a deferred compensation plan which is available to all employees. The Lincoln National Life Insurance Company is an independent plan administrator. The plan, which complies with Section 457 of the Internal Revenue Code (Deferred Compensation Plans with Respect to Service for State and Local Governments), has been approved by a private letter ruling from the Internal Revenue Service. Employees who choose to participate may elect the amount of their contributions, within legal limits, and defer federal income taxation on that portion of their salaries and the earnings thereon. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. Under the terms of IRC Section 457, the employees' contributions and all income attributable to the investment of such amounts are the property of the School Board until paid or made available to the participants or their beneficiaries. The plan assets represent a general liability of the School Board to its employees whose rights to the fair market value of their participant shares are equal to the rights of other general creditors.

In the opinion of the School Board's legal counsel, the School Board has no liability for losses under the plan but, in its fiduciary role, does have the obligation of the due care that would be required of an ordinary prudent investor in selection of the third party administrator. The School Board believes that it is unlikely that plan assets will ever be used to satisfy the claims of general creditors.

In compliance with GASB Statement 2, "Financial Reporting of Deferred Compensation Plans Adopted Under the Provisions of the Internal Revenue Code Section 457," the School Board has recorded assets of the deferred plan (valued at market) and the obligations to plan participants in an agency fund of the School Board.

A summary of changes in the Deferred Compensation Agency Fund deferred compensation benefits payable for each of the two years ended June 30, 1996 follows:

Balance, July 1, 1994	\$ -
Additions	2,601
Deductions	<u>-</u>
Balance, June 30, 1995	2,601
Additions	8,170
Deductions	<u>(1,610)</u>
Balance, June 30, 1996	<u>\$ 9,161</u>

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

NOTE 20 - DEFEASANCE OF DEBT

On December 11, 1995 the Union Parish School Board issued \$2,615,000 in General Obligation School Refunding Bonds, with interest rate of 4.97 percent, to advance refund \$2,600,000 of outstanding 1987 Series bonds with interest rates of 6.80 to 7.25 percent. The net proceeds of \$2,583,515 (\$2,615,000 bond issue less issuance costs of \$31,485) from the sale of the new bonds and a payment by the School Board of \$140,400 was deposited into an irrevocable trust with an escrow agent to provide for remaining debt service requirements of the 1987 Series bonds relating to bonds that mature after May 1, 1997. As a result, the 1987 Series bonds maturing after May 1, 1997, are to be considered defeased and the liability for those bonds has been removed from the general long-term debt account group.

The School Board refunded the 1987 Series bonds in order to take advantage of the recent decline in interest rates. This resulted a net decrease in total debt service payments over the next six years of \$279,699 at an economic gain (difference between the present value of the debt service payments of the old and new debts) of \$231,096.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

SUPPLEMENTAL INFORMATION SCHEDULES

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

SPECIAL REVENUE FUNDS

TITLE I PROGRAMS - LOCAL EDUCATIONAL AGENCIES
(Elementary and Secondary Education Act of 1965, Title I)

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

FEDERAL, STATE AND LOCAL PARTNERSHIPS FOR EDUCATIONAL IMPROVEMENTS
(TITLE VI)
(Elementary and Secondary Education Act of 1965, Title I)

To assist state and local educational agencies to improve elementary and secondary education.

Grants are awarded for students at risk of failure in school; instructional materials; school-wide improvements and effective school programs; training and professional development; early identification of children with reading disabilities, personal excellence of students and student achievements; and innovative enhancements projects to the educational program and climate of the school.

SPECIAL EDUCATION

PRESCHOOL GRANTS
(Individuals With Disabilities Education Act, Part B)

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

STATE GRANTS
(Individuals With Disabilities Education Act, Part B)

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

SPECIAL FUND

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

Various 8(g) State Grants
Vocational Education
Title II
Job Training Partnership Act (JTPA)
Adult Education

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

SPECIAL REVENUE FUNDS (Continued)

SALES TAX FUND

The Sales Tax Fund accounts for a one percent sales tax used to pay salaries and retirement benefits for school teachers and other school employees and/or to maintain and operate school buildings, facilities, and equipment. The costs of collecting and administering the tax are paid from the fund.

DISTRICT A FUND

The District A Fund accounts for the proceeds of an ad valorem tax dedicated for maintenance and upkeep of school facilities.

SCHOOL FOOD SERVICE

National School Lunch Program (National School Lunch Act of 1946)

School Breakfast Program (Child Nutrition Act of 1966)

Food Distribution (Commodities) (National School Lunch Act of 1946 and Child Nutrition Act of 1966)

Summer Food Service Program for Children (National School Lunch Act of 1946)

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

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

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1996

ELEMENTARY AND SECONDARY
*****EDUCATION ACT*****

	TITLE I	TITLE VI	SPECIAL EDUCATION	SPECIAL FUND
ASSETS				
Cash and cash equivalents	\$ 7,602	\$ 0	\$ 0	0
Investments	0	0	0	0
Receivables	53,979	2,378	15,213	91,837
Interfund receivable	(2,118)	0	0	25,906
Inventory	0	0	0	0
Other assets	0	0	0	0
Total Assets	\$ 63,699	\$ 2,378	\$ 15,213	\$ 117,743
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts, salaries and other payables	\$ 16,919	\$ 2,328	\$ 2,960	\$ 16,251
Interfund payable	46,780	50	12,253	101,492
Deferred revenues	0	0	0	0
Total Liabilities	\$ 63,699	\$ 2,378	\$ 15,213	\$ 117,743
Fund Equity				
Fund Balances:				
Reserved for inventory	\$ 0	\$ 0	\$ 0	0
Unreserved and undesignated	0	0	0	0
Total Equity	0	0	0	0
TOTAL LIABILITIES AND FUND EQUITY	\$ 63,699	\$ 2,378	\$ 15,213	\$ 117,743

Schedule 1

SALES TAX	DISTRICT A	SCHOOL FOOD SERVICE	TOTAL
\$ 231,410	\$ 122,384	\$ 8,680	\$ 370,076
0	0	0	0
0	3,390	0	166,797
1,717	229,247	0	258,988
0	0	55,104	55,104
0	0	0	0
<u>\$ 233,127</u>	<u>\$ 355,021</u>	<u>\$ 63,784</u>	<u>\$ 850,965</u>
\$ 0	\$ 31,015	\$ 960	\$ 70,433
230,247	71,712	4,311	466,845
0	0	0	0
<u>\$ 230,247</u>	<u>\$ 102,727</u>	<u>\$ 5,271</u>	<u>\$ 537,278</u>
\$ 0	\$ 0	\$ 55,104	\$ 55,104
2,880	252,294	3,409	258,583
2,880	252,294	58,513	313,687
<u>\$ 233,127</u>	<u>\$ 355,021</u>	<u>\$ 63,784</u>	<u>\$ 850,965</u>

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Combining Schedule of Revenue, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

ELEMENTARY AND SECONDARY
*****EDUCATION ACT*****

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>SPECIAL EDUCATION</u>	<u>SPECIAL FUND</u>
REVENUES				
Local sources:				
Taxes:				
Ad Valorem	\$ 0	\$ 0	\$ 0	0
Sales and use	0	0	0	0
Interest earnings	0	0	0	0
Food services	0	0	0	0
Other	0	0	0	0
State sources:				
Unrestricted	0	0	0	0
Restricted	0	0	0	134,423
Federal sources	840,111	24,012	148,520	113,114
Total revenues	\$ 840,111	\$ 24,012	\$ 148,520	\$ 247,537
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 0	\$ 0	\$ 0	0
Special programs	449,723	23,503	116,286	217,584
Adult and continuing education programs	0	0	0	39,595
Support services:				
Student services	0	0	0	0
Instructional staff support	265,513	0	20,935	0
General administration	17,726	509	5,926	0
School administration	0	0	0	0
Business services	0	0	0	0
Plant services	107,149	0	5,373	0
Student transportation services	0	0	0	0
Central services	0	0	0	0
Food services	0	0	0	0
Community service programs	0	0	0	0
Facilities acquisition and construction	0	0	0	0
Total expenditures	\$ 840,111	\$ 24,012	\$ 148,520	\$ 257,179
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	(9,642)

Schedule 2

SALES TAX	DISTRICT A	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 94,771	\$ 0	\$ 94,771
1,322,601	0	0	1,322,601
18,625	4,298	6,243	29,166
0	0	267,183	267,183
36,390	0	0	36,390
0	25,650	242,595	268,245
0	0	0	134,423
0	2,502	1,028,654	2,156,913
<u>\$ 1,377,616</u>	<u>\$ 127,221</u>	<u>\$ 1,544,675</u>	<u>\$ 4,309,692</u>

\$ 562,408	\$ 0	\$ 0	\$ 562,408
131,847	0	0	938,943
58,776	0	0	98,371
26,756	0	0	26,756
41,009	0	0	327,457
70,911	10,463	255	105,790
51,404	0	0	51,404
1,629	0	0	1,629
50,365	228,455	74,045	465,387
83,147	0	0	83,147
3,953	1,000	0	4,953
114,078	0	1,565,129	1,679,207
0	0	0	0
0	0	0	0
<u>\$ 1,196,283</u>	<u>\$ 239,918</u>	<u>\$ 1,639,429</u>	<u>\$ 4,345,452</u>

<u>\$ 181,333</u>	<u>\$ (112,697)</u>	<u>\$ (94,754)</u>	<u>\$ (35,760)</u>
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(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Combining Schedule of Revenue, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

ELEMENTARY AND SECONDARY
*******EDUCATION ACT*******

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>SPECIAL EDUCATION</u>	<u>SPECIAL FUND</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 8,359
Operating transfers out	0	0	0	0
Other sources	0	0	0	0
Other uses	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ 0	\$ 8,359
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 0	\$ 0	\$ 0	(1,283)
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	1,283
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	0

Schedule 2

SALES TAX	DISTRICT A	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 199,697	\$ 0	\$ 208,056
(199,697)	0	0	(199,697)
0	0	2,801	2,801
0	0	0	0
\$ (199,697)	\$ 199,697	\$ 2,801	\$ 11,160
\$ (18,364)	\$ 87,000	\$ (91,953)	\$ (24,600)
21,244	165,294	150,466	338,287
\$ 2,880	\$ 252,294	\$ 58,513	\$ 313,687

(CONCLUDED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Combining Schedule of Revenue, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1995

ELEMENTARY AND SECONDARY
*****EDUCATION ACT*****

	TITLE I	TITLE VI	SPECIAL EDUCATION	SPECIAL FUND
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 0	\$ 0	\$ 0	0
Sales and use	0	0	0	0
Interest earnings	0	0	0	0
Food services	0	0	0	0
Other	0	0	0	459
State sources:				
Unrestricted	0	0	0	0
Restricted	0	0	0	127,253
Federal sources	854,768	23,433	144,560	132,919
Total revenues	\$ 854,768	\$ 23,433	\$ 144,560	\$ 260,172
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 0	\$ 0	\$ 0	76,239
Special Programs	497,685	22,965	113,115	156,270
Adult and continuing education programs	0	0	0	43,328
Support services:				
Student services	0	0	0	0
Instructional staff support	226,152	0	21,493	0
General administration	16,461	468	6,173	599
School administration	0	0	0	0
Business services	0	0	0	0
Plant services	114,470	0	3,779	0
Student transportation services	0	0	0	0
Central services	0	0	0	0
Food services	0	0	0	0
Community service programs	0	0	0	0
Facilities acquisition and construction	0	0	0	0
Total expenditures	\$ 854,768	\$ 23,433	\$ 144,560	\$ 276,436
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	(16,264)

Schedule 3

SALES TAX	DISTRICT A	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 90,572	\$ 0	\$ 90,572
1,262,963	0	0	1,262,963
0	3,441	6,945	10,386
0	0	257,342	257,342
0	0	1,914	2,373
0	24,976	242,597	267,573
0	0	0	127,253
0	2,478	1,011,923	2,169,622
<u>\$ 1,262,963</u>	<u>\$ 121,467</u>	<u>\$ 1,520,721</u>	<u>\$ 4,188,084</u>

\$ 526,399	\$ 0	\$ 0	\$ 602,638
156,800	0	0	946,835
3,848	0	0	47,176
19,286	0	0	19,286
36,515	0	0	284,160
68,210	10,343	1,162	103,416
47,904	0	0	47,904
1,414	0	0	1,414
41,471	179,866	63,930	403,516
75,943	0	0	75,943
4,320	0	0	4,320
91,013	0	1,579,234	1,670,247
0	0	0	0
0	0	0	0
<u>\$ 1,073,123</u>	<u>\$ 190,209</u>	<u>\$ 1,644,326</u>	<u>\$ 4,206,855</u>

<u>\$ 189,840</u>	<u>\$ (68,742)</u>	<u>\$ (123,605)</u>	<u>\$ (18,771)</u>
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(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Combining Schedule of Revenue, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1995

ELEMENTARY AND SECONDARY
*****EDUCATION ACT*****

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>SPECIAL EDUCATION</u>	<u>SPECIAL FUND</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 17,547
Operating transfers out	0	0	0	0
Other sources	0	0	0	0
Other uses	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ 0	\$ 17,547
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 0	\$ 0	\$ 0	\$ 1,283
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 1,283

Schedule 3

SALES TAX	DISTRICT A	SCHOOL FOOD SERVICE	TOTAL
\$ 1,717	\$ 183,747	\$ 25,431	\$ 228,442
(183,747)	0	0	(183,747)
0	0	149,581	149,581
0	0	0	0
<u>\$ (183,030)</u>	<u>\$ 183,747</u>	<u>\$ 175,012</u>	<u>\$ 194,276</u>
\$ 7,810	\$ 115,005	\$ 51,407	\$ 175,505
13,434	50,289	99,059	162,782
<u>\$ 21,244</u>	<u>\$ 165,294</u>	<u>\$ 150,466</u>	<u>\$ 338,287</u>

(CONCLUDED)

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

AGENCY FUNDS

SCHOOL ACTIVITY AGENCY FUND

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

SALES TAX COLLECTION AGENCY FUND

The School Board serves as the central collection agent for sales taxes within Union Parish. This fund accounts for the assets held by the School Board as an agent for other taxing agencies within Union Parish.

DEFERRED COMPENSATION AGENCY FUND

The Deferred Compensation Agency Fund is used to account for employee deductions, investment earnings, and eventual payments of benefits to employees under deferred compensation plans established by the School Board under Section 457 of the Internal Revenue Code.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

AGENCY FUNDS
Combining Schedule of Assets and Liabilities
June 30, 1996

Schedule 4

	SCHOOL ACTIVITY FUND	SALES TAX COLLECTION FUND	DEFERRED COMPENSATION	TOTAL
ASSETS				
Cash and cash equivalents	\$ 161,088	\$ 0	\$	\$ 161,088
Deferred compensation plan assets	<u> </u>	<u> </u>	9,161	<u>9,161</u>
TOTAL ASSETS	\$ <u>161,088</u>	\$ <u>0</u>	\$ <u>9,161</u>	\$ <u>170,249</u>
 LIABILITIES				
Deferred compensation benefits payable	\$	\$	\$ 9,161	\$ 9,161
Deposits due others	<u>161,088</u>	<u>0</u>	<u>0</u>	<u>161,088</u>
TOTAL LIABILITIES	\$ <u>161,088</u>	\$ <u>0</u>	\$ <u>9,161</u>	\$ <u>170,249</u>

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SCHOOL ACTIVITY AGENCY FUND
Schedule of Changes in Deposits Due Others
For The Year Ended June 30, 1996

Schedule 5

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
BERNICE HIGH	\$ 38,786	\$ 77,913	\$ 75,927	\$ 40,772
DOWNSVILLE HIGH	32,581	138,924	142,034	29,471
FARMERVILLE ELEMENTARY	12,408	68,457	61,467	19,398
FARMERVILLE HIGH	40,406	160,677	187,349	13,734
FARMERVILLE MIDDLE	35,403	89,142	88,506	36,039
LILLIE MIDDLE	5,021	46,596	43,422	8,195
LINVILLE HIGH	8,125	64,585	69,488	3,222
MARION HIGH	3,046	48,883	50,154	1,775
ROCKY BRANCH ELEMENTARY	7,061	24,117	22,775	8,403
SPEARSVILLE HIGH	<u>175</u>	<u>57,810</u>	<u>57,906</u>	<u>79</u>
Total	<u>\$ 183,012</u>	<u>\$ 777,104</u>	<u>\$ 799,028</u>	<u>\$ 161,088</u>

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SCHOOL ACTIVITY AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 1995

Schedule 6

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
BERNICE HIGH	\$ 30,046	\$ 77,696	\$ 68,956	\$ 38,786
DOWNSVILLE HIGH	24,633	127,012	119,064	32,581
FARMERVILLE ELEMENTARY	15,052	55,445	58,089	12,408
FARMERVILLE HIGH	30,961	180,465	171,020	40,406
FARMERVILLE MIDDLE	31,123	102,509	98,229	35,403
LILLIE MIDDLE	5,945	46,712	47,636	5,021
LINVILLE HIGH	5,330	73,020	70,225	8,125
MARION HIGH	2,044	44,679	43,677	3,046
ROCKY BRANCH ELEMENTARY	6,091	19,290	18,320	7,061
SPEARSVILLE HIGH	<u>246</u>	<u>43,045</u>	<u>43,116</u>	<u>175</u>
Total	<u>\$ 151,471</u>	<u>\$ 769,873</u>	<u>\$ 738,332</u>	<u>\$ 183,012</u>

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SALES TAX COLLECTION AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Two Years Ended June 30, 1996

Schedule 7

	1996	1995
DEPOSIT BALANCE AT BEGINNING OF YEAR	\$ <u> 0</u>	\$ <u> 0</u>
ADDITIONS		
Sales tax collections	\$ <u>4,151,506</u>	\$ <u>3,759,774</u>
DEDUCTIONS		
Transfer to general fund - sales tax collection fee	\$ 27,608	\$ 24,998
Payments to:		
Union Parish Sheriff	659,183	604,386
Union Parish School Board	1,322,601	1,227,057
Union Parish Police Jury	1,321,208	1,203,661
Town of Farmerville	468,173	420,195
Town of Bernice	181,219	170,370
Town of Marion	122,945	89,060
Junction City	10,396	6,266
Audit fee (sales tax vendors)	<u>38,173</u>	<u>13,781</u>
Total deductions	\$ <u>4,151,506</u>	\$ <u>3,759,774</u>
DEPOSIT BALANCE AT END OF YEAR	\$ <u> 0</u>	\$ <u> 0</u>

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

DEFERRED COMPENSATION AGENCY FUND
Schedule of Changes in Deferred Compensation Benefits Payable
For the Two Years Ended June 30, 1996

Schedule 8

	1996	1995
DEFERRED COMPENSATION BENEFITS PAYABLE AT BEGINNING OF YEAR	\$ <u>2,601</u>	\$ _____
ADDITIONS		
Contributions	7,593	2,590
Interest income	<u>577</u>	<u>11</u>
Total additions	<u>8,170</u>	<u>2,601</u>
DEDUCTIONS		
Withdrawals	<u>1,610</u>	_____
DEFERRED COMPENSATION BENEFITS PAYABLE AT END OF YEAR	\$ <u>9,161</u>	\$ <u>2,601</u>

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

GENERAL

COMPENSATION PAID BOARD MEMBERS

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

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

In accordance with Office of Management and Budget Circular A-128, a schedule of federal financial assistance is presented.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

Schedule of Compensation Paid Board Members
For the Two Years Ended June 30, 1996

Schedule 9

	<u>1996</u>	<u>1995</u>
MR. KEITH ANTLEY	\$ 6,600	\$ 6,600
MR. DARVIN ACREE		3,300
MR. CHARLES CALCOTE		3,300
MR. BOBBY R. BURNS	6,600	6,900
MR. BOBBY GRIER	6,600	3,300
MR. MICHAEL HOLLEY	6,600	3,300
MR. ROBERT C. JAMES	6,600	6,600
MR. EUGENE JOHNIKIN		3,300
MR. RONNIE JONES	6,600	3,300
MR. GEORGE W. JONES	5,500	6,600
MR. GLYN NALE	6,600	6,600
MR. MARCUS WADE WATLEY	1,100	
MR. C. W. WHEELER	<u>7,200</u>	<u>6,900</u>
TOTAL	\$ <u>60,000</u>	\$ <u>60,000</u>

**UNION PARISH SCHOOL BOARD
Farmerville, Louisiana**

**Schedule of Federal Financial Assistance
For the Two Years Ended June 30, 1996**

Schedule 10

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	1996 ISSUES/ EXPENDITURES	1995 ISSUES/ EXPENDITURES
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
National School Lunch Program *	10.555	\$ 624,127	\$ 605,489
School Breakfast Program	10.553	288,112	263,682
Summer Food Service	10.559	29,507	45,186
Passed through Louisiana Department of Treasury			
Schools and Roads - Grants to States (National Forrest Lands)	10.665	<u>32,002</u>	<u>32,389</u>
Total United States Department of Agriculture		\$ <u>973,748</u>	\$ <u>946,746</u>
 United States Department of Education			
Passed through Louisiana Department of Education			
Adult Education - State-Administered			
Basic Grant Program	84.002	\$ 19,449	\$ 20,368
Title 1 Programs - Local Educational Agencies *	84.010	840,111	854,768
Special Education:			
State Grants	84.027A	127,298	111,459
Preschool Grants	84.173A	21,222	33,101
Vocational Education:			
Basic Grants to States	84.048	38,424	39,732
Consumer and Homemaker Education	84.049		3,561
Federal, State, and Local Partnerships for Educational Improvement (Title VI)	84.151	24,012	23,433
Eisenhower Mathematics and Science Education - State Grants (Title II)	84.164	17,711	19,442
Drug-Free Schools and Communities - State Grant	84.186	<u>26,964</u>	<u>24,409</u>
Total United States Department of Education		\$ <u>1,115,191</u>	\$ <u>1,130,273</u>
 United States Department of Labor			
Passed through Union Community Action of Farmerville, LA			
Job Training Partnership Act (JTPA)	17.250	<u>10,566</u>	<u>24,947</u>
 Noncash Federal Financial Assistance			
United States Department of Agriculture			
Passed through LA Department of Agriculture and Forestry			
Food Distribution Program (Commodities)	10.550	<u>86,908</u>	<u>97,567</u>
Total Federal Financial Assistance		\$ <u>2,186,413</u>	\$ <u>2,199,533</u>

*Major federal financial assistance programs

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the general purpose financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the general purpose financial statements and presents, where applicable, compliance matters that would be material to the general purpose financial statements.



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

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

We have audited the general purpose financial statements of the Union Parish School Board as of and for the two years ended June 30, 1996, and have issued our report thereon dated August 21, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

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

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants which are described in Findings #1, #2, and #3 of the accompanying Schedule of Reportable Conditions. Reportable

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

This report is intended for the use of the Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
August 21, 1996



ALLEN, GREEN & ROBINETTE, L.L.P.

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

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

We have audited the general purpose financial statements of the Union Parish School Board as of and for the two years ended June 30, 1996, and have issued our report thereon dated August 21, 1996.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

The results of our tests disclosed no material instances of noncompliance that are required to be reported here under Governmental Auditing Standards.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Union Parish School Board as Findings #1, #2, #3 and #4 in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the use of the Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
August 21, 1996

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**OTHER REPORTS REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-128**

The following pages contain information on internal control and compliance with laws and regulations required by OMB Circular A-128. The report on internal accounting and administrative controls relates to matters that would be significant and/or material to federal financial assistance programs. The report on compliance with laws and regulations is, likewise, related to tests of compliance with laws and regulations relating to federal financial assistance programs.



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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

We have audited the general purpose financial statements of the Union Parish School Board as of and for the two years ended June 30, 1996, and have issued our report thereon dated August 21, 1996. We have also audited the Union Parish School Board's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated August 21, 1996.

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

In planning and performing our audits for the two years ended June 30, 1996, we considered the School Board's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Union Parish School Board and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated August 21, 1996.

The management of the Union 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

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

Cash	Payroll and related liabilities
Expenditures for goods and services and accounts payable	Property, equipment and capital expenditures
	Single audit and similar grant programs

Grant Administration Controls

General requirements:	Specific Requirements:
Political activity	Types of services allowed or unallowed
Civil rights	Eligibility
Cash management	Level of effort
Federal financial reports	Reporting
Allowable costs/cost principles	Special tests and provisions
Drug-free Workplace Act	Claims for advances and reimbursements
Administrative requirements	

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

During the year ended June 30, 1996 and 1995, the Union Parish School Board expended 67% and 66%, respectively of its total federal financial assistance under major federal financial assistance programs.

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

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants which is described in Finding #3 of the accompanying Schedule of Reportable Conditions. Reportable conditions involve

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the School Board's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

A material weakness is a reportable condition in which the design or operation 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.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition referenced above is not a material weakness.

This report is intended for the use of the Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
August 21, 1996



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

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

We have audited the general purpose financial statements of the Union Parish School Board as of and for the two years ended June 30, 1996, and have issued our report thereon dated August 21, 1996.

We have applied procedures to test the Union Parish School Board's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the two years ended June 30, 1996: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, Drug-free Workplace Act compliance and administrative requirements.

Our 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." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the School Board's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

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

This report is intended for the use of the Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
August 21, 1996



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

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

We have audited the general purpose financial statements of the Union Parish School Board as of and for the two years ended June 30, 1996, and have issued our report thereon dated August 21, 1996.

We have also audited the Union Parish School Board's compliance with the requirements governing types of services allowed or unallowed; eligibility; level of effort; reporting; special tests and provisions and claims for advances and reimbursements that are applicable to each of the School Board's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the two years ended June 30, 1996. The management of the Union Parish School Board is responsible for the School Board's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our 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 we 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 the School Board's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Union Parish School Board complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; level of effort; reporting; special tests and provisions and claims for advances and reimbursements that are applicable to each of its major federal financial assistance programs for the two years ended June 30, 1996.

This report is intended for the use of the Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

BOARD MEMBERS
UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

We have audited the general purpose financial statements of the Union Parish School Board as of and for the two years ended June 30, 1996, and have issued our report thereon dated August 21, 1996.

In connection with our audit of the general purpose financial statements of the Union Parish School Board, and with our consideration of the School Board's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "*Audits of State and Local Governments*," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the two years ended June 30, 1996.

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

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Union Parish School Board had not complied, in all material respects, with those requirements.

This report is intended for the use of the Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies. However, this report is a matter of public record, and its distribution is not limited.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
August 21, 1996

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**STATUS OF PRIOR AUDIT REPORTABLE CONDITIONS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

FOR THE AUDIT AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1994, THERE WERE NO REPORTABLE CONDITIONS.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

**FOR THE AUDIT AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1994, THERE WERE NO
AUDIT FINDINGS AND QUESTIONED COSTS.**

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**SCHEDULE OF REPORTABLE CONDITIONS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

1. Use of Rubber Stamp for Signing Checks

CONDITION: A rubber stamp is used for one of the two signatures on non-payroll checks.

REASON IMPROVEMENT NEEDED: To strengthen internal control over the check signing process.

CAUSE OF CONDITION: Convenience of the rubber stamp for the check signing process.

EFFECT OF CONDITION: Rubber stamp could be used without the knowledge of the official responsible for signing the checks.

RECOMMENDATION: All checks should be signed by the check-signing machine. In the event of an emergency requiring the use of the rubber stamp, a log should be maintained that shows the check number(s) and the employee's name using the stamp.

MANAGEMENT'S RESPONSE: In the future, use of a signature stamp for checks will require an entry to a log which will show the employee's name requesting use of the stamp and the check numbers that the stamp was used on.

2. Student Activity Accounts

CONDITION: Controls over the student activity funds of Farmerville High School and Bernice High School tested are not adequate. Of ten receipts tested at Farmerville High School, two receipts were not deposited on a timely basis. Of twenty-five disbursements tested at Farmerville High School, eight disbursements had no invoice or other documentation to support the payments, three disbursements were written to "cash," two disbursements were supported by invoices that had no evidence of receipt of the goods or services, and one disbursement paid an invoice that included sales tax. Of thirty-four disbursements tested at Bernice High School, ten disbursements had no invoice or other documentation to support the payments, two disbursements were written to "cash," seventeen disbursements were supported by invoices that had no evidence of receipt of the goods or services, and three disbursements paid invoices that included sales tax.

REASON IMPROVEMENT NEEDED: To adequately ensure that cash receipts are accounted for on a timely basis, cash disbursements are supported by proper documentation, and sales tax is not paid.

CAUSE OF CONDITION: Lack of implementation of policies and procedures adopted by the School Board.

EFFECT OF CONDITION: Possibility of errors and/or irregularities occurring and not being detected on a timely basis.

RECOMMENDATION: Cash receipts should be deposited on a daily basis, if practical. Cash disbursements should be supported by an invoice that itemizes the goods or services received and should indicate the receipt of the goods or services. Additionally, checks should not be written to "cash" and should include the payment of sales tax only in situations that are unavoidable, such as when reimbursing teachers for supplies they purchased.

MANAGEMENT'S RESPONSE: All recommendations will be implemented as soon as possible.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**SCHEDULE OF REPORTABLE CONDITIONS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

**3. Accounting for All General Fixed Assets
(Goals 2000 Program - CFDA #84.276)**

CONDITION: The School Board is a member of a consortium for the Goals 2000 program which another School Board is the fiscal agent. This other School Board pays the bills for the members of the consortium. As part of this program computers and other fixed assets were purchased. No accounting for these fixed assets have been recognized by the Union Parish School Board.

REASON IMPROVEMENT NEEDED: The improvement is needed to assure adequate control over safeguarding of fixed assets.

CAUSE OF CONDITION: The accounting personnel have not had access to the accounting records at the other School Board.

EFFECT OF CONDITION: A less than desired internal control over the fixed assets purchased through this consortium.

RECOMMENDATION: By April 1997 the School Board should obtain the particulars of the fixed assets obtained through the consortium and record the information in the fixed assets records.

MANAGEMENT'S RESPONSE: We will comply with the auditor's request.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

**1. Inventory of Fixed Assets
(All Programs, except Title I and Title VI Programs)**

CONDITION: The School Board does not maintain a comprehensive inventory of fixed assets. Only additions and deletions are being maintained.

REASON IMPROVEMENT NEEDED: Compliance with LSA-R.S. 24:515(B) and adequate controls over safeguarding of assets.

CAUSE OF CONDITION: Low priority placed on the fixed assets inventory.

EFFECT OF CONDITION: Noncompliance with LSA-R.S. 24:515(B) and inadequate internal control over safeguarding of fixed assets.

RECOMMENDATION: The School Board should prepare a complete inventory of fixed assets including description, tag number, date of purchase, number of items, location and cost. These fixed asset records should be updated at least quarterly, and an annual physical inventory be taken.

Subsequent to June 30, 1996, School Board accounting personnel are in the process of inputting all fixed asset inventory information, with the exception of Title I and Title VI programs which had listings of fixed asset inventory, into the computer.

MANAGEMENT'S RESPONSE: In the future, the School Board will maintain all fixed asset inventory records on a current basis.

**2. Cash Deposits
(All Programs)**

CONDITION: Of sixteen deposits covering five days that were tested, five instances were noted of delay between date of receipt per collection log and date of deposit.

The following was noted:

<u>Amount of Deposit</u>	<u>Date Collected</u>	<u>Date Deposited</u>
\$50,698.01	03-04-96	03-08-96
530.00	03-04-96	03-11-96
16,449.49	03-05-96	03-11-96
26,172.86	03-18-96	03-22-96
203.00	03-28-96	04-03-96

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

2. Cash Deposits (Continued)

REASON IMPROVEMENT NEEDED: LSA-R.S. 39:1215 requires all deposits be made on a daily basis, if practical.

CAUSE OF CONDITION: Workload of employee responsible for making deposits prevents daily deposits from being made.

EFFECT OF CONDITION: Noncompliance with state law, weak internal control situation concerning cash, and loss of income from deposits not earning interest.

RECOMMENDATION: All deposits should be made on a daily basis unless the deposit amount is clearly inconsequential.

MANAGEMENT'S RESPONSE: In the future, deposits will be made on a daily basis unless the deposit amount is clearly inconsequential..

**3. Budget Overruns
(Various)**

CONDITION: The School Board had unfavorable budget variances exceeding 5% for the following funds for the two years ended June 30, 1996:

<u>FUND</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
For the year ended June 30, 1996:			
Sales Tax Special Revenue Fund	\$ 1,102,008	\$1,196,283	\$(94,275)
For the year ended June 30, 1995:			
School Food Service Special Revenue Fund	1,526,062	1,644,326	(118,264)

REASON IMPROVEMENT NEEDED: The "Louisiana Local Government Budget Act" requires budgets be amended if expected actual expenditures exceed budgeted expenditures by five percent or more.

CAUSE OF CONDITION: Actual revenues for the last month of each fiscal year exceeded anticipated revenues which resulted in actual expenditures exceeding budgeted expenditures for each year.

EFFECT OF CONDITION: The School Board is in violation of Louisiana Revised Statute LSA-R.S. 39:1309-1310.

RECOMMENDATION: The School Board should monitor budget to actual periodically and amend the budget as needed.

MANAGEMENT'S RESPONSE: In the future, a greater effort will be made to anticipate material changes in actual revenues and expenditures at the end of the fiscal year in order to amend the budget as necessary.

**UNION PARISH SCHOOL BOARD
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE TWO YEARS ENDED JUNE 30, 1996**

4. Instructional Expenditures Less Than the Seventy Percent Threshold

CONDITION: Article VIII, Section 13(B) of the Constitution of Louisiana requires the State Board of Elementary and Secondary Education (BESE) to adopt and the Legislature to approve a formula for state funding to all public elementary and secondary schools in Louisiana. A cost distribution formula which was adopted as part of Senate Concurrent Resolution #223 during the 1992 regular session, requires that local School Boards ensure that seventy percent of state funds are expended on instruction.

REASON IMPROVEMENT NEEDED: To comply with State law.

CAUSE OF CONDITION: This newly adopted law requires new focus on whether expenditures are for instructional defined cost. Previously, no concern was expressed by BESE or the Legislature and therefore no concerted effort occurred on meeting or exceeding this threshold.

EFFECT OF CONDITION: The Union Parish School Board fell short of the seventy percent threshold by spending 68.4 percent on instruction.

RECOMMENDATION: The Union Parish School Board should review their operation to determine the goals and procedures that should be modified in order to ensure compliance with the new law.

MANAGEMENT'S RESPONSE: The percentage was 68.4 percent for 1995-1996. Being practically at the seventy percent, management feels, after a review of the School Board's operation and with a slight adjustment implemented, the School Board will exceed the seventy percent threshold for the 1996-1997 fiscal year.