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**JEFFERSON DAVIS PARISH SCHOOL BOARD  
JENNINGS, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 1996**

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

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JEFFERSON DAVIS PARISH SCHOOL BOARD

ANNUAL FINANCIAL REPORT  
JUNE 30, 1996

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**KRIELOW, GILLESPIE & CO.**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT**

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

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

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Jefferson Davis Parish School Board as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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

In accordance with Government Auditing, we have also issued a report dated November 20, 1996, on our consideration of the Jefferson Davis Parish School Board's internal control structure and a report dated November 20, 1996 on its compliance with laws and regulations.

*Krielow, Gillespie & Co.*

Certified Public Accountants

Jennings, Louisiana  
November 20, 1996

JEFF DAVIS PARISH SCHOOL BOARD

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

	Governmental Fund Types			Fiduciary Fund Type		Account Groups			Total (Memorandum Only) 1996
	General Fund	Special Revenue Funds	Debt Service	School Activity Funds	General Fixed Assets	Long-Term Debt			
<b>ASSETS AND OTHER DEBITS</b>									
Cash in banks:									
Demand deposits	\$ 1,716,309	\$ 796,062	\$ -	\$ 407,199	\$ -	\$ -	\$ -	\$ -	\$ 2,919,570
Time deposits	5,940,201	43,977	-	43,753	-	-	-	-	6,027,931
Investments (at cost which approximates market)	800,000	-	-	-	-	-	-	-	800,000
Petty cash	250	-	-	-	-	-	-	-	250
Revenues Receivable:									
Ad valorem taxes	13,591	7,987	-	-	-	-	-	-	21,578
Louisiana Department of Education	42,408	319,002	-	-	-	-	-	-	361,410
Others	60,884	12,457	-	-	-	-	-	-	73,341
Due from other parishes	73,958	-	-	-	-	-	-	-	73,958
Due from other funds	413,733	-	-	-	-	-	-	-	413,733
Inventory, at cost	40,677	81,544	-	-	-	-	-	-	122,221
Prepaid Expenses	8,000	-	-	-	-	-	-	-	8,000
Restricted assets:									
Cash with fiscal agents	-	-	25,265	-	-	-	-	-	25,265
Time deposits	1,000,000	-	624,225	32,021	-	-	-	-	1,656,246
Investments (at cost which approximates market)	-	-	-	-	-	-	-	-	-
Taxes receivable	-	-	5,615	-	-	-	-	-	5,615
Land	-	-	-	-	1,168,485	-	-	-	1,168,485
Buildings and improvements	-	-	-	-	28,684,406	-	-	-	28,684,406
Furniture and equipment	-	-	-	-	7,117,088	-	-	-	7,117,088
Amount available in Debt Service Funds	-	-	-	-	-	629,840	-	-	629,840
Amount to be provided for retirement of General Long-Term Debt	-	-	-	-	-	-	3,826,775	-	3,826,775
Amount to be provided for accumulated unpaid sick pay and sabbatical leave	-	-	-	-	-	-	986,777	-	986,777
<b>Total Assets and Other Debits</b>	<b>\$ 10,110,011</b>	<b>\$ 1,261,029</b>	<b>\$ 655,105</b>	<b>\$ 482,973</b>	<b>\$ 36,969,979</b>	<b>\$ 5,443,392</b>	<b>\$ -</b>	<b>\$ 54,922,489</b>	

The accompanying notes are an integral part of these statements.

JEFF DAVIS PARISH SCHOOL BOARD

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

	Governmental Fund Types			Fiduciary Fund Type	Account Groups			Total (Memorandum Only) 1996
	General Fund	Special			School Activity Funds	General Fixed Assets	General Long-Term Debt	
		Revenue Funds	Debt Service					
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>								
Liabilities:								
Accounts payable	\$ 419,008	\$ 221,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640,059
Accrued liabilities:								
Payroll taxes and withholdings payable	1,631,971	122,907	-	-	-	-	-	1,754,878
Salaries and wages payable	1,245,115	163,307	-	-	-	-	-	1,408,422
Due to other governments	342,553	1,700	-	-	-	-	-	344,253
Due to other funds	-	413,733	-	-	-	-	-	413,733
Deferred revenues	-	-	-	-	-	-	-	-
Payable from restricted assets:								
Matured bonds and interest payable	-	-	25,265	-	-	-	-	25,265
Bonds payable	-	-	-	-	-	4,104,000	-	4,104,000
Capital leases payable	-	-	-	-	-	352,615	-	352,615
Accumulated unpaid sick and sabbatical leave	-	-	-	-	-	986,777	-	986,777
Total Liabilities	\$ 3,638,647	\$ 922,698	\$ 25,265	\$ -	\$ -	\$ 5,443,392	\$ -	\$ 10,030,002
Fund Equity:								
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -	\$ 36,969,979	\$ -	\$ -	\$ 36,969,979
Fund balances:								
Reserved for inventory	40,677	-	-	-	-	-	-	40,677
Reserved for bus replacement	198,970	-	-	-	-	-	-	198,970
Reserved for debt service	-	-	629,840	-	-	-	-	629,840
Reserved for workmans compensation insurance	8,000	-	-	-	-	-	-	8,000
Reserved for insurance	1,000,000	-	-	-	-	-	-	1,000,000
Reserved for school activities	-	-	-	482,973	-	-	-	482,973
Unreserved - undesignated	5,223,717	338,331	-	-	-	-	-	5,562,048
Total Fund Equity	\$ 6,471,364	\$ 338,331	\$ 629,840	\$ 482,973	\$ 36,969,979	\$ -	\$ -	\$ 44,892,487
Total Liabilities, Equity and Other Credits	\$ 10,110,011	\$ 1,261,029	\$ 655,105	\$ 482,973	\$ 36,969,979	\$ 5,443,392	\$ -	\$ 54,922,489

The accompanying notes are an integral part of these statements.

JEFFERSON DAVIS PARISH SCHOOL BOARD

Exhibit B

Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances-All Governmental Fund Types  
For the Year Ended June 30, 1996

	General Fund	Special Revenue Funds	Debt Service	Total (Memorandum Only) 1996
<b>REVENUES</b>				
<i>Parish sources:</i>				
Ad valorem tax collections:				
Taxes, penalties, interest	\$ 1,227,463	\$ 802,566	\$ 814,323	\$ 2,844,352
Collections by Sheriff for retirement funds	77,942	-	-	77,942
Sales tax	5,266,627	-	-	5,266,627
Sales tax fees from municipalities	74,568	-	-	74,568
Tuition from individuals	58,982	-	-	58,982
Tuition from other parishes	73,958	-	-	73,958
Transportation fees	5,989	-	-	5,989
Interest on temporary investments	352,274	14,691	15,754	382,719
Rentals, leases and royalties	44,166	200	-	44,366
Contributions	24,400	-	-	24,400
Sales to maintenance funds	89,952	-	-	89,952
Other parish sources	94,298	27,085	-	121,383
Food service income	-	388,200	-	388,200
<i>State sources:</i>				
Equalization	16,627,952	478,512	-	17,106,464
Restricted grants in aid	633,064	-	-	633,064
Revenue Sharing	216,180	74,973	-	291,153
Revenue on behalf of LEA	43,878	-	-	43,878
<i>Federal sources:</i>				
Restricted grants in aid	33,264	-	-	33,264
Restricted pass through grants	47,205	2,554,840	-	2,602,045
Commodities-U.S.D.A.	-	144,978	-	144,978
Federal reimbursements	-	1,404,677	-	1,404,677
Special education programs	-	-	-	-
<b>Total Revenues</b>	<b>\$ 24,992,162</b>	<b>\$ 5,890,722</b>	<b>\$ 830,077</b>	<b>\$ 31,712,961</b>
<b>EXPENDITURES</b>				
<i>Current operating:</i>				
<i>Instruction:</i>				
Regular programs	\$ 10,956,049	\$ 174,273	\$ -	\$ 11,130,322
Special education programs	2,843,273	181,761	-	3,025,034
Vocational education programs	920,501	73,434	-	993,935
Other programs	172,592	121,903	-	294,495
Special programs	41,504	1,919,681	-	1,961,185
Adult continuing education programs	64,250	40,274	-	104,524
<i>Supporting services:</i>				
Pupil support services	1,045,912	50,167	-	1,096,079
Instructional staff	858,182	523,772	-	1,381,954
General administration	635,846	31,768	28,062	695,676
School administration	1,756,138	17,346	-	1,773,484
Business services	266,620	-	-	266,620
Plant services	2,289,932	784,542	-	3,074,474
Student transportation	1,553,099	67,749	-	1,620,848
Central services	76,497	860	-	77,357
Indirect costs	-	47,205	-	47,205
<i>Non-instructional services:</i>				
Food Services	284,121	2,294,724	-	2,578,845
Community service programs	18,132	735	-	18,867
Facilities acquisition and construction	4,603	123,626	-	128,229
Transfers to other governments	-	71,500	-	71,500
<i>Debt service:</i>				
Principal retirement	-	-	501,000	501,000
Bond interest	-	-	256,795	256,795
<b>Total Expenditures</b>	<b>\$ 23,787,251</b>	<b>\$ 6,525,320</b>	<b>\$ 785,857</b>	<b>\$ 31,098,428</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 1,204,911</b>	<b>\$ (634,598)</b>	<b>\$ 44,220</b>	<b>\$ 614,533</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	\$ -	\$ 31,512	\$ -	\$ 31,512
Operating transfers (out)	(31,512)	-	-	(31,512)
Sale of fixed assets	19,600	12,925	-	32,525
Capital leases	-	540,614	-	540,614
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (11,912)</b>	<b>\$ 585,051</b>	<b>\$ -</b>	<b>\$ 573,139</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ 1,192,999</b>	<b>\$ (49,547)</b>	<b>\$ 44,220</b>	<b>\$ 1,187,672</b>
<b>Fund Balance at Beginning of Year</b>	<b>5,181,275</b>	<b>387,878</b>	<b>585,620</b>	<b>6,154,773</b>
<b>Increase in Reserve for Bus Replacement</b>	<b>93,204</b>	<b>-</b>	<b>-</b>	<b>93,204</b>
<b>Increase in Reserve for Inventory</b>	<b>3,886</b>	<b>-</b>	<b>-</b>	<b>3,886</b>
<b>Fund Balance at End of Year</b>	<b>\$ 6,471,364</b>	<b>\$ 338,331</b>	<b>\$ 629,840</b>	<b>\$ 7,439,535</b>

The accompanying notes are an integral part of these statements.

JEFFERSON DAVIS PARISH SCHOOL BOARD

Exhibit C

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

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Parish sources:						
Ad valorem tax collections:						
Taxes, penalties, interest	\$ 1,110,000	\$ 1,227,463	\$ 117,463	\$ 735,400	\$ 802,566	\$ 67,166
Collections by sheriff for retirement funds	72,000	77,942	5,942	-	-	-
Sales tax	4,790,000	5,266,627	476,627	-	-	-
Sales tax fees from municipalities	50,000	74,568	24,568	-	-	-
Tuition from individuals	45,000	58,982	13,982	-	-	-
Tuition from other parishes	75,000	73,958	(1,042)	-	-	-
Transportation fees	-	5,989	5,989	-	-	-
Interest on temporary investments	250,000	352,274	102,274	8,475	14,691	6,216
Rentals, leases, and royalties	53,000	44,166	(8,834)	5,100	200	(4,900)
Contributions	30,000	24,400	(5,600)	-	-	-
Sales to maintenance funds	75,000	89,952	14,952	-	-	-
Other parish sources	17,200	94,298	77,098	12,525	27,085	14,560
Food service income	-	-	-	387,650	388,200	550
State sources:						
Equalization	16,627,964	16,627,952	(12)	478,500	478,512	12
Restricted grants in aid	601,484	633,064	31,580	-	-	-
Revenue sharing	216,180	216,180	-	74,979	74,973	(6)
Revenue on behalf of LEA	52,800	43,878	(8,922)	-	-	-
Federal sources:						
Restricted grants in aid	-	33,264	33,264	-	-	-
Restricted pass through grants	32,000	47,205	15,205	2,828,178	2,554,840	(273,338)
Commodities - USDA	-	-	-	180,000	144,978	(35,022)
Federal reimbursements	-	-	-	1,400,777	1,404,677	3,900
<b>Total Revenues</b>	<b>\$ 24,097,628</b>	<b>\$ 24,992,162</b>	<b>\$ 894,534</b>	<b>\$ 6,111,584</b>	<b>\$ 5,890,722</b>	<b>\$ (220,862)</b>
<b>EXPENDITURES</b>						
Current operating:						
Instruction:						
Regular programs	\$ 10,794,419	\$ 10,956,049	\$ (161,630)	\$ 229,594	\$ 174,273	\$ 55,321
Special education programs	2,943,022	2,843,273	99,749	207,834	181,761	26,073
Vocational education program	955,837	920,501	35,336	73,434	73,434	-
Other programs	159,795	172,592	(12,797)	113,522	121,903	(8,381)
Special programs	37,313	41,504	(4,191)	1,421,228	1,919,681	(498,453)
Adult continuing education program	38,987	64,250	(25,263)	40,219	40,274	(55)
Support Services						
Pupil support services	1,090,874	1,045,912	44,962	55,142	50,167	4,975
Instructional staff	900,477	858,182	42,295	637,871	523,772	114,099
General administration	642,323	635,846	6,477	93,846	31,768	62,078
School administration	1,847,866	1,756,138	91,728	31,670	17,346	14,324
Business services	268,363	266,620	1,743	-	-	-
Plant services	2,424,911	2,289,932	134,979	826,712	784,542	42,170
Student transportation	1,577,641	1,553,099	24,542	70,073	67,749	2,324
Central services	79,150	76,497	2,653	500	860	(360)
Indirect costs	-	-	-	57,557	47,205	10,352
Non-instructional services:						
Food services	314,750	284,121	30,629	2,394,427	2,294,724	99,703
Community service programs	15,400	18,132	(2,732)	1,370	735	635
Facilities acquisition and construction	-	4,603	(4,603)	152,000	123,626	28,374
Transfers to other governments	-	-	-	71,500	71,500	-
<b>Total Expenditures</b>	<b>\$ 24,091,128</b>	<b>\$ 23,787,251</b>	<b>\$ 303,877</b>	<b>\$ 6,478,499</b>	<b>\$ 6,525,320</b>	<b>\$ (46,821)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 6,500</b>	<b>\$ 1,204,911</b>	<b>\$ 1,198,411</b>	<b>\$ (366,915)</b>	<b>\$ (634,598)</b>	<b>\$ (267,683)</b>
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	-	-	-	14,000	31,512	17,512
Operating transfers (out)	(14,000)	(31,512)	(17,512)	-	-	-
Capital leases	-	-	-	-	540,614	540,614
Sale of fixed assets	7,500	19,600	12,100	12,100	12,925	825
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ 1,192,999</b>	<b>\$ 1,192,999</b>	<b>\$ (340,815)</b>	<b>\$ (49,547)</b>	<b>\$ 291,268</b>
<b>Fund Balances at Beginning of Year</b>	<b>5,181,275</b>	<b>5,181,275</b>	<b>-</b>	<b>387,878</b>	<b>387,878</b>	<b>-</b>
Increase in Reserve for Bus Replacement	-	93,204	93,204	-	-	-
Increase in Reserve for Inventory	-	3,886	3,886	-	-	-
Residual equity transfer	-	-	-	-	-	-
<b>Fund Balances at End of Year</b>	<b>\$ 5,181,275</b>	<b>\$ 6,471,364</b>	<b>\$ 1,290,089</b>	<b>\$ 47,063</b>	<b>\$ 338,331</b>	<b>\$ 291,268</b>

The accompanying notes are an integral part of these statements.



JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

**INTRODUCTION**

The Jefferson Davis Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Jefferson Davis 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 13 members who are elected from 13 districts for terms of four years.

The school board operates 14 schools within the parish with a total enrollment of 6,803 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accounting and reporting policies of the primary government of the Jefferson Davis Parish School Board conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants.

**B. REPORTING ENTITY**

The financial statements of the school board consist only of the funds and account groups of the school board. The school board has no financial accountability for any other governmental entity since no other entities are considered to be component units of the school board. GASB Statement No. 14 established criteria for determining which component units should be considered part of the Jefferson Davis Parish School Board for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the school board to impose its will on the organizations and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the school board.
2. Organizations for which the school board does not appoint a voting majority but are fiscally dependent on the school board.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the school board has determined that it has no component units.

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

**C. FUND ACCOUNTING**

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

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

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

**Governmental Funds**

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

1. General Fund-the general operating fund of the school board and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds-account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt service funds-account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital projects funds-account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**Fiduciary Funds**

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

1. School Activity Agency Fund-accounts for assets held by the school board as an agent for the individual schools and school organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. BASIS OF ACCOUNTING**

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

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

The governmental funds and expendable trust funds use the following practices in recording revenues and expenditures:

**Revenues**

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Interest income is recorded when made available. Sales and use tax are recorded in the month collected. Substantially all other revenues are recorded when received.

**Expenditures**

Salaries are recorded when earned by the individual employee; compensated absences for sick leave are recorded when paid; capital outlays are recorded when acquisitions are made and when work is performed on construction projects; principal and interest on general long-term debt is recognized when due; substantially all other expenditures are recorded when the liability for the expenditure has become fixed and determinable.

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses) in the accounting period in which they occur.

**E. BUDGETS**

The school board uses the following budget practices:

For the year ended June 30, 1996, the School Board adopted budgets for the general fund and special revenue funds on a basis consistent with generally accepted accounting principles (GAAP). This included public notice of availability for public inspection and public hearing. Periodic budget comparisons were made during the year and amendments were made when deemed necessary. All budgetary appropriations lapse at the end of each fiscal year. *Formal encumbrance accounting is not utilized by the School Board.*

**F. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts and time deposits. 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, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

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 which approximates market.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

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

**H. INVENTORIES**

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenue when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost and commodities are assigned values based on information provided by the United States Department of Agriculture. General Fund inventory is also valued at cost and recorded as an expenditure at time of purchase. A fund balance reserve equal to the value of the inventory is established to indicate that the inventories do not constitute expendable financial resources available for appropriation.

**I. FIXED ASSETS**

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

**J. COMPENSATED ABSENCES**

The school board has the following policy relating to annual and sick leave:

All twelve months employees earn annual leave at varying rates depending on the length of service. Annual leave cannot be accumulated. All School Board employees earn from 10 to 18 days of sick leave each year. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees at their current rate of pay and all remaining unpaid sick leave is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation and for professional 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. In accordance with GASB Statement 16 the cost of professional sabbatical leave privileges, is recognized as a current-year expenditure in the governmental funds when leave is actually taken and the cost of rest and recuperation leave privileges not requiring current resources is recorded in the general long-term obligations account group.

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

**K. LONG-TERM OBLIGATIONS**

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

**L. FUNDEQUITY**

**Reserves**

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

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

**M. INTERFUND TRANSACTIONS**

During the course of normal operations, the school board has transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental type funds financial statements generally reflect such transactions.

Included in the financial statements as quasi-external transactions are sales of maintenance supplies from the general fund to the maintenance funds. The general fund buys the supplies in bulk and sells them to the maintenance funds as needed, the transactions are recorded as "sales to maintenance funds" in the general fund and included as "plant services" in the maintenance funds (special revenue funds).

**N. TOTAL COLUMNS ON COMBINED STATEMENTS**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**O. RISK MANAGEMENT**

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School Board is self insured for its workmens compensation claims up to \$35,000. For amounts over \$35,000 the School Board carries commercial insurance for excess claims. Claims for workmens compensation are handled through a contracted claims agent which handles the claims administration for the School Board. Settled claims are reported as an expense in the general fund. Other risks of loss are managed through commercial insurance coverage. Settled claims resulting from these risks covered by commercial insurance have not exceeded coverage in the past three fiscal years. In addition, the School Board has reserved \$1,000,000 of the General Fund balance to cover insurance losses in excess of that amount.

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

2. PROPERTY TAXES

A. MILLAGE

The Jefferson Davis Parish and Allen Parish Sheriff's offices in their capacity of tax collector is responsible for the collection of property taxes. The millages in effect for the tax revenue for the current year are as follows:

	<u>Jefferson Davis Parish</u>	<u>Allen Parish</u>
Constitutional Tax	5.85	
Special School Tax	9.25	
<u>School District No. 1:</u>		
Maintenance	10.20	
Bonds	41.25	
<u>School District No. 2:</u>		
Maintenance	10.95	
<u>School District No. 3:</u>		
Maintenance	6.40	
Special Maintenance	5.48	
Bonds	10.00	
<u>School District No. 5:</u>		
Maintenance	4.00	
<u>School District No. 8:</u>		
Maintenance	8.00	
Bonds	16.00	
<u>School District No. 22:</u>		
Maintenance	10.95	10.95
Bonds	17.00	17.00
<u>Consolidated District No. 1:</u>		
Maintenance	10.00	
Bonds	6.75	

3. FUND DEFICITS

The following individual funds had deficits in unreserved or reserved fund balance at June 30, 1996:

<u>Fund</u>	<u>Deficit Amount</u>
School District No. 1 Maintenance Fund	\$ 46,265
School District No. 3 Maintenance Fund	25,880
School District No. 8 Maintenance Fund	101,909
School District No. 22 Maintenance Fund	30,630

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

**4. EXPENDITURES - ACTUAL AND BUDGET**

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

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Other Federal Funds	\$ 227,175	\$ 235,611	\$ 8,436
I.A.S.A. Title 1	1,897,952	2,245,612	347,660

**5. CASH AND CASH EQUIVALENTS**

At June 30, 1996, the school board has cash and cash equivalents (book balances) totaling \$10,603,747 as follows:

Demand and interest-bearing deposits	\$ 2,963,547
Time deposits	<u>7,640,200</u>
Total	<u>\$ 10,603,747</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1996, the school board has \$12,179,063 in deposits (collected bank balances). These deposits are secured from risk by \$767,768 of federal deposit insurance and \$11,668,824 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

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

**6. INVESTMENTS**

At June 30, 1996, the school board holds investments totaling \$800,000 as follows:

	<u>Carrying Amount</u>	<u>Market Value</u>
Repurchase Agreements (Secured by U.S. Treasury Notes)	<u>\$ 800,000</u>	<u>\$ 800,000</u>

The underlying securities (U.S. Treasury Notes) are in the name of the pledging fiscal agent bank and are held in the trust department of a custodial bank that is mutually acceptable to both parties.

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.

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

7. RECEIVABLES

The receivables of \$461,944 at June 30, 1996 are as follows:

	General Fund	Special Revenue Funds	Debt Service Funds
Grants:			
Federal	\$ 25,664	\$ 319,002	\$ -0-
State	42,408	-0-	-0-
Property taxes	13,591	7,987	5,615
Other miscellaneous	35,220	12,457	-0-
Totals	<u>\$ 116,883</u>	<u>\$ 339,446</u>	<u>\$ 5,615</u>

8. FIXED ASSETS

The changes in general fixed assets follows:

	Balance July 1, 1995	Additions	Deletions	Adjustments	Balance June 30, 1996
Land	\$ 1,168,485	\$ -0-	\$ -0-	\$ -0-	\$ 1,168,485
Buildings	28,567,766	116,640	-0-	-0-	28,684,406
Furniture and equipment	6,317,074	1,166,038	366,023	-0-	7,117,089
Total	<u>\$36,053,325</u>	<u>\$ 1,282,678</u>	<u>\$ 366,023</u>	<u>\$ -0-</u>	<u>\$ 36,969,980</u>

9. RESTRICTED ASSETS

Restricted assets were applicable to the following at June 30, 1996:

	General Fund	Debt Service	School Activity Funds
Time Deposits		<u>\$ 624,225</u>	
Cash		<u>\$ 25,265</u>	<u>\$ 32,021</u>
Investments	<u>\$1,000,000</u>	<u>\$ -0-</u>	
Taxes Receivable		<u>\$ 5,615</u>	

The general fund restricted amount has been set aside to pay any type of claim not covered by property insurance. The debt service funds are restricted to the payment of matured and unredeemed bonds and interest only. The school activity funds restricted amounts are reserved for specific scholarship fund purposes.

10. RETIREMENT SYSTEMS

Substantially all employees of the school board are members of two statewide public employee retirement systems (PERS). In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana



JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

Teachers Retirement System (TRS) a cost-sharing multiple-employer PERS; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement System (LSERS) a cost-sharing multiple-employer PERS. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service.

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

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers Retirement System:		
Plan B	5.00%	16.50%
Regular	8.00%	16.50%
Louisiana School Employees Retirement System	6.35%	6.00%

The school board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the school board. For the LSERS, the school board's employer contribution is funded by the State of Louisiana through annual appropriations. Benefits granted by the retirement systems are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. For the year ended June 30, 1996, the current-year payroll for the school board totaled \$17,853,313. The employer contributions and total current-year payroll of covered employees for 1996 follow:

	<u>TRS</u>		<u>LSERS</u>	<u>Total</u>
	<u>Regular</u>	<u>Plan B</u>		
Employer contribution	\$ 2,250,853	\$ 133,463	\$ 82,853	\$ 2,467,169
Total covered current-year payroll	13,641,530	808,870	1,380,883	15,831,283

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 system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among Public Employee Retirement Systems (PERS) and employers.

The TRS does not make separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1995 (latest report available) for the TRS as a whole, determined through an actuarial valuation performed as of that date, was \$10,570,306,773. The TRS's net assets available for benefits on that date (valued at market) were \$6,081,673,223, leaving an unfunded pension benefit obligation of \$4,488,633,550. The school board's 1996 contribution represented .66 percent of total contributions required of all participating entities.

Ten-year historical trend information showing the TRS's progress in accumulating sufficient assets to pay benefits when due is presented in the TRS's June 30, 1995 comprehensive annual financial report.

The LSERS does not make separate measurements of assets and pension benefit obligation for individual employers. The pension obligation at June 30, 1995 (the latest information available) for the LSERS as a whole, determined through an actuarial valuation performed as of that date, was \$834,345,876. The LSER's net assets available for benefits on that date (valued at market) were \$986,376,389, leaving an unfunded pension benefit obligation of \$-0-. The school board's 1996 contribution represented .67 percent of total contributions required of all participating entities.

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

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

**11. CHANGES IN GENERAL LONG-TERM DEBT**

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

	<u>Capital Leases</u>	<u>Bonds Payable</u>	<u>Accrued Unpaid Sick Sick and Sabbatical Leave</u>	<u>Total</u>
Long-term debt at July 1, 1995	\$ -0-	\$4,605,000	\$ 993,778	\$5,598,778
Additions	540,615	-0-	-0-	540,615
Deductions	<u>188,000</u>	<u>501,000</u>	<u>7,001</u>	<u>696,001</u>
Long-term debt at June 30, 1996	<u>\$ 352,615</u>	<u>\$4,104,000</u>	<u>\$ 986,777</u>	<u>\$5,443,392</u>

General obligation bonds:

\$1,473,000 School District No. 1 bonds dated 3-1-74, maturing 3-1-99, due in annual installments of \$95,000 through 1995 interest at 5.25%	\$ 330,000
\$251,000 School District No. 1 bonds dated 6-1-75, maturing 6-1-2000 due in annual installments of \$1,000 through 2000; interest at 6.00%	4,000
\$400,000 School District No. 3 bonds dated 2-1-90, maturing 2-1-2010 due in annual installments of \$15,000 through 1995; interest at 6.90-10.00%	340,000
\$805,000 School District No. 8 Refunding Bonds dated 9-1-91, maturing 3-1-2005 due in annual installments of \$10,000 through 1995; interest at 4.70-6.65%	710,000
\$1,250,000 School District No. 22 bonds dated 3-1-78, maturing 3-1-98, due in annual installments of \$95,000 through 1995; interest at 5.42-5.50%	215,000
\$500,000 Consolidated School District No. 1 refunding bonds dated 6-1-93, maturing 6-1-2000 due in annual installments of \$70,000 through 1995; interest at 4.75%	295,000
\$2,285,000 School District #1 Refunding Bonds dated 3-1-93, maturing 3-1-2006 due in annual installments of \$25,000 through 1996; interest at 3.35%-5.70%	2,210,000
	\$ 4,104,000

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1996

The bonds are payable from ad valorem tax revenues collected by the School Board.

The annual requirements to amortize all bonds payable as of June 30, 1996, including interest payments of \$1,260,905, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
1997	\$ 753,843
1998	746,745
1999	633,338
2000	519,463
2001	443,790
2002-2006	2,106,988
2007-2010	160,738
	<u>\$ 5,364,905</u>

12. CAPITAL LEASES

The School Board has entered into certain lease agreements as lessee for financing the purchase of computer equipment and software. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of data-processing equipment leased under capital leases as of June 30, 1996:

	<u>Additions to General Fixed Assets</u>
Data-processing equipment	\$ 261,656

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 1996:

<u>Year Ending June 30,</u>	<u>General Long-Term Debt</u>
1997	\$ 161,839
1998	146,064
1999	62,214
2000	31,000
Total minimum lease payments	\$ 401,117
Less: amount representing interest	48,502
Present value of future minimum lease payments	<u>\$ 352,615</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1996

**13. INTERFUND ASSETS/LIABILITIES**

Due from/to others:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Others Funds</u>
General	\$ 413,733	\$ -0-
Special Revenue	<u>-0-</u>	<u>413,733</u>
Totals	<u>\$ 413,733</u>	<u>\$ 413,733</u>

**14. FEDERAL GRANTS**

The school board participates in a number of federally assisted grant programs. These programs are subject to the program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the School Board's management feels such disallowances, if any, will be immaterial.

**15. CONTINGENCIES AND LITIGATION**

The school board was or is the defendant in seven lawsuits. Five suits have been settled according to counsel. Of the remaining suits, the potential liability to the school board cannot be determined at this time.

SUPPLEMENTAL INFORMATION

## **SPECIAL REVENUE FUNDS**

### **School District Maintenance Funds**

The School District Maintenance Funds account for the general maintenance and upkeep of school facilities within the respective districts. Financing is provided primarily by ad valorem taxes and the related state revenue sharing within the territorial limits of the appropriate school districts.

### **School Lunch Fund**

The School Lunch Fund accounts for the operations of the school cafeterias which regularly serve breakfasts and lunches in connection with school activities. Financing is provided primarily by subsidies from the U.S. Department of Agriculture, the State of Louisiana and meal sales.

### **Title VII Fund**

This fund is used to account for grant monies designed to enable children with limited English proficiency to achieve competence in the English language in order to meet educational objectives.

### **Improving America's Schools Act Funds**

Title I of the Improving America's Schools Act Funds (IASA) is a program for economically and educationally deprived school children which is federally financed, state administered and locally operated by the School Board. The Title I services are provided through various projects which are designated to meet the special needs of educationally deprived children. The activities supplement rather than replace state and local mandated activities.

Title VI of the IASA is a program by which the federal government provides money to the School Board based on a per pupil allocation for audio-visual materials, equipment and library resources.

Title IV Fund - Revenues are used to ensure drug free education environment.

Title II Fund - Provides resources to improve professional development for education.

### **I.D.E.A., I.D.E.A.-Preschool, Other Special Education Federal Funds, and Other Federal Funds**

These funds account for various federal special education, vocational and adult education grants. The programs are designed to meet the special needs of the participants.

JEFFERSON DAVIS PARISH SCHOOL BOARD

SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 1996

ASSETS AND OTHER DEBITS	School District Maintenance Funds						School Lunch Fund	Title VII Conuhata	I.S.A. Programs (Schedule 3)	I.D.E.A.	I.D.E.A. Preschool	Other Special Education Federal Funds	Other Federal Funds	Total (Memorandum Only) 1996
	No. 1	No. 1	No. 2	No. 3	No. 5	No. 22								
Cash in bank:														
Demand deposits	\$ 23,855	\$ 13,629	\$ 261,062	\$ 9,307	\$ 60,229	\$ 1,350	\$ 11,093	\$ 390	\$ 340	\$ -	\$ -	\$ 945	\$ -	\$ 796,062
Time deposits	-	-	-	-	-	-	-	-	43,977	-	-	-	-	43,977
Revenues Receivable:														
Ad valorem taxes	1,049	670	5,183	97	299	226	463	-	-	-	-	-	-	7,987
Louisiana Department of Education- Pass through federal grants	-	-	-	-	-	-	-	19,551	192,882	43,773	4,349	1,310	57,137	319,002
Other	12,000	-	230	-	-	-	25	202	-	-	-	-	-	12,457
Inventory, at cost	-	-	-	-	-	-	-	81,544	-	-	-	-	-	81,544
Due from other parishes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 36,904</b>	<b>\$ 14,299</b>	<b>\$ 266,475</b>	<b>\$ 9,404</b>	<b>\$ 60,528</b>	<b>\$ 1,576</b>	<b>\$ 11,581</b>	<b>\$ 19,941</b>	<b>\$ 237,199</b>	<b>\$ 43,773</b>	<b>\$ 4,349</b>	<b>\$ 2,255</b>	<b>\$ 57,137</b>	<b>\$ 1,261,029</b>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 11,957	\$ 1,979	\$ 95,430	\$ 884	\$ 530	\$ 2,985	\$ 1,711	\$ 1,987	\$ 97,470	\$ 3,741	\$ 98	\$ -	\$ 2,279	\$ 221,051
Due to other funds	-	58,585	-	34,400	-	100,500	40,500	72,059	20,289	39,264	4,251	2,255	35,446	413,733
Payroll taxes and withholdings payable	-	-	-	-	-	-	-	55,389	55,634	96	-	-	7,032	122,907
Salaries payable	-	-	-	-	-	-	-	79,148	62,106	672	-	-	12,380	163,307
Due to other governments	-	-	-	-	-	-	-	-	1,700	-	-	-	-	1,700
<b>Total Liabilities</b>	<b>\$ 11,957</b>	<b>\$ 60,564</b>	<b>\$ 95,430</b>	<b>\$ 35,284</b>	<b>\$ 530</b>	<b>\$ 103,485</b>	<b>\$ 42,211</b>	<b>\$ 208,583</b>	<b>\$ 237,199</b>	<b>\$ 43,773</b>	<b>\$ 4,349</b>	<b>\$ 2,255</b>	<b>\$ 57,137</b>	<b>\$ 922,698</b>
Fund balance:														
Unreserved - undesignated	\$ 24,947	\$ (46,265)	\$ 171,045	\$ (25,880)	\$ 59,998	\$ (101,909)	\$ (30,630)	\$ 287,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338,331
<b>Total Liabilities and Fund Balance</b>	<b>\$ 36,904</b>	<b>\$ 14,299</b>	<b>\$ 266,475</b>	<b>\$ 9,404</b>	<b>\$ 60,528</b>	<b>\$ 1,576</b>	<b>\$ 11,581</b>	<b>\$ 495,608</b>	<b>\$ 237,199</b>	<b>\$ 43,773</b>	<b>\$ 4,349</b>	<b>\$ 2,255</b>	<b>\$ 57,137</b>	<b>\$ 1,261,029</b>

The accompanying notes are an integral part of these statements.

JEFFERSON DAVIS PARISH SCHOOL BOARD

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

	School District Maintenance Funds							School Lunch Fund	Title VII Causalties	I.A.S.A. Funds (Schedule 4)	L.D.E.A. - Preschool	Other Special Education Federal Funds	Other Federal Funds	Total (Memorandum Only) 1996
	No. 1	No. 1	No. 2	No. 3	No. 5	No. 8	No. 22							
<b>Revenues</b>														
Parish sources:														
Ad valorem tax collections:														
Taxes, interest, penalties	\$ 1,54,590	\$ 100,776	\$ 308,390	\$ 50,995	\$ 38,755	\$ 60,736	\$ 88,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 802,566
Rentals, leases, and royalties	-	-	-	200	-	-	-	-	-	-	-	-	-	200
Interest earned	1,343	322	5,777	286	1,062	276	420	5,255	-	-	-	-	-	14,691
Other parish sources	400	17,603	7,517	1,565	-	-	-	-	-	-	-	-	-	27,085
Food services income	-	-	-	-	-	-	388,200	-	-	-	-	-	-	388,200
State sources:														
Revenue sharing	11,182	11,446	35,414	3,975	2,710	3,569	6,677	-	-	-	-	-	-	74,973
Equalization	-	-	-	-	-	-	478,512	-	-	-	-	-	-	478,512
Federal sources:														
Restricted grants in aid	-	-	-	-	-	-	-	112,965	1,889,473	283,488	45,077	5,477	218,360	2,554,840
Commodities-USDA	-	-	-	-	-	-	144,978	-	-	-	-	-	-	144,978
Federal reimbursements	-	-	-	-	-	-	1,404,677	-	-	-	-	-	-	1,404,677
<b>Total Revenues</b>	<b>\$ 1,67,515</b>	<b>\$ 130,147</b>	<b>\$ 357,098</b>	<b>\$ 57,021</b>	<b>\$ 42,527</b>	<b>\$ 64,531</b>	<b>\$ 95,421</b>	<b>\$ 2,421,622</b>	<b>\$ 1,889,473</b>	<b>\$ 283,488</b>	<b>\$ 45,077</b>	<b>\$ 5,477</b>	<b>\$ 218,360</b>	<b>\$ 5,892,722</b>
<b>Expenditures</b>														
Instruction:														
Regular programs	\$ 31,802	\$ 17,391	\$ 85,092	\$ 13,172	\$ 1,016	\$ 7,198	\$ 9,234	\$ -	\$ -	\$ 9,368	\$ -	\$ -	\$ -	\$ 174,273
Special education programs	-	-	-	-	-	-	-	-	-	-	132,212	5,372	-	181,761
Vocational education programs	-	-	-	-	-	-	-	-	-	-	-	-	73,434	73,434
Other programs	-	-	-	-	-	-	-	-	-	-	-	-	121,903	121,903
Special programs	-	-	-	-	-	-	-	122,657	1,797,074	-	-	-	-	1,919,681
Adult continuing education programs	-	-	-	-	-	-	-	-	-	-	-	-	40,274	40,274
Support Services:														
Student services	-	-	-	-	-	-	-	-	-	13,337	36,830	-	-	50,167
Instructional staff support	-	-	-	-	-	-	-	-	-	431,296	92,476	-	-	523,772
General administration	4,753	3,270	10,717	4,681	1,214	1,884	2,717	-	-	340	-	-	-	31,768
School administration	3,707	3,148	4,300	3,933	1,382	736	140	-	-	-	-	-	-	17,346
Food services	-	-	-	-	-	-	2,294,724	-	-	-	-	-	-	2,294,724
Plant services	192,894	75,606	216,863	27,824	18,028	139,764	47,176	-	-	66,387	17,060	-	-	784,542
Student transportation	623	2,805	2,694	43,184	70	70	1,315	-	-	860	-	-	-	67,749
Central services	-	-	-	-	-	-	-	-	-	37,061	5,962	105	-	860
Indirect costs	-	-	-	-	-	-	-	-	-	1,062	-	-	-	47,205
Community services	-	465	-	270	-	-	-	-	-	-	-	-	-	735
Facilities acquisition and construction	-	-	122,564	-	-	-	-	-	-	-	-	-	-	122,564
Transfers to other governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 233,779</b>	<b>\$ 102,685</b>	<b>\$ 442,230</b>	<b>\$ 93,064</b>	<b>\$ 21,640</b>	<b>\$ 149,652</b>	<b>\$ 60,580</b>	<b>\$ 2,294,724</b>	<b>\$ 2,430,087</b>	<b>\$ 284,880</b>	<b>\$ 45,077</b>	<b>\$ 5,477</b>	<b>\$ 233,611</b>	<b>\$ 6,525,320</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (66,264)</b>	<b>\$ 27,462</b>	<b>\$ (85,132)</b>	<b>\$ (36,043)</b>	<b>\$ 20,887</b>	<b>\$ (85,121)</b>	<b>\$ 34,841</b>	<b>\$ 126,898</b>	<b>\$ (12,869)</b>	<b>\$ (540,614)</b>	<b>\$ (1,392)</b>	<b>\$ -</b>	<b>\$ (17,251)</b>	<b>\$ (634,598)</b>
<b>Other Financing Sources (Uses)</b>														
Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-	17,251	17,251
Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	12,000	100	-	825	-	-	-	-	-	-	-	-	-	12,925
Capital leases	-	-	-	-	-	-	-	-	-	-	-	-	-	540,614
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 12,000</b>	<b>\$ 100</b>	<b>\$ -</b>	<b>\$ 825</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 540,614</b>	<b>\$ 1,392</b>	<b>\$ -</b>	<b>\$ 17,251</b>	<b>\$ 585,031</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ (54,264)</b>	<b>\$ 27,562</b>	<b>\$ (85,132)</b>	<b>\$ (35,218)</b>	<b>\$ 20,887</b>	<b>\$ (85,121)</b>	<b>\$ 34,841</b>	<b>\$ 126,898</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,392)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (49,547)</b>
<b>Fund Balance at Beginning of Year</b>	<b>79,211</b>	<b>(73,827)</b>	<b>256,177</b>	<b>9,338</b>	<b>39,111</b>	<b>(16,788)</b>	<b>(65,471)</b>	<b>160,127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>387,878</b>
<b>Fund Balance at End of Year</b>	<b>\$ 24,947</b>	<b>\$ (46,265)</b>	<b>\$ 171,045</b>	<b>\$ (25,880)</b>	<b>\$ 59,998</b>	<b>\$ (101,909)</b>	<b>\$ (30,630)</b>	<b>\$ 287,025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 338,331</b>



**JEFF DAVIS PARISH SCHOOL BOARD  
SPECIAL REVENUE FUNDS- COMBINING BALANCE SHEET FOR IASA FUNDS  
FOR THE YEAR ENDED JUNE 30, 1996**

Improving America's Schools Act Funds (IASA)							
	Title I		Title VI		Title IV- Drug Free Schools	Title II Eisenhower Grant	Total (Memorandum Only) 1996
	C/O	Part C- Migrant					
<b>ASSETS</b>							
Cash in bank:							
Demand deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340	\$ 340
Time deposits	41,038	884	2,055	-	-	-	43,977
Revenues Receivable:							
Federal grants through the state	167,173	4,871	10,888	3,654	3,397	2,899	192,882
<b>Total Assets</b>	<b>\$ 208,211</b>	<b>\$ 5,755</b>	<b>\$ 12,943</b>	<b>\$ 3,654</b>	<b>\$ 3,397</b>	<b>\$ 3,239</b>	<b>\$ 237,199</b>

LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 84,808	\$ 4,748	\$ 1,824	\$ 3,024	\$ 238	\$ 2,828	\$ 97,470
Due to other funds	13,861	1,007	1,221	630	3,159	411	20,289
Payroll deductions and w/h payable	51,719	-	3,915	-	-	-	55,634
Salaries payable	57,823	-	4,283	-	-	-	62,106
Due to other governments	-	-	1,700	-	-	-	1,700
<b>Total Liabilities</b>	<b>\$ 208,211</b>	<b>\$ 5,755</b>	<b>\$ 12,943</b>	<b>\$ 3,654</b>	<b>\$ 3,397</b>	<b>\$ 3,239</b>	<b>\$ 237,199</b>
Fund balances:							
Unreserved - undesignated	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 208,211</b>	<b>\$ 5,755</b>	<b>\$ 12,943</b>	<b>\$ 3,654</b>	<b>\$ 3,397</b>	<b>\$ 3,239</b>	<b>\$ 237,199</b>

**JEFF DAVIS PARISH SCHOOL BOARD  
SPECIAL REVENUE FUNDS- COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE FOR IASA FUNDS  
FOR THE YEAR ENDED JUNE 30, 1996**

Improving America's Schools Act (IASA)							Total (Memorandum Only) 1996
Title	Title I C/O	Title L Part C- Migrant	Title VI	Title IV- Drug Free Schools	Title II Eisenhower Grant		
Revenues:							
Federal & State sources:							
Other state & federal sources-grants	\$ 1,456,127	\$ 156,044	\$ 164,327	\$ 42,129	\$ 31,609	\$ 39,237	\$ 1,889,473
Total Revenues	\$ 1,456,127	\$ 156,044	\$ 164,327	\$ 42,129	\$ 31,609	\$ 39,237	\$ 1,889,473
Expenditures:							
Instruction:							
Regular	\$ -	\$ -	\$ 353	\$ -	\$ 3,533	\$ 5,482	\$ 9,368
Special	1,674,042	78,128	29,129	15,725	-	-	1,797,024
Support Services:							
Pupil support services	13,072	265	-	-	-	-	13,337
Instructional staff support	216,958	68,390	60,628	25,245	27,278	32,797	431,296
General administration	1,600	-	372	220	-	-	2,192
School administration	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-
Plant services	60,205	6,131	-	51	-	-	66,387
Central services	860	-	-	-	-	-	860
Capital outlay	1,062	-	-	-	-	-	1,062
Indirect costs	28,942	3,130	2,345	888	798	958	37,061
Community services	-	-	-	-	-	-	-
Transfers to other governments	-	-	71,500	-	-	-	71,500
Total expenditures	\$ 1,996,741	\$ 156,044	\$ 164,327	\$ 42,129	\$ 31,609	\$ 39,237	\$ 2,430,087
Excess (Deficiency) of Revenues Over Expenditures	\$ (540,614)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (540,614)
Other Financing Sources (Uses)							
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-	-	-	-
Capital leases	540,614	-	-	-	-	-	540,614
Sale of fixed assets	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 540,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 540,614
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances at Beginning of Year	-	-	-	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these statements

### **DEBT SERVICE FUNDS**

The Debt Service Funds are used to accumulate monies for payment of outstanding bond issues. The bonds were issued by the respective school districts for the purpose of acquiring and improving sites, erecting and equipping additional public school buildings and acquiring the necessary equipment and furnishings therein, and improving the existing school buildings. The bond issues are financed by a special property tax levy on property within the territorial limits of the appropriate school districts.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

Schedule 5

**DEBT SERVICE FUNDS**  
 Combining Balance Sheet  
 June 30, 1996

	Consolidated				Total (Memorandum Only) 1995
	School District No. 1	School District No. 1	School District No. 3	School District No. 8	
Cash in bank (restricted):	\$ 67,768	\$ 292,480	\$ 48,000	\$ 106,212	\$ 624,225
Time deposits	-	14,725	-	-	25,265
Cash with fiscal agents (restricted):		2,764	592	453	5,615
Ad valorem taxes receivable					
<b>Total Assets</b>	<b>\$ 68,816</b>	<b>\$ 309,969</b>	<b>\$ 48,592</b>	<b>\$ 106,665</b>	<b>\$ 655,105</b>

**ASSETS AND OTHER DEBITS**

Cash in bank (restricted):  
 Time deposits  
 Cash with fiscal agents (restricted):  
 Ad valorem taxes receivable

**LIABILITIES AND FUND BALANCE**

Liabilities :

Matured but unredeemed bonds  
 and interest

\$ -	\$ 14,725	\$ -	\$ -	\$ 10,540	\$ 25,265
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Fund balance:

Reserved for debt service

68,816	295,244	48,592	106,665	110,523	629,840
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Total Liabilities and Fund Balance

\$ 68,816	\$ 309,969	\$ 48,592	\$ 106,665	\$ 121,063	\$ 655,105
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The accompanying notes are an integral part of these statements.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

**DEBT SERVICE FUNDS**

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

	Consolidated School District No. 1	School District No. 1	School District No. 3	School District No. 8	School District No. 22	Total (Memorandum Only) 1996
<b>Revenues</b>						
Parish sources:						
Ad valorem tax collections:						
Tax	\$ 104,688	\$ 407,604	\$ 43,435	\$ 121,472	\$ 137,124	\$ 814,323
Interest earned	1,781	7,936	1,027	2,394	2,616	15,754
Other parish sources	-	-	-	-	-	-
Total Revenues	\$ 106,469	\$ 415,540	\$ 44,462	\$ 123,866	\$ 139,740	\$ 830,077
<b>Expenditures</b>						
Support services-general administration:						
Sheriff's contribution to pension fund	\$ 3,172	\$ 12,852	\$ 1,310	\$ 3,767	\$ 4,218	\$ 25,319
Bank charges	150	1,405	600	463	125	2,743
Legal services	-	-	-	-	-	-
Bond principal retirement	70,000	261,000	15,000	55,000	100,000	501,000
Bond interest	17,337	147,875	26,163	48,195	17,225	256,795
Total expenditures	\$ 90,659	\$ 423,132	\$ 43,073	\$ 107,425	\$ 121,568	\$ 785,857
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 15,810	\$ (7,592)	\$ 1,389	\$ 16,441	\$ 18,172	\$ 44,220
<b>Fund Balance at Beginning of Year</b>	53,006	302,836	47,203	90,224	92,351	585,620
<b>Fund Balance at End of Year</b>	\$ 68,816	\$ 295,244	\$ 48,592	\$ 106,665	\$ 110,523	\$ 629,840

The accompanying notes are an integral part of these statements.

JEFFERSON DAVIS PARISH SCHOOL BOARD  
SUPPLEMENTAL INFORMATION

COMPENSATION PAID TO BOARD MEMBERS  
JUNE 30, 1996

The schedule of compensation paid to school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

The compensation of the school board members is included in the general administration 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 the members of the school board received \$350.00 per month. In addition, executive committee members received \$50.00 per month for attending executive committee meetings and the president received \$100.00 per month for discharging the duties of his office.

JEFFERSON DAVIS PARISH SCHOOL BOARD  
COMPENSATION PAID TO BOARD MEMBERS  
YEAR ENDED JUNE 30, 1996

Bertrand, Darryl	\$ 4,200
Campbell, Thomas G., President	5,400
Capdeville, David	4,200
Deshotel, John J.	4,200
Doise, Michael	4,200
Frugé, Larry	4,200
Frugé, Nicholas H.	4,200
Gilbeaux, Harry O.	4,200
Heinen, Mike J.	4,200
Ladner, Donald	4,200
Richert, Joel, Vice President	4,200
Segura, James E.	4,200
Vincent, Garland	<u>4,200</u>
Total	<u>\$ 55,800</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
SUPPLEMENTAL INFORMATION

SALES AND USE TAX AGENCY FUND  
JUNE 30, 1996

The Sales and Use Tax Agency Fund is used for the collection and distribution of a two per cent sales and use tax levied by the Jefferson Davis Parish School Board and a one per cent sales and use tax levied by the City of Jennings, Town of Welsh, Town of Elton and the Town of Lake Arthur. Also collected is a hotel-motel tax for the City of Jennings.



## JEFFERSON DAVIS PARISH SCHOOL BOARD

SCHEDULE OF CHANGES IN SALES AND USE TAX ACCOUNT BALANCE  
YEAR ENDED JUNE 30, 1996

Account balance, beginning of year	\$ <u>-0-</u>
Additions:	
Sales tax collections:	
Jefferson Davis Parish School Board	\$ 5,266,627
City of Jennings	2,794,654
Town of Lake Arthur	350,440
Town of Welsh	269,587
Town of Elton	120,150
Village of Fenton	13,879
Hotel tax collections	53,413
Interest earned on invested funds	<u>9,397</u>
Total additions	<u>\$ 8,878,147</u>
Reductions:	
Transfers to:	
Jefferson Davis Parish School Board General Fund:	
Sales tax collections	\$ 5,266,627
Fees from municipalities	74,566
Interest earned on invested funds	9,397
City of Jennings	2,735,927
Town of Lake Arthur	343,080
Town of Welsh	263,922
Town of Elton	117,627
Village of Fenton	13,588
Jefferson Davis Parish Tourist Commission	<u>53,413</u>
Total reductions	<u>\$ 8,878,147</u>
Account balance, end of year	<u><u>\$ -0-</u></u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
 FIDUCIARY FUND TYPE-SCHOOL ACTIVITY FUNDS  
 SCHEDULE OF CHANGES IN AGENCY BALANCES  
 YEAR ENDED JUNE 30, 1996

School	Balance July 1, 1995	Additions	Deductions	Balance June 30, 1996
Elton High School	\$ 34,261	\$ 226,413	\$ 225,008	\$ 35,666
Elton Junior High School	13,526	48,258	53,083	8,701
Fenton Elementary	16,420	28,355	26,192	18,583
Hathaway High School	52,100	169,526	171,264	50,362
Jennings High School	103,996	282,676	287,436	99,236
Jennings Northside Junior High	31,972	46,507	44,789	33,690
Jennings Ward Elementary	35,461	67,138	62,267	40,332
Jennings West End Elementary	15,659	40,338	41,101	14,896
Lacassine High School	42,491	166,788	171,779	37,500
Lake Arthur Elementary	28,508	105,788	104,804	29,492
Lake Arthur High School	34,918	284,379	279,369	39,928
Welsh Elementary	23,808	89,943	84,175	29,576
Welsh High School	38,476	178,570	183,594	33,452
Welsh-Roanoke Junior High	12,134	57,984	58,558	11,560
Totals	<u>\$ 483,730</u>	<u>\$ 1,792,664</u>	<u>\$ 1,793,419</u>	<u>\$ 482,975</u>

ADDITIONAL REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*,

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

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the general purpose financial statements of the Jefferson Davis Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated November 20, 1996.

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

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the school board in a separate letter dated November 20, 1996.

This report is intended solely for the use of management, the U.S. Department of Education (the cognizant audit agency) and other state and federal audit agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Jefferson Davis Parish School Board, the U.S. Department of Education (the cognizant audit agency) and other state and federal audit agencies, is a matter of public record.

*Krielow, Gillespie & Co.*  
Certified Public Accountants

Jennings, Louisiana  
November 20, 1996

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

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the general purpose financial statements of the Jefferson Davis Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated November 20, 1996.

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.

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

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

We noted certain immaterial instances of noncompliance that we have reported to the management of Jefferson Davis Parish School Board in a separate letter dated November 20, 1996.

This report is intended solely for the use of management, the U.S. Department of Education (the cognizant audit agency) and other state and federal audit agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Jefferson Davis Parish School Board, the U. S. Department of Education (the cognizant audit agency) and other state and federal audit agencies, is a matter of public record.

*Krielow, Gillespie & Co.*  
Certified Public Accountants

Jennings, Louisiana  
November 20, 1996

ADDITIONAL REPORTS REQUIRED BY THE  
SINGLE AUDIT ACT AND OMB CIRCULAR A-128

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

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the general purpose financial statements of the Jefferson Davis Parish School Board for the year ended June 30, 1996, and have issued our report thereon dated November 20, 1996. We have also audited the Jefferson Davis Parish School Board's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 20, 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 Jefferson Davis 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 School Board's 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 structures policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 20, 1996.

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

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

Controls Used in Administering Compliance with Laws and Regulations

General Requirements

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

Specific Requirements

Types of services  
Eligibility  
Matching, level of effort,  
and earmarking  
Reporting  
Cost allocation  
Special requirements, if any



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 Jefferson Davis Parish School Board, expended 100 percent 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 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.

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 material weaknesses under standards established by the American Institute of Certified Public Accountants. 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operations that we have reported to the management of the Jefferson Davis Parish School Board, in a separate letter dated November 20, 1996.

This report is intended solely for the use of management, the U.S. Department of Education (the cognizant audit agency) and other state and federal audit agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Jefferson Davis Parish School Board, the U. S. Department of Education (the cognizant audit agency) and other state and federal audit agencies, is a matter of public record.

*Krielaw, Gillespie & Co.*  
Certified Public Accountants

Jennings, Louisiana  
November 20, 1996

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

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the general purpose financial statements of the Jefferson Davis Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated November 20, 1996.

We have also audited the Jefferson Davis Parish School Board's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special requirements, if any; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the 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.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to in the second paragraph.

In our opinion, the Jefferson Davis Parish School Board complied, in all material respects, with the specific requirements referred to in the second paragraph that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended solely for the use of management, the U.S. Department of Education (the cognizant audit agency) and other state and federal audit agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Jefferson Davis Parish School Board, the U.S. Department of Education (the cognizant audit agency) and other state and federal audit agencies, is a matter of public record.

*Krielow, Gillespie & Co.*  
Certified Public Accountants

Jennings, Louisiana  
November 20, 1996

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

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the general purpose financial statements of the Jefferson Davis Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated November 20, 1996.

We have applied procedures to test the Jefferson Davis 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 Jefferson Davis Parish 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 Jefferson Davis Parish School Board had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended solely for the use of management, the U.S. Department of Education (the cognizant audit agency) and other state and federal audit agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Jefferson Davis Parish School Board, the U.S. Department of Education (the cognizant audit agency) and other state and federal audit agencies, is a matter of public record.

*Krielow, Gillespie & Co.*  
Certified Public Accountants

Jennings, Louisiana  
November 20, 1996

INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL  
FINANCIAL ASSISTANCE

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the general purpose financial statements of the Jefferson Davis Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated November 20, 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, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

*Krielow, Gillespie & Co.*  
Certified Public Accountants

Jennings, Louisiana  
November 20, 1996

JEFFERSON DAVIS PARISH SCHOOL BOARD

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 1996

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	YEAR ENDED JUNE 30, 1996	
		GRANT REVENUES	GRANT EXPENDITURES
<b>United States Department of Agriculture</b>			
Passed through Louisiana Department of Education:			
National School Lunch Program	* 10.555	\$ 1,241,730	\$ 1,241,730
School Breakfast Program	10.553	307,925	307,925
Total United States Department of Agriculture		<u>\$ 1,549,655</u>	<u>\$ 1,549,655</u>
<b>United States Department of Education</b>			
Passed through Louisiana Department of Education:			
Adult Education-State-Administered Program	84.002	\$ 34,341	\$ 34,341
Education of Handicapped Children in State Supported Schools	84.009	1,622	1,622
Title I Programs-Local Educational Agencies	* 84.010	1,612,171	1,612,171
Migrant Education-Basic State Formula Grant Program	84.011	92,827	92,827
Special Education-State Grants	84.027	283,488	283,488
Part II Funds-Family Service Coordination	-	3,854	3,854
Vocational Education:			
Basic Grants to States	84.048	73,434	73,434
Consumer and Homemaking Education	84.049		
Indian Education-Special Programs and Projects	84.003	112,965	112,965
Federal, State and Local Partnerships for Educational Improvement	84.151	112,975	112,975
Handicapped Preschool Grants	84.173	45,077	45,077
Total United States Department of Education		<u>\$ 2,372,754</u>	<u>\$ 2,372,754</u>
<b>United States Department of Labor</b>			
Job Training Partnership Act	17.246-50	<u>\$ 110,585</u>	<u>\$ 110,585</u>
<b>United States Department of Health and Human Services</b>			
Medicaid Assistance Program	13.714	<u>\$ 39,680</u>	<u>\$ 39,680</u>
<b>United States Department of Energy</b>			
Energy Conservation for Institutional Buildings		<u>\$ 33,264</u>	<u>\$ 33,264</u>
Total Federal Assistance		<u>\$ 4,105,938</u>	<u>\$ 4,105,938</u>

\* Denotes Major Program

**KRIELOW, GILLESPIE & CO.**

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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**MANAGEMENT MEMORANDUM**

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the general purpose financial statements of the Jefferson Davis Parish School Board for the year ended June 30, 1996, and have issued our report thereon dated November 20, 1996. As part of our audit, we made a study and evaluation of the Board's internal control structure to the extent we considered necessary to evaluate the structure as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the Board's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the internal control structure taken as a whole.

The management of the Jefferson Davis 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 the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the structure. Accordingly, we do not express an opinion on the internal control structure of the Jefferson Davis Parish School Board taken as a whole. However, our audit disclosed the following conditions that we believe results in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of the Jefferson Davis Parish School Board may occur and not be detected within a timely period.

1. Condition: The Finance Director did not advise the Board, in writing, in accordance with LSA-RS 39:1310, of the greater than 5% adverse variance in budgeted versus actual for the following funds:

<u>Fund</u>	<u>Amount of Revenues Variance</u>
Title VII	\$ 12,035
IDEA	30,843
IDEA Preschool	19,507
Other Special Education	5,879
Title II	3,276
Migrant Program	12,173

Fund  
IASA Title I

Amount of  
Expenditure  
Variance  
\$ 359,833

Cause:

Unknown.

Effect:

Noncompliance with State Budget Law.

Recommendation:

Procedures should be instituted to provide compliance with state law when adverse budget variances exceeding 5% are anticipated.

Client Response:

Finance Director agrees and will implement recommended procedures. Director wanted to note that for the federal funds to which this comment applies (all of these listed) have revenues that are expenditure driven. Consequently there is a corresponding offset in expenditures for the unfavorable variance. For the case in the Title 1 Fund in which actual expenditures exceed budgeted amounts, the variance was a result of an audit adjustment. This unfavorable variance was offset by a favorable variance in other financing sources which was also a result of the audit adjustment.

2. Condition: School Board bank balances were under collateralized at June 30, 1996. Per Louisiana R.S. 39:1225, security for deposits shall at all times be equal to 100% of the amount of funds on deposit at each depositing authority. Deposits totaling \$5,032,103 were under collateralized by \$1,101,611.

Cause:

Bank's failure to comply with fiscal agent agreement and client's failure to perform procedures which would identify and correct this situation on a timely basis.

Effect:

Noncompliance with State Laws.

Recommendation:

The client should establish procedures which ensure that periodic comparisons of total collateral security provided by banks equal or exceed total collected bank balances. This procedure may need to be performed more often during periods of high cash inflow.

Client Response:

Finance Director agrees that the oversight of this matter had been neglected at June 30, 1996, and will take appropriate steps to ensure that the amount of collateral on pledged accounts will be adequate to comply with State law.

3. Condition: Per Louisiana R.S. 38:2212 purchases of materials and supplies exceeding the aggregate sum of \$10,000 to be paid out of public funds shall be let out for bid. During the fiscal year ending June 30, 1996, the School Board purchased fuel for the operation of its bus fleet in the amount of \$28,379 without complying with the State bid laws.

Cause:

Client was unaware that fuel came under the State bid law even though only one vendor is available, within the School Board's territorial boundaries, to provide the necessary services associated with the provision of fuel to the bus fleet.

Effect:

Although the client is technically in noncompliance with the law, our review of this area indicates that there is in fact only one vendor that provides fuel and the associated services necessary for provision of fuel to the School Board's bus fleet.

Recommendation:

The law does not provide an exemption from compliance under the circumstances described above. We recommend that the School Board adopt bid specifications for purchases of the bus fleet's fuel. The bus fleet fuel should be let out for bid at least on an annual basis as specified by the State bid laws.

Client Response:

Finance Director will take steps to let out bids for fuel purchases in order to comply with State bid laws, and intends to complete the bid process before the end of the next fiscal year.

4. Condition: Donated assets are not being accounted for in the General Fixed Assets Account Group in accordance with generally accepted accounting principles.

Cause:

School Board accounting procedures have not included a system for including donated assets in the General Fixed Assets Account Group as required per GASB Codification Section 1400.113.

Effect:

Lack of accounting control over assets donated.

Recommendation:

Donated assets need to be assessed at fair market value at date of donation and recorded in the General Fixed Asset Account Group according to School Board policy.



Client Response:

Finance Director will account for donated assets in the General Fixed Assets Account Group at the fair market value of the assets at the time of the donation.

The above conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the general purpose financial statements for the fiscal year ended June 30, 1996 and this report does not affect our report on these financial statements dated November 20, 1996.

*Krielaw, Gillespie & Co.*  
Certified Public Accountants

Jennings, Louisiana  
November 20, 1996