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LEGISLATIVE AUDITOR

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

Release Date MAR 19 1997

**East Feliciana Parish School Board
Table of Contents
June 30, 1996**

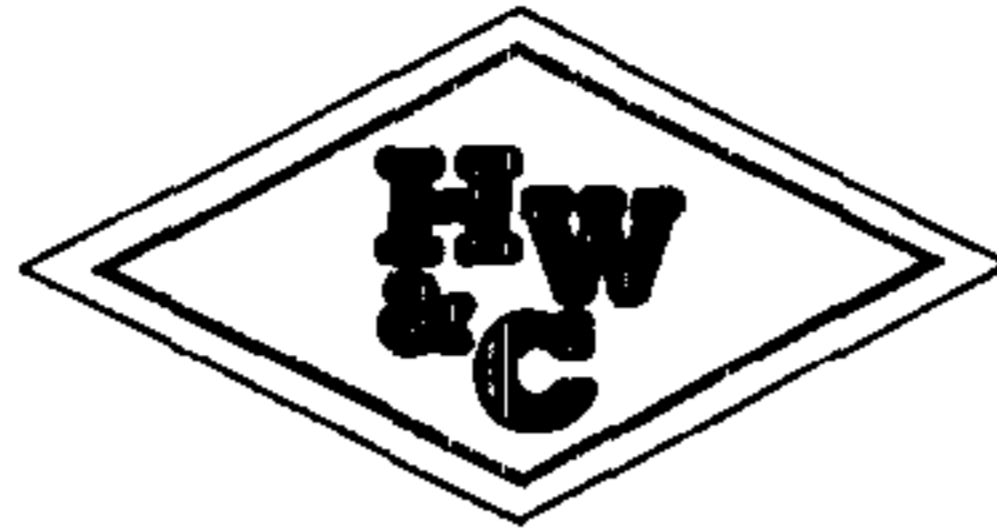
Independent Auditor's Report	Page 4
 General-Purpose Financial Statements	
Combined Balance Sheet - All Fund Types and Account Groups	Page 6
 Governmental Fund Types	
Combined Statement of Revenue, Expenditures, and Changes in Fund Balances	Page 10
Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual: General Fund	Page 12
Combined Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual: Special Revenue Funds	Page 14
Notes to Financial Statements	Page 15
 Supplemental Information	
Special Revenue Funds	Page 32
Combining Balance Sheet	Page 33
Combining Schedule of Revenue, Expenditures and Changes in Fund Balances	Page 34
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)	
Chapter I and II	Page 35
Special Education	Page 36
School Food Service	Page 37
Debt Service Funds	Page 38
Combining Balance Sheet	Page 39
Combining Schedule of Revenue, Expenditures, and Changes in Fund Balances	Page 40
Agency Funds	Page 41
Combining Balance Sheet	Page 42
Schedule of Changes in Deposits Due Schools - School Activity Fund	Page 43
Schedule of Changes in Liabilities - Sales Tax Agency Fund	Page 44

**East Feliciana Parish School Board
Table of Contents
June 30, 1995**

Opinion on Supplementary Schedule of Federal Financial Assistance	Page 45
Schedule of Federal Financial Assistance	Page 46
Report on Compliance Based on an Audit of General-Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	Page 47
Single Audit Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs	Page 49
Report on the Internal Control Structure Based on an Audit of General-Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	Page 52
Single Audit Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	Page 55
Single Audit Opinion on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs	Page 57
Single Audit Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	Page 59

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CERTIFIED PUBLIC ACCOUNTANTS

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December 9, 1996

Independent Auditor's Report

ROBERT B. HAWTHORN, C.P.A.
(1896-1977)
JOHN F. WAYMOUTH, C.P.A.
(1902-1987)
HOWARD V. CARROLL, C.P.A.
(1909-1993)
WARREN C. BER, C.P.A.
RETIRED

East Feliciana Parish School Board
Clinton, Louisiana

Gentlemen:

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

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

as of and for the year ended June 30, 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 and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. 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 above present fairly, in all material respects, the financial position of the East Feliciana 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.

In accordance with Government Auditing Standards, we have also issued a report dated December 9, 1996, on our consideration of East Feliciana Parish School Board's internal control structure and a report dated December 9, 1996, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the East Feliciana 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.

Yours truly,

Hewthorn, Wagnouth & Carroll, LLP

**East Feliciana Parish School Board
All Fund Types and Account Groups
Combined Balance Sheet
June 30, 1996**

	<u>Governmental Fund Types</u>			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>
Assets				
Cash and cash equivalents	\$1,836,204	\$500,909	\$2,583,694	\$16,019
Receivables	16,157	166		
Due from other funds	110,480		65,681	13,929
Due from other governments	405,531	109,628		
Inventory		12,377		
Prepaid expenses	161,104	290		
Land, buildings, improvements, furniture and equipment				
Amount available in debt service funds				
Amount to be provided for retirement of general long-term obligations				
Total assets	<u>2,529,476</u>	<u>623,370</u>	<u>2,649,375</u>	<u>29,948</u>

Continued

The accompanying notes are an integral part of these statements.

Fiduciary Fund Type- Agency Funds	<u>Account Groups</u>		Totals (Memorandum Only)
	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$312,513			\$5,249,339
			16,323
			190,090
			515,159
			12,377
			161,394
	\$19,816,514		19,816,514
		\$2,607,042	2,607,042
		<u>4,713,365</u>	<u>4,713,365</u>
<u>312,513</u>	<u>19,816,514</u>	<u>7,320,407</u>	<u>33,281,603</u>

Continued

Fiduciary Fund Type- Agency <u>Funds</u>	<u>Account Groups</u>		Totals (Memorandum <u>Only</u>)
	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$888			\$71,495
			1,353,514
131,362			190,090
130,862			130,862
49,401			49,401
		\$605,407	605,407
		<u>6.715.000</u>	<u>6.715.000</u>
<u>312.513</u>		<u>7.320.407</u>	<u>9.115.769</u>
	\$19,816,514		19,816,514
			161,104
			1,568,759
			1,038,283
			<u>1.581.174</u>
	<u>19.816.514</u>		<u>24.165.834</u>
<u>312.513</u>	<u>19.816.514</u>	<u>7.320.407</u>	<u>33.281.603</u>

**East Feliciana Parish School Board
All Governmental Fund Types
Combined Statement of Revenue, Expenditures
and Changes in Fund Balances
Year Ended June 30, 1996**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	
Revenue					
Local sources:					
Taxes					
Ad valorem	\$822,824		\$1,039,475		\$1,862,299
Sales, use and other	868,101		843,594		1,711,695
Tuition	4,935				4,935
Interest earnings	100,777	\$15,612	104,562	\$2,049	223,000
Other	61,246	105,210		5,138	171,594
State sources:					
Unrestricted grants	7,831,898				7,831,898
Restricted grants	400,448	1,066,236			1,466,684
Federal sources:					
Restricted grants	<u>398,641</u>	<u>1,031,608</u>	_____	_____	<u>1,430,249</u>
<u>Total revenue</u>	<u>10,488,870</u>	<u>2,218,666</u>	<u>1,987,631</u>	<u>7,187</u>	<u>14,702,354</u>
Expenditures					
Current:					
Instruction:					
Regular programs	4,983,223				4,983,223
Special programs	1,116,223	749,878			1,866,101
Vocational education	341,487				341,487
Other instructional	326,750				326,750
Adult and continuing education programs	62,878				62,878
Support services:					
Pupil services	399,716	80,318			480,034
Instructional staff support	475,262	161,578			636,840
General administration	375,953	20,088	158,812	51,377	606,230
School administration	748,250				748,250
Business services	129,216				129,216
Operations and maintenance	889,793	4,566			894,359
Student transportation	1,086,451	2,723			1,089,174
Food services	74,701	1,204,846			1,279,547
Central services	<u>19,249</u>	_____	_____	_____	<u>19,249</u>
(Amounts carried forward)	11,029,152	2,223,997	158,812	51,377	13,463,338

Continued

The accompanying notes are an integral part of these statements.

**East Feliciana Parish School Board
All Governmental Fund Types
Combined Statement of Revenue, Expenditures
and Changes in Fund Balances
Year Ended June 30, 1996**

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	
(Amounts brought forward)	\$11,029,152	\$2,223,997	\$158,812	\$51,377	\$13,463,338
Expenditures (Continued)					
Community service programs	6,920				6,920
Capital outlay:					
Facilities acquisition and construction		16,471		44,369	60,840
Debt service:					
Principal retirement			845,000		845,000
Interest and bank charges			481,806		481,806
<u>Total expenditures</u>	<u>11,036,072</u>	<u>2,240,468</u>	<u>1,485,618</u>	<u>95,746</u>	<u>14,857,904</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(547,202)</u>	<u>(21,802)</u>	<u>502,013</u>	<u>(88,559)</u>	<u>(155,550)</u>
Other Financing Sources (Uses)					
Operating transfers in	321,342			49,602	370,944
Operating transfers out			(345,895)	(25,049)	(370,944)
<u>Total other financing sources (uses)</u>	<u>321,342</u>	<u>--</u>	<u>(345,895)</u>	<u>24,553</u>	
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses	(225,860)	(21,802)	156,118	(64,006)	(155,550)
Fund Balances, beginning of year	<u>1,524,864</u>	<u>438,860</u>	<u>2,450,924</u>	<u>90,222</u>	<u>4,504,870</u>
Fund Balances, end of year	<u>1,299,004</u>	<u>417,058</u>	<u>2,607,042</u>	<u>26,216</u>	<u>4,349,320</u>

The accompanying notes are an integral part of these statements.

**East Feliciana Parish School Board
Governmental Fund Type
General Fund
Statement of Revenue, Expenditures
and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue			
Local sources:			
Taxes			
Ad valorem	\$805,500	\$822,824	\$17,324
Sales, use and other	849,506	868,101	18,595
Tuition	7,000	4,935	(2,065)
Interest earnings	95,800	100,777	4,977
Other	58,331	61,246	2,915
State sources:			
Unrestricted grants	7,831,898	7,831,898	--
Restricted grants	384,559	400,448	15,889
Federal sources:			
Restricted grants	<u>377,823</u>	<u>398,641</u>	<u>20,818</u>
<u>Total revenue</u>	<u>10,410,417</u>	<u>10,488,870</u>	<u>78,453</u>
Expenditures			
Current:			
Instruction:			
Regular programs	5,078,307	4,983,223	95,084
Special programs	1,130,412	1,116,223	14,189
Vocational education	367,056	341,487	25,569
Other instructional	324,124	326,750	(2,626)
Adult and continuing education programs	58,636	62,878	(4,242)
Support services:			
Pupil services	415,492	399,716	15,776
Instructional staff support	479,242	475,262	3,980
General administration	399,840	375,953	23,887
School administration	762,636	748,250	14,386
Business services	<u>132,113</u>	<u>129,216</u>	<u>2,897</u>
(Amounts carried forward)	9,147,858	8,958,958	188,900

Continued

The accompanying notes are an integral part of these statements.

**East Feliciana Parish School Board
Governmental Fund Type
General Fund
Statement of Revenue, Expenditures,
and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
(Amounts brought forward)	\$9,147,858	\$8,958,958	\$188,900
Expenditures (Continued)			
Support services: (Continued)			
Operations and maintenance	933,611	889,793	43,818
Student transportation services	1,107,339	1,086,451	20,888
Food services	64,601	74,701	(10,100)
Central services	28,000	19,249	8,751
Community service programs	<u>7,008</u>	<u>6,920</u>	<u>88</u>
<u>Total expenditures</u>	<u>11,288,417</u>	<u>11,036,072</u>	<u>252,345</u>
Excess of Revenue Over (Under) Expenditures	<u>(878,000)</u>	<u>(547,202)</u>	<u>330,798</u>
Other Financing Sources (Uses)			
Operating transfers in	<u>321,103</u>	<u>321,342</u>	<u>239</u>
<u>Total other financing sources (uses)</u>	<u>321,103</u>	<u>321,342</u>	<u>239</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(556,897)	(225,860)	331,037
Fund Balance, beginning of year	<u>1,524,864</u>	<u>1,524,864</u>	<u>--</u>
Fund Balance, end of year	<u>967,967</u>	<u>1,299,004</u>	<u>331,037</u>

The accompanying notes are an integral part of these statements.

**East Feliciana Parish School Board
Governmental Fund Type
Special Revenue Funds
Combined Statement of Revenue, Expenditures
and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Year Ended June 30, 1996**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenue			
Local sources:			
Interest earnings	\$15,000	\$15,612	\$612
Other	101,000	105,210	4,210
Restricted grants	<u>2,127,515</u>	<u>2,097,844</u>	<u>(29,671)</u>
<u>Total revenue</u>	<u>2,243,515</u>	<u>2,218,666</u>	<u>(24,849)</u>
 Expenditures			
Instruction			
Special programs	757,624	749,878	7,746
Support services			
Pupil services	91,020	80,318	10,702
Instructional staff support	172,593	161,578	11,015
General administration	26,300	20,088	6,212
Operations and maintenance	5,000	4,566	434
Student transportation services	5,978	2,723	3,255
Food service	1,240,529	1,204,846	35,683
Capital outlay	<u>16,471</u>	<u>16,471</u>	<u> </u>
<u>Total expenditures</u>	<u>2,315,515</u>	<u>2,240,468</u>	<u>75,047</u>
 Excess (Deficiency) of Revenue Over Expenditures	 (72,000)	 (21,802)	 50,198
 Fund Balance, beginning of year	 <u>438,860</u>	 <u>438,860</u>	 <u> </u>
 Fund Balance, end of year	 <u>366,860</u>	 <u>417,058</u>	 <u>50,198</u>

The accompanying notes are an integral part of these statements.

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 1-General Information

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

The School Board operates seven schools within the parish with enrollment as of May 1996 of approximately 3,000 students. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

Note 2-Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

Certain units of local government over which the School Board exercises no authority, such as the East Feliciana Parish Policy Jury government and other independently elected officials, are excluded from the accompanying financial statements. These units of government are considered separate from those of the parish School Board. The School Board is not a component unit of any other entity and does not have any component units which require inclusion in the general purpose financial statements.

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 2-Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

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

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct major capital facilities (other than those financed by the Enterprise Fund).

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 2-Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Agency Funds (Includes School Activity Accounts)

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

Fixed Assets and Long-Term Obligations

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

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

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

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 2-Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

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

Revenue

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

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December, January, and February of the fiscal year.

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

Interest earnings on time deposits are recorded when earned.

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

Substantially all other revenue is recorded when received.

Expenditures

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

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

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 2-Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

Expenditures (Continued)

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

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

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

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

Other Financing Sources (Uses)

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

School Lunch Fund Reclassified

The School Lunch Fund was reclassified during the current year as a special revenue fund.

In previous years this fund was accounted for as enterprise fund. Beginning fund balance was restated because fixed assets and compensated absences were transferred to the general fixed assets and the general long-term group of accounts. As of July 1, 1995, the fund balance in the School Lunch Fund special revenue fund was restated to \$438,860 as compared to the total fund equity July 1, 1995 in the School Lunch Enterprise Fund of \$535,603.

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 2-Summary of Significant Accounting Policies (Continued)

D. Budget Practices

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

The proposed general fund and special revenue fund budgets for the fiscal year beginning July 1, 1995 and ending June 30, 1996, is made available for public inspection at the School Board office prior to September 15. A public hearing is held to the adoption of the budget at the School Board office for suggestions and comments from taxpayers. The proposed budget was legally adopted by the School Board on this date. The budget, which included proposed expenditures and the means of financing them for all governmental funds, was published in the official journal 12 days prior to the public hearing.

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

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 2-Summary of Significant Accounting Policies (Continued)

E. Cash and Cash Equivalents

Under state law, the School Board may deposit funds in a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in United States bonds, treasury notes or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At year end, the School Board had cash and cash equivalents with book balances of \$5,249,339, and bank balances of \$6,095,031.

These deposits are stated at cost, which approximates market. Under state law these deposits or the resulting bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance should at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

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

As of year end, bank balances at one bank exceeded the federal deposit insurance and pledged securities by \$159,960.

F. Inventory

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

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 2-Summary of Significant Accounting Policies (Continued)

G. Vacation, Sick and Sabbatical Leave

All twelve-month employees earn ten days of vacation leave each year, which can be accumulated. However, upon termination or retirement, all unused vacation leave is forfeited. Nine-month employees earn two days of personal leave each academic year, which is not cumulative.

All School Board employees earn 10 to 18 days of sick leave each year, depending upon length of service with the School Board, which can be accumulated without limitation. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay, and all unused sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service.

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

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

H. Prepaid Expenses

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

I. Sales Taxes

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

A one percent sales and use tax was originally approved by voters of the Parish on April 3, 1982, and was renewed on September 27, 1986. The tax expires on June 30, 1997, unless renewed again. One-half of the proceeds of this one percent sales tax are dedicated to the payment of teachers' salaries, and the remainder of the proceeds are to be used for the operation of the public schools in East Feliciana Parish, including maintenance and improvement of school buildings and sites.

**East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996**

Note 1-Summary of Significant Accounting Policies (Continued)

I. Sales Taxes (Continued)

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

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

J. Use of Estimates

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

K. Total Columns on Combined Statements

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

Note 3-Levied Taxes

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>
Parishwide Taxes		
Constitutional	3.77	3.77
School Board maintenance	17.00	17.00
Debt Service	26.24	26.24

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 4-Due From/To Other Funds

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

Fund	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$110,480	
Special Revenue Funds:		
ECIA Chapter I and II		\$15,103
Special Education (PL 94-142)		1,292
Debt Service Funds		
Sales Tax	65,681	42,333
Agency Fund - sales tax collections		131,362
Capital Projects fund	<u>13,929</u>	<u> </u>
<u>Total</u>	<u>190,090</u>	<u>190,090</u>

Note 5-Transfers From/To Other Funds

Individual transfers in and out are as follows:

Fund	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
From Capital Projects Fund	\$25,049	
From Debt Service Fund - Sales Tax	296,293	
Debt Service Fund - Sales Tax		
To General Fund		\$296,293
To Capital Project Fund		49,602
Capital Projects fund		
To General Fund		25,049
From Debt Service Fund	<u>49,602</u>	<u> </u>
<u>Total</u>	<u>370,944</u>	<u>370,944</u>

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 6-Due From/To Other Governments

Individual balances due from/to other governments at June 30, 1996 are as follows:

	<u>Due From Other Governments</u>	<u>Due to Other Governments</u>
Governmental Unit		
General Fund		
U. S. Department of Treasury	\$56,572	
State of Louisiana	264,718	
East Feliciana Parish Police Jury	3,611	
East Feliciana Parish Assessor	<u>80,630</u>	
<u>Total general fund</u>	405,531	
Special Revenue Funds		
State of Louisiana	109,628	
Agency Fund		
Sales tax - East Feliciana Parish Police Jury	<u> </u>	<u>\$130,862</u>
<u>Total</u>	<u>515,159</u>	<u>130,862</u>

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 7-Fixed Assets

The changes in general fixed assets follow:

	<u>Balance</u> <u>July 1, 1995</u>	<u>Adjustments/</u> <u>Additions</u>	<u>Adjustments/</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 1996</u>
Land	\$2,146,230			\$2,146,230
Buildings and improvements	15,576,374			15,576,374
Furniture and equipment	<u>1,693,219</u>	<u>\$400,691</u>		<u>2,093,910</u>
Total	<u>19,415,823</u>	<u>400,691</u>	<u>--</u>	<u>19,816,514</u>

Note 8-Retirement Systems

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

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers Retirement System	5.0% - 8.0%	16.2%
Louisiana School Employees Retirement System	6.35%	6.0%

**East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996**

Note 8-Retirement Systems (Continued)

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

	<u>1996</u>	Year Ended June, <u>1995</u>	<u>1994</u>
Teachers' Retirement System	\$1,155,229	\$1,083,837	\$1,043,469
Louisiana School Employees Retirement System	59,437	40,573	44,819

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

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

**East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996**

Note 9-Post-Retirement Health and Life Insurance Benefits

The East Feliciana Parish School Board in accordance with State statutes provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through two insurance companies whose monthly premiums are paid jointly by the employee, the State Employees Group Benefits Program (the state), and the School Board. The School Board recognizes the cost of providing these benefits as an expenditure when paid and simultaneously recognizes the state's portion of the premiums as a revenue. The employer's cost of providing these benefits for the fiscal year ended June 30, 1996 was as follows:

Number of employees	<u>116</u>
Amount of expenditure	<u>\$284,295</u>

Note 10-Changes in Agency Fund Deposits Due Others

A summary of changes in agency fund deposits due other follows:

	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
Agency funds:				
School activity fund	\$46,859	\$434,140	\$431,598	\$49,401
Sales tax	<u>254,726</u>	<u>3,393,976</u>	<u>3,385,590</u>	<u>263,112</u>
<u>Total</u>	<u>301,585</u>	<u>3,828,116</u>	<u>3,817,188</u>	<u>312,513</u>

Note 11-General Long-Term Obligations

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations payable at June 30, 1995	\$7,560,000	\$573,975	\$8,133,975
Additions		31,432	31,432
Deductions	<u>845,000</u>	<u> </u>	<u>845,000</u>
Long-term obligations payable at June 30, 1996	<u>6,715,000</u>	<u>605,407</u>	<u>7,320,407</u>

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 11-General Long-Term Obligations (Continued)

<u>School District and Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Payment Date</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Consolidated School District No. 1:					
General Obligation bonds: February 1, 1987	\$5,445,000	6.1 - 7.0%	5-1-2007	\$1,161,694	\$4,630,000
Sales Tax Revenue Bonds August 1, 1991	<u>2,740,000</u>	5.0 - 6.5%	10-1-2002	<u>493,937</u>	<u>2,085,000</u>
Total	<u>8,185,000</u>			<u>1,655,631</u>	<u>6,715,000</u>

The principal and interest requirements of the Consolidated School District No. 1 General Obligation Bonds are funded in accordance with Louisiana law by an annual ad valorem tax levy on taxable property within the school district. The principal and interest requirements of the Consolidated School District No. 1 - Sales Tax Bonds are funded by a one percent sales tax whose proceeds are dedicated for that purpose. At June 30, 1996, the School Board has accumulated \$2,607,042 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
1997	\$895,000	\$429,855	\$1,324,855
1998	945,000	374,045	1,319,045
1999	1,010,000	314,018	1,324,018
2000	1,080,000	247,975	1,327,975
2001	1,160,000	175,528	1,335,528
Subsequent years	<u>1,625,000</u>	<u>114,212</u>	<u>1,739,212</u>
Total	<u>6,715,000</u>	<u>1,655,633</u>	<u>8,370,633</u>

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996

Note 11-General Long-Term Obligations (Continued)

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the assessed value of taxable property. At June 30, 1996, the statutory limit is \$9,947,915, and outstanding bonded debt payable from ad valorem taxes totaled \$4,630,000.

Refunding of Bonds

By resolution on January 22, 1987, the Board authorized the issuance of \$5,445,000 of General Obligation School Refunding Bonds, Series 1987 of Consolidated School District No. 1 of East Feliciana Parish. The bonds are in fully registered form, are dated February 1, 1987, and are in \$5,000 denominations or any integral multiple thereof. The bonds are payable from unlimited ad valorem taxes, bear interest from 6.1 to 7.0 percent per annum, and will mature serially on May 1, 1995 to 2007, except in the years 2000 to 2003, when term bonds totaling \$2,540,000 will mature.

The School Board on August 1, 1991 issued \$2,740,000 of "School Refunding Bonds, Series ST-1991." These bonds were to refund the 1982 and 1985 School Bonds.

The interest rate on the new bond issue ranges from 5% to 6.5%, and will fully mature October 1, 2002.

Note 12-Litigation

At year end, the School Board was involved in several lawsuits. Legal exposure is not expected to exceed coverage provided by the School Board's insurance carrier.

Note 13-Federal Grants

The School Board participates in a number of federally assisted grant programs. These programs are audited in accordance with the Single Audit Act of 1984. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the School Board's management believes that further examination would not result in any material disallowed costs.

**East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1996**

Note 14-Compensation Paid to School Board Members

The compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation of the School Board members is included in the general administrative expenditures of the General Fund.

In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$350 per month and the president receives \$400 per month for performing the duties of his office. A deduction of \$50 is made if any board member fails to attend the board meeting.

Payments to board members for the year ended June 30, 1996 were as follows:

Elliot Corcoran	\$4,200
Minnie Douglas	4,150
Alvin Fort	4,200
Mitch Harrell	4,200
Melinda Howell	4,150
Simon Jackson	4,200
Willie Jackson	4,200
Donald Jefferson	4,200
Jean Lanoue	4,200
Richard Terrell	4,800
Edward Williams	4,200
Greg O'Quin	4,200

Note 15 - Fund Deficits

The following individual funds have deficits in unreserved fund balance at June 30, 1996:

	<u>Deficit Amount</u>
Education Consolidation and Improvement Act, Chapter I and II	\$787

This will be resolved next year.

Special Revenue Funds

Education Consolidation and Improvement Act Funds

Chapter I of the Education Consolidation and Improvement Act (ECIA) is a program for economically and educationally deprived school children that is federally financed, state-administered, and locally operated by the School Board. The Chapter 1 services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

Chapter II of the Education Consolidation and Improvement Act (ECIA) is a program by which the federal government provides funds to the School Board based on a per pupil allocation for audio-visual material, equipment and library resources.

Special Education Funds

The Special Education Fund is a federally financed program of free education in the least restricted environment to children with exceptionalities.

School Food Service Fund

The School Lunch Fund is used to account for the operations of the school food service program in the parish school system during the regular school term and during the summer break. The basic goals of the school food service program are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults.

**East Feliciana Parish School Board
Special Revenue Funds
Combining Balance Sheet
June 30, 1996**

	Education Consolidation and Improvement Act Chapter I and II	Special Education	School Food Service Fund	Total
Assets				
Cash and cash equivalents	\$12,313	\$66	\$488,530	\$500,909
Receivables			166	166
Inventory			12,377	12,377
Due from other Governments	100,938	8,690		109,628
Prepaid expenses	<u>290</u>	<u> </u>	<u> </u>	<u>290</u>
Total assets	<u>113,541</u>	<u>8,756</u>	<u>501,073</u>	<u>623,370</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$12,457	\$1,474	\$17,071	\$31,002
Accrued salaries	86,768	5,731	66,416	158,915
Due to other funds	<u>15,103</u>	<u>1,292</u>	<u> </u>	<u>16,395</u>
Total liabilities	<u>114,328</u>	<u>8,497</u>	<u>83,487</u>	<u>206,312</u>
Fund Balance (Deficit)				
Unreserved	<u>(787)</u>	<u>259</u>	<u>417,586</u>	<u>417,058</u>
Total liabilities and fund balances	<u>113,541</u>	<u>8,756</u>	<u>501,073</u>	<u>623,370</u>

**East Feliciana Parish School Board
Special Revenue Funds
Combining Schedule of Revenue, Expenditures and
Changes in Fund Balances
Year Ended June 30, 1996**

	Education Consolidation and Improvement Act Chapter I and II	Special Education	School Food Service Fund	Total
Revenue				
Local services				
Interest earnings			\$15,612	\$15,612
Other (food sales)			105,210	105,210
Federal sources - restricted grants-in-aid - subgrants		\$122,651	908,957	1,031,608
State sources - restricted grants	<u>\$895,972</u>	_____	<u>170,264</u>	<u>1,066,236</u>
Total revenue	<u>895,972</u>	<u>122,651</u>	<u>1,200,043</u>	<u>2,218,666</u>
Expenditures				
Current				
Instruction - special programs	706,857	43,021		749,878
Support services				
Pupil services	36,591	43,727		80,318
Instructional staff support	133,453	28,125		161,578
General administration	15,292	4,796		20,088
Operations and maintenance	4,566			4,566
Student transportation services		2,723		2,723
Food services			1,204,846	1,204,846
Capital outlay	_____	_____	<u>16,471</u>	<u>16,471</u>
Total expenditures	<u>896,759</u>	<u>122,392</u>	<u>1,221,317</u>	<u>2,240,468</u>
Excess of Revenue Over (Under)				
Revenue	(787)	259	(21,274)	(21,802)
Fund Balances, beginning of year	_____	_____	<u>438,860</u>	<u>438,860</u>
Fund Balances (Deficit), end of year	<u>(787)</u>	<u>259</u>	<u>417,586</u>	<u>417,058</u>

**East Feliciana Parish School Board
Special Revenue Funds - Chapter I and II
Schedule of Revenue, Expenditures and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Year Ended June 30, 1996**

	<u>Budget</u>	<u>Actual GAAP Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue			
Federal sources - restricted grants-in-aid-subgrants	<u>\$920,455</u>	<u>\$895,972</u>	<u>(\$24,483)</u>
<u>Total revenue</u>	<u>920,455</u>	<u>895,972</u>	<u>(24,483)</u>
Expenditures			
Current			
Instruction - special programs	710,685	706,857	3,828
Support services			
Pupil services	43,220	36,591	6,629
Instructional staff support	140,550	133,453	7,097
General administration	21,000	15,292	5,708
Operations and maintenance	<u>5,000</u>	<u>4,566</u>	<u>434</u>
<u>Total expenditures</u>	<u>920,455</u>	<u>896,759</u>	<u>23,696</u>
Excess of Revenue Over (Under) Expenditures	<u>--</u>	<u>(787)</u>	<u>(787)</u>
Fund Balance, beginning of year	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance, end of year		<u>(787)</u>	<u>(787)</u>

**East Feliciana Parish School Board
Special Revenue Funds - Special Education
Schedule of Revenue, Expenditures and
Changes in Fund Balances
Budget and Actual (GAAP Basis)
Year Ended June 30, 1996**

	<u>Budget</u>	<u>Actual GAAP Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue			
Federal sources - restricted grants-in-aid-subgrants	<u>\$138,060</u>	<u>\$122,651</u>	<u>(\$15,409)</u>
<u>Total revenue</u>	<u>138,060</u>	<u>122,651</u>	<u>(15,409)</u>
Expenditures			
Current			
Instruction - special programs	46,939	43,021	3,918
Support services			
Pupil services	47,800	43,727	4,073
Instructional staff support	32,043	28,125	3,918
General administration	5,300	4,796	504
Student transportation services	<u>5,978</u>	<u>2,723</u>	<u>3,255</u>
<u>Total expenditures</u>	<u>138,060</u>	<u>122,392</u>	<u>15,668</u>
Excess of Revenue Over (Under) Expenditures	<u>--</u>	<u>259</u>	<u>(259)</u>
Fund Balance, beginning of year	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance, end of year	<u>--</u>	<u>259</u>	<u>(259)</u>

East Feliciana Parish School Board
Special Revenue Funds - School Food Service
Schedule of Revenue and Expenditures and Changes in Fund Balances
Budget and Actual (GAAP Basis)
Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual GAAP Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue			
Local source			
Interest earnings	\$15,000	\$15,612	\$612
Other (food sales)	101,000	105,210	4,210
Federal sources - restricted grants	899,000	908,957	9,957
State sources - restricted grants	<u>170,000</u>	<u>170,264</u>	<u>264</u>
<u>Total revenue</u>	<u>1,185,000</u>	<u>1,200,043</u>	<u>15,043</u>
Expenditures			
Current			
Support services			
Food service	1,240,529	1,204,846	35,683
Capital outlay	<u>16,471</u>	<u>16,471</u>	<u>--</u>
<u>Total expenditures</u>	<u>1,257,000</u>	<u>1,221,317</u>	<u>35,683</u>
Excess of Revenue Over (Under) Expenditures	(72,000)	(21,274)	50,726
Fund Balance, beginning of year	<u>438,860</u>	<u>438,860</u>	<u>---</u>
Fund Balance, end of year	<u>366,860</u>	<u>417,586</u>	<u>50,726</u>

Debt Service Funds

Consolidated School District No. 1 Funds

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

**East Feliciana Parish School Board
Debt Service Funds
Combining Balance Sheet
June 30, 1996**

	<u>Ad Valorem</u>	<u>Sales Tax</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$390,951	\$2,192,743	\$2,583,694
Due from other funds	<u> </u>	<u>65,681</u>	<u>65,681</u>
<u>Total assets</u>	<u>390,951</u>	<u>2,258,424</u>	<u>2,649,375</u>
 Liabilities and Fund Balances			
Liabilities			
Accounts payable		--	
Due to other funds		<u>\$42,333</u>	<u>\$42,333</u>
<u>Total liabilities</u>		<u>42,333</u>	<u>42,333</u>
 Fund Balances			
Reserved for debt service	\$390,951	1,177,808	1,568,759
Unreserved			
Designated for debt service	<u> </u>	<u>1,038,283</u>	<u>1,038,283</u>
<u>Total fund balances</u>	<u>390,951</u>	<u>2,216,091</u>	<u>2,607,042</u>
<u>Total liabilities and fund balances</u>	<u>390,951</u>	<u>2,258,424</u>	<u>2,649,375</u>

**East Feliciana Parish School Board
Debt Service Funds
Combining Schedule of Revenue, Expenditures,
and Changes in Fund Balance
Year Ended June 30, 1996**

	<u>Ad Valorem</u>	<u>Sales Tax</u>	<u>Total</u>
Revenue			
Local sources			
Taxes			
Ad valorem	\$1,039,475		\$1,039,475
Sales and use		\$843,594	843,594
Interest earnings	<u>24,612</u>	<u>79,950</u>	<u>104,562</u>
<u>Total revenue</u>	<u>1,064,087</u>	<u>923,544</u>	<u>1,987,631</u>
Expenditures			
Current			
Support services - general administration	127,173	31,639	158,812
Debt service			
Principal retirement	610,000	235,000	845,000
Interest	<u>345,275</u>	<u>136,531</u>	<u>481,806</u>
<u>Total expenditures</u>	<u>1,082,448</u>	<u>403,170</u>	<u>1,485,618</u>
Excess (Deficiency) of Revenue Over Expenditures	(18,361)	520,374	502,013
Other Financing Sources (Uses)			
Operating transfers out	<u> </u>	<u>(345,895)</u>	<u>(345,895)</u>
Excess (Deficiency) of Revenue and Other Sources Over Expenditures and other Uses	(18,361)	174,479	156,118
Fund Balances, beginning of year	<u>409,312</u>	<u>2,041,612</u>	<u>2,450,924</u>
Fund Balances, end of year	<u><u>390,951</u></u>	<u><u>2,216,091</u></u>	<u><u>2,607,042</u></u>

Agency Funds

School Activity Fund

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

Sales Tax Fund

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

**East Feliciana Parish School Board
Agency Funds
Combining Balance Sheet
June 30, 1996**

	<u>School Activity Fund</u>	<u>Sales Tax</u>	<u>Total</u>
Assets			
Cash and cash equivalents	<u>\$49,401</u>	<u>\$263,112</u>	<u>\$312,513</u>
<u>Total assets</u>	<u>49,401</u>	<u>263,112</u>	<u>312,513</u>
Liabilities			
Accounts payable		\$888	\$888
Due to other funds		131,362	131,362
Due to other governments		130,862	130,862
Deposits due to schools	<u>\$49,401</u>	<u> </u>	<u>49,401</u>
<u>Total liabilities</u>	<u>49,401</u>	<u>263,112</u>	<u>312,513</u>

**East Feliciana Parish School Board
 School Activity Fund
 Schedule of Changes in Deposits Due Schools
 Year Ended June 30, 1996**

	<u>Balance</u> <u>July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1996</u>
Schools				
Clinton Elementary	\$9,216	\$57,838	\$55,093	\$11,961
Clinton High	25,334	119,142	121,814	22,662
Clinton Middle	3,346	71,397	72,902	1,841
Jackson Complex	7,648	175,272	170,941	11,979
Slaughter Elementary	<u>1,315</u>	<u>10,491</u>	<u>10,848</u>	<u>958</u>
Totals	<u>46,859</u>	<u>434,140</u>	<u>431,598</u>	<u>49,401</u>

**East Feliciana Parish School Board
Sales Tax Agency Fund
Schedule of Changes in Liabilities
Year Ended June 30, 1996**

Deposit Balances, beginning of year	<u>\$254,726</u>
 Additions	
Sales tax collections	3,385,416
Interest earnings	<u>8,560</u>
<u>Total additions</u>	<u>3,393,976</u>
 Deductions	
Transfers to (net of interest earnings and fees deducted)	
General Fund	840,649
Debt Service Funds	840,649
East Feliciana Parish Police Jury	1,681,298
Refunds to vendors	11,518
Audit collection fees	<u>11,476</u>
<u>Total deductions</u>	<u>3,385,590</u>
Deposit Balances, end of year	<u><u>263,112</u></u>

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



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(1909-1993)
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RETIRED

December 9, 1996

Opinion on Supplementary Schedule of Federal Financial Assistance

East Feliciana Parish School Board
Clinton, Louisiana

Gentlemen:

We have audited the general-purpose financial statements of the

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

as of and for the year ended June 30, 1996, and have issued our report thereon dated December 9, 1996. These general-purpose financial statements are the responsibility of the East Feliciana Parish School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of the East Feliciana 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.

Yours truly

Hawthorn, Waymouth & Carroll, L.L.P.
45

**East Feliciana Parish School Board
Schedule of Federal Financial Assistance
Year Ended June 30, 1996**

Federal Financial Assistance

Federal Grantor Pass-Through Grantor/Program Name	CFDA Number	Expenses/ Expenditures
United States Department of Agriculture		
Passed through Louisiana Department of Education:		
National School Lunch Program*	10.555	\$609,906
School Breakfast Program	10.553	232,677
Passed through Louisiana Department of Agriculture - Food Distribution Program	10.550	<u>66,374</u>
<u>Agency total</u>		<u>908,957</u>
United States Department of Education		
Passed through Louisiana Department of Education:		
Educationally Deprived Children - Local Educational Agencies (Chapter I)*	84.010	847,208
Pre School Incentive Programs - State Block Grants (Chapter II)	84.151	1,690
IDEA - Part B (Special Education)	84.27A	114,859
Vocational Education:		
Basic Grants to States	84.028	44,882
Drug Free Schools	84.186	22,728
Adult Education - State Administered Program	84.002	64,613
D. Eisenhower Act - Title II		22,310
Pre School Incentive Programs	84.173A	<u>7,794</u>
<u>Agency total</u>		<u>1,126,084</u>
United States Department of Health and Human Sources		
Starting Point	93.575	40,954
Project Independence	83.501	<u>7,681</u>
<u>Agency total</u>		<u>48,635</u>
United States Army		
R.O.T.C.		<u>107,640</u>
<u>Grand total - federal financial assistance</u>		<u>2,191,316</u>

*Major Programs

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RETIRED

December 9, 1996

**Report on Compliance Based on an Audit of General-Purpose Financial
Statements Performed in Accordance With Government Auditing Standards**

Independent Auditor's Report

East Feliciana Parish School Board
Clinton, Louisiana

Gentlemen:

We have audited the general-purpose financial statements of the

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

as of and for the year ended June 30, 1996, and have issued our report thereon dated December 9, 1996.

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

Compliance with laws, regulations, contracts and grants applicable to the East Feliciana Parish School Board is the responsibility of the East Feliciana Parish 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, our objective was not to provide an opinion on the overall compliance with such provisions. Accordingly, we do not express such an opinion.

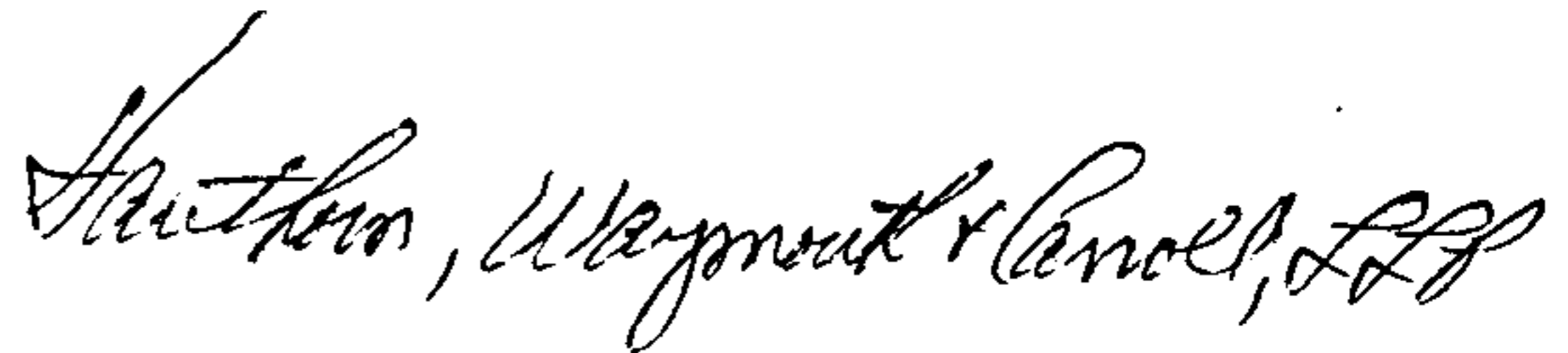
The results of our test disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards.

As explained in Note 1 (E) of the financial statements, the School Board did not have an adequate amount of securities pledged by a local bank during the year and at year end as required by state law. Procedures should be implemented to verify that bank is maintaining the adequate amount of pledged securities.

The Minimum Foundation Program requires the School Board have 70% of their expenditures on instructional related areas. The School Board has not complied with this requirement. The School Board has not calculated the requirement but has relied on the Department of Education to perform the calculation after year end. There is some uncertainty between the School Board and the Department of Education on the exact method of calculation. We recommend the School Board implement procedures to calculate this requirement during the year and to meet the 70% requirement the end of the year.

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

Yours truly,

A handwritten signature in cursive script that reads "Matthew, Weymouth & Connel, LLP". The signature is written in dark ink and is positioned to the right of the typed name "Matthew, Weymouth & Connel, LLP".

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

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RETIRED

December 9, 1996

Single Audit Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs

Independent Auditor's Report

East Feliciana Parish School Board
Clinton, Louisiana

Gentlemen:

We have audited the general-purpose financial statements of the

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

as of and for the year ended June 30, 1996, and have issued our report thereon dated December 9, 1996. We have also audited the compliance of the East Feliciana Parish School Board, Clinton, Louisiana with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 9, 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 about whether the East Feliciana 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 internal control structure of the East Feliciana Parish School Board, in order to determine our auditing procedures for the purpose of expressing our opinions on the 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 structure policies and procedures relevant to our audit of the general-purpose financial statements in a separate report dated December 9, 1996.

The management of the East Feliciana 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 into the following categories.

Accounting and Administrative Controls

Budgeting
Cash Receipts
Purchasing and Receiving
Accounts Payable
Cash Disbursements
Payroll
Inventory Control
Property and Equipment
General Ledger
Political Activity
Civil Rights
Cash Management
Federal Financial Reports
Drug-Free Workplace
Allowable Costs/Cost Principles
Administrative Requirements
Special Test and Provisions

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 East Feliciana Parish School Board expended 66.5% 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 advances and reimbursements and amounts claimed or used for matching that are applicable to each of the major federal financial assistance programs of the East Feliciana Parish School Board 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 constitute a material weakness under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that 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 operations that we consider to be material weaknesses as defined above.

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

Yours truly,

Hewthorn, Weymouth & Arnold, LLP

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December 9, 1996

Report on the Internal Control Structure Based on an Audit of General-Purpose Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

East Feliciana Parish School Board
Clinton, Louisiana

Gentlemen:

We have audited the general-purpose financial statements of the

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

as of and for the year ended June 30, 1996, and have issued our report thereon dated December 9, 1996.

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

The management of the East Feliciana 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 general-purpose 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 East Feliciana 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.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general-purpose financial statements.

A. Segregation of Duties

Finding

The School Board does not separate duties of employees responsible for the accounting function of particular funds. One employee is responsible for receiving funds, preparing deposit slips, writing checks, and posting receipts and disbursements. One employee is also responsible for handling the accounting duties of the payroll department. This employee is responsible for writing payroll checks, posting the payroll records and preparing and posting the wage rate schedule.

This lack of segregation of duties does not provide the School Board with an adequate and timely method for detecting possible errors that could occur in the accounting process.

Recommendation

The School Board should separate accounting functions within each department. This may best be accomplished with additional personnel but also can be done with utilizing existing employees.

The following should be implemented as compensatory controls to avoid any possible errors due to the lack of segregation of duties:

- All journal entries should be approved by a supervisor before posting to the books of accounts.

B. Records on Furniture and Equipment

Finding

The East Feliciana Parish School Board has not updated the accounting records to reflect all the additions and deletions of fixed assets for the accounting year.

Recommendation

The following steps should be taken to ensure proper recording and accounting of the additions and deletions of fixed assets:

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

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

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

This report is intended for the information of the East Feliciana Parish School Board, management, the United States Department of Education, the U. S. Department of Agriculture, and the Louisiana State Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Yours truly,

Huithorn, Weymouth & Carroll, LLP

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



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December 9, 1996

**Single Audit Report on Compliance With the General Requirements
Applicable to Federal Financial Assistance Programs**

Independent Auditor's Report

East Feliciana Parish School Board
Clinton, Louisiana

Gentlemen:

We have audited the general-purpose financial statements of the

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

as of and for the year ended June 30, 1996, and have issued our report thereon dated December 9, 1996.

We have applied procedures to test the East Feliciana 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:

General Requirements

Political Activity
Civil Rights
Cash Management
Federal Financial Reporting
Drug Free Workplace
Allowable Costs/Cost Principles
Administrative Requirements
Special Test and Provisions

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

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

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

Yours truly,

Hawthorn, Weymouth & Carroll, LLP

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December 9, 1996

**Single Audit Opinion on Compliance With Specific Requirements
Applicable to Major Federal Financial Assistance Programs**

Independent Auditor's Report

East Feliciana Parish School Board
Clinton, Louisiana

Gentlemen:

We have audited the general-purpose financial statements of the

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

as of and for the year ended June 30, 1996, and have issued our report thereon dated December 9, 1996.

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

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

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

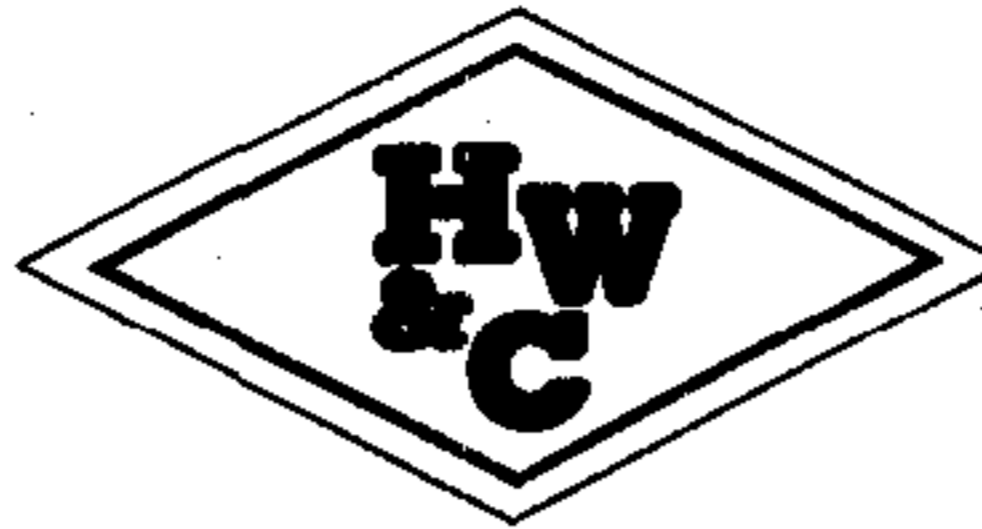
This report is intended for the information of the East Feliciana Parish School Board, management, the U. S. Department of Education, the U. S. Department of Agriculture, and the Louisiana State Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

Yours truly,

Hutchins, Waymouth & Carroll, LLP

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

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RETIRED

December 9, 1996

**Single Audit Report on Compliance With Specific Requirements
Applicable to Nonmajor Federal Financial Assistance Program Transactions**

Independent Auditor's Report

East Feliciana Parish School Board
Clinton, Louisiana

Gentlemen:

We have audited the general-purpose financial statements of the

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

as of and for the year ended June 30, 1996, and have issued our report thereon dated December 9, 1996.

In connection with our audit of the general-purpose financial statements of the East Feliciana Parish School Board and with our consideration of the School Board's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the School Board's compliance with these requirements. Accordingly, we do not express such an opinion.

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

This report is intended solely for the information of the East Feliciana Parish School Board, management, the U. S. Department of Education, the U. S. Department of Agriculture, and the Louisiana State Legislature Auditor. However, this report is a matter of public record, and its distribution is not limited.

Yours truly,

Hustler, Wagnon & Carroll, LLP