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LABALE PARISH SCHOOL BOARD
Iowa, Louisiana

**GENERAL-PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1987
WITH SUPPLEMENTAL INFORMATION**

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 25 1988

LASALLE PARISH SCHOOL BOARD
Jana, Louisiana

General-Purpose Financial Statements and
Independent Auditors' Reports
As of and for the Year Ended June 30, 1997
With Supplemental Information

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LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

**General Purpose Financial Statements and
 Independent Auditors' Reports
 As of and for the Year Ended June 30, 1997
 With Supplemental Information**

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ALLEN, GREEN & COMPANY, L.L.P.

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Tim Green, CPA

Marge Williamson, CPA

Independent Auditors' Report

Board Members
LaSalle Parish School Board
Jena, Louisiana

We have audited the accompanying general-purpose financial statements of LaSalle Parish School Board, Jena, Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the LaSalle 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 the standards applicable to financial audits contained in *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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general-purpose financial statements referred to above do not include the general fixed assets account group which should be included in order to conform with generally accepted accounting principles. The amounts that should be recorded in the general fixed assets account group is unknown.

In our opinion, except for the effect on the financial statements of the omissions described in the preceding paragraph, the general-purpose financial statements referred to in the preceding paragraph present fairly, in all material respects, the financial position of the LaSalle Parish School Board as of June 30, 1997, 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 our report dated December 4, 1997 on our consideration of the LaSalle Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Noted Members
LaSalle Parish School Board
Jana, Louisiana

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of LaSalle Parish School Board, Jana, Louisiana, taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. 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 stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Also included is other financial information as listed in the table of contents. This information has not been audited by us, and accordingly, we express no opinion concerning this information.

Allen Green & Company LLP
ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
December 4, 1997

LABALLE PARISH SCHOOL BOARD
Jena, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1997

	GOVERNMENTAL FUNDS			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND
ASSETS AND OTHER CREDITS				
Assets				
Cash and cash equivalents	\$ 2,594,492	\$ 871,875	\$ 887,203	\$ 121,848
Deposits	59,384	0	0	0
Receivables	170,023	317,823	0	0
Interfund receivables	381,882	75	0	0
Inventory	0	27,848	0	0
Other credits				
Amount available in debt service fund	0	0	0	0
Amount to be provided for payment of general long-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER CREDITS	\$ 3,215,781	\$ 1,277,518	\$ 887,203	\$ 121,848
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts, salaries and other payables incurred but not reported claims	\$ 1,114,488	\$ 282,007	\$ 0	\$ 38,880
Interfund payable	0	138,008	0	160,897
Deposits due others	0	0	0	0
Deferred revenue	0	4,287	0	0
Bonds payable	0	0	0	0
Compensated electricity payable	0	0	0	0
Claims and judgements payable	18,808	0	0	0
Total Liabilities	\$ 1,271,684	\$ 524,294	\$ 0	\$ 328,897
Equity and other credits:				
Fund balances:				
Reserved for debt services	\$ 0	\$ 0	\$ 887,203	\$ 0
Reserved for inventory	0	27,848	0	0
Undesignated	1,268,887	803,726	0	121,848
Total Equity and Other Credits	\$ 1,268,887	\$ 831,574	\$ 887,203	\$ 121,848
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 3,215,781	\$ 1,277,518	\$ 887,203	\$ 121,848

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

Statement A

FISCAL YEAR FUNDS - AGENCY FUNDS	ACCOUNT GROUP		TOTAL (MEMORANDUM ONLY)
	GENERAL	LONG-TERM DEBT	
\$ 188,276	\$ 0	\$ 0	\$ 4,173,469
0	0	0	58,094
0	0	0	490,879
0	0	0	387,823
0	0	0	27,848
0	597,300	0	597,300
<u>\$ 188,276</u>	<u>\$ 597,300</u>	<u>\$ 0</u>	<u>\$ 4,759,571</u>
<u>\$ 188,276</u>	<u>\$ 2,321,274</u>	<u>\$ 0</u>	<u>\$ 2,898,928</u>
0	0	0	1,478,929
0	0	0	141,288
0	0	0	381,333
188,276	0	0	188,276
0	0	0	4,207
0	1,820,800	0	1,820,800
0	504,214	0	504,214
<u>0</u>	<u>0</u>	<u>0</u>	<u>18,822</u>
<u>\$ 188,276</u>	<u>\$ 2,321,274</u>	<u>\$ 0</u>	<u>\$ 4,388,389</u>
0	0	0	587,303
0	0	0	21,848
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,381,173</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,967,224</u>
<u>\$ 188,276</u>	<u>\$ 2,321,274</u>	<u>\$ 0</u>	<u>\$ 7,156,802</u>

LAFAYETTE PARISH SCHOOL BOARD
 Lafayette, Louisiana

GOVERNMENTAL FUNDS
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances (Deficit)
 For the Year Ended June 30, 2007

Statement 09

	GENERAL FUND	SPECIAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL MEMORANDUM CHG.
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 891,916	\$ 0	\$ 880,274	\$ 880,274	\$ 1,652,090
Sales and use	1,215,484	1,209,819	0	0	2,425,303
Interest earnings	85,833	41,195	34,487	0,000	179,508
Food services	0	214,830	0	0	214,830
Other	180,888	0,845	0	0	181,733
State sources:					
Equalization	7,732,812	213,438	0	0	7,946,250
Other	342,812	132,747	0	28,414	503,973
Federal sources:					
	0	1,817,642	0	0	1,817,642
Total Revenues	\$ 10,428,274	\$ 3,368,058	\$ 914,761	\$ 908,688	\$ 16,620,821
EXPENDITURES					
Current:					
Instruction:					
Regular programs	\$ 4,207,152	\$ 471,123	\$ 0	\$ 0	\$ 4,678,275
Special programs	958,944	248,098	0	0	1,207,042
Other instructional programs	407,501	744,098	0	0	1,151,600
Support services:					
Student services	182,880	278,158	0	0	461,038
Instructional staff support	380,873	117,874	0	0	498,747
General administration	341,082	23,829	0	0	364,911
Student administration	570,648	81,242	0	0	651,890
Business services	199,581	30,872	0	0	230,453
Plant services	821,284	86,580	0	0	1,007,864
Student transportation services	874,704	117,241	0	0	991,945
Food services	14,449	1,240,822	0	0	1,255,271
Facilities acquisition and construction	0	0	0	215,860	215,860
Debt service:					
Principal payments	0	0	980,000	0	980,000
Interest and bank charges	0	0	118,860	0	118,860
Total Expenditures	\$ 8,157,530	\$ 2,302,317	\$ 1,098,860	\$ 215,860	\$ 12,774,567
EXCESS (deficiency) OF REVENUES OVER EXPENDITURES	\$ 2,270,744	\$ 1,065,741	\$ 815,901	\$ 692,828	\$ 4,845,214

(CONTINUED)

LAFOLLE PARISH SCHOOL BOARD
 Lafayette, Louisiana

GOVERNMENTAL FUNDS
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances (Deficit)
 for the Year Ended June 30, 1997

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL (MEMORANDUM ONLY)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	\$ 225,990	\$ 0	\$ 0	\$ 0	\$ 225,990
Operating transfers out	0	(225,990)	0	0	(225,990)
Other sources	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 225,990	\$ (225,990)	\$ 0	\$ 0	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 1,805,282	\$ (231,286)	\$ (70,985)	\$ 9,235	\$ 1,512,106
FUND BALANCES (Deficit) AT BEGINNING OF YEAR	410,515	76,624	867,371	(108,577)	1,175,133
FUND BALANCES (Deficit) AT END OF YEAR	\$ 1,208,602	\$ (154,662)	\$ 796,386	\$ (99,342)	\$ 1,860,284

(CONTINUED)

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

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - (Budget, GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 843,000	\$ 857,310	\$ 14,310
Sales and use	1,280,000	1,218,438	(61,562)
Interest earnings	60,000	65,603	5,603
Other	72,200	102,888	30,688
State sources:			
Equalization	7,782,887	7,722,812	(60,075)
Other	348,000	342,542	(5,458)
Federal sources:	<u>18,838</u>	<u>0</u>	<u>(18,838)</u>
Total Revenue	\$ 12,373,925	\$ 12,438,574	\$ 64,649
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 4,287,688	\$ 4,287,132	\$ 556
Special programs	285,751	280,844	(4,907)
Other instructional programs	481,840	477,201	(4,639)
Support services:			
Student services	181,184	182,280	(1,096)
Instructional staff support	348,987	380,877	(31,890)
General administration	385,831	341,852	43,979
School administration	851,880	875,448	(23,568)
Business services	171,214	168,261	2,953
Plant services	837,280	837,868	(568)
Student transportation services	852,858	874,704	(21,846)
Food services	<u>9,000</u>	<u>14,448</u>	<u>(5,448)</u>
Total Expenditures	\$ 9,211,840	\$ 9,157,552	\$ 54,288
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 1,068,125	\$ 1,278,742	\$ 210,617

(CONTINUED)

LEWIS & CLARK PARISH SCHOOL BOARD
 Jena, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Condensed Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>UNFAVORABLE</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 288,000	\$ 278,510	\$ (9,490)
Total Other Financing Sources (Uses)	\$ 288,000	\$ 278,510	\$ (9,490)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 1,316,224	\$ 1,308,282	\$ 7,942
FUND BALANCES AT BEGINNING OF YEAR	<u>432,878</u>	<u>432,878</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,749,092</u>	<u>\$ 1,741,160</u>	<u>\$ 7,932</u>

(continued)

LABALLE PARISH SCHOOL BOARD
Jess, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GPAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

	VARANCE		
	BUDGET	ACTUAL	(UN)FAVORABLE
REVENUES			
Local sources			
Taxes			
Sales and use	\$ 1,380,000	\$ 1,206,810	\$ (173,190)
Interest earnings	45,719	41,100	(4,619)
Food services	285,715	214,830	(70,885)
Other	0	3,845	3,845
State sources			
Equalization	225,000	213,400	(11,600)
Other	116,827	133,747	16,920
Federal sources	1,090,795	1,017,847	(72,948)
	\$ 3,148,337	\$ 2,508,659	\$ (639,678)
EXPENDITURES			
Current			
Instruction			
Regular programs	\$ 402,845	\$ 471,120	\$ (68,275)
Special programs	316,848	348,068	(31,220)
Other instructional programs	449,290	344,000	(105,290)
Support services			
Student services	43,840	218,158	(174,318)
Instructional staff support	120,122	117,014	3,108
Central administration	37,000	23,808	13,192
School administration	51,000	51,240	(240)
Business services	34,000	28,812	5,188
Plant services	58,533	85,598	(27,065)
Student transportation services	118,040	117,240	800
Food services	1,213,154	1,248,622	(35,468)
	\$ 2,901,568	\$ 2,507,327	\$ (394,241)
EXCESS (Deficiency) OF REVENUE OVER EXPENDITURES	\$ 246,769	\$ 0,332	\$ (246,437)

(CONTINUED)

LAFAYETTE PARISH SCHOOL BOARD
 Jena, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
(OTHER FINANCING SOURCES (USES))			
Operating transfers out	\$ (228,800)	\$ (228,800)	\$ 1,450
Other sources	0	0	0
Other uses	<u>(517)</u>	<u>0</u>	<u>(517)</u>
Total Other Financing Sources (Uses)	\$ (229,317)	\$ (228,800)	\$ 517
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (71,800)	\$ (210,266)	\$ (238,430)
FUND BALANCES AT BEGINNING OF YEAR	<u>783,824</u>	<u>780,824</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	\$ 712,024	\$ 570,558	\$ (241,466)

(CONTINUED)

LABALLE PARISH SCHOOL BOARD
Jena, Louisiana

GOVERNMENTAL FUNDS - DEBT SERVICE FUND
Consolidated Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 814,772	\$ 800,314	\$ (14,458)
Interest earnings	0	34,497	34,497
Total Revenue	<u>\$ 814,772</u>	<u>\$ 834,811</u>	<u>\$ 20,039</u>
EXPENDITURES			
Debt service:			
Principal retirement	\$ 595,000	\$ 598,008	\$ 3,008
Interest and bank charges	118,941	118,949	8
Total Expenditures	<u>\$ 713,941</u>	<u>\$ 716,957</u>	<u>\$ 3,016</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 100,831</u>	<u>\$ 117,854</u>	<u>\$ 17,023</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>887,373</u>	<u>887,373</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 988,204</u>	<u>\$ 1,005,227</u>	<u>\$ 17,023</u>

(CONTINUED)

LAFAYETTE PARISH SCHOOL BOARD
Jena, Louisiana

GOVERNMENTAL FUNDS -- CAPITAL PROJECTS FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1997

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 224,815	\$ 198,374	\$ (26,441)
Interest earnings	0	8,008	8,008
State sources:			
Other	<u>0</u>	<u>29,414</u>	<u>29,414</u>
Total Revenues	<u>\$ 224,815</u>	<u>\$ 234,818</u>	<u>\$ 10,003</u>
EXPENDITURES			
Facilities acquisition and construction	<u>\$ 215,581</u>	<u>\$ 215,581</u>	<u>\$ 0</u>
Total Expenditures	<u>\$ 215,581</u>	<u>\$ 215,581</u>	<u>\$ 0</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 9,234	\$ 9,237	\$ 3
FUND BALANCES (Deficit) AT BEGINNING OF YEAR	<u>118,877</u>	<u>118,877</u>	<u>0</u>
FUND BALANCES (Deficit) AT END OF YEAR	<u>\$ 128,111</u>	<u>\$ 128,114</u>	<u>\$ 3</u>

(CONCLUDED)

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

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1997

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LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The School Board operates nine schools within the parish with a total enrollment of approximately 1,847 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.

The accompanying financial statements of the LaSalle Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

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

B. FUNDS AND ACCOUNT GROUPS

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

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

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Governmental Funds

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

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

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

Debt service funds — account for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Capital projects funds — account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Fiduciary Funds

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

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

1. **School activity agency fund** — accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Account Groups

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

LASALLE PARISH SCHOOL BOARD
Iona, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when receivable to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 90 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unamortized interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Revenues

Ad valorem taxes and sales taxes are receivable to accrual.

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

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

Expenditures

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

Other financing sources (uses)

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

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Agency Funds

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

D. BUDGETS

The following summarizes the budget activities of the School Board during the years ended June 30, 1997:

Date budget completed and available for public inspection	August 28, 1996
Date of public session	August 16, 1996
Date of public hearings	September 11, 1996
Date of board adoption	September 11, 1996

1. The School Board adopted budgets for the general fund, all special revenue funds, debt service and capital projects fund.
2. All budgets are prepared on the modified accrual basis of accounting.
3. All appropriations lapse at year end.
4. Encumbrances are not recognized within the accounting records for budgetary control purposes.
5. Partial budget integration (within the accounting records) is not employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all budget amendments approved by the School Board during the year which are not considered significant. The legal level of budgetary control is at the functional level for all funds.

E. ENCUMBRANCES

Outstanding encumbrances (e.g., purchase orders, contracts) lapse at year end. To the extent the Board intends to honor the purchase orders and commitments, they are reported as reservations of fund balances. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

Encumbrance accounting is not employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. CASH AND CASH EQUIVALENTS

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

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

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

H. INVENTORY

Inventories of the governmental fund type are recorded as expenditures as purchased except for inventory of the school food service fund.

Inventories of the school food service (special revenue fund) fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (janned); however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost using the first-in, first-out (FIFO) method. The value of commodity inventory is the assigned value provided by the United States Department of Agriculture.

I. COMPENSATED ABSENCES

All twelve-month employees earn from 12 to 24 days of vacation leave each year, depending upon their length of service with the School Board. Twelve-month employees may accumulate and carry forward a maximum of thirty-seven and one-half days vacation time to succeeding years. Any employee's vacation leave in excess of thirty-seven and one-half days is forfeited at year-end without compensation.

Upon separation of employment, all employees' unused vacation leave is forfeited without compensation.

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. COMPENSATED ABSENCES (Continued)

The following is the sick leave policy adopted by the LaSalle Parish School Board:

- 9 - 10-month employees earn 10 days a year
- 10 - month employees earn 11 days a year
- 11 - 12-month employees earn as per scale:

Years Experience	Days Earned
1 - 3	12 days per year
4 - 5	13 days per year
6 - 10	16 days per year
11 - 15	21 days per year
16 and up	24 days per year

Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 27 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

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

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

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

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. COMPENSATED ABSENCES (Continued)

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

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

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

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

J. LONG-TERM OBLIGATIONS

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

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

K. FUND EQUITY

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

Designations of fund balances represent tentative management plans which are subject to change.

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. INTERFUND TRANSACTIONS

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

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

M. SALES TAXES

On April 5, 1988, the voters of LaSalle Parish approved a one percent sales and use tax to be levied by the LaSalle Parish School Board. The sales and use tax is collected by Concordia Parish School Board and transferred to LaSalle Parish School Board monthly. The School Board accounts for this sales tax in the sales tax special revenue fund. The net revenues derived is allocated eighty (80) percent for salaries and benefits of all School Board personnel and twenty (20) percent for general expenditures.

On April 29, 1995, the voters of LaSalle Parish approved a one percent sales and use tax. The sales tax is collected by Concordia Parish School Board and transferred to LaSalle Parish School Board on a monthly basis. The School Board accounts for this sales tax in the general fund. The net revenues are dedicated one hundred (100) percent for "providing additional support for operating, maintaining and improving schools in LaSalle Parish."

N. MEMORANDUM ONLY - TOTAL COLUMNS

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

O. NEW APPLICABLE GASB PRONOUNCEMENTS

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

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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 statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 1 - FUND DEFICITS

The following funds have a deficit in unreserved fund balances at June 30:

Capital projects fund	<u>\$22,142</u>
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The capital projects fund deficit will be eliminated by 1997-1998 revenues and/or transfers from the general fund.

NOTE 3 - EXPENDITURES - BUDGET AND ACTUAL

For the year ended June 30, 1997, the following funds had actual expenditures exceeding budget:

	Budget	Actual	Unfavorable Variance
Special revenue funds:			
Math and Science - Title II	\$ 1,515	\$ 13,817	\$ 8,042
Preschool	18,711	43,213	25,006
Summer School	908	5,125	4,227
(Drug Free) - Title IV	15,868	43,793	25,927
Vocational Education	21,816	21,863	247
Indian Funds	1,821	5,648	1,817
Goals 2000	53,293	131,508	67,787
State Pre-K	23,248	40,119	8,879
State 90	16,822	32,570	16,127
Other state programs	14,608	39,218	24,618
Other federal	30,143	152,488	122,285

NOTE 4 - LEVIED TAXES

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

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 4 - LIENED TAXES (Continued)

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

Property Tax Calendar

Millage rates adopted	September 10, 1996
Levy date	January 1, 1996
Tax bills mailed	On or about November 7, 1996
Total taxes due date	December 31, 1996
Lien date	January 1, 1997
Penalties and interest are added	January 31, 1997
Tax sale - 10% delinquent property	May 1997

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$31,059,811 in calendar year 1996. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$11,248,761 of the assessed value in calendar year 1996.

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

All property taxes are recorded in the general, debt service and capital projects funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy.

Delinquent taxes considered to be uncollectible are not recorded as revenues. Property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end.

The tax roll is not prepared by the tax assessor until November of each year; therefore, the amount of 1997 property taxes to be collected within the next year is not known. As a result, no property tax receivable for 1997 taxes is included on the accompanying combined balance sheet.

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 4 - LEVIED TAXES (Continued)

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	Date Levied	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:				
Constitutional	-	Statutory	3.06	Statutory
Maintenance & Operations	Apr. 7, 1984	3.00	3.25	2003
Maintenance & Operations	Oct. 24, 1987	3.26	3.47	2006
Construction	Apr. 7, 1984	3.25	3.25	2003
Maintenance	Sep. 21, 1990	10.25	10.51	1999
Debt and interest	Apr. 5, 1980	Variable	18.80	2000

The authorized millages are based on the measurement of the tax rolls required by Article 7, Section 23 of the Louisiana Constitution of 1974.

NOTE 5 - CASH AND CASH EQUIVALENTS

At June 30, 1997, the School Board has cash and cash equivalents (bank balances) totaling \$4,173,493 as follows:

Demand deposit	\$ 48,764
Interest-bearing demand deposits	<u>4,124,729</u>
Total	<u>\$4,173,493</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 year-end, the School Board's carrying amount of deposits was \$4,173,493 (including \$26,715 deposited with Louisiana Department of the Treasury) and the bank balance was \$4,394,099. Of the bank balance, \$266,293 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining balance, \$4,297,804 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 2).

Even though the pledged securities are considered uncollateralized (Category 2) under the provisions of GASB Statement 2, 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.

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 6 - RECEIVABLES

The maturation of \$460,936 at June 30, 1997 are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Total
Intergovernmental - grants:			
Federal	\$ -	\$191,977	\$191,977
State	24,204	13,713	37,919
Local Sources:			
Sales tax	108,164	108,164	216,328
Accounts	<u>42,435</u>	<u>817</u>	<u>43,252</u>
Total	<u>\$174,803</u>	<u>\$313,671</u>	<u>\$488,474</u>

NOTE 7 - RETIREMENT SYSTEMS

Substantially all School Board employees participate in either the Teachers' Retirement System or the Louisiana School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan B. In general, professional employees (such as teachers and principals) and kindergarten workers are members of the Louisiana Teachers' Retirement System (LTRS); 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 system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with 30 years of service, or at any age with 30 years of service. The formula for annual maximum retirement benefits is generally 7% (with less than 25 years of service) or 3.5% (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$200 applicable to persons becoming members prior to July 1, 1964).

Under the Teachers' Retirement System Plan B, normal retirement is at age 55 with at least 30 years of creditable service or at age 60 with at least 18 years of creditable service. The retirement benefit formula is generally 7% times the years of creditable service times the retiree's average salary of the 36 highest successive months.

Employees participating in the Louisiana School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55, or after 18 years of service at age 60. The maximum retirement allowance is computed as 2.7% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 7 - RETIREMENT SYSTEMS (Continued)

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

1996-1997	Employee	Employer
LA Teachers' Retirement System		
Regular	8.00%	14.00%
Plan B	3.00%	10.00%
LA School Employees' Retirement	6.00%	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.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan B, the employer's contribution for the professional improvement program (PIF) portion of payroll. The PIF contribution is made directly to the Retirement System by the state of Louisiana.

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, 1997, the payroll for the School Board totaled \$7,887,402. The employer contributions and total payroll of covered employees for 1997 follow:

	TRS		LSERS	Total
	Regular	Plan B		
Employer	\$1,802,649	\$ 57,098	\$ 41,400	\$1,901,147
Employee	490,019	17,323	43,820	551,162
Salary	6,128,664	220,120	696,086	7,191,000

Although contributions are determined by statute, actuarial contributions are determined for the Systems. For the year ended June 30, 1996, the latest information available, the Systems' (TRS and LSERS) actuarially required contributions from all sources was \$401.0 million and \$12.9 million, respectively. The required School Board's contribution represents 17.79 and 6.12 percent, respectively, of salaries for the year ended June 30, 1997.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effect of projected salary increases 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 on a going-concern basis, assesses progress made in accumulating sufficient assets to pay benefits when due, and makes comparisons among PERs and employees. The Systems (TRS and LSERS) do not make separate measurements of assets and pension benefit obligations for individual employees. The actuarial present value of credited projected benefits at June 30, 1996 for the Systems as a whole, determined through an actuarial valuation, for the Systems' net assets available for benefits on that date (valued at market) and the resulting unfunded (overfunded) pension benefit obligations were as follows:

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 7 - RETIREMENT SYSTEMS (Continued)

	<u>TRF</u>	<u>LSERS</u>
Pension Benefit Obligation	\$11,232,762,000	\$ 970,569,414
Net Assets Available for Benefits	<u>7,036,638,900</u>	<u>1,388,961,911</u>
Unfunded (Overfunded) Pension Benefit Obligation	<u>\$ 4,196,123,100</u>	<u>\$ 139,239,497</u>

The School Board's total actuarially determined contribution requirements as a percentage of total contributions required of all entities for the year ended June 30, 1997 were as follows:

Teachers' Retirement System	.29%
School Employees' Retirement System	.33%

Two-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, 1996 comprehensive annual financial reports, which is the latest available report.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

The LaSalle Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees' Group Benefits Programs whose monthly premiums are paid jointly by the employee and the School Board. The cost of retiree benefits totaled \$386,271 for 179 retirees.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES

Payables of \$1,416,509 as June 30, 1997 are as follows:

	<u>General Fund</u>	<u>Special Revenues Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Salaries	\$1,082,413	\$10,179	-	\$1,092,592
Accounts	<u>32,024</u>	<u>78,868</u>	<u>29,921</u>	<u>140,813</u>
Total	<u>\$1,114,437</u>	<u>\$89,047</u>	<u>29,921</u>	<u>\$1,416,509</u>

NOTE 10 - COMPENSATED ABSENCES

At June 30, 1997, employees of the School Board have accumulated and vested \$561,274 of employee leave benefits, which was computed in accordance with GASB Codification Section 680. This amount is recorded within the general long-term debt account group.

LASALLE PARISH SCHOOL BOARD
Jenn, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 11 - LEASES

The School Board had no operating or capital leases as June 30, 1997.

NOTE 12 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

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

	Balance July 1, 1996	Additions	Reductions	Balance June 30, 1997
School activity fund	<u>\$183,243</u>	<u>\$703,538</u>	<u>\$193,492</u>	<u>\$1,293,289</u>

NOTE 13 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1997:

	Bonded Debt	Compensated Absences	Total
Balance, June 30, 1996	\$2,183,808	\$635,668	\$1,819,989
Additions	-	-	-
Deductions	<u>563,008</u>	<u>124,695</u>	<u>687,703</u>
Balance, June 30, 1997	<u>\$1,620,800</u>	<u>\$510,973</u>	<u>\$1,109,827</u>

School Board bonds outstanding at June 30, 1997 in the amount of \$1,819,989 are general obligation school refunding bonds with maturities in 2000 and interest rates from 4.35 to 5.2 percent. Bond principal and interest payable in the next fiscal year are \$181,800 and \$81,545, respectively. The individual issue, which is payable from the debt service fund, is as follows:

Bond Issue	Original Issue	Interest Rates	Final Payment Date	Interest to Maturity	Principal Outstanding
1994	\$1,650,000	4.35 - 5.2%	05/01/2000	<u>\$181,800</u>	<u>\$1,468,200</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. As June 30, 1997, the School Board had accumulated \$597,203 in the debt service funds for future debt requirements. The bonds are due as follows:

LASALLE PARISH SCHOOL BOARD
Iowa, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1997

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

Total	Year Ending June 30,	Principal Payments	Interest Payments
1996	\$ 580,000	\$ 92,585	\$ 472,585
1995	685,000	43,875	648,875
2000	<u>525,000</u>	<u>13,000</u>	<u>658,000</u>
Total	<u>\$1,800,000</u>	<u>149,460</u>	<u>\$2,099,460</u>

In accordance with Louisiana Revised Statute 19:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 33 percent of the assessed value of taxable property. At June 30, 1997, the statutory limit is \$17,879,837 and outstanding bonded debt totals \$1,820,000.

NOTE 14 - INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Title I	\$ 13,892
	Title VI	1,575
	Math and Science - Title II	7,258
	Special Education	3,877
	Preschool	1,358
	Summer School	196
	Drug Free - Title IV	3,500
	Costs 2080	74
	State Pre K	10,862
	Other State Programs	18,781
	School Food Service	19,080
	Other Federal	18,188
	Capital Projects	<u>383,287</u>
Interest and other	Vocational education	\$181,812
		<u>71</u>
Total		<u>\$181,812</u>

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 15 - RISK MANAGEMENT

The School Board is engaged in a risk management program for workers' compensation insurance. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 1997, a total of \$88,026 was incurred in benefits and administrative costs. An excess coverage insurance policy covers claims over \$175,000. Inertial premiums are based primarily upon the individual fund's payroll and are reported as expenditures in the individual funds.

NOTE 16 - LITIGATION AND CLAIMS

Litigation

As June 30, 1997, the School Board is involved in various litigation. It is the opinion of the legal advisors for the School Board and management that any potential claims would not materially affect the School Board's combined financial position. *None*.

Grant Disallowances

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

Tax Arbitrage Refunds

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

Self-Insurance

The School Board is partially self-insured for workers' compensation. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$175,000 per occurrence for each employee. All known claims filed and an estimate of incurred but not reported claims based on experience of the School Board are made and accrued as necessary in the financial statements. A portion of fund balance of the general fund has been designated for payment of future claims.

LASALLE PARISH SCHOOL BOARD
Iona, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1997

NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employee entity). GASB Statement No. 34 requires employer governments to recognize revenues and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Programs) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$18,715. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

LASALLE PARISH SCHOOL BOARD
Jana, Louisiana

SUPPLEMENTAL INFORMATION

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Supplemental Information
As of and for the Year Ended June 30, 1997

SPECIAL REVENUE FUNDS

TITLE I

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

TITLE III

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

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

MATH AND SCIENCE - TITLE III

To improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

SPECIAL EDUCATION

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

PRESCHOOL

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

(Continued)

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Supplemental Information
As of and for the Year Ended June 30, 1997

SPECIAL REVENUE FUNDS

SUMMER SCHOOL

To provide grants for extended summer education for qualified students in LaSalle Parish. This program is state funded.

(DRUG FREE) - TITLE IV

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

VOCATIONAL EDUCATION

BASIC GRANTS TO STATES

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

CONSUMER AND HOMEMAKING EDUCATION

To assist states in conducting consumer and homemaking education instructional programs, services and activities that prepare youth and adults for the occupation of homemaking through instructional programs which includes the areas of food and nutrition, individual and family health, consumer education, family living and parent/child education, child development, housing, home management (including resource management), clothing, and textiles. Emphasis is placed on programs located in areas for residents of economically depressed areas and/or areas with high rates of unemployment.

INDIAN FUNDS

To develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) improve academic performance; 2) reduce school dropout rates and improve attendance; and 3) integrate the value of cultural education into the school curriculum for Indian children.

(Continued)

LASALLE PAREISH SCHOOL BOARD
Jess, Louisiana

Supplemental Information
As of and for the Year Ended June 30, 1997

SPECIAL REVENUE FUNDS

GOALS 2000

To provide grants to state education agencies (SEAs) on a formula basis to support the development and implementation of comprehensive reform plans at the state, local and school levels to improve the teaching and learning of all children. To support top-down and bottom-up reform by requiring SEAs to flow 80 percent of funds to local education agencies (LEAs) and LEAs to flow funds to schools. To support the establishment by states and localities of high standards in their core content areas. All aspects of the educational process are aligned including, but not limited to assessments, curricula, professional development, and preservice training.

STATE PRE K

Provides a full day pre-kindergarten program for 4-year old children considered to be at risk for school readiness.

STATE 8 G

The 8 G state fund is a program to provide enhancement to elementary, secondary and vocational programs funded through the State Minimum Foundation Program.

OTHER STATE PROGRAMS

This fund represents various small state funded programs for achievement of education in LaSalle Parish.

SCHOOL FOOD SERVICE

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

(Continued)

LASALLE PARISH SCHOOL BOARD
Jana, Louisiana

Supplemental Information
As of and for the Year Ended June 30, 1997

SPECIAL REVENUE FUNDS

OTHER FEDERAL

EDUCATION FOR HOMELESS CHILDREN AND YOUTH

To provide activities for and services to ensure that homeless children and homeless youth enroll in, attend, and achieve in school; to establish or designate an office in each state educational agency (SEA) and outlying area for the coordination of education for homeless children and youth; to develop and carry out a state or area plan for the education of homeless children and youth; to develop and implement programs for school personnel to heighten awareness of specific problems of homeless children and youth; and to provide grants to local educational agencies.

SALES TAX FUND

The sales tax fund accounts for the School Board's one percent parish sales tax. The fund accounts for the uses of the tax, with 80 percent of the proceeds of the tax used exclusively to supplement other revenues available to the Board for salaries and other benefits of teachers and other personnel, and 20 percent to be used exclusively for general expenses of operating and maintaining schools, including all costs of collecting and administering the tax.

INTEREST AND OTHER

The interest and other fund accounts for earnings on investments and other local revenue generated from each of the special revenue funds.

(Continued)

LEBALLE PARISH SCHOOL BOARD
Jena, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1997

	TITLE I	TITLE VI	MATH AND SCIENCE - TITLE II	SPECIAL EDUCATION
ASSETS				
Cash and cash equivalents	\$ 3,824	\$ 1,900	\$ 1,050	\$ 1,894
Receivables	77,998	75	3,980	22,861
Interest receivables	0	0	0	0
Inventory	0	0	0	0
Total Assets	\$ 81,732	\$ 1,975	\$ 7,230	\$ 24,855
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 65,895	\$ 0	\$ 0	\$ 18,848
Interfund payable	13,892	1,575	7,230	5,077
Deferred revenue	3,873	0	0	0
Total Liabilities	\$ 83,732	\$ 1,575	\$ 7,230	\$ 23,925
Fund Equity				
Fund Balances:				
Reserve for inventory	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved-undesignated	0	0	0	0
Total Equity	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL LIABILITIES AND FUND EQUITY	\$ 83,732	\$ 1,575	\$ 7,230	\$ 23,925

Exhibit 1

	PRESCHOOL	SUMMER SCHOOL	(DRUG FREE) STUDY	VOCATIONAL EDUCATION	INCLIN FUNDS	GOALS 2008
\$	300	0	3,800	0	0	0
	3,300	1,320	18,000	71	188	45,800
\$	0	0	0	0	0	0
\$	0	0	0	0	0	0
\$	3,600	1,320	18,000	71	188	45,800
\$	1,780	1,674	16,088	0	144	33,676
	1,880	188	3,200	71	0	13,428
	332	0	0	0	0	0
\$	5,832	1,862	19,288	71	144	47,104
\$	0	0	0	0	0	0
	0	0	0	0	32	0
\$	0	0	0	0	32	0
\$	3,600	1,320	18,000	71	188	45,800

(CONTINUED)

LABALLE PARISH SCHOOL BOARD
Jena, Louisiana

SPECIAL REVENUE FUND
Combining Balance Sheet
June 30, 1997

	STATE FEE	STATE SG	OTHER STATE PROGRAM	SCHOOL FOOD SERVICE
ASSETS				
Cash and cash equivalents	\$ 3,125	\$ 0	\$ 2,044	\$ 420,785
Receivables	10,882	0	4,822	59
Interfund receivables	0	0	0	0
Inventory	0	0	0	27,845
Total Assets	\$ 14,007	\$ 0	\$ 6,866	\$ 448,689
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 1,135	\$ 0	\$ 1,388	\$ 60,864
Interfund payable	10,882	0	5,478	19,000
Deferred revenue	0	0	0	0
Total Liabilities	\$ 12,017	\$ 0	\$ 6,866	\$ 79,864
Fund Equity				
Fund Balances:				
Reserved for inventory	\$ 0	\$ 0	\$ 0	\$ 27,845
Unreserved (undesignated)	0	0	0	260,844
Total Equity	\$ 0	\$ 0	\$ 0	\$ 288,689
TOTAL LIABILITIES AND FUND EQUITY	\$ 12,017	\$ 0	\$ 6,866	\$ 448,689

Exhibit 1

	OTHER FEDERAL	SALES TAX FUND	INTEREST & OTHER	TOTAL
\$	3,880 \$	107,898 \$	8,928 \$	271,874
	18,088	178,021	0	217,833
	0	0	74	31
	0	0	0	37,846
\$	<u>20,968 \$</u>	<u>278,919 \$</u>	<u>8,928 \$</u>	<u>917,210</u>
\$	0,800 \$	80,380 \$	0 \$	280,007
	18,007	0	0	108,828
	0	0	0	4,007
\$	<u>20,967 \$</u>	<u>80,380 \$</u>	<u>0 \$</u>	<u>387,198</u>
\$	0 \$	0 \$	0 \$	27,048
	0	188,772	8,028	833,738
\$	<u>0 \$</u>	<u>188,772 \$</u>	<u>8,028 \$</u>	<u>890,890</u>
\$	<u>20,987 \$</u>	<u>278,131 \$</u>	<u>8,928 \$</u>	<u>917,210</u>

(CONCLUDED)

LASALLE PARISH SCHOOL BOARD
Orleans, Louisiana

SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

Exhibit 2

	TITLE I	TITLE VI	MATH AND SCIENCE - TITLE II	SPECIAL EDUCATION	PRESCHOOL
REVENUES					
Local sources					
Taxes:					
Sales and use	\$	\$	\$	\$	\$
Interest earnings	\$	\$	\$	\$	\$
Food services	\$	\$	\$	\$	\$
Other	\$	\$	\$	\$	\$
State sources:					
Equalization	\$	\$	\$	\$	\$
Other	\$	\$	\$	\$	\$
Federal sources:					
Total Revenues	<u>\$ 426,682</u>	<u>\$ 6,870</u>	<u>\$ 13,617</u>	<u>\$ 67,701</u>	<u>\$ 20,662</u>
EXPENDITURES					
Current:					
Instruction:					
Regular programs	\$	\$	\$	\$	\$
Special programs	\$	\$	\$	\$68,206	\$18,094
Other instructional programs	\$395,791	\$6,471	\$3,660	\$	\$
Support services:					
Student services	\$	\$	\$	\$	\$
Instructional staff support	\$45,380	\$	\$8,229	\$21,158	\$
General administration	\$7,714	\$108	\$299	\$1,090	\$282
School administration	\$	\$	\$	\$	\$
Business services	\$7,680	\$	\$	\$	\$
Plant services	\$30,214	\$	\$68	\$8,068	\$712
Student transportation services	\$	\$	\$	\$471	\$78
Food services	\$54	\$	\$	\$	\$
Total Expenditures	<u>\$ 485,662</u>	<u>\$ 6,579</u>	<u>\$ 13,617</u>	<u>\$ 67,701</u>	<u>\$ 20,662</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES					
	\$	\$	\$	\$	\$
FUND BALANCES AT BEGINNING OF YEAR					
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
FUND BALANCES AT END OF YEAR					
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(CONTINUED)

LABALLE PARISH SCHOOL BOARD
 Jena, Louisiana

SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 1997

Exhibit 2

	SUMMER SCHOOL	(GRAD FREE) TITLE IV	VOCATIONAL, EDUCATION	INDIAN FUNDS	SCALES 2008	
REVENUES						
Local sources:						
Taxes:						
Basis and use	\$	0 \$	0 \$	0 \$	0 \$	0
Interest earnings	0	0	295	0	0	121
Food services	0	0	0	0	0	0
Other	0	0	0	0	0	0
State sources:						
Liquidation	0	0	0	0	0	0
Other	4,835	0	0	0	0	0
Federal sources:	0	45,755	21,883	3,528	0	223,781
Total Revenues	\$	4,835 \$	45,755 \$	21,883 \$	3,528 \$	223,781
EXPENDITURES						
Current:						
Instruction:						
Regular programs	\$	0 \$	194 \$	0 \$	1,602 \$	0
Special programs	4,835	4,044	0	0	0	0
Other instructional programs	0	13,480	21,883	0	0	189,893
Support services:						
Student services	0	23,158	0	1,048	0	22,480
Instructional staff support	0	2,601	0	0	0	0
General administration	0	337	0	88	0	513
School administration	0	0	0	0	0	0
Business services	0	0	0	0	0	0
Plant services	0	0	0	0	0	883
Student transportation services	0	0	0	0	0	0
Food services	0	0	0	0	0	0
Total Expenditures	\$	4,835 \$	45,735 \$	21,931 \$	3,528 \$	223,882
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$	0 \$	20 \$	52 \$	0 \$	0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	17	0	0
FUND BALANCES AT END OF YEAR	\$	0 \$	20 \$	69 \$	0 \$	0

(continued)

LABALLE PARISH SCHOOL BOARD
 Jones, Louisiana

SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 1997

Exhibit 2

	STATE FUND	STATE FUND	OTHER STATE PROGRAMS	SCHOOL FOOD SERVICE	
REVENUES					
Local sources:					
Taxes:					
Sales and use	\$	0 \$	0 \$	0 \$	0
Interest earnings	0	0	0	0	20,278
Food services	0	0	0	0	214,830
Other	0	0	0	0	3,840
State sources:					
Equalization	0	0	0	0	213,428
Other	40,119	50,000	18,000	0	0
Federal sources:					
	0	0	0	0	281,854
Total Revenues	\$	40,119 \$	50,000 \$	18,000 \$	1,214,350
EXPENDITURES					
Current:					
Instruction:					
Regular programs	\$	0 \$	0 \$	0 \$	0
Special programs	0	0	14,866	0	0
Other instructional programs	0	28,233	0	0	0
Support services:					
Student services	40,119	18,233	1,478	0	0
Instructional staff support	0	0	0	0	0
General administration	0	0	0	0	0
School administration	0	0	0	0	0
Business services	0	0	0	0	0
Plant services	0	84	0	0	0
Student transportation services	0	0	0	0	0
Food services	0	0	0	0	1,149,262
Total Expenditures	\$	40,119 \$	50,000 \$	18,000 \$	1,149,262
EXCESS (deficiency) OF REVENUES OVER EXPENDITURES	\$	0 \$	0 \$	0 \$	(138,107)
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0	313,845
FUND BALANCES AT END OF YEAR	\$	0 \$	0 \$	0 \$	175,738

jcm/11/97/afk

LEBLANC PARIISH SCHOOL BOARD
 Jena, Louisiana

SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 1997

Exhibit 3

	SALES		INTEREST & OTHER	TOTAL	
	OTHER FEDERAL	TAX FUND			
REVENUES					
Local sources					
Taxes:					
Sales and use	\$	0 \$	1,206,816 \$	0 \$	1,206,816
Interest earnings		0	15,888	3,478	41,188
Food services		0	0	0	214,830
Other		0	0	0	3,843
State sources:					
Equalization		0	0	0	213,408
Other		22,107	0	0	153,747
Federal sources		165,155	0	0	1,817,941
Total Revenues	\$	125,262 \$	1,222,704 \$	3,478 \$	3,130,375
EXPENDITURES					
Current:					
Instruction:					
Regular programs	\$	0 \$	459,126 \$	0 \$	471,123
Special programs		1,880	146,461	174	248,086
Other instructional programs		75,181	51,291	0	144,888
Support services:					
Student services		41,440	57,695	518	219,188
Instructional staff support		4,855	35,747	0	117,814
General administration		1,871	10,875	0	23,508
School administration		0	51,542	0	51,242
Business services		0	13,236	0	30,812
Plant services		0	45,825	0	85,580
Student transportation services		0	118,734	0	117,541
Food services		0	51,295	0	1,240,532
Total Expenditures	\$	125,262 \$	1,896,191 \$	592 \$	3,221,527
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES					
	\$	0 \$	326,513 \$	3,786 \$	8,708

(CONTINUED)

LABALLE PARISH SCHOOL BOARD
Jones, Louisiana

SPECIAL REVENUE FUNDS
Comparing Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

Sheet 2

	<u>OTHER FEDERAL</u>	<u>SALES TAX FUNDS</u>	<u>INTEREST & OTHER</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	\$	0 \$	(225,550) \$	0 \$ (225,550)
Other sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>\$</u>	<u>0 \$</u>	<u>(225,550) \$</u>	<u>0 \$ (225,550)</u>
EXCESS (deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$	0 \$	(733,940) \$	2,764 \$ (731,176)
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>388,773</u>	<u>3,845</u>	<u>392,618</u>
FUND BALANCES AT END OF YEAR	<u>\$</u>	<u>0 \$</u>	<u>(340,095) \$</u>	<u>352,523 \$</u>

(continued)

LASALLE PARISH SCHOOL BOARD

Jena, Louisiana

Supplemental Information

As of and for the Year Ended June 30, 1997

AGENCY FUNDS

SCHOOL ACTIVITY AGENCY FUND

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

LABALLE PARISH SCHOOL BOARD
Jena, Louisiana

AGENCY FUND
Statement of Assets and Liabilities
June 30, 1997

Sheet 1

SCHOOL
ACTIVITY
FUND

ASSETS

Cash and cash equivalents

\$ 188,225

LIABILITIES

Deposits due others

\$ 188,225

LASALLE PARISH SCHOOL BOARD
 Jena, Louisiana

SCHOOL ACTIVITY AGENCY FEES
 Schedule of Changes in Deposits Due Others
 For The Year Ended June 30, 1997

Exhibit A

SCHOOL	Balance, July 1, 1995	Additions	Reductions	Balance, June 30, 1997
Palmetto Elementary School	\$ 22,298	\$ 22,888	\$ 24,118	\$ 21,068
Good Hope Middle School	7,478	50,758	58,870	8,874
Jena Elementary School	28,823	84,573	63,668	39,697
Jena High School	47,283	223,791	223,778	47,296
Jena Junior High School	29,858	28,480	28,228	29,710
LaSalle High School	10,850	180,861	188,071	14,739
LaSalle Junior High School	12,830	28,787	29,585	11,992
Nato Elementary School	5,568	67,757	65,832	7,871
Olla Elementary School	18,728	54,922	61,888	21,911
Total	\$ 188,248	\$ 700,608	\$ 700,607	\$ 188,279

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
For the Year Ended June 30, 1997

Exhibit B

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 84 of the 1975 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:55, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$318 per month and the president receives \$385 per month for performing the duties of his office.

Francis Brizard ⁽¹⁾	\$	4,080
Fel Desmon ⁽²⁾		4,080
Dave Williams		3,780
Marty McClure		3,780
W. G. Poole		3,780
Ray Duke		3,780
Dianne McCartney		3,780
Danny Price		3,780
Charlie Anderson		3,780
Melvin Worthington		<u>3,780</u>
Total	\$	<u>38,400</u>

⁽¹⁾ President from January 1, 1997 to June 30, 1997

⁽²⁾ President from July 1, 1996 to December 31, 1996

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

**OTHER REPORT REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133**

The second report following this page contains information on internal control and compliance with laws, regulations, contracts and grants required by OMB Circular A-133. The report on internal controls relates to matters that would be significant and/or material to federal awards programs. The report on compliance with laws, regulations, contracts and grants is, likewise, related to issues of compliance with laws, regulations, contracts and grants relating to federal awards programs.

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Ernest L. Allen, CPA
is President
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Tom Green, CPA

Marge Williamson, CPA

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board Members

LaSalle Parish School Board
Jena, Louisiana

We have audited the financial statements of LaSalle Parish School Board, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 4, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether LaSalle Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* as described in items 97-1 and 97-2 of the accompanying Schedule of Findings and Questioned Costs. We also noted certain immaterial instances of noncompliance that we have reported to management of LaSalle Parish School Board in a separate letter dated December 4, 1997.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered LaSalle Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect LaSalle Parish School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 97-3 and 97-4.

A **material weakness** is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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

Board Members
LaSalle Parish School Board
Jena, Louisiana

our financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we considered item #1.3 to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of LaSalle Parish School Board in a separate letter dated December 4, 1997.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
December 4, 1997

ALLEN, GREEN & COMPANY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS



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Bossier, Louisiana 71021
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Ernest L. Allen, CPA
or
Richard Green, CPA

Tim Green, CPA

Marge Williamson, CPA

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Board Members
LaSalle Parish School Board
Jena, Louisiana

Compliance

We have audited the compliance of LaSalle Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. LaSalle Parish School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of LaSalle Parish School Board's management. Our responsibility is to express an opinion on LaSalle Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LaSalle Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on LaSalle Parish School Board's compliance with these requirements.

In our opinion, LaSalle Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997. However, the results of our auditing procedures disclosed no instances of noncompliance with these requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of LaSalle Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered LaSalle Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Board Members
LaSalle Parish School Board
Jena, Louisiana

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect LaSalle Parish School Board's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 97-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of LaSalle Parish School Board, Jena, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated December 9, 1997. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. 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 stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information of the Board, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Allen, Green & Company LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
December 4, 1997

LASALLE PARISH SCHOOL BOARD
Irma, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
School Breakfast Program	18-513	N/A	\$ 181,897
National School Lunch Program	18-515	N/A	<u>129,282</u>
Total United States Department of Agriculture			<u>311,179</u>
United States Department of Education			
Direct Programs:			
Indian Education - Formula Grants to Local Educational Agencies and Tribal Schools	84-668	N/A	3,329
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84-603	95-AISED	15,906
Title I Grants to Local Educational Agencies	84-010	97ASAA-30, 96-029-18-CO97	428,683
Special Education:			
Grants to States (Part B)	84-027	97T30, 98TTC-30	87,781
Preschool Grants	84-173	97T38, 98T30-CO97	28,883
Vocational Education:			
Basic Grants to States	84-048	28-97-8F-8/8G	21,568
Innovative Education Program Strategies - Title VI (formerly Chapter 2)	84-298	97-1ASA-33-A, 28-96-8000-6CO97	6,579
Title II (Qualifying Professional Development - State Grants)	84-281	97ASA-38-2, 28-96-9300-B CO97	13,817
Title IV (Safe and Drug-Free Schools - State Grant)	84-386	28-87-7E38-D, 28-96-7000-D CO97	41,708
Goals 2000:			
State and Local Education Systematic Improvement Grants (Goals 2000 State Grants)	84-376	93NLAB008	223,751
Education for Homeless Children and Youth (McKinney Homeless Assistance)	84-196A	28-97-61101	<u>66,287</u>
Total United States Department of Education			<u>932,338</u>
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education			
Child Care and Development Block Grant (Starting Points Preschool)	93-573	93-STPT	<u>22,825</u>
Total United States Department of Health and Human Services			<u>22,825</u>
Total Cash Federal Awards			<u><u>1,433,842</u></u>

LASALLE PARISH SCHOOL BOARD
 Jena, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
NONCASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution (Commodities)	10.550	N/A	____60,000
TOTAL FEDERAL AWARDS			<u>\$1513,047</u>

LA SALLE PARISH SCHOOL BOARD
Jena, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the LaSalle Parish School Board, Jena, Louisiana. The LaSalle Parish School Board (the "School Board") reporting entity is defined in note 1 to the School Board's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the School Board's general-purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

Federal awards revenues are reported in the School Board's general-purpose financial statements as follows:

	<u>Federal Sources</u>
Special revenue funds:	
Title I	\$ 416,685
Title VI	6,379
Math and Science - Title II	19,617
Special Education	82,791
Preschool	28,862
(Drug Free) Title IV	62,765
Vocational Education	21,568
Indian Funds	1,339
Grants 2008	222,761
School Food Service	551,984
Other Federal	<u>181,126</u>
	<u>\$1,287,867</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - NONCASH PROGRAMS

The commodities received, which are noncash resources, are valued using prices provided by the United States Department of Agriculture.

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was qualified.
- ii. There were reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.

One reportable condition disclosed was considered a material weakness as defined by the Government Auditing Standards.
- iii. There were instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There was a reportable condition required to be disclosed by OMB Circular No. A-133.

The reportable condition disclosed was not considered a material weakness as defined by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed audit findings which the auditor is required to report under OMB Circular No. A-133, Section 316(a).
- vii. The major federal programs are:

CFDA #84.010	Title I Grants to Local Educational Agencies
Nutrition Cluster	
CFDA #10.151	School Breakfast Program
CFDA #10.555	National School Lunch
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 320(b) was \$300,000.
- ix. The auditor does not qualify as a low-risk auditor under OMB Circular No. A-133, Section 510.

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference # and Title: 97.1 Instructional Expenditures Less than the 70% Threshold

CONDITION: The School Board expended less than 70% of total general fund expenditures for instructional purposes in fiscal year 1997. The School Board's percentage was 68.61%.

REASON/IMPROVEMENT NEEDED: To comply with Louisiana Senate Concurrent Resolution #142 of the 1995 Session which requires at least seventy percent of General Fund expenditures be spent for instructional purposes.

CAUSE OF CONDITION: Large amount of fixed costs to operate the school system.

EFFECT OF CONDITION: Noncompliance with Louisiana Senate Concurrent Resolution #142 of the 1995 Session.

RECOMMENDATION: The School Board should review its expenditures for instruction with the concept of restricting expenditures so that the seventy percent threshold is achieved.

Reference # and Title: 97.2 Late Filing of Audit Report

CONDITION: The Louisiana Legislative Auditor requires audit reports to be filed within six months of the year-end of the governments. The audit report as of and for the year ended June 30, 1997 was filed after the deadline.

REASON/IMPROVEMENT NEEDED: To comply with state regulations.

CAUSE OF CONDITION: The unexpected additional work load of the audit firm for the 1997 year.

EFFECT OF CONDITION: Violation of state regulation.

RECOMMENDATION: Future audit reports should be filed within six months of year-end.

LASALLE PARISH SCHOOL BOARD
Jena, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

PART III - Finding(s) related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference # and Title: 97-3 Inventory of Fixed Assets

CONDITION: The School Board does not maintain a comprehensive inventory of fixed assets. Improvements have been made over the last few years, including developing an inventory listing for movable equipment for the general fund and tagging some equipment in the schools. However, as of June 30, 1997, the inventory was not complete.

REASON IMPROVEMENT NEEDED: Compliance with state requirements and proper safeguarding of assets.

CAUSE OF CONDITION: Low priority had been placed on fixed assets inventory in the past.

EFFECT OF CONDITION: Noncompliance with state requirements and inadequate internal control over safeguarding of fixed assets.

RECOMMENDATION: The School Board should continue its efforts to prepare a complete inventory of all fixed assets, including land, buildings, improvements to buildings, furniture and equipment, and transportation equipment. The inventory should include a description, tag number, date of purchase, number of items, cost, and location as applicable. Once completed, reviews should be made by School Board personnel to ensure accuracy and completeness. The inventory should be updated at least quarterly and an annual physical inventory should be taken and reconciled to the inventory records.

Reference # and Title: 97-4 Payroll Expenditures Recorded Twice

CONDITION: \$63,529 of salaries and liabilities were inadvertently recorded twice in the Title I fund. Since payments for these salaries were actually only made once, the salary expenditures and liabilities accounts were overstated by the \$63,529. (See also finding 97-5).

REASON IMPROVEMENT NEEDED: To correctly state expenditures and liabilities for financial reporting.

CAUSE OF CONDITION: The School Board changed accounting system software for the 1997 fiscal year. The manner in which payroll transfers are recorded on the new system is much different from the old system. The change in method contributed to oversteering the salaries.

EFFECT OF CONDITION: Salaries and the related liability were overstated until adjusted by the auditor.

RECOMMENDATION: Employees responsible for recording payroll transfers should become familiar with the method of recording the transfers. Periodic reviews by supervisor could also help catch any errors in recording the transfers.

LASALLE PARISH SCHOOL BOARD
Baton Rouge, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .B(6)(a):

Finding Reference Number: FT-3 Federal Financial Reporting

Federal Program and Specific Federal Award Identification: Title I Grants to Local Educational Agencies - CPDA #84.010.

CONDITION: The Title I completion report could not be tied to the general ledger. In addition, the report was not filed until January 6, 1996.

REASON/IMPROVEMENT NEEDED: By tying the completion reports to the general ledger, the School Board both assures correct financial reporting and assures that the proper amounts have been requested for reimbursement. Also, federal financial reporting guidelines require the completion report to be filed by the last day of September.

CAUSE OF CONDITION: The Title I bookkeeper maintains a manual set of records separate from the general ledger. Requests for reimbursement and the completion report are prepared from this set of records. The manual set of records are not reconciled to the computer records from the general ledger, nor are the requests and completion report reconciled to the general ledger. Concerning the late filing of the completion report, the cause is unknown.

EFFECT OF CONDITION: Extra salary expenditures were reported in the general ledger (computer records) for the Title I fund for financial reporting purposes. (See also finding FT-4). However, since requests and the completion report were prepared from the manual set of books, no funds were over requested. Also, the completion report was filed approximately three months late.

RECOMMENDATION: The general ledger (computer records) should be tied to the completion report. This could be simplified by reconciling each request as it is made, reconciling requests on a monthly basis, or reconciling requests on a quarterly basis. Also, the completion report should be filed timely.

**LaSalle PARISH SCHOOL BOARD
Jona, Louisiana**

Other Financial Information

The information on the following pages concerns management's actions or intentions concerning prior and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular A-133. This information has been prepared by the management of the LaSalle Parish School Board. Management accepts full responsibility, as required by OMB Circular A-133, for the accuracy of the information.

**LaSalle Parish School Board
Jena, Louisiana**

**Summary Status of Prior Audit Findings and Questioned Costs
June 30, 1997**

Finding Reference #: **Finding #1 of the Schedule of Reportable Conditions**

Title: **Lack of Separation of Duties**

Initially occurred: **Fiscal Year Ended June 30, 1992**

Condition: One employee performs two incompatible functions for the federal funds. The employee both prints the vendor checks and performs the bank reconciliation for the federal funds.

Corrective Action Taken: Responsibility for performing bank reconciliations has been assigned to someone independent of the check-writing function.

Person Responsible for Corrective Action:

Ms. Deborah E. Finley, Business Manager
LaSalle Parish School Board
P. O. Drawer 90
Jena, LA 71342-0090

Telephone: (318) 992-2161
Fax: (318) 992-8457

Finding Reference #: **Finding #2 of the Schedule of Reportable Conditions and Finding #1 of the Schedule of Findings and Questioned Costs**

Title: **Inventory of Fixed Assets**

Initially occurred: The School Board has not maintained a complete fixed asset inventory for the last several years.

Condition: The School Board does not maintain a comprehensive inventory of fixed assets. Improvements have been made over the last two years, including developing an inventory listing for movable equipment for the general fund. However, some special revenue funds only maintain a partial list or a list that has not been updated in several years. Also, inventory records do not reflect any amounts for land or buildings.

Planned Corrective Action: Even though much progress has been made on fixed asset inventory, management realizes there are still some deficiencies. Management will continue its efforts to prepare a complete inventory of all fixed assets, including land, buildings, improvements to buildings, furniture and equipment, and transportation equipment. The inventory will include a description, tag number, date of purchase, number of units, cost, and location as applicable. The inventory will be updated at least quarterly and an annual physical inventory will be taken and reconciled to the inventory records.

Person Responsible for Corrective Action:

Ms. Deborah E. Finley, Business Manager
LaSalle Parish School Board
P. O. Drawer 90
Jena, LA 71342-0090

Telephone: (318) 992-2161
Fax: (318) 992-8457

LaSalle Parish School Board
Jana, Louisiana

Summary Status of Prior Audit Findings and Questioned Costs
June 30, 1997

Finding Reference #: Finding #1 of the Schedule of Reportable Conditions

Title: Cash Deposits

Initially occurred: Fiscal year-ended June 30, 1996

Condition: School lunch receipts transfers from the individual schools to the general fund are not deposited on a timely basis. In general, the transfers are due in the school food service office by the 15th day of each month. The checks are held until reports are verified by the school food service director. These are usually finished no sooner than the 30th day of each month. For the month examined, February, 1996, deposits were made as follows:

<u>Number of Schools</u>	<u>Date Deposited</u>	<u>Amount Of Deposit</u>
6 schools	2-22-96	\$13,883.95
2 schools	2-28-96	4,169.89
1 school	3-11-96	764.25

Corrective Action Taken: Management has developed procedures which allow daily deposits to be made unless the deposit amount is clearly inconsequential.

Person Responsible for Corrective Action:

Ms. Deborah E. Finlay, Business Manager
LaSalle Parish School Board
P. O. Box 98
Jana, LA 71342-0098

Telephone: (504) 992-2151
Fax: (504) 992-8437

**LaSalle Parish School Board
Iona, Louisiana**

**Summary Status of Prior Audit Findings and Questioned Costs
June 30, 1997**

Finding Reference #: **Finding #1 of the Schedule of Findings and Questioned Costs**

Title: **Instructional Expenditures Less than the 70% Threshold**

Initially occurred: Fiscal Year Ended June 30, 1993.

Condition: The School Board expended less than 70% of total general fund expenditures for instructional purposes in fiscal years 1993 and 1996. The School Board's percentage was 68.54% in 1993 and 68.13% in 1996.

Planned Corrective Action: The School Board is modifying their procedure of operation in an attempt to ensure that seventy percent of state funds are expended on instructional cost.

Person Responsible for Corrective Action:

Ms. Deborah E. Finley, Business Manager
LaSalle Parish School Board
P. O. Drawer 90
Iona, LA 71342-0090

Telephone: (318) 992-2161
Fax: (318) 992-8457

Finding Reference #: **Finding #2 of the Schedule of Findings and Questioned Costs**

Title: **Late Filing of Audit Report**

Initially occurred: Fiscal Year Ended June 30, 1996.

Condition: The Louisiana Legislative Auditor requires audit reports to be filed within six months of the year-end of the governments. The audit report as of and for the year ended June 30, 1996 was filed after the deadline.

Planned Corrective Action: We will monitor the auditors' work progress to ensure compliance with the statute.

Person Responsible for Corrective Action:

Ms. Deborah E. Finley, Business Manager
LaSalle Parish School Board
P. O. Drawer 90
Iona, LA 71342-0090

Telephone: (318) 992-2161
Fax: (318) 992-8457

LaSalle Parish School Board
Jena, Louisiana

Corrective Action Plan for Current-Year Audit
As of and for the Year Ended June 30, 1997

Finding Reference # and Title: 97-1 **Instructional Expenditures Less than the 70% Threshold**

Corrective Action Planned: Management is monitoring instructional expenditures closely in the 1997-1998 school year to ensure compliance with 70% threshold.

Person Responsible for Corrective Action:

Ms. Deborah E. Finley, Business Manager
LaSalle Parish School Board
P. O. Drawer 98
Jena, LA 71342-0098

Telephone: (318) 992-2161
Fax: (318) 992-7415

Anticipated Completion Date: June 30, 1998.

Finding Reference # and Title: 97-2 **Late Filing of Audit Report**

Corrective Action Planned: We will monitor audit progress to assure timely filing of the audit report.

Person Responsible for Corrective Action:

Ms. Deborah E. Finley, Business Manager
LaSalle Parish School Board
P. O. Drawer 98
Jena, LA 71342-0098

Telephone: (318) 992-2161
Fax: (318) 992-7415

Anticipated Completion Date: June 30, 1998.

Finding Reference # and Title: 97-3 **Inventory Fixed Assets**

Corrective Action Planned: Management has made great strides in getting the fixed asset listing updated. However, due to the size of the business department, staff there has been very limited amounts of time available to concentrate on this enormous task. As of November 1997, an additional staff person was hired and assigned the basic responsibility of completing and maintaining fixed asset inventories.

Person Responsible for Corrective Action:

Ms. Deborah E. Finley, Business Manager
LaSalle Parish School Board
P. O. Drawer 98
Jena, LA 71342-0098

Telephone: (318) 992-2161
Fax: (318) 992-7415

Anticipated Completion Date: June 30, 1998.

**LaSalle Parish School Board
Iowa, Louisiana**

**Corrective Action Plan for Current-Year Audit
As of and for the Year Ended June 30, 1997**

Finding Reference # and Title: 97-4 Payroll Expenditures Recorded Twice

Corrective Action Planned: As of July 1, 1996, the business department went to new accounting software for all accounting processes (i.e. payroll and fund accounting). This change of software was made upon the recommendation of our auditors. The new software, in many respects, is very different from the old software we had. In the very early stages of our conversion the software employees who trained school board personnel quit the software company. They left all of LaSalle Parish School Board business staff confused on the new system. Additionally, documentation on the system was very limited. By utilizing the limited help received from the software system for several months and advice and assistance given us by other surrounding school systems already using the same software, we were able to continue with day-to-day operations. Once the software company had hired and trained new personnel and moved others into the School Board area, we were able to get more assistance from them. At that time we realized some errors had been made in payables and liabilities for payroll in several of the federal funds. These errors were identified and corrected, however, some errors of the same nature were not detected. The auditors located them and corrected them. Currently, these transactions are being handled in the proper manner and the auditors' recommendations are being complied with.

Person Responsible for Corrective Action:

Ms. Deborah E. Finley, Business Manager Telephone: (518) 992-2161
LaSalle Parish School Board Fax: (518) 992-7415
P. O. Drawer 90
Iowa, LA 71342-0090

Anticipated Completion Date: June 30, 1998.

Finding Reference # and Title: 97-5 Federal Financial Reporting

Corrective Action Planned: The completion report has been resubmitted in the same manner for a number of years. The reason it was done in this fashion was because purchase orders for the prior year were issued by Title I through September or October of the following year. Purchase orders being issued so late is also the reason the Title I completion report was issued late. A date of July 15 has now been set as the deadline for issuing purchase orders on prior-year funds and completion reports will be tied to the general ledger and will be filed timely.

Person Responsible for Corrective Action:

Ms. Deborah E. Finley, Business Manager Telephone: (518) 992-2161
LaSalle Parish School Board Fax: (518) 992-7415
P. O. Drawer 90
Iowa, LA 71342-0090

Anticipated Completion Date: June 30, 1998.

ALLEN, GREEN & COMPANY, LLP

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Margie Williamson, CPA

Management Letter

Board Members
LaSalle Parish School Board
Jena, Louisiana

Dear Board:

In planning and performing our audit of the general-purpose financial statements of LaSalle Parish School Board for the year ended June 30, 1997, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 4, 1997, on the general-purpose financial statements of LaSalle Parish School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

1. Certification of Emergencies

Condition: Three emergencies were declared during 1997. Notification of the declaration of emergencies must be published in the official journal of the School Board within ten days of the declaration. In all three cases, the only notification was through publishing the board minutes. However, in all three cases, the board minutes were not published within the ten-day period.

Recommendation: Any time an emergency is declared either a separate notice or the board minutes in which the declaration is made should be published within ten days of the declaration.

Response: Management will comply with recommendation.

2. Employees Paid on Contract Labor

Condition: One of a random sample of 18 vendor checks tested, two instances were noted where employees were paid by vendor check. The total population was 2,388 vendor checks. One instance involved a check to a substitute aid for Indian Education in the amount of \$94. Total payments made to the aide during the year by vendor checks were \$364. The second instance involved a homebased instructor in which the check totaled \$188. It appears that similar amounts were paid on other occasions early in the fiscal year. Wages paid to employees of the School Board should have federal and state withholdings deducted to comply with federal and state laws. Since provision has been to make these payments through vendor checks, no federal or state taxes have been withheld. Therefore, the School Board is probably in violation of federal and state laws concerning payroll withholdings.

2. **Employee/Paid or Contract Labor (Continued)**

Response: The School Board addressed the issue of payments to homebound teachers at its December 2, 1996 board meeting. In order to pay homebound teachers and make the proper deductions, the homebound hourly wage was changed from \$12.90 to \$14.50. From December 2, 1996 all homebound salary has been paid through payroll with the proper deductions. The Indian Fund substitute aide was a student at Fort High and we failed to pick her up as a noncontract laborer.

3. **Interfund Transactions**

Condition: For the 1997 fiscal year audit, some additional time and work was required to reconcile interfund transactions and to determine the correct balances of the accounts payable. There were two main factors which contributed to the situation, the use of the prior-year check memo and payroll transfers.

A part of the new computer system first used in the 1997 fiscal year was a prior-year check memo. This memo allows a vendor check to be entered as an account payable and then automatically reverses the transaction in the next year. In general, this feature is a great benefit, making the process of closing the books out and assessing expenditures much easier. However, for the 1997 closing, several interfund checks were entered in prior year check memos. When entered in the prior year check memos, these interfund checks post differently from vendor checks since they are not truly a prior year transaction. The posting of these interfund checks caused at least a portion of the interfund transactions not to agree.

The second concern was related to payroll transfers. Interfund receivable/payable accounts created when the General Fund covers a federal fund's payroll are not being recorded as such. In addition, a transfer account is used to record the General Fund transfer on behalf of the federal funds. The net effect is that either revenue or expenditures are generated in the General Fund each year depending on the timing of when the General Fund pays the Payroll Fund on behalf of the federal funds and when the federal funds reimburse the General Fund. This does not mean any actual revenues or expenditures exist, it merely means that in some years the General Fund covers more salaries/expenditures for the federal funds in that particular year and is later reimbursed in another year.

Recommendation: Only vendor checks should be run through the prior-year check memo. In addition, all interfund transactions (interfund receivables/payables and interfund transfers) should be reconciled and balanced as a part of closing. Interfund receivable/payable accounts could also be used to make payroll transfers more traceable and to avoid generating revenues and expenditures each year.

Response: As of July 1, 1998, the business department went to new accounting software for all accounting processes (i.e., payroll and fund accounting). This change of software was made upon the recommendation of our auditors. The new software, in many respects, is very different from the old software we had. In the very early stages of our conversion the software employees who trained school board personnel quit the software company. This left all of LaSalle Parish School Board business staff untrained on the new system. Additionally, documentation on the system was very limited. By utilizing the limited help received from the software system for several months and advice and assistance given us by other surrounding school systems already using the same software, we were able to continue with day-to-day operations. Once the software company had hired and trained new personnel and moved others into the School Board area, we were able to get more assistance from them. At that time we realized some errors had been made in payables and liabilities for payroll in several of the federal funds. Those errors were identified and corrected; however, some errors

of the same nature were not detected. The auditors located them and corrected them. Currently, these transactions are being handled in the proper manner and the auditor's recommendations are being complied with.

We have also included management's responses to our comments and recommendations. We have performed no audit work to verify the content of the responses.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

The following items are matters we believe you should be aware of that could exist in the operations of the School Board. The inclusion of items are informational and does not indicate that the situation exists at the School Board.

OMB Circular A-133

All School Boards became subject to U. S. Office of Management and Budget (OMB) Circular A-133 and OMB Circular A-133 Provisional Compliance Supplement for the first time for the fiscal year that recently ended. As part of these audit regulations which resulted from the passage of the Single Audit Act Amendments of 1996, there is a De Facto incentive to the School Board. More audit work will be required annually in the federal program area for a government that falls outside the low-risk auditee classification as defined by OMB. Items that prevent a School Board from being treated as a low-risk auditee is if the School Board had reportable conditions (internal control weaknesses) that were considered material weaknesses and material compliance (violations of laws, regulations, contract provisions, etc.) findings. It would be to the School Board's benefit to correct the current-year findings reflected in the Schedule of Findings and Questioned Costs included in the single audit report, particularly any finding that is considered a material weakness.

Another matter resulting from the change in audit regulations from OMB Circular A-128 (old audit regulations) to OMB Circular A-133 is the establishment of a \$10,000 threshold for reporting questioned costs. Previously there was no minimum requirements which resulted in some findings being reported that were fairly insignificant in the scheme of the School Board's operation. The establishment of the \$10,000 threshold will result in less findings in the single audit reports. That is the good news! The bad news is that the findings that are included in the report will take on increased importance. There will be more interaction between the federal agency that provided the finding for the federal program and the School Board and the auditors. In fact the new Data Collection Form (transmittal form that is submitted with all single audit reports) will include name, address, telephone and E-mail addresses for both the School Board and the auditor. Included with each finding in the single audit report is this same information for the person assigned responsibility for the corrective action planned for each finding.

Finally, the Single Audit Act Amendments of 1996 included a provision that the federal agency has access to the auditor's work paper in order to resolve audit findings. Previously, auditors were somewhat reluctant to release audit work papers that could be used by the federal agency to the detriment of the School Board for matters involving questioned costs charged to a federal program. However, now there is no choice by the auditor. The federal agency has access as per Federal law.

Year 2000 Compliance

The turn of the century will be an exciting time for many, but could turn into a disaster unless plans are made concerning year 2000 compliance for many School Board's computer systems. The basic problem lies in the way

release is cited in the above-described final rule as a source of guidance on the disclosure obligations of issuers of municipal securities and is intended to assist municipal securities issuers, brokers, and dealers in meeting their obligations under the anti-fraud provisions of the securities laws.

Further, the SEC's actions will lead to contractual requirements for issuers that may govern, among other things, required financial information and audit requirements.

Section 403(b) Tax-Sheltered Annuities

Certain governmental entities offer Section 403(b) tax-sheltered annuities to their employees. The IRS has developed an examination program for employers who offer these annuities. To date, examinations have uncovered many deficiencies in employer's plans. These deficiencies have included exceeding the various contribution limits, noncompliance with distribution requirements, inadequate salary reduction agreements, and failure to offer universal availability of salary reduction programs (i.e. impermissible eligibility restrictions, mandatory contributions, and participant involuntions). Suitable assessments against these employers have been common as a remedy to prevent the programs from being declared taxable.

The IRS's Tax-Sheltered Annuity Voluntary Correction (TVC) program, which began in 1995, gives plan sponsors of Section 403(b) annuity plans the opportunity to voluntarily correct any plan defects. The program was scheduled to conclude October 1996. However, the IRS has recently announced that the program has been extended until December 31, 1998. Use of the TVC program may result in significantly reduced settlements with the IRS, compared to assessments based on deficiencies discovered during audits performed by the IRS.

IRC Section 457 Deferred Compensation Plans

Many states and local governments have established deferred compensation plans for their employees under the provisions of IRC Section 457. The recently passed Small Business Job Protection Act of 1998 includes a provision that will require these plans to hold all assets in trust for the exclusive benefit of participants and their beneficiaries. This new requirement generally is effective for assets and income held by IRC Section 457 plans on or after August 20, 1998. However, for plans in existence before August 20, 1998, a trust need not be established before January 1, 1999. Before this new legislation, the amounts deferred under an IRC Section 457 plan were, much to the dismay of the employee, legally the property of the governmental employer.

Again, the above items are matters we believe you should be aware of that could affect in the operations of the School Board. The inclusion of items on informational websites does not indicate that the omission exists at the School Board.

We hope the suggested items on the previous pages are useful to you.

This report is intended solely for the use of the Board Members, management, Louisiana Department of Education, U. S. Department of Education and other applicable federal agencies, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Sincerely,



ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
December 4, 2007