



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

CERTIFIED PUBLIC ACCOUNTANTS  
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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  
RED RIVER PARISH SCHOOL BOARD  
Coushatta, Louisiana

We have audited the general purpose financial statements of the Red River Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated October 3, 1996. In our report, we did not express an opinion on the general purpose financial statements because the School Board's internal control structure is not adequate to provide safeguards over School Board assets and to assure the proper recording of transactions.

We conducted our audit in accordance with generally accepted auditing standards; 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 Red River 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 Red River Parish School Board as of June 30, 1996 and for the year then ended, 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.



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

BOARD MEMBERS  
RED RIVER PARISH SCHOOL BOARD  
Coushatta, Louisiana

We have audited the general purpose financial statements of the Red River Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated October 3, 1996. In our report, we did not express an opinion on the general purpose financial statements because the School Board's internal control structure is not adequate to provide safeguards over School Board assets and to assure the proper recording of transactions.

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

Monroe, Louisiana  
October 3, 1996

Board Members  
Red River Parish School Board  
Coushatta, Louisiana

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

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 noted matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These matters are described in findings #5, #7, #13 and #14 of the accompanying Schedule of Reportable Conditions. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in our audit of the compliance of Red River Parish School Board with requirements applicable to its major federal financial assistance programs for the year ended June 30, 1996 and this report does not affect our report thereon dated October 3, 1996.

This report is intended solely 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  
October 3, 1996

Board Members  
Red River Parish School Board  
Coushatta, Louisiana

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

Grant Administration Controls

General requirements:

Political activity  
Civil rights  
Cash management  
Federal financial reports  
Allowable cost/cost principles  
Drug-free Workplace  
*Administrative requirements*

Specific Requirements:

Types of services allowed or unallowed  
Eligibility  
Level of effort  
Special tests and provisions  
Claims for advances and reimbursements

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, the Red River Parish School Board expended 56% 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 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, #3, #4, #5, #7, #8, #13, #14 and #20 of the accompanying Schedule of Reportable Conditions. Reportable 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 School Board's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.



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

BOARD MEMBERS  
RED RIVER PARISH SCHOOL BOARD  
Coushatta, Louisiana

We have audited the general purpose financial statements of the Red River Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated October 3, 1996. In our report, we did not express an opinion on the general purpose financial statements because the School Board's internal control structure is not adequate to provide safeguards over School Board assets and to assure the proper recording of transactions. We have also audited the Red River Parish School Board's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October 3, 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 Red River 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 year 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 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 October 3, 1996.

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

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, 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 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 COMPLIANCE WITH THE SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

BOARD MEMBERS  
RED RIVER PARISH SCHOOL BOARD  
Coushatta, Louisiana

We have audited the general purpose financial statements of the Red River Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated October 3, 1996. In our report, we did not express an opinion on the general purpose financial statements because the School Board's internal control structure is not adequate to provide safeguards over School Board assets and to assure the proper recording of transactions.

We have also audited the Red River Parish School Board's compliance with the requirements governing types of services allowed or unallowed; eligibility; level of effort; 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 year ended June 30, 1996. The management of the Red River 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 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 Red River Parish School Board complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; level of effort; special tests and provisions; and claims for advances and reimbursements that are applicable to its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended solely 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  
October 3, 1996

Board Members  
Red River Parish School Board  
Coushatta, Louisiana

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 the accompanying Schedule of Reportable Conditions. Reportable 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 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 noted the following matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing and extent of the procedures to be performed in our audit of the general purpose financial statements of the Red River Parish School Board for the year ended June 30, 1996.

The matters noted in findings #5, #7, #13 and #14 in the accompanying Schedule of Reportable Conditions are considered to be material weaknesses.

This report is intended solely 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  
October 3, 1996



**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, 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 presented general purpose financial statements and presents, where applicable, compliance matters that would be material to the presented general purpose financial statements.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

Schedule 6

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR / PROGRAM NAME	CFDA NUMBER	EXPENDITURES
United States Department of Agriculture		
Passed through Louisiana Department of Education:		
National School Lunch Program *	10.555	\$ 423,812
School Breakfast Program	10.553	<u>164,593</u>
<b>Total United States Department of Agriculture</b>		<b>\$ <u>588,405</u></b>
United States Department of Education		
Passed through Louisiana Department of Education:		
Adult Education - State-Administered Basic Grant Program	84.002	\$ 28,577
Title 1 Programs - Local Educational Agencies*	84.010	560,408
Special Education:		
State Grants	84.027	74,710
Preschool Grants	84.173	18,503
Vocational Education:		
Basic Grants to States	84.048	23,615
Innovative Education Program Strategies (Title VI)	84.298	12,015
Eisenhower Professional Development - State Grants (Title II)	84.281	5,991
Safe and Drug-Free Schools - State Grants	84.186	14,892
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	151,012
Even Start - State Education Agencies	84.213	<u>159,814</u>
<b>Total United States Department of Education</b>		<b>\$ <u>1,049,537</u></b>
United States Department of Health and Human Services		
Passed through Louisiana Department of Social Services		
Job Opportunities and Basic Skills Training (Project Independence)	93.561	\$ 13,113
Passed through Louisiana Department of Education		
Payments to States for Child Care Assistance (Starting Points Preschool)	93.575	<u>36,267</u>
<b>Total United States Department of Health and Human Services</b>		<b>\$ <u>49,380</u></b>
United States Department of Labor		
Passed through Louisiana Department of Labor		
Employment Services and Job Training-Pilot and Demonstration Programs (Louisiana Schools to Work)	17.249	<u>5,917</u>
Noncash Federal Financial Assistance		
Passed through La. Dept. of Agriculture and Forestry:		
Food Distribution Program	10.550	<u>58,080</u>
<b>Total Expenditures</b>		<b>\$ <u>1,751,319</u></b>

\*Denotes a major federal financial assistance program.

RED RIVER PARISH SCHOOL BOARD  
Coushatta, Louisiana

Schedule 5

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

Mr. J. B. Wells	\$	6,050
Mr. Barry Huckabay		6,000
Mr. William D. Long		6,000
Mr. Roger G. Longino		6,100
Mr. J. B. McElwee		6,000
Mr. Cleve L. Miller		6,000
Mr. Jessie Webber		<u>6,000</u>
Total	\$	<u>42,150</u>

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES**  
**AS OF AND FOR THE YEAR 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 \$500 per month, and the president receives an additional \$50 every four months.

**FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

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

**RED RIVER PARISH SCHOOL BOARD  
Coushatta, Louisiana**

Schedule 4

**AGENCY FUNDS  
Schedule of Changes in Deposits Due Others  
For the Year Ended June 30, 1996**

\*\*\*\*\*SCHOOL ACTIVITY FUNDS\*\*\*\*\*

SCHOOL	Balance, July 1, 1995	Additions	Deductions	Balance, June 30, 1996
Coushatta Elementary	\$ 5,126	\$ 51,155	\$ 40,631	\$ 15,650
Coushatta High School	12,126	66,032	77,243	915
Hall Summit High School	7,019	66,227	70,792	2,454
Martin High School	2,577	129,166	114,529	17,214
Springville Middle School	<u>2,189</u>	<u>28,090</u>	<u>29,383</u>	<u>896</u>
Total	\$ <u>29,037</u>	\$ <u>340,670</u>	\$ <u>332,578</u>	\$ <u>37,129</u>

\*\*\*\*\*SALES TAX FUND\*\*\*\*\*

	Balance, July 1, 1995	Additions	Deductions	Balance, June 30, 1996
Red River Parish School Board	\$ 0	\$ 1,051,709	\$ 1,051,709	\$ 0
Red River Parish Police Jury	0	525,911	525,911	0
Red River Parish Sheriff	0	526,077	526,077	0
Town of Coushatta	0	262,360	262,360	0
Village of Hall Summit	<u>0</u>	<u>3,224</u>	<u>3,224</u>	<u>0</u>
Total	\$ <u>0</u>	\$ <u>2,369,281</u>	\$ <u>2,369,281</u>	\$ <u>0</u>

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

Schedule 3

**AGENCY FUNDS**  
**Combining Statement of Assets and Liabilities**  
**June 30, 1996**

	<u>SCHOOL ACTIVITY FUND</u>	<u>SALES TAX</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 37,129	\$ 0	\$ 37,129
Due from other governments	<u>0</u>	<u>644</u>	<u>644</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 37,129</u></b>	<b><u>\$ 644</u></b>	<b><u>\$ 37,773</u></b>
 <b>LIABILITIES</b>			
Due to other governments	\$ 0	\$ 644	\$ 644
Deposits due others	<u>37,129</u>	<u>0</u>	<u>37,129</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 37,129</u></b>	<b><u>\$ 644</u></b>	<b><u>\$ 37,773</u></b>

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**AGENCY FUNDS**

**SCHOOL ACTIVITY FUNDS**

The School Activity Agency Fund accounts for monies generated by the schools and organizations within the parish. While these accounts are under the supervision of the School Board, they belong to the individuals or their student bodies and are not available for use by the School Board.

**SALES TAX FUND**

The School Board serves as the centralized agent for the collection of sales and use tax within Red River Parish.

The Sales Tax Agency Fund represents sales tax collected for the following:

Red River Parish School Board  
Red River Parish Police Jury  
Red River Parish Sheriff  
Town of Coushatta  
Village of Hall Summit

Schedule 2

GOALS 2000	OTHER SPECIAL FUNDS	CONSTRUCTION REPAIR, AND EQUIP MAINT	SCHOOL FOOD SERVICE	EMPLOYEE SALARIES & BENEFITS	TOTAL
\$ 0	\$ 13,474	\$ 283,295	\$ 84,949	\$ 0	\$ 394,253
0	(13,474)	0	0	(848,472)	(861,946)
0	0	0	0	100,000	100,000
0	0	95,595	0	0	95,595
0	0	0	0	(3,904)	(3,904)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 378,890</u>	<u>\$ 84,949</u>	<u>\$ (752,376)</u>	<u>\$ (276,002)</u>
\$ 0	\$ 0	\$ 18,620	\$ (75,655)	\$ 28,040	\$ (28,995)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (9,041)</u>	<u>\$ 392,514</u>	<u>\$ 148,001</u>	<u>\$ 531,474</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,579</u>	<u>\$ 316,859</u>	<u>\$ 176,041</u>	<u>\$ 502,479</u>

(CONCLUDED)



**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>SPECIAL EDUCATION</u>	<u>EVEN START</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$ 10,365	\$ 0	\$ 0	2,170
Operating transfers out	0	0	0	0
Other sources: Loan proceeds	0	0	0	0
Other sources: Insurance proceeds	0	0	0	0
Other uses	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ 10,365</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,170</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	\$ 0	\$ 0	\$ 0	0
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

Schedule 2

GOALS 2000	OTHER SPECIAL FUNDS	CONSTRUCTION REPAIR, AND EQUIP MAINT	SCHOOL FOOD SERVICE	EMPLOYEE SALARIES & BENEFITS	TOTAL
\$ 0	\$ 0	\$ 126,796	\$ 0	\$ 333,725	\$ 460,521
0	0	0	0	543,401	543,401
0	0	1,020	11,304	5,165	17,489
0	0	0	93,385	0	93,385
0	0	0	4,105	0	4,105
0	0	0	25,000	0	25,000
0	0	20,585	0	0	20,585
151,012	92,105	0	646,485	0	1,751,319

\$ 151,012	\$ 92,105	\$ 148,401	\$ 780,279	\$ 882,291	\$ 2,915,805
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\$ 110,086	\$ 3,144	\$ 0	\$ 0	\$ 0	\$ 113,230
1,866	2,673	0	0	0	639,613
952	54,194	0	0	0	101,427
1,004	14,892	0	0	0	16,376
23,867	14,121	0	0	0	170,416
1,452	1,182	0	0	0	14,128
0	0	0	0	0	1,895
288	1,899	0	0	0	2,996
195	0	482,051	0	0	509,607
4,238	0	0	0	0	14,668
4,742	0	0	0	0	12,742
2,322	0	0	940,883	0	943,205
0	0	21,620	0	0	21,620
0	0	5,000	0	100,000	105,000
0	0	0	0	1,875	1,875

\$ 151,012	\$ 92,105	\$ 508,671	\$ 940,883	\$ 101,875	\$ 2,668,798
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\$ 0	\$ 0	\$ (360,270)	\$ (160,604)	\$ 780,416	\$ 247,007
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# ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS  
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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  
RED RIVER PARISH SCHOOL BOARD  
Coushatta, Louisiana

We have audited the general purpose financial statements of the Red River Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated October 3, 1996. In our report, we did not express an opinion on the general purpose financial statements because the School Board's internal control structure is not adequate to provide safeguards over School Board assets and to assure the proper recording of transactions.

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

Compliance with laws, regulations, contracts and grants applicable to the Red River 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 instances of noncompliance described in findings #1 and #2 of the accompanying Schedule of Findings and Questioned Costs that are required to be reported herein under Government Auditing Standards.

This report is intended solely 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  
October 3, 1996

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**2. Business Manager's Responsibility (Continued)**

**REASON IMPROVEMENT NEEDED:** Improvement is needed in order to prevent payments in the future that are of a questionable nature.

**CAUSE OF CONDITION:**

**EFFECT OF CONDITION:** Payment of certain expenditures of a questionable nature occurred without the Business Manager's knowledge.

**RECOMMENDATION:** The Business Manager should become familiar with all aspects of the business department, particularly the check disbursement cycle for the General Fund. This can be accomplished by authorizing the preparation of all checks issued or by reviewing a listing of the check disbursement history for the checks issued during the month. If the latter approach is taken, the listing should be signed, dated and maintained for the auditors' review. This latter procedure should be performed no less frequently than monthly.

**MANAGEMENT'S RESPONSE:** We will comply with the recommendation.

**3. Original Invoices**

(Payments to States for Child Care Assistance - CFDA# 93.575)

(Job Opportunities and Basic Skills Training - CFDA# 93.561)

(Safe and Drug-Free Schools - State Grants - CFDA# 84.186)

(Adult Education - State Administered Basic Grant Program - CFDA# 84.002)

(Special Education - State Grants - CFDA# 84.027)

(Special Education - Preschool Grants - CFDA# 84.173)

(Vocational Education - Basic Grants to States - CFDA# 84.048)

**CONDITION:** A review of vendor disbursements from the General Fund of the School Board reflected that the support for payments in too many instances consisted of copies of invoices, not the original invoices. Using copies of invoices provide the potential for duplicate payment for the same goods or services, once by the original and again by the copy.

**REASON IMPROVEMENT NEEDED:** Improvement is needed to avoid potential duplicate payment of the same invoice.

**CAUSE OF CONDITION:** A principal/supervisor would authorize payment to several personnel by use of the same form. That one form was then copied and used as support for multiple checks written.

**EFFECT OF CONDITION:** The potential for duplicate payment of the same invoice existed.

**RECOMMENDATION:** The School Board should prepare checks using only original invoices. The Business Manager should approve issuance of any check based upon a duplicate copy of the supporting documentation. Issuance of checks based upon duplicate invoices should occur only in rare situations.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**13. Board Authorizes Superintendent's Approval of Invoices on Board's Behalf (Continued)**

**RECOMMENDATION:** The Superintendent should immediately cease signing invoices indicating approval by the Board. The Board should approve/ratify all invoices for payments.

**MANAGEMENT'S RESPONSE:** We will comply with the auditors' recommendation and will set forth the procedure provided in the check preparation process provided in Number 1 of the Schedule of Reportable Conditions.

**14. Distribution of Audit Reports**  
(All Programs)

**CONDITION:** The auditor mails copies of the audit report upon completion of the audit to the various regulatory authorities and to the School Board's central office. Cover letters accompanying the audit reports are sent to the various recipients. As part of this process, one letter and report are sent to the President of the Board and one letter and several reports are sent to the Superintendent. The copies sent to the Superintendent include the necessary copies for all Board members other than the President. The cover letter to the Superintendent specifically notes the number of copies included in the package that are for the Board members. There seems to be a question as to whether or not the audit reports as of and for the year ended June 30, 1995 were received by all members of the Board.

**REASON IMPROVEMENT NEEDED:** The Board members should be fully informed about the contents of all reports prepared by the auditor. The audit report provides valuable feedback and assurance to the Board concerning the financial operations of the School Board.

**CAUSE OF CONDITION:**

**EFFECT OF CONDITION:** Some Board members appeared to be uninformed concerning the auditors' comments in previous audit reports.

**RECOMMENDATION:** The Superintendent should distribute immediately, upon receipt, copies of the audit report to the Board members.

**MANAGEMENT'S RESPONSE:** In the future, the audit reports will be distributed to the Board members immediately upon receipt of the reports.

**15. Personal Charges on American Express Credit Card**

**CONDITION:** The School Board maintains a corporate American Express credit card and makes monthly payments for charges incurred. It appears that the Superintendent made personal charges to this account for which he reimbursed the School Board on several occasions. For example, the Superintendent charged gasoline in the following amounts: 1993-1994, \$1,088.22; 1994-1995, \$1,503.25; and 1995-1996, \$2,260.58. He reimbursed the School Board for these items after the close of the current fiscal year.

**REASON IMPROVEMENT NEEDED:** Improvement is needed to prevent possible payment of charges that are not bills of the School Board.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**15. Personal Charges on American Express Credit Card (Continued)**

**CAUSE OF CONDITION:** The person involved said the charges were made in error and that they were unintentional.

**EFFECT OF CONDITION:** Payment of an invoice may occur for an obligation that is not the obligation of the School Board.

**RECOMMENDATION:** Personal items should never be charged on the School Board's credit card or on any open accounts with vendors. All personnel should be instructed to comply fully with these instructions.

**MANAGEMENT'S RESPONSE:**

**16. Account Coding Results in Misleading Financial Reporting**

**CONDITION:** Numerous charges were made during the fiscal year and at least the two prior years on the American Express credit card for the Superintendent's travel. These charges consisted of gasoline, car rental, motel and various other items which were in lieu of the mileage allowance reports eventually submitted. The accounts payable clerk coded the gasoline and oil to regular transportation (account 2721), the car rental to equipment lease expense and motel charges to travel. The Louisiana Accounting and Uniform Governmental Handbook, mandated by the Louisiana Department of Education, states the use of account 2721 - Vehicle Operation Services to be "Activities involved in operating vehicles for student transportation, from the time the vehicles leave the point of storage until they return to the point of storage. These include driving buses or other student transportation vehicles."

The Superintendent reimbursed the School Board for the gas and oil for the three fiscal years after the end of the current fiscal year. A receivable was recorded at June 30, 1996 to offset the improper charges to regular transportation by the reimbursements. Accordingly, no overstatement of regular transportation occurred in the 1995-1996 fiscal year.

Splitting the charges between equipment rental and Superintendent's travel prevented the Superintendent's travel expenditure account from reflecting the true cost of his travel. It only reflected meals and lodging cost and did not reflect the vehicle/mileage cost.

**REASON IMPROVEMENT NEEDED:** Improvement is needed in order to comply with the Louisiana Accounting and Uniform Governmental Handbook and to provide the Board and third parties with accurate financial reporting.

**CAUSE OF CONDITION:** The explanation given was that the person coding the checks was following the instructions given to her by a former Business Manager.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**16. Account Coding Results in Misleading Financial Reporting (Continued)**

**EFFECT OF CONDITION:** Improper coding misstated several of the expense accounts. The net result was that the Superintendent's travel cost was understated and regular (student) transportation cost was overstated in at least two prior fiscal years. The Superintendent's travel account did not reflect the cost of the vehicle/mileage. The Annual Financial and Statistical Report filed with the Louisiana Department of Education which reflects detailed revenues and expenditures were inaccurate. For the two years mentioned, "Regular (Student) Transportation" was one of two categories that the State of Louisiana provided funding to the School Board on a cost-reimbursement basis. There may have been some over reimbursement by the State of Louisiana to the School Board for student transportation cost in the two earlier years.

**RECOMMENDATION:** The accounts payable clerk should code car rental, gasoline and oil for the Superintendent's travel to the account designated in the Louisiana Accounting and Uniform Governmental Handbook.

**MANAGEMENT'S RESPONSE:** Personnel will be instructed to accurately reflect the coding for expenses.

**17. Student Activity Funds Internal Control Weaknesses**

**CONDITION:** Allen, Green & Robinette, CPAs performed a separate audit of the Student Activity Funds of all schools in Red River Parish as of and for the year ended June 30, 1996. Detailed findings at each school were included in that report. The findings generally included lack of record-keeping for cash receipts and disbursements, problems noted in tests of disbursements and some miscoding of checks and deposits.

A similar finding was reported in the audit report as of and for the two years ended June 30, 1995.

**REASON IMPROVEMENT NEEDED:** Improvements are needed to strengthen each school's internal control over their most liquid asset, cash.

**CAUSE OF CONDITION:** Personnel turnover has been the cause in some situations.

**EFFECT OF CONDITION:** Schools have less than desired control over the student activity funds.

**RECOMMENDATION:** Schools need to implement the auditors' detailed recommendations included in the separate audit report of the Student Activity Funds of Red River Parish School Board.

**MANAGEMENT'S RESPONSE:** We will comply with the auditors' request.

**18. Vendors' Open Accounts for Individual Schools**

**CONDITION:** Coushatta High School had charge accounts at several businesses with unpaid balances totaling \$42,037 at June 30, 1996. The school was unable to pay these balances and the School Board had to assume this liability.

**REASON IMPROVEMENT NEEDED:** Controls are needed to prevent unauthorized spending by schools.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**18. Vendors' Open Accounts for Individual Schools (Continued)**

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** The School Board had to assume the liability of the school.

**RECOMMENDATION:** We recommend the schools not be allowed to open a charge account without the approval of the School Board.

Authorized users should also be approved by the School Board and the businesses should be informed that charges are to be allowed only with a purchase order number.

The principal should notify the School Board's Business Manager of all instances when the payment of the statement amount is not paid within thirty days of the vendor's statement date.

**MANAGEMENT'S RESPONSE:** We will comply with the auditors' recommendation.

**19. Sales Tax Collections Lack Separation of Duties**

**CONDITION:** Inadequate segregation of duties was noted in recording and depositing receipts of sales tax collections. Generally, one person handles the majority of the transactions concerning sales tax receipts and deposits.

This condition has been included in prior audit reports.

**REASON IMPROVEMENT NEEDED:** One employee has access to receipts, prepares accounting records and controls checks. There is no independent check of her work.

**CAUSE OF CONDITION:** One employee handles sales tax collections.

**EFFECT OF CONDITION:** There is a potential for loss without discovery.

**RECOMMENDATION:** The lists of receipts should be compared to the monthly computerized sales journal and deposit tickets by someone other than the sales tax accountant.

**MANAGEMENT'S RESPONSE:** We will comply with the auditors' recommendation.



**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**20. Budgetary Controls**

(Payments to States for Child Care Assistance - CFDA# 93.575)  
(Job Opportunities and Basic Skills Training - CFDA# 93.561)  
(Safe and Drug-Free Schools - State Grants - CFDA# 84.186)  
(Adult Education - State Administered Basic Grant Program - CFDA# 84.002)  
(Special Education - State Grants - CFDA# 84.027)  
(Special Education - Preschool Grants - CFDA# 84.173)  
(Vocational Education - Basic Grants to States - CFDA# 84.048)

**CONDITION:** Formal budget integration in the accounting records was not employed as a management control device for the General Fund and several Special Revenue Funds.

**REASON IMPROVEMENT NEEDED:** Controls over expenditures need to be strengthened by comparing actual expenditures to budgeted expenditures.

**CAUSE OF CONDITION:** Budget figures were not entered on the general ledger system for the General Fund and several Special Revenue Funds.

**EFFECT OF CONDITION:** No budgetary controls exist over the General Fund and several Special Revenue Funds.

**RECOMMENDATION:** We recommend the budget figures be entered on the general ledger system for all funds so actual revenues and expenditures can be compared to budgeted revenues and expenditures.

**MANAGEMENT'S RESPONSE:** We will comply with the auditors' recommendation.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**1. Nepotism**

**CONDITION:** At least two situations exist where immediate family members of an elected official may have been hired subsequent to the election of that Board member.

**REASON IMPROVEMENT NEEDED:** Louisiana Revised Statute 42:1119 - Nepotism prohibits a member of the immediate family of a member of a governing authority or the chief executive of a governmental entity from being employed by the governmental entity. An exception is made for a classroom teacher provided that such family member is certified to teach.

**CAUSE OF CONDITION:**

**EFFECT OF CONDITION:** The School Board may be in violation of Louisiana Revised Statute 42:1119.

**RECOMMENDATION:** The School Board should consult with the School Board's Counsel or the Code of Ethics Commission for Public Officials in Louisiana for guidance in complying with the herein mentioned statute.

**MANAGEMENT'S RESPONSE:** Management will write the State Board of Ethics to obtain an opinion and/or direction as to the action the Board should take regarding the alleged violations.

**2. Donation, Loan, or Pledge of Public Credit**

**CONDITION:** During the current audit, questions were raised with the auditor concerning travel expenditures. As a result, the audit contract was amended to include special procedures concerning travel paid by the School Board. Between June 30, 1996 and October 26, 1996, the Superintendent reimbursed the School Board \$23,949. Additional items were questioned by the auditors and that list was provided to the Board for their review and resolutions. The reimbursements to date were required because the School Board paid vendors travel-related costs on behalf of the Superintendent which exceeded the monthly travel expense reports subsequently filed by the Superintendent. The reimbursements covered the period July 1, 1993 through August 31, 1996.

The School Board purchased nine airlines tickets for Board members and family members to attend the National School Board Association Convention held in April 1996. One Board member attended the convention and reimbursed the School Board for two other tickets purchased for his family members. The other six tickets were for three Board members and their spouses.

Upon the auditors' questioning of the Board members concerning the tickets, three Board members reimbursed the School Board for the cost of their spouse's ticket.

**REASON IMPROVEMENT NEEDED:** Louisiana Constitution Article 7 Section 14 reads in part: Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**8. Vendors Assigned Multiple Vendor Numbers (Continued)**

**CAUSE OF CONDITION:** The accountants/bookkeepers are setting up vendors without researching the master vending listing for the existence of a particular vendor.

**EFFECT OF CONDITION:** Multiple vendor numbers for the same vendor provide the potential for duplicate payment of invoices. This potential is less likely if each vendor has only one vendor number.

**RECOMMENDATION:** A vendor should generally be assigned only one vendor number. The Business Manager should approve any exceptions and should maintain a written file of the exceptions. He should review the present vendor listing and approve any justifiable exceptions.

**MANAGEMENT'S RESPONSE:** The fund bookkeepers will be notified of this finding and measures will be put in place to avoid the potential for duplicate payment of invoices.

**9. Board Minutes Inaccuracies**

**CONDITION:** The minutes of the July 13, 1995 and May 21, 1996 Board meetings reflected that management said the audit firm (personnel) would be providing general assurance concerning the calculation of the sales tax supplement payments to employees of the school system in August 1995 and August 1996. The audit firm personnel had only minor participation concerning this process in 1995 and no participation in 1996.

**REASON IMPROVEMENT NEEDED:** The minutes need to accurately reflect stated or implied action to be taken by management. The minutes in subsequent meetings should reflect any changes in that action.

**CAUSE OF CONDITION:**

**EFFECT OF CONDITION:** The minutes erroneously reflected that the auditors gave special attention to the August 1995 and 1996 sales tax supplement payments to the employees of the system.

**RECOMMENDATION:** Management should be very cognizant of the comments they make in the Board meetings. In the event that any matter planned, stated or implied by management does not occur or is altered, then the change should be reported to the Board in a subsequent Board meeting, unless the change is clearly inconsequential.

**MANAGEMENT'S RESPONSE:** Management will comply with the auditors' recommendation.

**10. Hotel Travel Receipts**

**CONDITION:** The School Board's travel regulations state "Original hotel receipts are required." A review of the Superintendent's travel expenditure folders for the period July 1, 1993 through August 31, 1996 reflected 66 motel charges. In the majority of instances, the only support of the expenditure was a line item charge on the American Express credit card statement. Copies of hotel receipts have since been provided.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

The status of the six comments included in the prior audit report is as follows:

1. **Sales Tax Collections Lack Separation of Duties**

See Reportable Condition #19 on Schedule of Reportable Conditions.

2. **Check-Signing Machine**

See Reportable Condition #7 on Schedule of Reportable Conditions.

3. **No Separation of Duties**

See Reportable Condition #5 on Schedule of Reportable Conditions.

4. **Student Activity Funds Internal Control Weaknesses**

See Reportable Condition #17 on Schedule of Reportable Conditions.

5. **Cancellation of Invoices**

This finding has been resolved.

6. **Collection Log**

This finding has been resolved.

7. **Budget Overrun**

This finding has been resolved.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**5. Bank Reconciliations (Continued)**

**CAUSE OF CONDITION:**

**EFFECT OF CONDITION:** A less-than-optimum internal control situation exists over the disbursement cycle.

**RECOMMENDATION:** The bank reconciliation should be performed by someone independent of the check preparation process of a fund. One person could prepare the reconciliations for all funds, provided that person is independent of the check preparation process for all funds, or the accountants/bookkeepers could perform the bank reconciliation for each other. The bank statement and the related canceled checks should be received by the bank reconciler from the bank unopened. Access to the computerized bank reconciliation software application should be restricted to the bank reconciler only. The check preparer for a fund should not have access to the bank reconciliation application.

**MANAGEMENT'S RESPONSE:** We will comply with the auditors' recommendation.

**6. Fuel Storage Tanks**

**CONDITION:** The School Board has three gasoline storage tanks, one at the maintenance shop in Coushatta, one at Martin High School and one at Hall Summit High School. A second storage tank is maintained at the maintenance shop for storage of diesel. Gas dispensed from these tanks is used to replenish fuel in the school buses and maintenance vehicles. Logs of fuel dispensed for each vehicle with corresponding vehicle mileage and operator's signature are maintained at each site. Invoices for bulk fuel purchases are sent to the School Board's business office. Gallons consumed per the log are not reconciled to gallons purchased. An attempted reconciliation of the gallons of gasoline purchased with the logs reflected an unaccounted-for usage of 4,437 gallons at the maintenance shop and an unaccounted-for usage of 2,603 gallons at Martin High School. Gasoline purchased at the two sites was 31,005 and 15,490 respectively.

Consumption of gasoline per the log at Hall Summit reconciled very closely to the gallons purchased. A reconciliation of the gallons of diesel purchased with the consumption log at the maintenance shop was very close. Considering the nature of the record keeping for this type of situation, some variances are expected and the two situations noted in this paragraph are within a tolerable variance that the auditors consider reasonable.

**REASON IMPROVEMENT NEEDED:** Improvement is needed to provide added assurance that the dispensing of fuel from the storage tanks are for School Board purposes only.

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** The potential exists for fuel to be used for non-School Board purposes.



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

BOARD MEMBERS  
RED RIVER PARISH SCHOOL BOARD  
Coushatta, Louisiana

We have audited the general purpose financial statements of the Red River Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated October 3, 1996. In our report, we did not express an opinion on the general purpose financial statements because the School Board's internal control structure is not adequate to provide safeguards over School Board assets and to assure the proper recording of transactions.

In connection with our audit of the general purpose financial statements of the Red River Parish School Board, and with our consideration of the School Board's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year 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 and eligibility 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 the items not tested, nothing came to our attention that caused us to believe that the Red River Parish School Board had not complied, in all material respects, with those requirements.

This report is intended solely 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  
October 3, 1996

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**1. Check Preparation Process**  
(All Programs)

**CONDITION:** The General Fund check preparation control process needs improvement. On several checks, the Board's approval was missing or was in different places on the support; sometimes on the check voucher, sometimes on the actual invoice, sometimes on the adding machine recalculation of invoice amount, etc.

**REASON IMPROVEMENT NEEDED:** To provide documentation of approval process.

**CAUSE OF CONDITION:**

**EFFECT OF CONDITION:** Lack of uniformity in check preparation process weakens internal control over disbursements.

**RECOMMENDATION:** The School Board should design a rubber stamp that can be used as a cancellation for every invoice and provide documentation of the payment control process. The stamp would be placed on the face of the original invoice and reflect the following:

- Date and check number;
- Check preparer's initials;
- Purchase order number;
- General ledger account number;
- Initials of the person authorizing check preparation;
- Place to notate that the invoice has been mathematically checked;
- Place for the check preparer to acknowledge that he/she checked the invoice for a signature of person receiving the merchandise;
- Board members' initials.

The person who files the invoice should review all invoices for completeness of the procedures noted from the imprint of the rubber stamp.

The use of the stamp will provide uniformity for all payments by the system and will increase the probability of a stronger control system over the disbursement cycle.

**MANAGEMENT'S RESPONSE:** We will comply with the auditors' recommendation.

**2. Business Manager's Responsibility**  
(All Programs)

**CONDITION:** The Business Manager is responsible for the business and accounting functions of the school system. Several bookkeepers/accountants work in the department performing several duties, one of which is the preparation of checks for payment of goods and services. Payments were made during the year from the General Fund without the Business Manager's knowledge.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

The status of the four comments included in the prior audit report is as follows:

1. **Local Government Budget Act**

See Finding #4 on Schedule of Findings and Questioned Costs.

2. **Public Bid Law**

This finding has been resolved.

3. **Late Filing of Audit Report**

This finding has been resolved.



**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**2. Donation, Loan, or Pledge of Public Credit (Continued)**

**CAUSE OF CONDITION:** The Board allowed "settle up" to occur after year-end.

The Board members say they thought the Superintendent had canceled the airline tickets.

**EFFECT OF CONDITION:** The School Board may be in violation of the Article 7, Section 14 of the Louisiana Constitution.

**RECOMMENDATION:** Personnel should carefully review all charges to prevent possible violation of Article 7, Section 14.

The Board members should pay directly the cost of any tickets ordered for family members and should follow-up with management to be certain that any money spent on their behalf was of benefit to the School Board.

**MANAGEMENT'S RESPONSE:**

**3. Securities Pledged as Collateral for Deposits**  
(All Programs)

**CONDITION:** At June 30, 1996, the bank balance at Coushatta Bank exceeded the Federal Deposit Insurance Corporation (FDIC) limits and the fair market value of securities pledged by \$618,360.

**REASON IMPROVEMENT NEEDED:** Improvement is needed to comply with state law and ensure bank balances are adequately collateralized.

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** Bank balances are undercollateralized.

**RECOMMENDATION:** We recommend that the School Board monitor closely securities pledged to ensure that bank balances are adequately collateralized at all times.

**MANAGEMENT'S RESPONSE:** We will comply with the auditors' recommendation.

**4. Local Government Budget Act**

**CONDITION:** The minutes of the Board meeting at which the 1995-1996 budget was adopted did not reflect the designation of the meeting as a public hearing. There was no indication that the Board asked for public comment.

A comprehensive budget should be adopted for the General Fund and each special revenue fund. The original and amended budgets combined a special revenue fund with the General Fund and grouped all other special revenue in one column. A budget was not adopted for each special revenue fund.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**4. Local Government Budget Act (Continued)**

**REASON IMPROVEMENT NEEDED:** Improvement is needed to comply with the Local Government Budget Act LA R.S. 1301-1314.

**CAUSE OF CONDITION:** Unknown.

**EFFECT OF CONDITION:** The School Board is in violation of the Local Government Budget Act.

**RECOMMENDATION:** The School Board should allow time for public opinion on the budget adoptions during the Board meeting and note this in the minutes.

A comprehensive budget should be adopted for the General Fund and each special revenue fund so that comparison of actual expenditures with the budget can be made on a fund-by-fund basis.

**MANAGEMENT'S RESPONSE:** We will comply with the auditors' recommendations.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**10. Hotel Travel Receipts (Continued)**

**REASON IMPROVEMENT NEEDED:** Improvement is needed to comply with the School Board's travel regulations and accepted audit documentation standards.

One reason the hotel receipts are needed from an audit perspective is in order to review the statement for meals and other charges that may have cost limitations per the School Board's regulations.

**CAUSE OF CONDITION:** The Superintendent says he wasn't aware original hotel receipts were required.

**EFFECT OF CONDITION:** The effect is a violation of the School Board's travel regulations which require documentation for hotel charges.

**RECOMMENDATION:** All personnel should comply with the School Board's travel regulations.

**MANAGEMENT'S RESPONSE:** Original hotel receipts are to be included in the expenditure files as documentation for hotel costs.

**11. Payment of Travel Expenditures**

**CONDITION:** The Superintendent used an American Express credit card to charge rental car, gasoline for the rental car, motel, meals and other items during at least the period July 1, 1993 through August 31, 1996. The School Board paid the charges on the credit card monthly. These payments exceeded the actual travel expenditures filed periodically and monthly which were calculated according to the School Board's travel regulations.

Even though the credit card charges for travel expenditures exceeded what the Superintendent was entitled to per the School Board's travel regulations (and which resulted in the Superintendent reimbursing the School Board for amounts identified in this report as explained in finding #2 of the Schedule of Findings and Questioned Costs) the Superintendent requested and received check advances for several trips.

These check advances many times included estimated mileage, meals and motel expenses. Further, on several occasions the Superintendent received a check advance for a trip and he also charged the gasoline, meals and motel on the American Express card which was also paid by the School Board.

**REASON IMPROVEMENT NEEDED:** Improvement is needed to prevent overpayment of travel expenditures.

**CAUSE OF CONDITION:**

**EFFECT OF CONDITION:** Payments for travel advances exceeded actual expenditures for several months. The Superintendent appears to have been paid twice in at least two cases for the same trip. That was certainly the case until the settling up occurred, which was sometimes, several months later.



**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**11. Payment of Travel Expenditures (Continued)**

**RECOMMENDATION:** The settling up of travel expenditures should occur within a maximum of ten days after returning from the trip. In no instance should a travel advance be requested when the School Board has or will pay the cost of the travel on a direct bill from the motel or by charges on the School Board's credit card.

**MANAGEMENT'S RESPONSE:** Advances for travel should be avoided. Travel expenses and reimbursements are to be paid in accordance with the existing policy of the Board.

**12. Actual Mileage Claimed**

**CONDITION:** The Superintendent incurred what appeared to be an unusual number of miles on behalf of the School Board. The documentation for the travel was the log that was prepared and submitted by him.

**REASON IMPROVEMENT NEEDED:** Transactions with a related party generally have higher audit risk than a nonrelated party transaction. Therefore, more documentation, not less, should support transactions with a related party.

**CAUSE OF CONDITION:**

**EFFECT OF CONDITION:** The only documentation for these trips appears to be the log of the individual who is receiving the reimbursement. The odometer readings were not contained in the travel expense voucher.

**RECOMMENDATION:** Because the Superintendent is considered a related party, these transactions should be carefully documented to meet the School Board's travel policy and regulations.

A common alternative seen by the auditors at other school boards is the establishment of a fixed monthly travel allowance for the Superintendent to cover all in-parish travel. The auditors recommend this procedure for the Superintendent.

**MANAGEMENT'S RESPONSE:** The Superintendent will get a set fee to be determined by the School Board which will cover all in-parish travel.

**13. Board Authorizes Superintendent's Approval of Invoices on Board's Behalf**  
**(All Programs)**

**CONDITION:** A review of paid invoices and the corresponding check voucher reflects that the Superintendent is signing the Board's approval on many invoices.

**REASON IMPROVEMENT NEEDED:** The Board's approval of paid bills provides a strong internal control check (approval) of goods and services purchased by management. The Superintendent's signing on behalf of the Board nullifies that control.

**CAUSE OF CONDITION:**

**EFFECT OF CONDITION:** A weak internal control structure.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 5 - FIXED ASSETS**

The changes in general fixed assets are as follow:

	<u>Land</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Balance July 1, 1995	\$ 48,549	\$4,545,154	\$3,326,636	\$7,920,339
Additions	-	-	319,836	319,836
Reductions	-	-	-	-
Balance June 30, 1996	<u>\$48,549</u>	<u>\$4,545,154</u>	<u>\$3,646,472</u>	<u>\$8,240,175</u>

**NOTE 6 - RETIREMENT SYSTEMS**

Substantially all School Board employees participate in either the Louisiana Teachers' Retirement System or the Louisiana 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 B. 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 B, normal retirement is at age 55 with at least 30 years of creditable service or at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally 2% times the years of creditable service times the retirees' average salary of the 36 highest successive months.

Employees participating in the Louisiana 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.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**6. Fuel Storage Tanks (Continued)**

**RECOMMENDATION:** The business office should reconcile by site the number of gallons purchased from the bulk supplier with the number of gallons consumed per the logs. Any discrepancies should be investigated.

The Board should designate the personnel authorized to have a key to the lock on the pump at each site. The Board should update the authorization at least annually and more often if there is a change-over in personnel.

**MANAGEMENT'S RESPONSE:** We will assign the new accountant the task of reconciling fuel purchases with the consumption logs.

**7. Check-Signing Machine**  
(All Programs)

**CONDITION:** The School Board has a check-signing machine located in the business office that has a signature plate of the President of the Board and the Superintendent. This machine is used for the purpose of stamping the signatures on the payroll and vendor checks. A log is maintained of the date, the beginning and ending check numbers, and the initial of the person using the machine. The operator of the machine is also involved in the check preparation and accounting procedures.

**REASON IMPROVEMENT NEEDED:** The reason improvement is recommended is to strengthen the internal control system by creating further segregation of duties. The likelihood of misappropriation of School Board assets decreases as more people become involved in the disbursements process.

**CAUSE OF CONDITION:**

**EFFECT OF CONDITION:** Weak controls exist in the disbursement cycle.

**RECOMMENDATION:** The key to the check-signing machine should be assigned to someone outside of the check preparation process.

**MANAGEMENT'S RESPONSE:** Management will review the situation and take appropriate action to strengthen the internal control system by creating segregation of duties.

**8. Vendors Assigned Multiple Vendor Numbers**  
(All Programs)

**CONDITION:** The School Board buys products and services from various companies. Payments for these items are from checks prepared by the bookkeeper/accountant of each fund. A comprehensive listing of payments made to each vendor was requested by the auditor. A review of the listing reflected that the same vendor may have multiple vendor numbers.

**REASON IMPROVEMENT NEEDED:** Improvement is needed to provide a better internal control system and prevent duplicate payment of an invoice number.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**INTRODUCTION**

The Red River Parish School Board was created by Louisiana Revised Statute (LSA R.S.) 17:51 to provide public education for the children within Red River 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 seven members who are elected from their respective districts for terms of four years.

The School Board operates five schools within the parish with a total enrollment of approximately 2,104 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 Red River 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 management 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.

The funds of the School Board are classified into two categories: governmental 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:



**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996  
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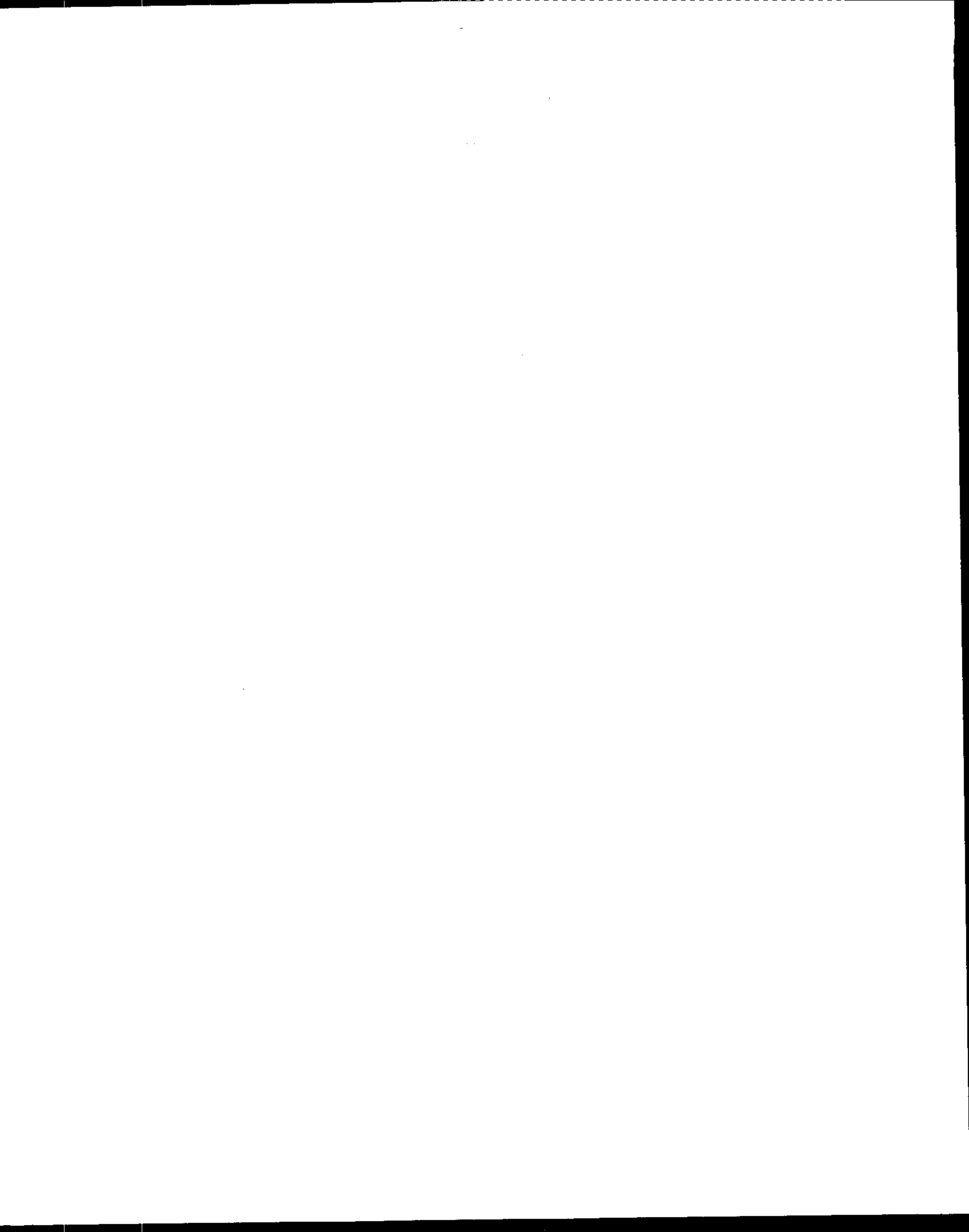
**RED RIVER PARISH SCHOOL BOARD**

**Coushatta, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORTS  
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**RED RIVER PARISH SCHOOL BOARD**  
Coushatta, Louisiana

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

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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 08 1997

Statement A

\*\*\*\*\*ACCOUNT GROUPS\*\*\*\*\*

GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
\$ 0	\$ 0	\$ 1,372,587
0	0	285,730
0	0	87,449
0	0	2,537
8,240,175	0	8,240,175
0	493,520	493,520
<u>\$ 8,240,175</u>	<u>\$ 493,520</u>	<u>\$ 10,481,998</u>

\$ 0	\$ 0	\$ 890,509
0	0	87,449
0	0	37,129
0	104,888	104,888
0	21,368	21,368
0	367,264	367,264
<u>\$ 0</u>	<u>\$ 493,520</u>	<u>\$ 1,508,607</u>

\$ 8,240,175	\$ 0	\$ 8,240,175
		373,414
0	0	359,802
<u>\$ 8,240,175</u>	<u>\$ 0</u>	<u>\$ 8,973,391</u>

<u>\$ 8,240,175</u>	<u>\$ 493,520</u>	<u>\$ 10,481,998</u>
---------------------	-------------------	----------------------

RED RIVER PARISH SCHOOL BOARD  
Coushatta, Louisiana

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

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL (MEMORANDUM ONLY)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 1,537,876	\$ 394,253	\$ 1,932,129
Operating transfers out	(1,070,183)	(861,946)	(1,932,129)
Other sources: Loan proceeds	0	100,000	100,000
Other sources: Insurance proceeds	0	95,595	95,595
Other uses	0	(3,904)	(3,904)
	\$ 467,693	\$ (276,002)	\$ 191,691
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 343,509	\$ (28,995)	\$ 314,514
FUND BALANCES AT BEGINNING OF YEAR	(112,772)	531,474	418,702
FUND BALANCES AT END OF YEAR	\$ 230,737	\$ 502,479	\$ 733,216

(CONCLUDED)

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

Statement C

\*\*\*\*\*SPECIAL REVENUE\*\*\*\*\*  
 EXCLUDING EMPLOYEE SALARIES AND BENEFITS FUND

BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 315,000	\$ 236,610	\$ (78,390)
45,500	45,585	85
<u>1,700,000</u>	<u>1,751,319</u>	<u>51,319</u>
\$ 2,060,500	\$ 2,033,514	\$ (26,986)
\$ 114,000	\$ 113,230	\$ 770
74,000	639,613	(565,613)
637,500	101,427	536,073
16,400	16,376	24
188,160	170,416	17,744
2,100	14,128	(12,028)
1,900	1,895	5
3,000	2,996	4
504,300	509,607	(5,307)
14,400	14,668	(268)
12,800	12,742	58
933,000	943,205	(10,205)
0	0	0
17,700	21,620	(3,920)
0	5,000	(5,000)
<u>0</u>	<u>0</u>	<u>0</u>
\$ 2,519,260	\$ 2,566,923	\$ (47,663)
<u>(458,760)</u>	<u>(533,409)</u>	<u>(74,649)</u>

(CONTINUED)

**RED RIVER PARISH SCHOOL BOARD**  
Coushatta, Louisiana

**GOVERNMENTAL FUNDS**  
**Combined Statement of Revenues, Expenditures and Changes**  
**in Fund Balances-Budget (Non-GAAP Basis) and Actual**  
**For the Year Ended June 30, 1996**

	*****GENERAL FUND*****		
	AND EMPLOYEE SALARIES AND BENEFITS FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	\$ 1,580,000	\$ 1,537,876	\$ (42,124)
Operating transfers out	(1,970,300)	(1,918,655)	51,645
Other sources: Loan Proceeds	0	100,000	100,000
Other sources: Insurance Proceeds	0	0	0
Other uses	0	(3,904)	(3,904)
	<u>0</u>	<u>(3,904)</u>	<u>(3,904)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>\$ (390,300)</u>	<u>\$ (284,683)</u>	<u>\$ 105,617</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	\$ 398,525	\$ 371,549	\$ (26,976)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>23,444</u>	<u>35,229</u>	<u>11,785</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 421,969</u>	<u>\$ 406,778</u>	<u>\$ (15,191)</u>

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



**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS AND  
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**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

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**RED RIVER PARISH SCHOOL BOARD**  
Coushatta, Louisiana

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

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>			
Local sources:			
Taxes: Ad valorem	\$ 551,808	\$ 460,521	\$ 1,012,329
Taxes: Sales and use	587,141	543,401	1,130,542
Interest earnings	21,334	17,489	38,823
Food services	0	93,385	93,385
Other	66,330	4,105	70,435
State sources:			
Equalization	5,322,511	25,000	5,347,511
Other	269,154	20,585	289,739
Federal sources			
	0	1,751,319	1,751,319
Total revenues	\$ 6,818,278	\$ 2,915,805	\$ 9,734,083
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	\$ 3,530,329	\$ 113,230	\$ 3,643,559
Special programs	704,457	639,613	1,344,070
Adult and continuing education	220,800	101,427	322,227
Support services:			
Student services	244,033	16,376	260,409
Instructional staff support	186,439	170,416	356,855
General administration	367,418	14,128	381,546
School administration	470,051	1,895	471,946
Business services	134,080	2,996	137,076
Plant services	337,261	509,607	846,868
Student transportation services	663,196	14,668	677,864
Central services	29,100	12,742	41,842
Food services	6,833	943,205	950,038
Community service programs	8,571	0	8,571
Facilities acquisition and construction	0	21,620	21,620
Debt service:			
Principal retirement	30,550	105,000	135,550
Interest and bank charges	9,344	1,875	11,219
Total expenditures	\$ 6,942,462	\$ 2,668,798	\$ 9,611,260
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(124,184)	247,007	122,823

(CONTINUED)

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

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR 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:

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

**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 formal 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:

1. **School Activity Agency Fund** - accounts for assets held by the School Board as agent for the individual schools and school organizations.
2. **Sales Tax Agency Fund** - accounts for monies collected on behalf of others.

**Account Groups**

The *general fixed assets account 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.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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 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.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

**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 School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State Statute requires budgets be adopted for the General Fund and each Special Revenue Fund. The School Board adopted a budget which combined a special revenue fund with the General Fund and all other special revenue funds were combined under one special revenue funds column. A comparison of budget to actual expenditures by fund could not be performed because a budget was not adopted for the General Fund and each individual fund.

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the General Fund and Special Revenue Funds' budgets. Public hearings were not conducted prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Encumbrance accounting (e.g., purchase orders, contracts) is not recognized within the accounting records for budgetary control purposes.

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget, that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

Formal budget integration (within the accounting records) is not employed as a management control device. All budgets are controlled at the division, departmental or project level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the Board. All budget revisions are approved by the Board.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

**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.

**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**

Inventory items are expensed as purchased except for inventory of the School Food Service Fund.

Inventories of the School Food Service Special Revenue Fund consists 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; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

**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. No depreciation has been provided on general fixed assets. Approximately 82 percent of fixed assets is valued at actual historical cost while the remaining 18 percent is valued at estimated historical cost.

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

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. FIXED ASSETS (Continued)**

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 from 10 to 20 days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated. However, upon separation, all unused vacation leave is forfeited.

All School Board employees earn from 10 to 18 days of sick leave each year, which can be accumulated without limitation. In the first year, new employees receive one day for each month worked. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to his estate at the employee's current pay rate. 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 for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers Retirement System and for sick leave earned 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.

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 a liability as the benefits are earned by the employees if both of the following conditions are met:

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

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

- 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.



**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. COMPENSATED ABSENCES (Continued)**

- 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.

**L. FUND EQUITY**

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

The School Board established a special revenue fund titled Employee Salaries and Benefits which collects one percent sales tax and a fifteen mill ad valorem tax. The fund balance of this fund is reserved for salaries and benefits.

**M. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

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

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**N. SALES TAXES**

The School Board collects a one percent parish-wide sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to supplement salaries of School Board employees and/or operations of the public schools within the parish. In accordance with a School Board resolution adopted on June 4, 1974, the proceeds of the tax are designated as follows: 20 percent for salaries, 35 percent for transportation, 20 percent for individual school needs, and 25 percent to the General Fund. The tax, authorized under the provisions of LSA-R.S. 33:2737 and approved by the voters on June 24, 1974, has no expiration date.

The School Board collects a one percent parish-wide sales and use tax with the net proceeds, after deducting the reasonable and necessary costs of administering and collecting the tax, dedicated to employee salaries and benefits. The tax receipts and expenditures are accounted for in a special revenue fund entitled Employee Salaries and Benefits.

**O. MEMORANDUM ONLY - TOTAL COLUMNS**

Total columns on the general purpose statements are captioned as "Memorandum Only" because the total columns do not represent consolidated financial information and are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**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.

**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.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 6 - RETIREMENT SYSTEMS (Continued)**

	<u>Teachers' Retirement System</u>	<u>School Employees' Retirement System</u>
Pension Benefit Obligation	\$10,570,300,000	\$834,345,876
Net Assets Available for Benefits	<u>6,081,700,000</u>	<u>962,833,541</u>
Unfunded (Overfunded) Pension Benefit Obligation	<u>\$ 4,488,600,000</u>	<u>\$(128,487,665)</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	.19%
School Employees' Retirement System	.36%

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 7 - OTHER POSTEMPLOYMENT BENEFITS**

In accordance with state statutes, the Red River 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 Group Benefits Program, whose monthly premiums are paid jointly by the employee and the School Board. The School Board recognizes the cost of providing these benefits (which includes the State's reimbursements) as an expenditure when the monthly premiums are due, which totaled \$352,467 for the year ended June 30, 1996. The cost of retiree benefits totaled \$123,203 for 93 retirees.

**NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES**

The payables of \$890,509 at June 30, 1996, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Agency Funds</u>	<u>Total</u>
Salaries	\$584,434	\$111,819	\$ -	\$696,253
Accounts	<u>128,465</u>	<u>65,147</u>	<u>644</u>	<u>194,256</u>
Total	<u>\$712,899</u>	<u>\$176,966</u>	<u>\$644</u>	<u>\$890,509</u>

**RED RIVER PARISH SCHOOL BOARD**  
Coushatta, Louisiana

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

	TITLE I	TITLE VI	SPECIAL EDUCATION	EVEN START
<b>REVENUES</b>				
Local sources:				
Taxes: Ad valorem	\$ 0	\$ 0	\$ 0	\$ 0
Taxes: 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:				
Equalization	0	0	0	0
Other	0	0	0	0
Federal sources	560,408	12,015	129,480	159,814
 <b>TOTAL REVENUES</b>	 <b>\$ 560,408</b>	 <b>\$ 12,015</b>	 <b>\$ 129,480</b>	 <b>\$ 159,814</b>
 <b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	\$ 0	\$ 0	\$ 0	\$ 0
Special programs	352,930	11,979	129,480	140,685
Adult and continuing education	40,954	0	0	5,327
Support services:				
Student services	0	0	0	480
Instructional staff support	131,099	0	0	1,329
General administration	11,458	36	0	0
School administration	1,895	0	0	0
Business services	0	0	0	809
Plant services	24,268	0	0	3,093
Student transportation services	169	0	0	10,261
Central services	8,000	0	0	0
Food services	0	0	0	0
Facilities acquisition and construction	0	0	0	0
Debt service:				
Principal retirement	0	0	0	0
Interest and bank charges	0	0	0	0
 <b>TOTAL EXPENDITURES</b>	 <b>\$ 570,773</b>	 <b>\$ 12,015</b>	 <b>\$ 129,480</b>	 <b>\$ 161,984</b>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 <b>\$ (10,365)</b>	 <b>\$ 0</b>	 <b>\$ 0</b>	 <b>\$ (2,170)</b>

Statement C

\*\*\*\*\*SPECIAL REVENUE\*\*\*\*\*  
 EXCLUDING EMPLOYEE SALARIES AND BENEFITS FUND

BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 398,000	\$ 394,253	\$ (3,747)
(25,400)	(13,474)	11,926
0	0	0
0	95,595	95,595
0	0	0
<u>\$ 372,600</u>	<u>\$ 476,374</u>	<u>\$ 103,774</u>
\$ (86,160)	\$ (57,035)	\$ 29,125
<u>383,473</u>	<u>383,473</u>	<u>0</u>
<u>\$ 297,313</u>	<u>\$ 326,438</u>	<u>\$ 29,125</u>

(CONCLUDED)

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 12 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligations transactions for the year ended June 30, 1996:

	Lease Purchase <u>Agreements</u>	Compensated <u>Absences</u>	Note <u>Payable</u>	<u>Total</u>
Balance, July 1, 1995	\$135,438	\$347,092	\$26,368	\$508,898
Additions	-	20,172	-	20,172
Deductions	<u>30,550</u>	-	<u>5,000</u>	<u>35,550</u>
Balance, June 30, 1996	<u>\$104,888</u>	<u>\$367,264</u>	<u>\$21,368</u>	<u>\$493,520</u>

The note payable is an interest-free loan from the United States Environmental Protection Agency dated July 28, 1989 that is to be repaid in semi-annual payments of \$2,500 which started May 30, 1991. Principal maturities of the note amount to \$5,000 per year over the next three years and \$6,368 thereafter.

**NOTE 13 - INTERFUND ASSETS/LIABILITIES**

Due from/to other funds:

<u>Fund</u>	<u>Receivable Amount</u>	<u>Payable Amount</u>
General	\$70,471	\$16,978
Special Revenue		
Title I		8,980
Even Start		9,373
Goals 2000		31,817
Other special funds		20,301
Construction, repair and equipment maintenance	<u>16,978</u>	
	<u>\$87,449</u>	<u>\$87,449</u>

**NOTE 14 - RESERVED FUND BALANCES**

At June 30, 1996, the following unexpended balances in the General Fund are reserved by a resolution of the School Board establishing the criteria for use of the sales tax proceeds:

Transportation	\$143,269
Salaries	18,559
Individual school needs	<u>35,545</u>
	<u>\$197,373</u>

The fund balance in the Employees Salaries and Benefit Fund is reserved for salaries and benefits in the amount of \$176,041.



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## INDEPENDENT AUDITORS' REPORT

Board Members  
Red River Parish School Board  
Coushatta, Louisiana

We have audited the accompanying general purpose financial statements of the Red River Parish School Board as of and for the year ended June 30, 1996. These general purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The School Board's internal control structure is not adequate to provide safeguards over School Board assets and to assure the proper recording of transactions. Accordingly we were unable to extend our auditing procedures sufficiently to determine the extent to which the financial statements may have been affected by these conditions.

Because the School Board does not have an adequate internal control structure and we were not able to apply other auditing procedures to satisfy ourselves as to the extent to which the financial statements are affected by these matters, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated October 3, 1996 on our consideration of the Red River Parish School Board's internal control structure and a report dated October 3, 1996 on its compliance with laws and regulations.

**RED RIVER PARISH SCHOOL BOARD**  
Coushatta, Louisiana

**SPECIAL REVENUE FUNDS**  
Combining Balance Sheet  
June 30, 1996

	TITLE I	TITLE VI	SPECIAL EDUCATION	EVEN START
<b>ASSETS</b>				
Cash and cash equivalents	\$ 50,410	\$ 0	\$ 0	0
Receivables	35,260	0	0	32,499
Due from other funds	0	0	0	0
Inventory	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 85,670</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>32,499</b>
 <b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>Liabilities</b>				
Accounts, salaries and other payables	\$ 76,690	\$ 0	\$ 0	23,126
Due to other funds	8,980	0	0	9,373
<b>Total Liabilities</b>	<b>\$ 85,670</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>32,499</b>
 <b>Fund Equity</b>				
<b>Fund Balances:</b>				
Reserved for fund balance	\$ 0	\$ 0	\$ 0	0
Unreserved and undesignated	0	0	0	0
<b>Total Equity and other credits</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
 <b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 85,670</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>32,499</b>



**RED RIVER PARISH SCHOOL BOARD**  
Coushatta, Louisiana

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

**SPECIAL REVENUE FUNDS (Continued)**

**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)

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.

**EMPLOYEE SALARIES AND BENEFITS**

The fund accounts for proceeds of a one percent sales and use tax and a fifteen mill ad valorem tax which are dedicated for employee salaries and benefits.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**SPECIAL REVENUE FUNDS (Continued)**

**OTHER SPECIAL (Continued)**

**ADULT EDUCATION - STATE-ADMINISTERED BASIC GRANT PROGRAM**  
(Adult Education Act, Part B)

To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

**SAFE AND DRUG-FREE SCHOOLS - STATE GRANTS**  
(Safe and Drug-Free Schools and Communities Act of 1986, Title IV, as Amended)

To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

**EMPLOYMENT SERVICES AND JOB TRAINING - PILOT AND DEMONSTRATION PROGRAMS**  
(Job Training Partnership Act of 1982, Title IV)

To provide, foster and promote job training and other services which are most appropriately administered at the national level. Programs operate in more than one state and serve groups with particular disadvantages in the labor market. To promote and foster new or improved linkages between the network of federal, state and local employment, training and human resource agencies and components of the private sector.

**CONSTRUCTION, REPAIR AND EQUIPMENT MAINTENANCE**

The Construction, Repair and Equipment Maintenance Fund is financed through the levy and collection of ad valorem taxes and the related state revenue sharing for the purpose of general maintenance and repairs of the schools.

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**SPECIAL REVENUE FUNDS (Continued)**

**GOALS 2000 - STATE AND LOCAL EDUCATION SYSTEMIC IMPROVEMENT GRANTS**

To provide grants to State Education Agencies (SEAs) on a formula basis to support the development and implementation of comprehensive reform plans at the state, local and school levels to improve the teaching and learning of all children. To support top-down and bottom-up reform by requiring SEAs to flow 90 percent of funds to local education agencies LEAs and LEAs to flow funds to schools. To support the establishment by States and localities of high standards in their core content areas. All aspects of the educational process are aligned including, but not limited to assessments, curriculum, professional development, and preservice training.

**OTHER SPECIAL**

**BASIC GRANTS TO STATES**

(Carl D. Perkins Vocational and Applied Technology Education Act, Title II)

To make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

**JOB OPPORTUNITIES AND BASIC SKILLS TRAINING (PROJECT INDEPENDENCE)**

(Social Security Act, Title IV)

To assure that needy families with children obtain the education, training and employment that will help them avoid long-term welfare dependency.

**EISENHOWER PROFESSIONAL DEVELOPMENT STATE GRANTS**

(Elementary and Secondary Education Act of 1965, Title II)

To ensure that teachers, staff and administrators have access to sustained and intensive high-quality professional development. To challenge state content standards in core academic subjects.

**RED RIVER PARISH SCHOOL BOARD**

**Coushatta, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES  
AS OF AND FOR THE YEAR 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 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.

**INNOVATIVE EDUCATION PROGRAM STRATEGIES**

(Elementary and Secondary Education Act of 1965, Title VI)

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

Funds may be used for: innovative assistance in the acquisition and use of instructional materials; technology related to the implementation of school bus reforms; promising education reform projects: promoting higher order thinking skills of disadvantaged students; and reform activities associated with Goals 2000.

**SPECIAL EDUCATION**

**PAYMENTS TO STATES FOR CHILD CARE ASSISTANCE (STARTING POINTS)**

(Child Care and Development Block Grant Act of 1990)

To make grants available to assist low-income families with child care services. The purpose of the program is to increase the availability, affordability, and quality of child care and to increase the availability of early childhood development and before- and after-school programs.

**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.

**SPECIAL EDUCATION - 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.

**EVEN START - STATE EDUCATIONAL AGENCIES**

(Elementary and Secondary Education Act of 1965, Title I)

To provide family-centered education projects to help parents become full partners in the education of their children, to assist children in reaching their full potential as learners, and to provide literacy training for their parents.

**RED RIVER PARISH SCHOOL BOARD**  
Coushatta, Louisiana

**GOVERNMENTAL FUNDS**  
**Combined Statement of Revenues, Expenditures and Changes**  
**in Fund Balances-Budget (Non-GAAP Basis) and Actual**  
**For the Year Ended June 30, 1996**

\*\*\*\*\*GENERAL FUND\*\*\*\*\*  
AND EMPLOYEE SALARIES AND BENEFITS FUND

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Local sources	\$ 1,970,900	\$ 2,108,904	\$ 138,004
State sources	5,592,000	5,591,665	(335)
Federal sources	12,500	0	(12,500)
	<u>7,575,400</u>	<u>7,700,569</u>	<u>125,169</u>
<b>Total revenues</b>	<b>\$ 7,575,400</b>	<b>\$ 7,700,569</b>	<b>\$ 125,169</b>
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	\$ 3,535,000	\$ 3,530,329	\$ 4,671
Special programs	700,000	704,457	(4,457)
Adult and continuing education	220,800	220,800	0
Support services:			
Student services	245,000	244,033	967
Instructional staff support	218,000	186,439	31,561
General administration	246,150	367,418	(121,268)
School administration	428,000	470,051	(42,051)
Business services	105,000	134,080	(29,080)
Plant services	338,000	337,261	739
Student transportation services	706,100	663,196	42,904
Central services	29,100	29,100	0
Food services	6,850	6,833	17
Community service programs	8,575	8,571	4
Facilities acquisition and construction	0	0	0
Debt service:			
Principal retirement	0	130,550	(130,550)
Interest and bank charges	0	11,219	(11,219)
	<u>6,786,575</u>	<u>7,044,337</u>	<u>(257,762)</u>
<b>Total expenditures</b>	<b>\$ 6,786,575</b>	<b>\$ 7,044,337</b>	<b>\$ (257,762)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>788,825</u>	<u>656,232</u>	<u>(132,593)</u>

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

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 15 - INTERFUND TRANSFERS**

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$1,537,876	\$1,070,183
Special Revenue Funds:		
Title I	10,365	
Even Start	2,170	
Other Special Funds	13,474	13,474
Construction, Repair and Equipment Maintenance	283,295	
School Food Service	84,949	
Employee Salaries and Benefits	<u>                    </u>	<u>848,472</u>
	<u>\$1,932,129</u>	<u>\$1,932,129</u>

**NOTE 16 - SUBSEQUENT EVENTS**

The School Board issued a short-term Certificate of Indebtedness in September, 1996 to pay a salary supplement in anticipation of tax proceeds. The principal amount of \$100,000 plus interest at four and one-half percent per annum is payable on February 1, 1997.

**NOTE 17 - LITIGATION AND CLAIMS**

**Litigation**

The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's combined financial position.

**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.

**NOTE 18 - RELATED PARTY TRANSACTIONS**

The Superintendent reimbursed the School Board subsequent to June 30, 1996, a total of \$23,949 for car rental and gas charges for the period July 1, 1993 through September 30, 1996. Of this amount, \$11,261 is included in accounts receivable at June 30, 1996 in the General Fund.

Schedule 1

GOALS 2000	OTHER SPECIAL FUNDS	CONSTRUCTION REPAIR, AND EQUIP MAINT	SCHOOL FOOD SERVICE	EMPLOYEE SALARIES & BENEFITS	TOTAL
\$ 0	\$ 0	\$ 20,503	\$ 352,281	\$ 162,872	\$ 586,066
37,120	20,302	5,985	0	13,169	144,335
0	0	16,978	0	0	16,978
0	0	0	2,537	0	2,537
<u>\$ 37,120</u>	<u>\$ 20,302</u>	<u>\$ 43,466</u>	<u>\$ 354,818</u>	<u>\$ 176,041</u>	<u>\$ 749,916</u>
\$ 5,303	\$ 0	\$ 33,887	\$ 37,959	\$ 0	\$ 176,966
31,817	20,302	0	0	0	70,471
<u>\$ 37,120</u>	<u>\$ 20,302</u>	<u>\$ 33,887</u>	<u>\$ 37,959</u>	<u>\$ 0</u>	<u>\$ 247,437</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 176,041	\$ 176,041
0	0	9,579	316,859	0	326,438
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,579</u>	<u>\$ 316,859</u>	<u>\$ 176,041</u>	<u>\$ 502,479</u>
<u>\$ 37,120</u>	<u>\$ 20,302</u>	<u>\$ 43,466</u>	<u>\$ 354,818</u>	<u>\$ 176,041</u>	<u>\$ 749,916</u>

**RED RIVER PARISH SCHOOL BOARD**

**Coushatta, Louisiana**

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

**NOTE 9 - COMPENSATED ABSENCES**

At June 30, 1996, employees of the School Board have accumulated and vested \$367,264 of employee leave benefits, which were computed in accordance with GASB Codification Section C60. These amounts are recorded within the general long-term obligations account group.

**NOTE 10 - LEASES**

The School Board records items under capital leases as an asset and an obligation in the accompanying financial statements. On November 1, 1994, the School Board entered into a capital lease with an original recorded amount of \$175,332 for the purchase of five buses. The lease term is five years with the lease obligations paid from the sales tax fund.

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

Fiscal year:		
1996-1997		\$ 39,894
1997-1998		39,894
1998-1999		<u>39,894</u>
Total minimum lease payments		119,682
Less - amount representing interest		<u>14,794</u>
Present value of net minimum lease payments		<u>\$104,888</u>

The School Board has no material operating leases at June 30, 1996.

**NOTE 11 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS**

A summary of changes in Agency Fund Deposits Due Others follows:

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
Balance, July 1, 1995	\$ 29,037	\$ -	\$ 29,037
Additions	340,670	2,369,281	2,709,951
Deductions	<u>332,578</u>	<u>2,369,281</u>	<u>2,701,859</u>
Balance, June 30, 1996	<u>\$ 37,129</u>	<u>\$ -</u>	<u>\$ 37,129</u>



**RED RIVER PARISH SCHOOL BOARD**  
Coushatta, Louisiana

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

**NOTE 6 - RETIREMENT SYSTEMS (Continued)**

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>Employee</u>	<u>Employer</u>
Louisiana Teachers Retirement System		
Regular	8.00%	16.50%
Plan B	5.00%	16.50%
Louisiana School Employees Retirement	6.35%	6.00%
Louisiana Parochial Employees Retirement		
July 1, 1995 - December 31, 1995	9.50%	8.00%
January 1, 1996 - June 30, 1996	9.50%	7.25%

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 year ended June 30, 1996 the payroll for the School Board totaled \$5,881,406. The employer contributions and total payroll of covered employees for 1996 follow:

	.....TRS.....				
	<u>Regular</u>	<u>Plan B</u>	<u>LSERS</u>	<u>LPERS</u>	<u>Total</u>
Employee contribution	\$ 335,382	\$ 14,397	\$ 46,349	\$580	\$ 396,708
Employer contribution	680,498	47,510	43,785	466	772,259
 Total covered current-year payroll	 4,234,498	 287,936	 729,897	 6,100	 5,258,431

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 \$10.7 million, respectively. The required contribution represents 16.16 and 5.23 percent, respectively, of salaries for the year ended June 30, 1995.

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:

**RED RIVER PARISH SCHOOL BOARD**  
Coushatta, Louisiana

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

**NOTE 2 - LEVIED TAXES (Continued)**

The tax roll is prepared by the tax assessor in September of each year; therefore, 1996 property taxes are collected in December of 1996 and January and February of the next year. As a result, no property tax 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, no allowance for uncollectible taxes is needed.

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	4.36	4.36	Statutory
Maintenance	15.13	15.13	2003
Construction, repair and maintenance	5.00	4.94	1997
Employee salary and benefits	15.00	15.00	2003

**NOTE 3 - DEPOSITS AND INVESTMENTS**

At year-end the School Board's carrying amount of deposits was \$1,372,587 and the bank balance was \$1,937,541. Of the bank balance, \$262,069 was covered by federal depository insurance. Of the remaining balance, \$1,057,112 was collateralized with securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The remaining balance of \$618,360 was not secured by the pledge of securities and is a violation of state law.

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.

**NOTE 4 - RECEIVABLES**

The receivables of \$285,730 at June 30, 1996, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Agency Funds</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 472	\$ 290	\$ -	\$ 762
Sales and use	17,137	12,879	-	30,016
Intergovernmental grants	85,831	125,181	-	211,012
Other accounts receivable	<u>37,311</u>	<u>5,985</u>	<u>644</u>	<u>43,940</u>
Total	<u>\$140,751</u>	<u>\$144,335</u>	<u>\$644</u>	<u>\$285,730</u>

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

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

**NOTE 2 - LEVIED TAXES**

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

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

Property Tax Calendar

Levy date	September, 1995
Tax bills mailed	On or about October 15, 1995
Total taxes are due	December 31, 1995
Lien date	January 1, 1996
Penalties and interest are added	January 15, 1996
Tax sale - delinquent property	May 1, 1996

Assessed values are established by the Red River 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 \$33,436,480 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 \$7,807,750 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 and Special Revenue Funds 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.

**RED RIVER PARISH SCHOOL BOARD**  
Coushatta, Louisiana

**ALL FUND TYPES AND ACCOUNT GROUPS**  
Combined Balance Sheet  
June 30, 1996

	*****GOVERNMENTAL FUNDS*****		
	GENERAL FUND	SPECIAL REVENUE FUNDS	FIDUCIARY FUNDS - AGENCY FUNDS
<b>ASSETS AND OTHER DEBITS</b>			
<i>Assets</i>			
Cash and other equivalents	\$ 749,392	\$ 586,066	\$ 37,129
Receivables	140,751	144,335	644
Due from other funds	70,471	16,978	0
Inventory	0	2,537	0
Land, buildings and equipment	0	0	0
<i>Other debits</i>			
Amount to be provided for payment of debt	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 960,614</b>	<b>\$ 749,916</b>	<b>\$ 37,773</b>
 <b>LIABILITIES, EQUITY AND OTHER CREDITS</b>			
<i>Liabilities</i>			
Accounts, salaries and other payables	\$ 712,899	\$ 176,966	\$ 644
Due to other funds	16,978	70,471	0
Deposits due others	0	0	37,129
Leases payable	0	0	0
Notes payable	0	0	0
Compensated absences payable	0	0	0
<b>Total Liabilities</b>	<b>\$ 729,877</b>	<b>\$ 247,437</b>	<b>\$ 37,773</b>
 <i>Equity and other credits</i>			
Investments in general fixed assets	\$ 0	\$ 0	\$ 0
 <i>Fund Balances:</i>			
Reserved fund balance	197,373	176,041	0
Unreserved and undesignated fund balance	33,364	326,438	0
<b>Total Equity and other credits</b>	<b>\$ 230,737</b>	<b>\$ 502,479</b>	<b>\$ 0</b>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<b>\$ 960,614</b>	<b>\$ 749,916</b>	<b>\$ 37,773</b>

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

Board Members  
Red River Parish School Board  
Coushatta, 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 Red River Parish School Board. As discussed in the third and fourth paragraphs above, the scope of our work was not sufficient to enable us to express an opinion on the general purpose financial statements. Similarly, we were unable to express, and do not express, an opinion on the accompanying supplemental information schedules listed in the table of contents.



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

Monroe, Louisiana  
October 3, 1996

**RED RIVER PARISH SCHOOL BOARD**  
**Coushatta, Louisiana**

**SUPPLEMENTAL INFORMATION SCHEDULES**