

97-3 Audit Report

The current delay in the untimely manner of getting the audit report completed will be avoided with the segregation of duties and having records ready for review at the close of the fiscal year. In the future, I would like to be informed by your office if this office has not arranged for an audit of the school board's financial records in a timely manner.

97-4 Grant No. 97-1A5A-18- Year Ended June 30, 1997

The legal advisor of the Board was made aware of this audit concern several weeks ago. He will get back with me on this item. However, attached to this report is a copy of information regarding the purchase of the computers at two of the parish schools. The companies involved were on the state contract and did meet state requirements.

97-5 Grant No. 97-1A5A-19- Year ended June 30, 1997

Mrs. Edna Thomas, Title I Director contacted the Department of Education (Mrs. Dean Stone, the parish contact person) prior to the sale of the old copier and the receipt of funds to inquire about the appropriate handling of these funds. Mrs. Thomas was told to set the funds up in the account to be used for staff development activities. The 5430 was used according to the information received from the State Department of Education.

If you require more information or can give other recommendations, please contact me. Thank you for your cooperation.

Sincerely,



Daisy F. Star, Ed D.
Superintendent of Schools

Attachments

East Feliciana Parish School Board

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Superintendent

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February 6, 1998

Mr. Jay Cristina
Havelorn, Wagnon & Carroll
Certified Public Accountants
8335 United Plaza Blvd Suite 100
Baton Rouge, Louisiana 70809

Dear Mr. Cristina:

In response to your fax dated January 30, 1998 relating to your findings of the Financial Statement Audit, I am offering the following statements of action to be taken to satisfy the stated concerns:

97-3 Segregation of Duties

The staff which time an additional employee can be hired in accounting, accounting functions will be separated within each department as follows: 1) Payroll clerk will reconcile bank statements for general fund accounts, the federal account bookkeeper will reconcile bank statements for school food service clerk, school food service clerk will reconcile bank statements for the federal account bookkeeper, and the Business manager will reconcile bank statements for payroll, 2) Funds received will be logged in by the executive secretary, 3) a copy of the log will go to the business manager to be verified, 4) business manager will write the deposit slip and bank the funds, 5) a clerk will match the invoices with the purchase orders, 6) the business manager will write the checks to pay bills, 7) a clerk will post receipts and the business manager will post disbursements in the computer as received, all entries will be verified by the business manager.

97-3 Records on Furniture and Equipment

1. Reassignment of duties has allowed the Fixed Assets supervisor and his secretary to devote additional time to manage the backlog of data entries.
2. Work is continuing in entering the data into a computer database and performing hands-on inventory checks of the facilities in the district.
3. By the end of FY 1998, the entries of backlogged items into the database should be complete and the hands-on inventory of the system shall be progressing.

**East Feliciana Parish School Board
Summary Schedule of Prior Audit Findings
Year Ended June 30, 1997**

The summary schedule of prior audit findings is required to report the status of all findings included in the prior audit relative to federal awards. There were no similar findings noted.

90-2 Records on Facilities and Equipment (Continued)

Recommendation

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

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

90-3 Audit Report

Condition and Criteria

The audit report is being submitted more than six months after year end as required by state law. The report was delayed because of scheduling by the School Board and the firm.

Findings and Unaudited Costs - Major Federal Award Programs Audit

Department of Education

Educationally Deprived Children - Local Educational Agencies (Title I - CFTA No. 84410)

90-4 Grant No. 87-1656-19 - Year Ended June 30, 1992

Condition and Criteria

The School Board entered into two lease-purchase agreements to acquire computer stations worth approximately \$248,000 to set up computer labs at parish schools. Louisiana Public Bid Law requires that any purchase of materials exceeding \$10,000 should be advertised and let by contract to the lowest responsible bidder who bid according to the advertised specifications. The law also states that any purchase of computers and related equipment must have advance written approval of the State Central Purchasing Agency. The School Board failed to comply with these laws. Louisiana law states that any transaction involving the creation of debt requires approval by the State Bond Commission. This approval was not obtained. In addition, state law states that elected board members cannot enter into contracts exceeding the length of their term. The lease purchase agreements involved with this transaction are for a period of three years which exceed the board members' remaining term of 2 years.

90-5 Grant No. 87-1656-19 - Year ended June 30, 1992

Condition

The School Board sold a copier for \$400 which had been purchased with federal funds in a previous year. The proceeds from this sale were deposited into the Title I checking account rather than being returned to the federal granting agency.

Findings - Financial Statements Audit

Reportable Conditions

97-1 Segregation of Duties

Condition

The School Board does not separate duties of employees responsible for the accounting functions of particular funds. One employee is responsible for receiving funds, preparing deposit slips, writing checks, and posting receipts and disbursements.

Criteria

A properly planned internal control structure should segregate the duties of record keeping, authorization, custody and issuance to assure a complete and reliable information base from which financial statements can be prepared and on which managers can rely for decision making.

Effect

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

Recommendation

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

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

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

97-2 Records on Furniture and Equipment

Condition

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

Criteria

Fixed asset records should be kept up to date to ensure proper recording and safeguarding of assets and to support management's financial statement assertions.

**East Feliciana Parish School Board
Schedule of Findings and Questioned Costs
Year Ended June 30, 1997**

Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the East Feliciana Parish School Board.
2. Two reportable conditions disclosed during the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. None of these conditions is considered to be a material weakness.
3. No instances of noncompliance material to the financial statements of the East Feliciana Parish School Board were disclosed during the audit.
4. Two reportable conditions disclosed during the audit of the major federal award programs are reported in the Single Audit Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133. The condition is not reported as a material weakness.
5. The auditor's report on compliance for the major federal award programs for the East Feliciana Parish School Board expresses a qualified opinion.
6. Audit findings relative to the major federal award programs for the East Feliciana Parish School Board are reported in the Findings and Questioned Costs - Major Federal Award Programs Audit section of this schedule.
7. The programs tested as major programs included:

| <u>Name of Program</u> | <u>CFDA No.</u> |
|--|-----------------|
| 1. National School Lunch Program | 10.553 |
| National School Breakfast Program | 10.553 |
| 2. Educationally Deprived Children - Local Educational Agencies (Title I) | 84.010 |

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The East Feliciana Parish School Board was determined to be a low risk auditee.

**East Feliciana Parish School Board
Schedule of Federal Financial Assistance
Year Ended June 30, 1987**

Federal Financial Assistance

| Federal Grantor Pass-Through Grantor/Program Name | CFDA Number | Expenses/ Expenditures |
|---|----------------|---------------------------|
| United States Department of Agriculture | | |
| Passed through Louisiana Department of Education: | | |
| National School Lunch Program* | 10-535 | \$620,980 |
| School Breakfast Program* | 10-533 | 137,044 |
| Passed through Louisiana Department of Agriculture: | | |
| Food Distribution Program | 10-530 | 85,119 |
| Agency total | | 843,143 |
| United States Department of Education | | |
| Passed through Louisiana Department of Education: | | |
| Educationally Deprived Children - | | |
| Local Educational Agencies (Title I)* | 84-910 | 889,462 |
| Pre School Incentive Programs - State Block Grants (Chapter II) | 84-151 | 17,380 |
| IDEA - Part B (Special Education) | 84-274 | 132,601 |
| IDEA - Part H (Special Education) | | 3,299 |
| Vocational Education: | | |
| Basic Grants to States | 84-028 | 37,883 |
| Drug Free Schools | 84-186 | 21,883 |
| Adult Education - State Administered Program | 84-002 | 67,547 |
| D. Eisenhower Act - Title II | | 20,808 |
| Pre School Incentive Programs | 84-156A | 40,835 |
| Support Texas Grant | | 3,200 |
| Agency total | | 1,260,601 |
| United States Department of Health and Human Services | | |
| Starting Point | | |
| Project Independence | 83-501 | 34,060 |
| Project Independence | 83-501 | 40,564 |
| Agency total | | 74,624 |
| United States Army | | |
| R. O. T. C. | | 112,824 |
| Grand total - Federal financial assistance | | 2,370,232 |

***Major Programs**

Note: This accompanying schedule of expenditures of Federal Financial Assistance is prepared on the accrual basis of accounting.

In our opinion, except for the noncompliance described in the preceding paragraph, East Feliciana 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.

Internal Control Over Compliance

The management of the East Feliciana 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 the 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 COMB Circular A-133.

We noted certain matters involving the internal control over compliance 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 compliance that, in our judgment, could adversely affect the School Board's ability to administer a major federal program in accordance with applicable requirements of laws, regulation, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 93-1, 93-2 and 93-3.

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 none of the reportable conditions described above is a material weakness.

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

Yours truly,

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CERTIFIED PUBLIC ACCOUNTANTS

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MEMBER OF AMERICAN SOCIETY OF
CERTIFIED FINANCIAL
ANALYSTS (CFAA) (1971)
MEMBER OF AMERICAN SOCIETY OF
CERTIFIED FINANCIAL
ANALYSTS (CFAA) (1971)
MEMBER OF AMERICAN SOCIETY OF
CERTIFIED FINANCIAL
ANALYSTS (CFAA) (1971)

December 22, 1987

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

East Feliciana Parish School Board
Clinton, Louisiana

Board Members:

We have audited the compliance of the

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

with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Requirements that are applicable to each of its major federal programs for the year ended June 30, 1987. The School Board's major federal programs are identified in the summary of auditor's 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 East Feliciana Parish School Board's management. Our responsibility is to express an opinion on the 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, Audit 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 the School Board's compliance with these 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 the School Board's compliance with these requirements.

As describe in Item 57-3 and 57-4 in the accompanying schedule of findings and questioned costs, East Feliciana Parish School Board did not comply with requirements regarding procurement policies, rates, fees, and reimbursement of federal funds that are applicable to its Educationally Deprived Children - Local Educational Agencies (Title I) Program. Compliance with such requirements is necessary, in our opinion, for the School Board to comply with requirements applicable to that program.

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 97-1, 97-2 and 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 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 over 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, we believe none of the reportable conditions described above is a material weakness.

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

Yours truly,

Hickson, Wiggan & Small, LLP

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(PUBLIC ACCOUNTANTS) • (MEMBERSHIP FIRM)

HANBROW, WATMOUTH & CARROLL, L.L.P.
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December 22, 1997

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

East Feliciana Parish School Board
Clinton, Louisiana

Board Members:

We have audited the financial statements of the

East Feliciana Parish School Board
Clinton, Louisiana

as of and for the year ended June 30, 1997, and have issued our report thereon dated December 22, 1997. We conducted our audit in accordance with generally accepted auditing standards and 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 East Feliciana 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 which are described in the accompanying schedule of findings and questioned costs as items 97-4 and 97-5.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered East Feliciana 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 East Feliciana Parish School Board's

East Feliciana Parish School Board
 Sales Tax Agency Fund
 Schedule of Changes in Liabilities
 Year Ended June 30, 1997

| | |
|--|------------------|
| Deposit Balances, beginning of year | \$283,112 |
| Additions | |
| Sales tax collections | 3,308,500 |
| Interest earnings | <u>5,138</u> |
| Total additions | 3,313,638 |
| Deductions | |
| Transfers to (out of interest earnings and fees deducted): | |
| General Fund | 823,412 |
| Debt Service Funds | 823,412 |
| East Feliciana Parish Police Jury | 1,645,130 |
| Refunds to vendors | 7,714 |
| Audit collection fees | <u>368,983</u> |
| Total deductions | 3,338,651 |
| Deposit Balances, end of year | <u>\$221,699</u> |

East Feliciana Parish School Board
 School Activity Fund
 Schedule of Changes in Deposits Over Schools
 Year Ended June 30, 1997

| | Balance July 1, 1996 | Additions | Deductions | Balance June 30, 1997 |
|----------------------|-------------------------|-----------------------|-----------------------|--------------------------|
| Schools | | | | |
| Clinton Elementary | \$11,961 | \$99,613 | \$55,974 | \$95,200 |
| Clinton High | 22,662 | 85,001 | 80,964 | 21,099 |
| Clinton Middle | 1,841 | 90,419 | 90,148 | 2,314 |
| Jackson Complex | 11,979 | 109,030 | 116,774 | 14,235 |
| Slaughter Elementary | <u>858</u> | <u>32,257</u> | <u>32,463</u> | <u>852</u> |
| Total | <u>49,401</u> | <u>426,422</u> | <u>421,323</u> | <u>54,802</u> |

East Feliciana Parish School Board
Agency Funds
Combining Balance Sheet
June 30, 1997

| | School Activity Fund | Sales Tax | Total |
|---------------------------|-------------------------|------------------|------------------|
| Assets | | | |
| Cash and cash equivalents | \$54,502 | \$271,689 | <u>\$326,191</u> |
| Total assets | <u>\$54,502</u> | <u>\$271,689</u> | <u>\$326,191</u> |
| Liabilities | | | |
| Accounts payable | | \$,875 | \$,875 |
| Due to other funds | | 133,162 | 133,162 |
| Due to other governments | | 132,662 | 132,662 |
| Deposits due to schools | \$4,902 | ———— | \$4,902 |
| Total Liabilities | <u>\$4,902</u> | <u>\$271,689</u> | <u>\$326,191</u> |

Agency Funds

School Activity Fund

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

Sales Tax Fund

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

East Feliciana Parish School Board
Debt Service Funds
Combining Schedule of Revenue, Expenditures, and Changes in Fund Equity
Year Ended June 30, 1997

| | Ad Valorem | Sales Tax | Total |
|---|------------------|------------------|------------------|
| Revenue | | | |
| Local sources | | | |
| Taxes | | | |
| Ad valorem | \$1,094,351 | | \$1,094,351 |
| Sales and use | | 803,242 | 803,242 |
| Interest earnings | 22,482 | 81,433 | 103,915 |
| Total revenue | 1,116,833 | 914,675 | 2,031,508 |
| Expenditures | | | |
| Current | | | |
| Support services - general administration | 104,382 | 41,092 | 145,474 |
| Debt service | | | |
| Principal retirement | 645,000 | 190,000 | 835,000 |
| Interest | 307,433 | 122,482 | 429,915 |
| Total expenditures | 1,056,815 | 453,574 | 1,510,389 |
| Excess of Revenue Over Expenditures | 60,018 | 461,101 | 521,119 |
| Other Financing Sources (Uses) | | | |
| Operating transfers out | _____ | (660,290) | (660,290) |
| Excess of Revenue and Other Sources Over Expenditures and other Uses | 60,018 | 41,811 | 101,829 |
| Fund Equity, beginning of year | 389,851 | 2,295,091 | 2,684,942 |
| Fund Equity, end of year | 449,869 | 2,257,304 | 2,707,173 |

East Feliciana Parish School Board
 Debt Service Funds
 Combining Balance Sheet
 June 30, 1997

| | <u>Ad Valorem</u> | <u>Sales Tax</u> | <u>Total</u> |
|--|-------------------|--------------------|--------------------|
| Assets | | | |
| Cash and cash equivalents | \$454,444 | \$2,319,805 | \$2,774,249 |
| Due from other funds | _____ | _____96,581 | _____96,581 |
| Total assets | <u>454,444</u> | <u>2,386,386</u> | <u>2,770,830</u> |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Due to other funds | _____2,482 | _____39,282 | _____41,764 |
| Total liabilities | <u>_____2,482</u> | <u>_____39,282</u> | <u>_____41,764</u> |
| Fund Equity | | | |
| Reserved for debt service | | 1,306,536 | 1,306,536 |
| Unreserved | | | |
| Designated for debt service | 450,952 | 1,650,968 | 1,901,920 |
| Total fund equity | <u>450,952</u> | <u>2,257,104</u> | <u>2,308,056</u> |
| Total liabilities and fund equity | <u>454,444</u> | <u>2,386,386</u> | <u>2,770,830</u> |

Debt Service Funds

Consolidated School District No. 1 Funds

The Consolidated School District No. 1 Debt Service Fund accumulates monies for payment of a \$5,845,000 bond issue, which is financed by a special property tax on property within the parish, and a \$2,740,000 bond issue which is funded by a one percent sales tax. These bonds were issued to construct and improve buildings and other school related facilities and acquire the necessary equipment and furnishings.

East Feliciana Parish School Board
Special Revenue Funds - Miscellaneous Grants
Schedule of Revenues, Expenditures and Changes in
Fund Equity Budget and Actual (GAAP Basis)
Year Ended June 30, 1997

| | Budget | Actual GAAP Basis | Variance Favorable (Unfavorable) |
|--|---------------|-------------------------|--|
| Revenue: | | | |
| Federal sources - restricted grants-in-aid-objgrants | \$62,116 | \$118,853 | \$56,737 |
| Total revenue | 62,116 | 118,853 | 56,737 |
| Expenditures: | | | |
| Current | | | |
| Instruction | | | |
| Special programs | 39,222 | 38,646 | 1,176 |
| Vocational education | | 10,308 | (10,108) |
| Support services | | | |
| Pupil services | 21,107 | 21,077 | 30 |
| Instructional staff support | | 174 | (174) |
| General administration | 1,375 | 1,623 | (248) |
| Student transportation services | 312 | 322 | (10) |
| Capital outlay | — | 42,681 | 42,681 |
| Total expenditures | 62,116 | 118,823 | 156,737 |
| Excess of Revenue Over (Under) Expenditures | | | |
| Fund Equity, beginning of year | — | — | — |
| Fund Equity, end of year | — | — | — |

East Feliciana Parish School Board
Special Revenue Funds - School Food Service
Schedule of Revenue and Expenditures and Changes
in Fund Equity Budget and Actual GAAP Basis
Year Ended June 30, 1997

| | Budget | Actual GAAP Basis | Variance Favorable (Unfavorable) |
|--|-------------------------|----------------------------------|---|
| Revenue: | | | |
| Local source | | | |
| Interest earnings | \$13,000 | \$13,073 | 73 |
| Other (food sales) | 96,000 | 94,673 | (1,327) |
| Federal sources - restricted grants | 900,000 | 923,143 | 23,143 |
| State sources - restricted grants | <u>170,000</u> | <u>170,264</u> | <u>264</u> |
| Total revenue | <u>1,179,000</u> | <u>1,211,154</u> | <u>32,154</u> |
| Expenditures: | | | |
| Current | | | |
| Support services | | | |
| Food service | 1,237,500 | 1,217,018 | 20,484 |
| Capital outlay | <u> </u> | <u>8,420</u> | <u>(8,420)</u> |
| Total expenditures | <u>1,237,500</u> | <u>1,225,438</u> | <u>(12,016)</u> |
| Excess of Revenue Over (Under) Expenditures | 158,500 | (14,282) | 44,218 |
| Fund Equity, beginning of year | <u>417,586</u> | <u>417,586</u> | <u> </u> |
| Fund Equity, end of year | <u>576,086</u> | <u>403,304</u> | <u>172,782</u> |

East Feliciana Parish School Board
Special Revenue Funds - Special Education
Schedule of Revenue, Expenditures and Changes in
Fund Equity Budget and Actual (GAAP Basis)
Year Ended June 30, 1997

| | Budget | Actual GAAP Basis | Variance Favorable (Unfavorable) |
|---|----------------|-------------------------|--|
| Revenue | | | |
| Federal sources - restricted grants-in-aid-subgrants | \$139,300 | \$137,088 | \$2,212 |
| Total revenue | <u>139,300</u> | <u>137,088</u> | <u>2,212</u> |
| Expenditures | | | |
| Current | | | |
| Instruction | | | |
| Special programs | 35,632 | 35,192 | 440 |
| Support services | | | |
| Pupil services | 41,328 | 41,593 | 265 |
| Instructional staff support | 30,959 | 30,587 | 372 |
| General administration | 5,715 | 3,882 | 1,833 |
| Student transportation services | 4,472 | 3,542 | 930 |
| Capital outlay | 20,954 | 62,181 | (41,227) |
| Total expenditures | <u>139,300</u> | <u>177,362</u> | <u>(38,062)</u> |
| Excess of Revenue Over (Under) Expenditures | | (39) | 259 |
| Fund Equity, beginning of year | <u>259</u> | <u>259</u> | <u>—</u> |
| Fund Equity, end of year | <u>259</u> | <u>259</u> | <u>259</u> |

East Feliciana Parish School Board
Special Revenue Funds - Chapter I and II
Schedule of Revenue, Expenditures and Changes in Fund
Equity Budget and Actual (GAAP Basis)
Year Ended June 30, 1997

| | Budget | Actual GAAP Basis | Variance Favorable (Unfavorable) |
|--|------------------|-------------------------|--|
| Revenue | | | |
| Basic Sources - restricted grants | \$961,381 | \$934,262 | (\$27,119) |
| Total revenue | 961,381 | 934,262 | (\$27,119) |
| Expenditures | | | |
| Current | | | |
| Instruction - special programs | 583,073 | \$21,880 | \$61,093 |
| Support services | | | |
| Pupil services | 26,265 | 38,320 | (\$1,955) |
| Instructional staff support | 118,277 | 138,398 | (\$20) |
| General administration | 18,983 | 24,841 | (\$4,858) |
| Operations and maintenance | | 3,374 | (\$3,374) |
| Student transportation service | 108 | 132 | (\$24) |
| Capital outlay | 203,782 | 223,810 | (\$20,028) |
| Total expenditures | 951,388 | 923,825 | \$27,563 |
| Excess of Revenue Over (Under) Expenditures | | 4,337 | 4,337 |
| Fund Equity (Deficit), beginning of year | <u> (782)</u> | <u> (782)</u> | <u> -</u> |
| Fund Equity, end of year | <u> (782)</u> | <u> 3,555</u> | <u> 4,337</u> |

East Feliciana Parish School Board
Special Revenue Funds
Combining Schedule of Revenue, Expenditures and Changes in Equity
Year Ended June 30, 1969

| | Education Consolidation and Improvement Act Chapter Land II. | Special Education | School Food Service Fund | Miscell- aneous Grants | Total |
|---|--|----------------------|-----------------------------------|------------------------------|--------------------|
| Revenue | | | | | |
| Local services | | | | | |
| Interest earnings | | | \$73,675 | | \$73,675 |
| Other (Good sales) | | | 166,672 | | 166,672 |
| Federal sources - restricted grants-in-aid - subgrants | \$894,262 | \$177,088 | 923,143 | \$118,853 | 2,113,346 |
| State sources - restricted grants | ----- | ----- | 170,264 | ----- | 170,264 |
| Total revenue | \$904,262 | 177,088 | 1,211,150 | 118,853 | 2,411,353 |
| Expenditures | | | | | |
| Current | | | | | |
| Instruction | | | | | |
| Special programs | \$21,860 | 35,192 | | 58,046 | \$85,218 |
| Vocational Education | | | | 10,108 | 30,108 |
| Support services | | | | | |
| Pupil services | 38,520 | 41,855 | | 21,977 | 102,352 |
| Instructional staff support | 118,308 | 30,587 | | 174 | 149,069 |
| General administration | 24,811 | 3,882 | | 1,825 | 29,518 |
| Operations and maintenance | 3,274 | | | | 3,274 |
| Student transportation services | 153 | 3,543 | | 323 | 3,819 |
| Food services | | | 1,217,095 | | 1,217,095 |
| Capital outlay | 225,810 | 62,191 | 8,420 | 47,601 | 343,022 |
| Total expenditures | \$29,835 | 177,347 | 1,225,438 | 118,853 | 2,451,473 |
| Excess of Revenue Over (Under) | | | | | |
| Revenue | 4,327 | (259) | (14,282) | | (10,214) |
| Fund Equity (Deficit), year | | | | | |
| beginning of year | ____(782) | ____129 | ____417,586 | ____ | ____417,083 |
| Fund Equity, end of year | ____3,540 | ____(330) | ____403,304 | ____ | ____406,814 |

East Feliciana Parish School Board
 Special Revenue Funds
 Combining Balance Sheet
 June 30, 1997

| | Education Consolidation and Improve- ment Act | | School Food Service Fund | Miscel- laneous Grants | Total |
|--|--|----------------------|-----------------------------------|------------------------------|----------------|
| | Chapter I and II | Special Education | | | |
| Assets | | | | | |
| Cash and cash equivalents | \$55,151 | \$9,044 | \$464,418 | \$8,516 | \$537,129 |
| Receivables | | 89 | 1,408 | 90 | 1,578 |
| Inventory | | | 12,946 | | 12,946 |
| Due from other Governments | 22,850 | 1,888 | — | — | 24,738 |
| Total assets | 125,241 | 11,011 | 478,772 | 8,606 | 624,729 |
| Liabilities and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$16,479 | \$1,668 | \$3,457 | \$203 | \$21,707 |
| Accrued salaries | 65,725 | 3,998 | 67,400 | 6,134 | 143,257 |
| Due to other funds | 39,497 | 4,544 | 4,708 | 1,319 | 50,068 |
| Due to other governments | — | — | — | 950 | 950 |
| Total liabilities | 121,701 | 11,010 | 75,565 | 8,606 | 217,882 |
| Fund Equity (Deficit) | | | | | |
| Unreserved | 3,540 | — | 403,207 | — | 406,747 |
| Total liabilities and fund equity | 125,241 | 11,010 | 478,772 | 8,606 | 624,729 |

Special Revenue Funds

Education Consolidation and Improvement Act Funds

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

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

Special Education Funds

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

School Food Service Fund

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

Miscellaneous Grants

This fund is to account for Miscellaneous Grants which include Vocational Education Grants, Starting Points Grants and Drug Free School Grants.

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 15- Lease Commitments (Continued)

The following is a schedule by each year of future minimum lease payments as of June 30, 1997:

| | |
|---|----------------|
| 1998 | \$124,377 |
| 1999 | 124,377 |
| | |
| Total minimum lease payments | 248,754 |
| Less amounts representing interest | <u>125,138</u> |
| | |
| Present value of minimum lease payments | <u>123,616</u> |

The equipment under capital leases totaled \$147,993 as June 30, 1997.

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 12-Litigation

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

Note 13-Federal Grants

The School Board participates in a number of federally assisted grant programs. These programs are audited in accordance with the Single Audit Act of 1996. Audits of prior years have not resulted in any disallowed costs; however, grant agencies may provide for further examinations. Based on prior experience, the School Board's management believes that further examination would not result in any material disallowed costs.

Note 14-Compensation Paid to School Board Members

The compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1978 Session of the Louisiana Legislature. The compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$350 per month and the president receives \$400 per month for performing the duties of the office. A deduction of \$50 is made if any board member fails to attend the board meeting.

Payments to board members for the year ended June 30, 1997 were as follows:

| | |
|------------------|---------|
| Ellen Crockett | \$4,150 |
| Miriam Douglas | 4,050 |
| Alvin Fort | 4,150 |
| Mark Hamell | 4,150 |
| Melinda Howell | 4,050 |
| Simon Jackson | 4,200 |
| Willie Jackson | 4,150 |
| Donald Jefferson | 4,150 |
| Jean Lanoue | 4,200 |
| Richard Terrell | 4,800 |
| Edward Williams | 4,150 |
| Greg O'Quin | 4,150 |

Note 15-Lease Commitments

The School Board has entered into two long-term capital lease agreements to acquire and use certain equipment. The original lease terms are three years. The implicit interest rates for these leases are 7.16% and 7.33%. The lease payments are expected to remain the same throughout the terms of the leases. The School Board has the option to purchase the equipment at a bargain price at the end of the lease.

The assets acquired under the lease are recorded in the General Fixed Assets Account Group and the lease obligation is recorded in the General Long-Term Debt Account Group.

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 11-General Long-Term Obligations (Continued)

| Consolidated School District No. 1 Date of Issue | Original Issue | Interest Rate | Final Pay- ment Date | Interest to Maturity | Principal Outstanding |
|--|--------------------|------------------|-------------------------|-------------------------|--------------------------|
| General Obligation Bonds February 1, 1987 | \$5,449,000 | 6.1 - 7.0% | 05-1-2007 | \$854,240 | \$3,985,000 |
| Sales Tax Revenue Bonds August 1, 1991 | 1,248,000 | 5.0 - 6.5% | 10-1-2002 | 371,528 | 1,819,000 |
| Total | \$6,697,000 | | | 1,225,768 | 5,804,000 |

The principal and interest requirements of the Consolidated School District No. 1 General Obligation Bonds are funded in accordance with Louisiana law by an annual ad valorem tax levy on taxable property within the school district. The principal and interest requirements of the Consolidated School District No. 1 - Sales Tax Bonds are funded by a one percent sales tax whose proceeds are dedicated for that purpose. As June 30, 1997, the School Board has accumulated \$1,709,056 in the debt service funds for future debt requirements. The bonds are due as follows:

| Fiscal Year | Principal Payments | Interest Payments | Total |
|------------------|-----------------------|----------------------|------------------|
| 1998 | \$945,000 | \$174,645 | \$1,119,645 |
| 1999 | 1,010,000 | 334,018 | 1,324,018 |
| 2000 | 1,080,000 | 347,695 | 1,327,695 |
| 2001 | 1,160,000 | 175,528 | 1,335,528 |
| 2002 | 1,248,000 | 87,425 | 1,335,425 |
| Subsequent years | 280,000 | 34,787 | 314,787 |
| Total | 5,813,000 | 1,225,768 | 7,038,768 |

In accordance with Louisiana Revised Statute 99:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the assessed value of taxable property. As June 30, 1997, the statutory limit is \$10,655,180, and outstanding bonded debt payable from ad valorem taxes totaled \$3,985,000. The School Board is in compliance with all significant limitations and restrictions contained in the bond indentures.

Refunding of Bonds

By resolution on January 23, 1987, the Board authorized the issuance of \$5,449,000 of General Obligation School Refunding Bonds, Series 1987 of Consolidated School District No. 1 of East Feliciana Parish. The bonds are in fully registered form, are dated February 1, 1987, and are in \$5,000 denominations or any integral multiple thereof. The bonds are payable from unlimited ad valorem taxes, bear interest from 6.1 to 7.0 percent per annum, and will mature serially on May 1, 1995 to 2007, except in the years 2000 to 2002, when term bonds totaling \$2,340,000 will mature.

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

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 8-Retirement Systems (Continued)

Louisiana Teachers' Retirement System (Continued)

Both systems issue a publicly available annual financial report that includes financial statements and required supplementary information. These reports may be obtained by contacting the Louisiana Teachers' Retirement System, P. O. Box 94123, Baton Rouge, Louisiana 70804-9123 (phone number 504-325-6443), and School Employees' Retirement System, P. O. Box 44516, Baton Rouge, Louisiana 70804-0516 (phone number 504-325-6484).

Note 9-Post-Retirement Health and Life Insurance Benefits

The East Feliciana Parish School Board in accordance with State statute provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through two insurance companies whose monthly premiums are paid jointly by the employee, the State Employees Group Benefits Program (the state), and the School Board. The School Board recognizes the cost of providing these benefits as an expenditure when paid and simultaneously recognizes the state's portion of the premiums as a revenue. The employer's cost of providing these benefits for the fiscal year ended June 30, 1997 was as follows:

| | |
|-----------------------|------------------|
| Number of employees | 94 |
| Amount of expenditure | <u>\$285,261</u> |

Note 10-Changes in Agency Fund Deposits Due Others

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

| | Balance at Beginning of Year | Addition | Deductions | Balance at End of Year |
|----------------------|---------------------------------|------------------|------------------|---------------------------|
| Agency funds: | | | | |
| School activity fund | \$49,484 | \$426,422 | \$421,321 | \$54,585 |
| Sales tax | 260,132 | 1,547,658 | 1,520,694 | 271,692 |
| Total | <u>312,532</u> | <u>1,774,180</u> | <u>1,783,412</u> | <u>328,281</u> |

Note 11-General Long-Term Obligations

| | Bonded Debt | Compressed Advances | Capital Lease | Total |
|---|------------------|------------------------|------------------|------------------|
| Long-term obligations payable at June 30, 1996 | \$8,715,800 | \$609,407 | | \$7,320,407 |
| Additions | | | \$147,992 | 147,992 |
| Deductions | ...885,000 | ...2,888 | 128,327 | 1,013,205 |
| Long-term obligations payable at June 30, 1997 | <u>7,830,800</u> | <u>606,519</u> | <u>223,665</u> | <u>8,660,984</u> |

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note B-Retirement Systems (Continued)

Louisiana School Employees' Retirement System (LASERS) (Continued)

The maximum retirement benefit is an amount equal to 2½% of the average compensation for the three highest consecutive years of membership service, multiplied by the number of years of service, plus a supplementary allowance of \$24.00 per annum or \$1.00 per month for each year of service, not to exceed average final compensation. The supplemental allowance was eliminated for members entering the Plan on or after July 1, 1986. Effective January 1, 1982, the supplemental allowance was restricted to all members whose service retirement became effective after July 1, 1971.

Effective January 1, 1992, any member retiring on or after January 1, 1992 shall receive for their first 20 years of service a 2½% accrual rate, with a 3% accrual rate for each year after 20 years.

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and has been certified as disabled by the Medical Board.

Upon the death of a member with five or more years of creditable service, the Plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from \$500 up to 35% of the member's average compensation for the three highest consecutive years of membership service.

All temporary, seasonal and part-time employees as defined in Federal Regulations 26 CFR 31.5021-6(a)(7)-2 are not eligible for membership in the Plan. Any part-time employee who works less than 20 hours and does not have at least 10 years of credited service will be refunded their contributions.

Louisiana Teachers' Retirement System

The System consists of three membership plans which require mandatory enrollment for all employees that meet the following eligibility requirements:

- TRSL Regular Plan - employees that meet the legal definition of a "teacher" in accordance with Louisiana Revised Statutes 11:701(2)(5)(a).
- TRSL Plan A - employees paid with school food service funds in which the parish has withdrawn from Social Security coverage.
- TRSL Plan B - employees paid with school food service funds in which the parish has not withdrawn from Social Security coverage.

Teachers' Retirement System of Louisiana provides retirement, disability and survivor benefits. Service retirement vest after 10 years of credited service, disability after 5 years, provided the member is in active service at the time of filing application for disability retirement. The formula for annual maximum retirement benefits is 3 or 3½ percent (Regular Plan), 1 or 1½ percent (Plan A), or 2 percent (Plan B) of final average salary for each year of credited service. Final average salary is based upon the member's highest consecutive 36 months of salary. Benefits are paid monthly for life. If a member leaves covered employment prior to vesting or dies prior to establishing eligibility for survivor benefits, accumulated member contributions are refunded.

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 8 - Retirement Systems (Continued)

Retirement Systems (LASERS). Generally, all full-time employees are eligible to participate in the systems, with employees' benefits vesting after ten years of service. Benefits of the systems are funded by employee and employer contributions. The contribution rates (as a percent of covered salaries) for the year ended June 30, 1997 are determined by state statute as follows:

| | Employee | Employer |
|--|-----------------|-----------------|
| Louisiana Teachers Retirement System | 3.0% - 8.0% | 16.3% |
| Louisiana School Employees Retirement System | 4.35% | 6.6% |

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

| | Year Ended June | | |
|--|------------------------|-------------|-------------|
| | 1997 | 1996 | 1995 |
| Louisiana Teachers' Retirement System | \$1,085,351 | \$1,355,229 | \$1,083,837 |
| Louisiana School Employees Retirement System | 40,647 | 59,437 | 40,573 |

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

A brief statement of terms of the pension plan follows:

Louisiana School Employees' Retirement System (LASERS)

Membership is mandatory for all employees under age 60 employed by a Louisiana Parish or City School Board who work more than twenty hours as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide. Members are vested after 10 years of service.

A member is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 15 years of creditable service and is at least age 60.

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 6-Due From/To Other Governments

Individual balances due from/to other governments at June 30, 1997 are as follows:

| | Due From Other Governments | Due to Other Governments |
|---|----------------------------------|--------------------------------|
| Governmental Unit | | |
| General Fund | | |
| State of Louisiana | \$76,237 | \$2,194 |
| East Feliciana Parish Assessor | 62,182 | ----- |
| Total general fund | 143,419 | 2,194 |
| Special Revenue Funds | | |
| State of Louisiana | 74,976 | |
| Agency Fund | | |
| Sales tax - East Feliciana Parish Police Jury | ----- | 122,662 |
| Total | 218,425 | 124,856 |

Note 7-Fixed Assets

The changes in general fixed assets follows:

| | Balance July 1, 1996 | Adjustments/ Additions | Adjustments/ Deletions | Balance June 30, 1997 |
|--|-------------------------|---------------------------|---------------------------|--------------------------|
| Land | \$2,146,230 | | | \$2,146,230 |
| Buildings and improvements | 19,576,374 | | | 19,576,374 |
| Furniture and equipment | 2,082,910 | \$404,107 | | 2,487,017 |
| Equipment under capital lease | ----- | 247,892 | | 247,892 |
| Total | 19,816,514 | 652,002 | | 20,468,616 |

Note 8-Retirement Systems

Substantially all employees of the School Board are members in one of two cost sharing, multiple-employer statewide retirement systems. In general, professional employees, such as teachers, principals, and bus/concession workers are members of the Louisiana Teachers Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 2-Summary of Significant Accounting Policies (Continued)

I. Sales Taxes (Continued)

A one percent sales and use tax was renewed on September 27, 1986, and expires on June 30, 1997. This tax was renewed October 21, 1995 for ten years beginning June 30, 1997. One-half of the proceeds of this one percent sales tax are dedicated to the payment of teachers' salaries, and the remainder of the proceeds are to be used for the operation including maintenance and improvement of school buildings and sites of the public schools in East Feliciana Parish.

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

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

J. Use of Estimates

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

K. Total Columns on Combined Statements

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

Note 3-Levied Taxes

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

| | <u>Authorized Millage</u> | <u>Levied Millage</u> |
|--------------------------|-------------------------------|---------------------------|
| Parish wide taxes | | |
| Constitutional | 3.66 | 3.66 |
| School Board maintenance | 16.30 | 16.30 |
| Debt Service | 25.85 | 25.85 |

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 2-Summary of Significant Accounting Policies (Continued)

E. Cash and Cash Equivalents (Continued)

As of year end, the federal deposit insurance and pledged securities exceeded the bank balances.

F. Inventory

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

G. Vacation, Sick and Sabbatical Leaves

All twelve-month employees earn ten days of vacation leave each year, which can be accumulated. However, upon termination or retirement, all unused vacation leave is forfeited. Nine-month employees earn two days of personal leave each academic year. Any unused personal leave reverts into sick leave at the end of the year.

All School Board employees earn 8 to 18 days of sick leave each year, which can be accumulated without limitation depending upon length of service with the School Board. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heir) at the employee's current rate of pay, and all unused sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service.

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

The cost of leave privileges, computed in accordance with Codebook Section 60B, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

H. Prepaid Expenses

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

I. Sales Taxes

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

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 1-Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

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

Other Financing Sources (Uses)

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

D. Budget Practices

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

The proposed general fund and special revenue fund budgets for the fiscal year beginning July 1, 1996 and ending June 30, 1997 was made available for public inspection at the School Board office on August 20, 1996. A public hearing is held prior to the adoption of the budget at the School Board office for suggestions and comments from taxpayers. The proposed budget was legally adopted by the School Board on September 15, 1996. The budget, which included proposed expenditures and the means of financing them for all governmental funds, was published in the official journal 12 days prior to the public hearing.

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

E. Cash and Cash Equivalents

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

At year end, the School Board had cash and cash equivalents with book balances of \$6,308,763, and bank balances of \$8,948,984.

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

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

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 2-Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

General Fund Assets and General Long-Term Obligation Account Groups (Continued)

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Because they do not affect an current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They instead are reported as liabilities in the General Long-Term Obligations Account Group.

C. Basis of Accounting

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

Revenue

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

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, adopted each year by June 30, and become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December, January, and February of the fiscal year.

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

Interest earnings on time deposits are recorded when earned.

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

Substantially all other revenue is recorded when received.

Expenditures

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

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

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

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

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

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 2-Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Governmental Fund Types

General Fund

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

Special Revenue Funds

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

Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct major capital facilities.

Debt Service Funds

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

Agency Funds (Includes School Activity Accounts)

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

General Fixed Assets and General Long-Term Obligation Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) to net assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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

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

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

East Feliciana Parish School Board
Notes to Financial Statements
June 30, 1997

Note 1-General Information

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

The School Board operates seven schools within the parish with enrollment as of May 1997 of approximately 1,000 students. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

Note 2-Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

B. Fund Accounting

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

East Feliciana Parish School Board
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General (GAAP Basis) and Special Revenues (GAAP Basis) Funds
Year Ended June 30, 1997

| | General Fund | | Special Revenues Funds | | Total Miscellaneous Debt | |
|--|--------------|-------------|------------------------|-----------|--------------------------|-------------|
| | Budget | Actual | Budget | Actual | Budget | Actual |
| (Amounts in thousands) | \$9,000,318 | \$8,915,005 | \$405,315 | \$594,176 | \$480,000 | \$9,980,296 |
| Expenditures (Continued) | | | | | | |
| Support services - (Continued) | | | | | | |
| Operations and maintenance | 895,481 | 895,925 | 3,118 | 3,159 | 656,781 | 899,279 |
| Student transportation | 595,333 | 595,333 | 4,797 | 3,995 | 900,077 | 900,418 |
| Food services | 19,484 | 78,150 | 1,895 | 1,317,005 | 1,297,746 | 18,618 |
| Central services | 27,800 | 2,613 | 22,203 | — | 37,800 | 2,613 |
| Community service programs | 4,445 | 5,438 | 1,839 | — | 4,445 | 5,438 |
| Capital Outlay: | | | | | | |
| Facilities acquisition and construction | — | 13,643 | 17,283 | — | 37,283 | 13,643 |
| Total expenditures | 1,510,943 | 1,625,075 | 2,936 | 2,452,431 | 1,653,089 | 3,286,441 |
| Excess (Deficiency) of Revenues Over Expenditures | — | 48,034 | 42,654 | (1,114) | 13,229 | 3,292 |
| Other Financing Sources (Used) | | | | | | |
| Operating leases in Operating Leases on | 30,000 | 30,000 | — | — | 30,000 | 30,000 |
| Total additional financing resources used | 30,000 | 30,000 | — | — | 30,000 | 30,000 |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | 30,000 | 78,034 | — | — | 43,229 | 60,000 |
| Fund Equity, beginning of year | — | — | — | — | — | — |
| Fund Equity, end of year | 30,000 | 78,034 | — | — | 43,229 | 60,000 |

The accompanying notes are an integral part of these statements.

East Feliciana Parish School Board
Combined Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual
General (GAAP Basis) and Special Revenue (GAAP Basis) Funds
Year Ended June 30, 1997

| | General Fund | | | Special Revenue Funds | | | Total (Memorandum Basis) | | |
|---|-------------------|-------------------|----------------------------------|-----------------------|------------------|----------------------------------|--------------------------|-------------------|----------------------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues | | | | | | | | | |
| Local sources: | | | | | | | | | |
| Taxes | | | | | | | | | |
| Ad valorem | 981,300 | 981,400 | 500,500 | | | | 982,900 | 983,400 | 836,500 |
| Mills, use and other | 301,248 | 301,932 | (171,800) | | | | 301,248 | 303,432 | (171,800) |
| Fees | 4,375 | 4,081 | 1,679 | | | | 4,375 | 4,080 | 1,679 |
| Interest earnings | 400,000 | 90,571 | 309,429 | 113,000 | 113,075 | (775) | 113,000 | 103,592 | 9,408 |
| Other | 31,200 | 71,291 | 20,091 | 96,000 | 106,473 | 8,473 | 149,200 | 177,563 | 28,363 |
| State sources: | | | | | | | | | |
| Unrestricted grants | 870,364 | 8,611,508 | (773,890) | | | | 870,364 | 8,611,508 | (773,890) |
| Restricted grants | 304,341 | 19,282 | (246,549) | 100,000 | 190,364 | 364 | 479,341 | 528,466 | (149,281) |
| Federal sources: | | | | | | | | | |
| Food/food grants | 11,625 | 367,881 | 333,259 | 2,000,000 | 2,103,358 | 80,358 | 2,278,152 | 2,528,622 | 250,470 |
| Total revenues | 11,625,221 | 11,627,620 | (284,282) | 2,311,302 | 2,411,312 | 80,452 | 11,656,125 | 11,958,422 | (292,297) |
| Expenditures | | | | | | | | | |
| Current: | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Regular program | 5,051,124 | 4,242,400 | 65,404 | | | | 5,052,124 | 4,243,400 | 66,404 |
| Special program | 1,097,132 | 1,071,201 | 14,905 | 607,927 | 595,318 | 62,300 | 1,705,059 | 1,667,560 | 37,514 |
| Vocational education | 100,000 | 109,279 | 9,280 | | 10,000 | (10,000) | 100,000 | 109,279 | (9,280) |
| Other instructional | 18,368 | 21,248 | 2,780 | | | | 18,368 | 21,248 | 2,780 |
| Adult and continuing education programs | 64,287 | 17,076 | 4,700 | | | | 64,287 | 17,076 | 4,700 |
| Support services: | | | | | | | | | |
| Plant services | 408,598 | 415,215 | 65,777 | 60,000 | 101,150 | (41,150) | 508,598 | 516,365 | (7,767) |
| Instructional staff support | 400,876 | 395,270 | 121,270 | 109,276 | 109,000 | 207 | 600,152 | 604,270 | (4,118) |
| Central administration | 170,217 | 169,819 | 9,398 | 27,275 | 28,315 | (2,040) | 408,492 | 398,132 | 1,035 |
| School administration | 131,200 | 149,445 | (16,300) | | | | 131,200 | 149,445 | (16,300) |
| Business services | 127,542 | 128,842 | 1,302 | | | | 127,542 | 128,842 | 1,302 |
| Total current services | 8,000,118 | 8,015,861 | (15,743) | (224,276) | (185,450) | 60,612 | 8,059,528 | 8,008,248 | 51,280 |

The accompanying notes are an integral part of these statements.

East Feliciana Parish School Board
All Governmental Fund Types
Combined Statement of Revenue, Expenditures and Changes in Fund Equity
Year Ended June 30, 1997

| | <u>Governmental Fund Types</u> | | | | Totals (Memorandum Only) |
|--|--------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|--------------------------------|
| | <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | <u>Capital Projects Funds</u> | |
| (Amounts brought forward) | \$10,822,773 | \$2,999,549 | \$140,404 | \$152,127 | \$13,214,853 |
| Expenditures (Continued) | | | | | |
| Community service programs | 5,486 | | | | 5,486 |
| Capital outlay: | | | | | |
| Facilities acquisition and construction | 190,813 | 341,022 | | 35,810 | 567,645 |
| Debt service: | | | | | |
| Principal retirement | | | 895,000 | | 895,000 |
| Interest | | | 428,825 | | 428,825 |
| Total expenditures | 19,508,876 | 2,451,571 | 1,470,219 | 187,937 | 23,618,603 |
| Excess (Deficiency) of Revenue Over Expenditures | 49,891 | (110,214) | 362,294 | (25,215) | 525,856 |
| Other Financing Sources (Uses) | | | | | |
| Operating transfers in | 395,614 | | | 124,486 | 481,000 |
| Operating transfers out | | | (450,218) | (20,873) | (441,000) |
| Total other financing sources/uses | 395,614 | | (450,218) | 103,613 | — |
| Excess (Deficiency) of Revenue and Other Sources Over Expenditures and Other Uses | 405,505 | (110,214) | 302,076 | 78,397 | 575,856 |
| Fund Equity, beginning of year | 1,289,034 | 417,858 | 2,607,842 | 26,216 | 4,340,950 |
| Fund Equity, end of year | <u>1,704,602</u> | <u>405,899</u> | <u>2,709,926</u> | <u>104,613</u> | <u>4,825,072</u> |
| (Concluded) | | | | | |

The accompanying notes are an integral part of these statements.

East Feliciana Parish School Board
All Governmental Fund Types
Combined Statement of Revenue, Expenditures and Changes in Fund Equity
Year Ended June 30, 1997

| | <u>Governmental Fund Types</u> | | | | <u>Total (Memorandum Only)</u> |
|--|--------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|--|
| | <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | <u>Capital Projects Funds</u> | |
| Revenue: | | | | | |
| Local sources: | | | | | |
| Taxes: | | | | | |
| Ad valorem | \$853,488 | | \$1,094,351 | | \$1,947,839 |
| Sales, use and other | 863,432 | | 833,242 | | 1,696,674 |
| Tuition | 6,405 | | | | 6,405 |
| Interest earnings | 90,517 | 513,073 | 104,500 | 32,498 | 740,588 |
| Other | 73,291 | 104,670 | | 168,220 | 346,181 |
| State sources: | | | | | |
| State equalization | 8,615,508 | | | | 8,615,508 |
| Other state support | 158,302 | 170,264 | | | 328,566 |
| Federal sources: | | | | | |
| Federal grants | 262,085 | 2,133,390 | | | 2,395,475 |
| Total revenue | <u>11,027,892</u> | <u>2,841,327</u> | <u>2,203,123</u> | <u>182,718</u> | <u>16,355,060</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular programs | 4,982,698 | | | | 4,982,698 |
| Special programs | 1,871,527 | 598,218 | | | 2,469,745 |
| Vocational education | 329,279 | 10,108 | | | 339,387 |
| Other instructional | 253,968 | | | | 253,968 |
| Adult and continuing education programs | 57,816 | | | | 57,816 |
| Support services: | | | | | |
| Pupil services | 435,935 | 181,350 | | | 617,285 |
| Instructional staff support | 508,755 | 149,069 | | | 657,824 |
| General administration | 368,809 | 29,518 | 143,424 | | 541,751 |
| School administration | 790,449 | | | | 790,449 |
| Business services | 136,845 | | | 390 | 137,235 |
| Operations and maintenance | 899,565 | 3,324 | | 151,797 | 1,054,686 |
| Student transportation | 929,552 | 3,886 | | | 933,438 |
| Food services | 78,730 | 1,217,086 | | | 1,295,816 |
| Central services | 5,812 | | | | 5,812 |
| (Amounts carried forward) | <u>30,822,775</u> | <u>2,909,948</u> | <u>143,424</u> | <u>152,120</u> | <u>34,028,267</u> |

Continued

The accompanying notes are an integral part of these statements.

East Feliciana Parish School Board
 All Fund Types and Account Groups
 Combined Balance Sheet

June 30, 1997

| | Governmental Fund Types | | | Fiduciary Fund Type—Agency Funds | Account Groups | | | Totals (Non-random Debt) |
|--|-------------------------|-----------------------|--------------------|----------------------------------|------------------------|---------------------|-----------------------|--------------------------|
| | General Fund | Special Revenue Funds | Debt Service Funds | | Capital Projects Funds | General Fund Assets | Long-Term Obligations | |
| Liabilities and Fund Equity | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$41,473 | \$21,687 | | \$1,237 | | | \$64,397 | |
| Accrued salaries | 1,203,199 | 145,289 | | | | | 1,348,488 | |
| Due other funds | | 90,068 | \$81,774 | 2,116 | | | 173,958 | |
| Due to other governments | 1,194 | 660 | | | | | 1,854 | |
| Deposits due to schools | | | | | | | 54,302 | |
| Compensated absence payable | | | | | \$602,319 | | 602,319 | |
| Bonds payable | | | | | 5,029,899 | | 5,029,899 | |
| Lease obligations | | | | | 123,613 | | 123,613 | |
| Total liabilities | 1,250,066 | 217,634 | 31,774 | 1,453 | 6,668,129 | | 8,182,056 | |
| Fund equity: | | | | | | | | |
| Investment in general fund assets | | | | | | \$28,568,663 | 28,568,663 | |
| Fund balances: | 95,823 | | 1,208,278 | | | | 97,021 | |
| Reserved for prepaid expenses | | | | | | | 1,208,278 | |
| Reserved for debt service (maturity) | | | 1,501,528 | | | | 1,501,528 | |
| Designated for debt service (undesignated) | 1,008,623 | 496,654 | | 109,613 | | | 1,614,890 | |
| Total fund equity | 1,004,423 | 496,654 | 1,709,796 | 129,226 | | 28,568,663 | 31,818,762 | |
| Total liabilities and fund equity | 2,254,489 | 714,288 | 521,570 | 1,582 | | 28,568,663 | 31,818,762 | |

The accompanying notes are an integral part of these statements.

East Polkiana Parish School Board
 All Fund Types and Account Groups
 Combined Balance Sheet
 June 30, 1997

| Assets | Governmental Fund Types | | | Fiduciary Fund Type - Agency Funds | Account Groups | | Totals (Includes random Dubs) |
|---|-------------------------|----------------------|------------------------|------------------------------------|---------------------|-----------------------|-------------------------------|
| | General Fund | Social Service Funds | Capital Projects Funds | | General Fund Assets | Long-Term Obligations | |
| Cash and cash equivalents | \$2,564,918 | \$203,129 | \$2,674,249 | \$329,201 | | | \$6,296,769 |
| Receivables | 2,808 | 2,578 | | | | | 3,285 |
| Due from other funds | 190,349 | | 68,581 | | | | 257,930 |
| Due from other governments | 141,429 | 74,979 | | | | | 216,408 |
| Inventory | | 12,846 | | | | | 12,846 |
| Prepaid expenses | 96,823 | | | | | | 96,823 |
| Land, buildings, improvements, furniture and equipment | | | | | | | |
| Amount available to debt service funds | | | | | | \$20,568,613 | 20,568,613 |
| Amount to be provided for retirement of general long-term obligations | | | | | | \$2,799,096 | 2,799,096 |
| Total assets | 2,961,519 | 604,226 | 2,546,829 | 329,201 | | 2,827,078 | 3,927,078 |
| | | | | | | 6,446,136 | 10,373,214 |

(Continued)

The accompanying notes are an integral part of these statements.



CERTIFIED PUBLIC ACCOUNTANTS

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CHARITABLE ORGANIZATIONS (MICO)
MEMBER OF THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS (AICPA)
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STATE SOCIETIES OF CERTIFIED PUBLIC
ACCOUNTANTS (NASBA)
MEMBER OF THE MISSISSIPPI SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS (MSSCPA)

December 22, 1997

Independent Auditor's Report

East Feliciana Parish School Board

Clinton, Louisiana

Board Members:

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

East Feliciana Parish School Board
Clinton, Louisiana

as of and for the year ended June 30, 1997 as listed in the table of contents. These general-purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These 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.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the East Feliciana Parish School Board, Clinton, Louisiana, 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 22, 1997, on our consideration of East Feliciana Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the East Feliciana Parish School Board, Clinton, Louisiana, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis as is the accompanying schedule of Federal Financial Assistance which is required by U.S. Office of Management and Budget Circular A-133 Audit of State and Local Governments and Non-Profit Organizations, and are 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 presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Yours truly,

Hartman, Waymouth & Carroll, L.L.P.

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**FINANCIAL
REPORT**

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**East Feliciana Parish School Board
Clinton, Louisiana
General Purpose Financial Statements
and
Auditor's Report
June 30, 1997**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, if required, and is available to the public officials. The report is available for public inspection at the State House of Representatives, the Auditor and, where appropriate, at the office of the parish clerk of court.

MAR 04 1998

Release Date