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COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

DESOTO PARISH SCHOOL BOARD Mansfield, Louisiana

For the Year Ended June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the auditor, or reviewed, audit and other responsible 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 FEB 18 1998

Mrs. Brenda B. Hall
President

Mr. Chad M. Hanson
Superintendent

Mr. Steven Starfield
Director of Finance, Maintenance and Legal Services

Prepared by the Business Department

DESOUD PARISH SCHOOL BOARD
Mossfield, Louisiana

Notes to Combined Financial Statements

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the School Board's general fixed assets and general long-term obligations. The following are the School Board's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School Board. Items that are charged against the capital outlay accounts, materials and supplies, and repairs and maintenance that meet the capitalization policy are recorded in the General Fixed Assets Account Group.

General Long-Term Debt Account Group - This account group is established to account for all long-term obligations of the School Board.

(C) Fixed Assets and Long-Term Liabilities

The accounting and reporting treatments 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 current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) 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) in net current 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 governmental funds. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

All purchased or constructed fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their fair market value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

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

DESOUD PARIH SCHOOL BOARD
Mandeville, Louisiana

Notes to Condensed Financial Statements

The accounting policies of the School Board conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

(B) **Basis of Presentation**

The accounts of the School Board are organized on the basis of funds or 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 equity, revenues, and expenditures. The various funds are maintained by type in the financial statements. The following fund types and account groups are used by the School Board:

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use, and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. All governmental funds are accounted for on a current financial resources measurement basis; that is, the measurement basis is upon determination of changes in financial position, rather than upon net income determination. The following are the School Board's governmental fund types:

General Fund - The General Fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Debt Service Funds - The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Funds receive a dedicated portion of all valuations and sales taxes paid to the School Board.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

TRUSTARY FUND

School Activity Agency Fund - The School Activity Agency Fund is used to account for assets held by the School Board as an agent for other parties. The School Activity Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

DESOLO PARISH SCHOOL BOARD
Mansfield, Louisiana

Notes to Combined Financial Statements

June 30, 1987

(1) Summary of Significant Accounting Policies

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

The School Board operates 9 schools within the parish with a total enrollment of approximately 5,200 pupils. In conjunction with the regular education 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.

(A) Reporting Entity

The basic criteria for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/loss relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the DeSoto Parish School Board (the primary government). Based on the criteria there are no component units included in the School Board's reporting entity.

Jointly Governed Organization

DeSoto Parish Sales and Use Tax Commission (Commission) — The Commission is an independent agency responsible for the collection, enforcement, and administration of sales and use taxes levied by the School Board, the City of Mansfield, and the DeSoto Parish Police Jury. The Commission is considered a separate reporting entity and issues financial statements separate from those of the School Board. The School Board does not retain an ongoing financial interest or responsibility in its operations. The Commission is not considered a component unit of the School Board and its operations are not included in the accompanying financial statements.

KPMG Peat Marwick LLP

8000 Lakeside Corporate Center
3007 Lakeside Street
Metairie, LA 70002-2099

Independent Auditors' Report

To the Members of the DeSoto
Parish School Board
Mandeville, Louisiana

We have audited the general purpose financial statements of the DeSoto Parish School Board (School Board) as of and for the year ended June 30, 1997, as listed in the accompanying table of contents as Exhibits 1 through 3. These general purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the 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 September 26, 1997, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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

The accompanying financial information listed in the statistical Tables 1 through 18 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and accordingly we express no opinion on this information.

KPMG Peat Marwick LLP

September 26, 1997

COMBINED FINANCIAL STATEMENTS — OVERVIEW

The Combined Financial Statements - Overview include all funds and account groups in order to provide an overview of the financial position and results of operations for the DeSoto Parish school system as a whole. Detailed financial statements for each fund and account group are presented elsewhere in this report.

DESOUDS PARISH SCHOOL BOARD
Mandeville, Louisiana

Selected Administrative Officials

		Began in This Position
Mr. Chal M. Rauson	Superintendent	07/96
Ms. Clara Anderson	Supervisor of School Food Services	07/74
Mrs. Linda Binning	Supervisor of Lower Elementary (PreK-5)	07/96
Ms. Gail Garcia	Director / Supervisor of Personnel and Secondary Education	07/96
Mr. James Y. Gilco	Supervisor of Maintenance	11/82
Mrs. Willie Gilson	Supervisor of Upper Elementary (6-8)	07/96
Mr. Willie Jones	Director / Supervisor Federal Programs and Transportation	07/96
Mr. Bennie Land	Supervisor of Child Welfare and Attendance	10/88
Mrs. Carolyn Palmer	Director of Instruction PreK - 12	07/96
Mrs. Joyce B. Smedley	Supervisor of Special Education	10/88
Mr. Steven Stanfield	Director of Finance, Maintenance and Legal Services	07/85
Mr. A.J. Williams, Jr.	Supervisor of Adult Education	08/76
Mrs. Dorris Williams	Special Education Coordinator	07/94

DISOTO PARISH SCHOOL BOARD
 Mansfield, Louisiana

Elected Officials

	District	Present Term Began	Present Term Expires	Began as a Board Member
President				
Mrs. Brenda L. Hall	2	January 1, 1995	December 31, 1998	December 1985
Vice President				
Mr. Donald B. Dufour	6	January 1, 1995	December 31, 1998	January 1991
Finance Committee Chairman				
Mr. Thomas Craig, II	8	January 1, 1995	December 31, 1998	January 1991
Mr. Robert Taylor	1	January 1, 1995	December 31, 1998	January 1995
Mr. Mel Lawrence Fuller	3	January 1, 1995	December 31, 1998	December 1980
Dr. Fred Olin Row	4	January 1, 1995	December 31, 1998	January 1991
Mrs. Patricia Heizer	5	January 1, 1995	December 31, 1998	February 1994
Mr. Tom Dodson	6	January 1, 1995	December 31, 1998	January 1995
Mr. Richard E. Lund	7	January 1, 1995	December 31, 1998	January 1987
Mr. James H. Wiggins	10	January 1, 1995	December 31, 1998	August 1991
Mr. L.J. Mayweather, Jr.	11	January 1, 1995	December 31, 1998	January 1981

DESOTO PARISH SCHOOL BOARD
Mandeville, Louisiana

Certificate of Excellence in Financial Reporting

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

DESOTO PARISH SCHOOL BOARD

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1996

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Alan C. Zepher
President

Don H. King
Executive Director

DESOTO PARISH SCHOOL BOARD
Monroe, Louisiana

Certificate of Achievement for Excellence in Financial Reporting

Certificate of Achievement for Excellence in Financial Reporting

Presented to

DeSoto Parish School
Board, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1996

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems which consistently receive annual financial reports (CAFRs) which achieve the highest standards in government accounting and financial reporting.



Arthur R. Lynch
President

Jeffrey L. Euse
Executive Director

Independent and Internal Audits

The report of our independent certified public accountants, KPMG Peat Marwick LLP, follows as an integral component of this report. Their examination of the general purpose financial statements was performed in accordance with generally accepted auditing standards and, accordingly, includes a review of the Board's system of budgetary and accounting controls.

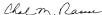
In addition to the accounting control systems and the use of independent auditors, the Business Department conducts internal audits of School Activity Funds.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting, and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the School Board for its Comprehensive Annual Financial Report for the preceding fiscal year. To be awarded these certificates, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. These certificates are valid for a period of one year only. We believe our current report continues to conform to the certificate requirements, and we are submitting it to both GFOA and ASBO.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Business Department. We want to express our appreciation to them for their assistance. We also thank the members of the Board for their interest and support in planning and conducting the financial operations of the School System in a responsible and progressive manner.



Chas. M. Rasmussen, Superintendent
DeSoto Parish Schools


Steven Stanfield, Director
Finance, Maintenance and Legal Services

Risk Management

The Board maintains a combination of self-insurance and stop-loss coverage to manage its risks of loss from property damage, theft, and claims against employees. In addition, the Board is partially self-insured for health insurance and workers' compensation. A list of insurance in force is included in Table 15. The General Fund balance includes \$2,707,000 designated for contingencies established in anticipation of possible losses related to insurance coverage and other risks.

OTHER INFORMATION

Service Efforts And Accomplishments

During 1997, the schools of DeSoto Parish served an average of 5,026 students daily. In 1997 the average daily attendance increased as a percentage of average daily students to 94.97%.

The graduating classes of 1997 remained consistent with previous years, with a total of 292 students graduating from DeSoto Parish schools. The average American College Test (ACT) scores of graduates also remained consistent with past years, as well as with state scores. The average ACT scores of DeSoto Parish students was 17.7 for 1997.

DeSoto Parish has been increasing the number of classroom teachers to a total of 359 in 1997. With the number of students declining by 78 in 1997, the ratio of students per teacher decreased from 14.58 in 1995 to 14.65 in 1997. Reducing the ratio of students to teachers to increase classroom learning continues to be an area of emphasis for the schools.

Significant Budget Changes for 1997-1998

In fiscal year 1997-1998, the General Fund budgeted revenues are expected to increase \$1.5 million dollars due to the addition of the SWEP/COLECO Power Plant. These recovering revenues are needed to fund the recurring pay raises approved in August 1996.

A deficit of \$500,000 is projected to occur in the General Fund budget for the 1997-98 fiscal year. This deficit is attributed to the Group Hospitalization Program that 356 employees and retirees participate in. Protective Life Insurance Company recommended a premium increase of 11.3% that would add \$375,800 to the budget in employer costs. Because of excellent claims experience in prior years, the Hospitalization Claims Reserve will be used, in fiscal year 1997-98 only, rather than increasing premiums.

A second maintenance and curbedal study by Dr. White and Dr. Wilson is added to the budget and will cost \$3,000. This follow up study is needed to revise any recommendations from the 1996 study and to give continued guidance for improvement in the maintenance department. Additional recurring costs could result from this survey.

On July 15, 1997, the voters in School District No. 2 approved the sale of \$2,360,000 in General Obligation Bonds for improvements to North DeSoto High School. The major improvements to this facility include (1) a new raised open metal roof will be installed, (2) a new fire alarm system, and (3) a new HVAC system to replace the 36 roof top units.

DeSoto Parish School Board Members

September 26, 1997

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(4) **Capital Projects Funds** - The Capital Projects Funds account for financial resources used for facilities acquisition, construction, and improvements of public school facilities in the respective districts. As a result of debt issues, funds are currently available for the planned projects. During the year ended June 30, 1997, capital expenditures were made totaling \$660,873. The total costs associated with these additional improvements are as follows:

	Cost Incurred as of June 30, 1997
District No. 1	\$ 188,511
District No. 2	224,311
District No. 3	67,223
District No. 4	253,234
District No. 5	3,596

All major construction projects were substantially complete as of June 30, 1997.

Extracurricular Funds

Extracurricular funds include the Student Activity Agency Fund which accounts for assets held by the individual schools of the Board. These funds support school activities such as athletic and other student organizations. All School Activity Funds are audited periodically by the Business Department.

Cash Management

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by instruments issued by the United States Government or Federal Government agencies created by an act of Congress or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned was \$357,637 for the year ended June 30, 1997. This was distributed as follows:

General Fund	\$ 361,706
Special Revenue Funds	25,187
Debt Service Funds	112,513
Capital Projects Funds	<u>38,231</u>
	\$ 537,637

Vocational Education - is a federally funded program that provides students with the opportunity to develop the knowledge, skills, and attitudes needed for employment in agriculture, home economics, industrial arts, business, etc.	5	77,316
Starting Points - is a federally funded preschool program designed to provide quality early childhood education to children whose parents) or guardians work or are enrolled in a job training or educational program.		40,816
Even Start - is a federally funded preschool program for children under the age of five that helps children to develop a positive concept of self and school.		353
Goals 2000 - is a federally funded program that attempts to build community support and a true community partnership to: (1) restructure the local educational system, (2) engage in long term systemic change to better address the individual needs of students, teachers, administrators, parents, employers, and citizens within its community, and (3) address the National Educational Goals, especially goals related to high academic achievement for all children.		64,173

(3) Debt Service Funds - Debt Service Funds are used to accumulate monies for the payment of outstanding debt issues. The debt was issued by the respective school districts for the purpose of acquiring lands for building sites, erecting and improving school buildings, and acquiring the necessary equipment and furnishings thereof. The debt issues are financed by a special property tax levy on property within the respective school districts and sales taxes.

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the Board's debt position. This data as of June 30, 1997, is as follows:

	Amount	Ratio of Debt to Assessed Value	Debt Per Capita
Net direct general obligation bonded debt	\$ 24,222,800	20.2%	\$ 552

The changes in long-term debt are as follows:

	July 1, 1996	Additions	Deletions	June 30, 1997
General Obligation Bonds	\$ 23,026,000	1,390,000	2,945,000	21,585,000
Certificates of Indebtedness	5,200,000	—	385,000	4,815,000
Sales Tax Bonds	775,000	—	8,000	767,000
Compensated Absences	838,223	177,677	59,852	955,938
	\$ 29,839,223	1,567,677	3,407,852	27,999,038

The unreserved fund balance in the General Fund was maintained at an adequate level. The unreserved fund balance, which includes designations for future claims and contingencies, equipment replacement, and specific projects of \$2,702,800, \$699,000, and \$487,000, respectively, at June 30, 1997, decreased from \$6,582,712 to \$3,140,238 or 52%. The unreserved fund balance represents 21% of 1996-97 General Fund expenditures.

(2) **Special Revenue Funds** - The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Shown below are the names of the programs, the purpose of the program, and the expenditures made during the fiscal year 1996-97.

Educational Consolidation and Improvement Act

- **Title I Program** - is a federally funded program for educationally deprived children from low income families. Improving skills in reading and math are the primary objectives. \$ 1,442,243
- **Drug-Free Schools Program** - is a program by which the federal government provides money to educate children to prevent drug abuse. 27,492
- **Title VI Program** - is a program by which the federal government provides money to purchase library reference and instructional materials. 28,735

Education for Economic Security Act - Title II Program - is a federally funded program designated to strengthen the skills of teachers in math and science. 26,279

School Lunch Fund - accounts for the expenditures of funds for the operation of the school breakfast and lunch programs in the school cafeteria. 2,282,209

T Mill Maintenance Tax - accounts for a parishwide 7 mill property tax levy that is used to fund the costs of maintaining and operating the school facilities. 695,123

Special Education - consists of federally funded programs to provide education to all handicapped children ages four through twenty-one as well as preschool children. 242,066

Head Start - is a program by which the federal government provides money to give economically deprived children a head start in school before they enter kindergarten. 44,169

Adult Basic Education - is a program to develop knowledge and skills to meet immediate and long-range educational objectives of adults who have completed or interrupted formal schooling, having accepted adult roles and responsibilities. 68,148

As demonstrated by the statements and schedules included in the financial section of this report, the Board continues to meet its responsibility for sound fiscal management.

General Educational Programs

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

Governmental funds include:

(1) **General Fund** - General educational activities are accounted for in the General Fund and are supported primarily by local taxes and state entitlements. General Fund revenues are as follows:

	Amount	Percent of Total	Increase (Decrease) from 1996
Local	\$ 7,429,897	53%	(1,848,387)
State	15,077,438	67	378,387
Federal and Other	10,218	---	89
	<u>\$ 22,517,553</u>	<u>100%</u>	<u>(1,467,911)</u>

General Fund revenues decreased by \$1,467,911 from the prior year amount of \$23,985,434. Changes were primarily due to the following:

- Local sources declined as a result of the decrease in sales and use tax revenue; increased activity was provided in the prior year by the International Paper expansion that is now complete.

General Fund expenditures by function were as follows:

Item	Amount	Percent of Total	Increase (Decrease) from 1996
Instruction Services	\$ 14,996,879	62.6%	1,574,700
Support Services	8,598,180	37.4	796,677
Capital outlay	13,493	---	(13,493)
	<u>\$ 23,608,552</u>	<u>100.0%</u>	<u>2,345,827</u>

General Fund expenditures increased \$2,344,827 from the prior year amount of \$21,263,685. This increase was primarily due to the following:

- Instruction services expenditures were primarily impacted by increases in salaries and the addition of classroom teachers and teacher's aides.
- Support services expenditures were also primarily impacted by increases in salaries and an increase in contract services related to plant maintenance.

FINANCIAL INFORMATION

Internal Control

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Board are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

We believe that the Board's accounting controls provide reasonable assurance that errors or irregularities in the financial statements are prevented or would be detected within a timely period by employees in the normal course of performing their assigned functions.

Single Audit

The Board is required to undergo an annual single audit or a biennial audit, to include transactions of both years, in conformity with the provisions of both (1) Louisiana Revised Statute 24:513(E) and (2) the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, *Audit of State and Local Governments*. Information related to this single audit, include the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

As a part of the Board's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs as well as to determine that the Board has complied with applicable laws and regulations. The results of the Board's single audit for the fiscal year ended June 30, 1997, provided no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

Federal budget integration within the accounting records is employed as a management control device. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of the General Fund and the Special Revenue Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level.

The Board does not formally approve budgetary data for Debt Service Funds and Capital Projects Funds. Debt Service Funds are budgeted within the Business Department on an annual basis before millage assessments are approved by the Board, and Capital Projects Funds are budgeted before bids for facility acquisition and construction projects are approved.

On August 1, 1996, the Board approved a pay raise for all employees that gave \$3,700 to certificated teachers and administrators. All other employees would receive \$1,500. As a result of this raise, DeSoto Parish teachers with a Bachelor's degree with zero years of experience ranks 14th in the State. The total cost of the pay raise was approximately \$1.7 million dollars.

Six additional teachers and three additional teacher aides were added to the budget. The lowest pupil teacher ratio in DeSoto Parish now stands at 17 to 1. The total cost of these additional positions was approximately \$257,000.

To improve efficiency in the Maintenance Department, three additional semi-skilled workers were hired in February 1997. Our goal is to reduce the number of days that it takes to complete a work order from 35 days in fiscal year 1996-97 to less than 18 days in fiscal year 1997-98. The annual cost to the Board is approximately \$61,000.

One additional bus driver was hired in the North DeSoto area to relieve overcrowding. The annual cost to the Board is approximately \$24,000.

The group hospitalization and life insurance program that is offered to all employees and retirees showed excellent claim experience this past year. As a result, \$300,000 was added to the designated reserve for group hospitalization.

The Board refinanced a total of \$1,330,000 of its outstanding General Obligation Bonds in October 1996. This refinancing will decrease the total debt service payments over the next 10 years and will save the taxpayers approximately \$1,12,713.

For the Future

As we approach the turn of the century, DeSoto Parish schools will continue to face significant issues and concerns that will require effective and timely planning and leadership. Some of these items will be included in future budgets as additional funds become available. Listed in nonpriority order, they are as follows:

- (1) Salary updates to attract and keep competent teachers and support staff.
- (2) More teachers to lower the pupil teacher ratio.
- (3) More pre-kindergarten classes for all children.
- (4) Connections for all schools that do not have creature services.
- (5) Schools that meet Southern Association Accreditation Standards.
- (6) Keeping computer hardware and software up-to-date with current technology.

The Board operates 9 schools within the parish with a total enrollment of approximately 5,200 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the Board provides transportation and school food services for the students.

The report includes all entities or organizations that are required to be included in the Board's reporting entity. The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial interdependency relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

ECONOMIC CONDITION AND OUTLOOK

DeSoto Parish is located in northwest Louisiana approximately 40 miles south of Shreveport which is the largest metropolitan area of the region. The unemployment rate in DeSoto Parish has ranged from 8.9% to 11.7% since 1990, and is at 9.6% in 1997. The parish's economy, aside from sluggish at this time, is balanced among agriculture, mining, timber, and manufacturing.

One of the largest private employers is International Paper Company (IP) which has approximately 450 employees, including 50 permanent private contractors employed at its linerboard facility. IP completed a \$498 million facility in 1981 and added the DeSoto Parish tax, rolls in 1992 when the current industrial tax exemption expired. In 1996, IP completed a \$380 million expansion to add a new paper machine and a recycled fiber plant. This expansion created approximately 3000 construction jobs and 150 permanent positions.

The Central Louisiana Electric Company (CLECO) and Southwestern Electric Power Company (SWEPCO) entered into a joint venture to complete a \$488 million lignite power plant in 1986. CLECO/SWEPCO employs approximately 250 employees, including 800 permanent employees at Delta Hills Mining Venture.

MAJOR INITIATIVES

For the Year

In July, the voters in DeSoto Parish agreed to renew a property tax that was set to expire at the end of fiscal year 1996-97. Since property taxes are the second largest source of revenue to the General Fund, we want to thank the voters for their support since it could generate as much as \$3.3 million dollars.



DeSoto Parish School Board

201 Crosby Street - Mansfield, Louisiana 71052 - (504) 872-2688 - FAX (504) 872-1104



CYRIL M. BANCROFT
Superintendent

September 26, 1997

DeSoto Parish School Board Members
201 Crosby Street
Mansfield, Louisiana 71052

RE: Financial Statement Transmittal Letter
for the Fiscal Year Ended June 30, 1997

Dear Board Members:

The Comprehensive Annual Financial Report of the DeSoto Parish School Board (Board) for the year ended June 30, 1997, is hereby submitted. This report has been prepared by the Business Department following the guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada. Responsibility for both accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Administration and the Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three parts:

1. **The Introductory Section** - This section includes a transmittal letter, the Board's organizational structure, and recognition of the elected School Board.
2. **The Financial Section** - The Board's complete financial operations are depicted in the financial sections. Individual Fund Statements and Account Group Statements are presented along with the Combining Statements. Combining Statements are presented when the Board has more than one fund of a given fund type.
3. **The Statistical Section** - This section includes a number of tables of unaudited data depicting the financial history, demographics, and other miscellaneous information of the DeSoto Parish School Board for the past six years.

CREATION AND PURPOSE OF BOARD

The DeSoto Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within DeSoto Parish. The Board is authorized by LSA-R.S. 17:51 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 Board is comprised of 11 members who are elected from 11 districts for terms of four years.

INTRODUCTORY SECTION

- TRANSMITTAL LETTER
- CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING
- CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING
- ORGANIZATIONAL STRUCTURE
- ELECTED OFFICIALS
- SELECTED ADMINISTRATIVE OFFICIALS



DESOITS PARISH SCHOOL BOARD
Mandeville, Louisiana

Comprehensive Annual Financial Report

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DESOUD-PARISH SCHOOL BOARD
Monroe, Louisiana

Comprehensive Annual Financial Report

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DESO TO PARISH SCHOOL BOARD
 Mandeville, Louisiana

Comprehensive Annual Financial Report

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DESO TO PARISH SCHOOL BOARD
Mansfield, Louisiana

Comprehensive Annual Financial Report
Year Ended June 30, 1997

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All Board Members
December 15, 1997
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I will share this letter with the Louisiana Legislative Auditor and the Louisiana State Department of Education. Thank you.

Sincerely yours,



Steven Sterfield, Director
Finance, Maintenance, and Legal Services

Approved by:



Chas Rasmussen, Superintendent
DeLamo Parish Schools

cc: Daniel G. Kyle
Dudley J. Gividei
Wayne Hooper
KPS&O Fred Marwick



DeSoto Parish School Board

205 Crosby Street • Mansfield, Louisiana 71052 • (504) 872-2846 • FAX (504) 872-1129



CYRIL A. JASCOE
Superintendent

December 15, 1997

ARLENE G. HALL
President
705 Highway
Covington, LA 70044

ARLENE G. JOHNSON
Vice President
P. O. Box 90
Mandeville, LA 70471

BARBARA DUNN, JR.
Pastor Emeritus
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100 West 10th
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ARLENE H. WOODRIF
100 Highway Street
Mandeville, LA 70471

DeSoto Parish School Board Members
205 Crosby Street
Mandeville, LA 71052

RE: Administration's response to the Management Letter

Dear Board Members:

I have reviewed the Management Letter of September 26, 1997 from the Board's independent auditor and offer the following responses:

1. **School Activity Funds** - Upon completion of all internal audit reports on School Activity Funds, the Business Office will present them to the Board's Finance Committee for review.
2. **Food Service** - When the 1997-98 School Food Service Budget was presented to the Board, breakfast and lunch prices were increased to generate additional revenue. We will continue to monitor this fund and either raise revenues, decrease expenditures, or both when future budgets are submitted to the Board for approval.
3. **Minimum Foundation Program** - When the 1996-99 Operating Budget is presented to the Board, the Child Welfare and Attendance Supervisor will "forecast" student enrollment rather than "guess."
4. **General Fund** - In 1996-97, a \$2.1 million General Fund Budget deficit was approved by the Board knowing that recurring funds would be needed in future budgets. These recurring revenues were presented in the 1997-98 General Fund Budget and came from the CLIBCO/SWEPCO Power Plant. We will continue to monitor this fund and either raise revenues, decrease expenditures or both when future budgets are submitted to Board for approval.
5. **Pledged Securities** - On November 17, 1997, the Business Office replaced the pledge security that was a derivative. The Business Office also received a listing of securities that are considered derivatives from KPMG Post Marwick so that we can monitor pledges in the future.

Board Members
The DeCade Parish School Board
September 26, 1997
Page 3

* * * * *

Our procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the School Board's organization gained during our work to make comments and suggestions that we hope will be useful to you.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by the personnel of the School Board during the course of our audit.

This report is intended solely for the information and use of the School Board members, management, the State of Louisiana Legislative Auditor, the cognizant agency, and other federal agencies. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

KPMG Peat Marwick LLP

Board Members

The Delcote Parish School Board

September 26, 1997

Page 2

FOOD SERVICE

During the current fiscal year, the School Lunch Fund had a significant deficiency resulting in a large decrease to fund balance. In addition, the budget for the 1997-1998 fiscal year projects another large deficiency. To maintain a sufficient fund balance for the School Lunch Fund, we recommend that the School Board monitor the ongoing operations of the Food Service Department closely.

MINIMUM FOUNDATION PROGRAM

The Minimum Foundation Program (state equalization) represents a significant revenue source to the School Board. The program determines the cost of a minimum foundation program of education in all public elementary and secondary schools and helps to equitably allocate the funds to parish and city school systems. Public school funding is based on student membership as of October 1 of the current school year. Due to the significance of the MFP revenue to fund the School Board operations, we recommend that the Child Welfare and Attendance Supervisor forecast student enrollment when the 1998-1999 budget is presented to the Board.

GENERAL FUND

The General Fund experienced a significant deficiency during the current year resulting in a large decrease to fund balance. This decrease was anticipated and brought to the Board's attention during the 1996-1997 budget process. This large deficiency does not appear to be a problem given the size of the fund balance at the beginning of the year and the additional revenue budgeted for 1997-1998. The unreserved fund balance at June 30, 1997 represented 20% of 1996-1997 General Fund expenditures. Due to the General Fund accounting for the primary operations of the School Board, we recommend that management continue to monitor the fund balance closely to ensure it remains at an adequate level.

FLEDGED SECURITIES

During procedures performed on the adequate collateralization of deposits of the School Board, it was noted that one of the securities that secured the deposits was a derivative security (Fixed floater), which is not an acceptable security. As a result of omitting this security, the School Board's deposits at the respective bank were not adequately secured at June 30, 1997. We recommend that management ensure that all banks secure the School Board's deposits with acceptable securities.

KPMG Peat Marwick LLP

1900 Capital Square Tower
333 Texas Street
Shreveport, LA 71201-2882



September 26, 1993

CONFIDENTIAL

Board Members
The DeSoto Parish School Board

Dear Board Members:

We have audited the general purpose financial statements of the DeSoto Parish School Board (School Board) as of and for the year ended June 30, 1993, and have issued our report thereon dated September 26, 1993. In planning and performing our audit of the financial statements of the School Board, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. These concerns and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

SCHOOL ACTIVITY FUNDS

Based on our procedures and inquiries of School Board personnel, we noted that not all audits of school activity funds prepared by School Board personnel are submitted to the Board for review. To ensure that the Board is aware of all activities, we recommend that each Board member receive copies of all internal audit reports prepared during the year.

DEWITT PARISH SCHOOL BOARD
MANASSAS, LOUISIANA

Schedule of Findings and Questioned Costs

Year ended June 30, 1997

(1) Summary of Auditor's Results

(a) The type of report issued on the general-purpose financial statements: unqualified opinion

(b) Reportable conditions in internal control were disclosed by the audit of the Financial Statements: no Material weaknesses: no

(c) Noncompliance which is material to the general-purpose financial statements: no

(d) Reportable conditions in internal control over major programs: no
Material weaknesses: no

(e) The type of report issued on compliance for major programs: unqualified opinion

(f) Any such findings which are required to be reported under section 500(a) of OMB Circular A-133: no

(g) Major programs:

United States Department of Agriculture:

National School Breakfast Program (CFDA Number 10.353)

National School Lunch Program (CFDA Number 10.559)

United States Department of Education:

Title I - Educationally Deprived Children (CFDA Number 84.010)

(h) Dollar threshold used to distinguish between Type A and Type B programs: \$20,000

(i) Auditor qualified as a low-risk auditor under section 500 of OMB Circular A-133: no

(2) Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards:

None

(3) Findings and Questioned Costs relating to Federal Awards:

None

DESOVO PARISH SCHOOL BOARD
Marrickville, Louisiana

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 1997

(1) **General**

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of the DeSovo Parish School Board. The DeSovo Parish School Board's reporting entity is defined in note 1(A) to the School Board's general purpose financial statements. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, are included on the schedule.

(2) **Bank 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(B) to the School Board's general purpose financial statements.

(3) **Relationship to General Purpose Financial Statements**

Federal financial assistance revenues are reported in the School Board's general purpose financial statements as revenues - federal and other sources. The total of grant revenues included in the accompanying schedule does not agree to revenues - federal and other sources in the general purpose financial statements due to other revenues of \$2,500, that is included in the general purpose financial statements.

(4) **Relationship to Federal Financial Reports**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

(5) **Noncash Programs**

Commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

Internal Control Over Compliance

The management of DeLone 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 OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses. However, we noted other matters involving internal control that we have reported to the management of the DeLone Parish School Board, in a separate letter dated September 26, 1997.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the DeLone Parish School Board as of and for the year ended June 30, 1997, and have issued our report thereon dated September 26, 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 management, the State of Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

September 26, 1997

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

Members of the DeCade Parish School Board
Mandeville, Louisiana

Compliance

We have audited the compliance of the DeCade Parish School Board (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. The 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 the 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*. These 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.

In our opinion, DeCade 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.

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

KPMG Peat Marwick LLP

September 26, 1997

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

Members of the DeSoto Parish School Board
Bossierfield, Louisiana

We have audited the financial statements of the DeSoto Parish School Board (School Board) as of and for the year ended June 30, 1997, and have issued our report thereon dated September 26, 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 the 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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. We found no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control that we have reported to the management of the DeSoto Parish School Board, in a separate letter dated September 26, 1997.

All Board Members
December 15, 1997
Page 2

I will share this letter with the Louisiana Legislative Auditor and the Louisiana State Department of Education. Thank you.

Sincerely yours,



Steven Stanfield, Director
Finance, Maintenance, and Legal Services

Approved by:



Chad Rouse, Superintendent
DeSoto Parish Schools

cc: Daniel G. Kyle
Douglas J. Caridel
Wayne Hooper
BPMO Post Merwick

DESUOTO PARISH SCHOOL BOARD
Mandeville, Louisiana

Schedule of Expenditures of Federal Awards
(Single Audit)

June 30, 1997

(With Independent Auditors' Report Thereon)

DESOUD PARISH SCHOOL BOARD
 Mansfield, Louisiana

Miscellaneous Statistical Data

June 30, 1997

Form of Government:	Parish School Board		
Geographic Area:	879 Square Miles		
Population:	25,979		
Public School Membership:	5,202		
Instruction Sites:			
	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acquire</u>
High Schools:			
Logansport	1992	117,928	23.47
Mansfield	1959	83,384	27.34
North DeSoto	1992	140,992	37.57
Pelican	1992	48,799	49.77
Stanley	1991	<u>53,294</u>	<u>48.68</u>
		<u>353,397</u>	<u>159.11</u>
Middle Schools:			
Mansfield	1894	216,718	140.50
North DeSoto	1894	<u>70,078</u>	<u>13.00</u>
		<u>286,796</u>	<u>153.50</u>
Elementary School - North DeSoto	1988	<u>83,150</u>	<u>20.00</u>
Adult Education - ABE Center	1995	<u>7,200</u>	<u>6.50</u>
Total Overall Instruction Sites		<u>886,453</u>	<u>374.91</u>

Unaudited - see accompanying independent auditor's report.

BOGOTTA PARISH SCHOOL BOARD
Mandeville, Louisiana

Schedule of Insurance in Force

June 30, 1997

Type of Coverage/ Name of Company	Policy Number	Policy Period From To	Details of Coverage and Co-insurance	Coverage Limits	Termines
Property damage Concept Insurance Co.	651-0004665	7/1/96 - 7/1/99	Builder coverage - all property \$1,000,000 Autos \$50k	\$ 20,000,000	\$5,171
Property loss and damage Maritime Steam Tugboat Insurance Co.	0041-024-7248151-01	7/1/96 - 31/99	Boilers and electric motors \$1,000 deductible	8,000,000	5,063
General liability Concept Insurance Co.	651-0004666	7/1/96 - 7/1/99	All property and employees \$2,000 deductible	1,000,000	56,100
Automobile liability Concept Insurance Co.	651-0004665	7/1/96 - 7/1/99	Specified vehicles No deductible	1,000,000	94,473
Public Employees (Boatmen Bond) Concept Insurance Co.	651-0004666	7/1/96 - 7/1/99	All School Board employees No deductible	1,000,000	698
EDP and Medical Examinations Concept Insurance Co.	651-0004665	7/1/96 - 7/1/99	Builder coverage - all property \$250 deductible	2,200,000	5,089
Workers Compensation Mutual Employees Casualty	8773-54-LA	5/1/96 - 7/1/99	Builder coverage - all employees Self-insured retention \$175,000	5,000,000	42,180
School Board Legal Liability Concept Insurance Co.	651-0004666	7/1/96 - 7/1/99	Errors and omissions coverage \$3,000 deductible	1,000,000	6,229

Insured - we accept primary independent adjuster reports.

IBBOTO PARISH SCHOOL BOARD
 Mansfield, Louisiana

Attendance Data

Fiscal Years Ended June 30, 1988 through June 30, 1997

Fiscal Year	Number of Students	Average Daily Membership (1)	Average Daily Attendance		
			Amount (2)	Percent of Change	Percent of Membership
1988	287	3,556	3,313	(8.39)	93.61%
1989	268	3,302	3,258	(1.02)	98.57
1990	286	3,428	3,176	(1.96)	98.36
1991	293	3,278	3,007	(2.27)	94.87
1992	275	3,226	4,827	(1.00)	94.28
1993	272	3,398	3,602	1.52	92.66
1994	256	3,302	3,015	0.26	94.59
1995	243	3,342	3,059	0.88	94.70
1996	243	3,312	3,043	(0.22)	94.94
1997	293	3,282	3,026	(0.24)	94.97

Notes:

- (1) Represents the daily average number of active students for the school year.
 (2) Represents the daily average number of students in attendance for the school year.

Unaudited - see accompanying independent auditors' report.

DESOLO PARISH SCHOOL BOARD
Manfield, Louisiana

Principal Taxpayers

June 30, 1997

Name	Industry	1996 Assessed Value	Percentage of Total Assessed Valuation
International Paper Co.	Timber Products	\$ 32,266,020	27.38%
Central Louisiana Electric Co.	Public Utility	5,740,119	4.88
Southeastern Electric Co.	Public Utility	3,561,379	2.98
Edin Hills Mining Venture	Lignite Mining	3,911,349	2.32
South Central Bell	Public Utility	2,879,950	2.41
Southern Natural Gas	Public Utility	1,840,920	1.54
Louisiana Pacific	Timber Products	1,055,385	.88
Valley Electric Membership	Public Utility	883,969	.74
First National Bank of Manfield	Banking	969,915	.83
Texas Eastern Transmission Corporation	Public Utility	821,550	.68
Total for ten principal taxpayers		53,544,487	44.77
Total for remaining taxpayers		<u>66,009,826</u>	<u>55.23</u>
Total for all taxpayers		\$ <u>119,554,313</u>	<u>100.00%</u>

Note (1) - Information provided by DeSoto Parish Tax Assessor.

Unaudited - see accompanying independent auditors' report.

DEBOYS PARISH SCHOOL BOARD
Monroe, Louisiana

Property Value and Bank Deposits

Fiscal years ended June 30, 1988 through June 30, 1997

Fiscal Year	Property Value (1)	Bank Deposits (2)(3)
1988	\$ 880,577,899	141,987
1989	857,786,186	135,919
1990	851,547,366	135,947
1991	889,983,187	137,908
1992	934,483,280	155,208
1993	1,300,154,284	153,903
1994	1,336,869,702	148,174
1995	1,321,921,913	148,377
1996	1,338,357,373	252,589
1997	1,660,890,000	288,580

Notes:

- (1) Information provided by DeBoys Parish Tax Assessor.
- (2) For local area banks as of the calendar year end.
- (3) Other information required in this table is unavailable.

Unaudited - see accompanying independent auditors' report.

DESOTO PARISH SCHOOL BOARD
Mandeville, Louisiana

Demographic Statistics

Fiscal years ended June 30, 1988 through June 30, 1997

Fiscal Year	Population (1)	School Enrollment (2)	Average Daily Membership (2)	Unemployment Rate (1)
1988	27,380	5,488	5,556	12.5%
1989	27,389	5,467	5,503	12.4
1990	26,957	5,381	5,428	10.0
1991	25,346	5,250	5,278	10.2
1992	25,073	5,181	5,236	10.7
1993	25,291	5,292	5,366	9.0
1994	25,134	5,408	5,382	9.8
1995	25,226	5,470	5,342	8.8
1996	25,479	5,309	5,312	10.3
1997	25,378	5,282	5,292	9.6

Notes:

- (1) Research Division, Louisiana Tech University.
- (2) Represents the number of active students at the end of each school year.
- (2) Represents the daily average number of active students for the school year.

Unaudited - see accompanying independent auditors' report.

DECATO PARISH SCHOOL BOARD
 Mandeville, Louisiana

**Ratio of Annual Debt Service Expenditure for
 General Bonded Debt to Total General Expenditures**

Fiscal years ended June 30, 1988 through June 30, 1997

Year Ended (June 30)	Principal (1)	Debt Service Expenditures Interest and Fiscal Charges (1)	Total	Total General Expenditures (2)	Ratio of Debt Service to General Expenditures (Percent)
1988	\$ 235,000	451,695	686,695	19,049,872	3.59%
1989	255,000	1,170,688	1,425,688	21,713,546	6.56
1990	280,000	2,249,243	2,529,243	25,026,403	10.11
1991	259,000	2,233,692	2,492,692	27,040,423	9.19
1992	899,000	2,196,253	3,095,253	31,757,831	9.73
1993	981,000	2,290,712	3,271,712	34,871,776	9.60
1994	1,111,000	1,805,013	2,916,013	36,307,444	8.03
1995	1,513,000	1,871,454	3,384,454	38,862,467	10.92
1996	1,507,000	1,353,908	2,860,908	38,898,236	10.20
1997	1,573,000	1,573,068	3,146,068	32,830,951	9.58

Notes:

- (1) Includes debt service on general obligation bonds, certificates of indebtedness, and sales tax bonds.
 (2) Includes general expenditures for all funds.

Unaudited - see accompanying independent auditor's report.

DESOUD PARIISH SCHOOL BOARD
Mansfield, Louisiana

Computation of Legal Debt Margin

June 30, 1997

Assessed value:		\$ <u>109,614,963</u>
Debt limit thirty-five percent (35%) of assessed value (1)		\$ 41,865,017
Debt applicable to limitation:		
Total bonded debt	\$ 27,001,000	
Less:		
Sales tax bonds	(311,000)	
Certificates of indebtedness	(4,805,000)	
Amount available for repayment of general obligation debt (2)	<u>(2,286,000)</u>	
Total amount of debt applicable to debt limit		<u>19,718,915</u>
Legal debt margin		\$ <u>22,146,102</u>

Notes:

- (1) This percentage is in accordance with Act 100 of 1980 Regular Session of the Louisiana Legislature R.S. 39:962(1).
- (2) Includes all Debt Service Funds of the general bonded debt outstanding at June 30, 1997.

Unaudited - see accompanying independent auditors' report.

DESOYO PARISH SCHOOL BOARD
 Mansfield, Louisiana

Schedule of Direct, Overlapping, and Underlying Bonded Debt

June 30, 1997

Name of Governmental Unit	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to This Unit	Amount Applicable to School Board
DeSoto Parish School Board	\$ 23,855,716	100%	23,855,716
DeSoto Parish Police Jury	990,000	100%	990,000
City of Mansfield	<u>2,327,526</u>	100%	<u>2,327,526</u>
	<u>\$ 27,173,242</u>		<u>27,173,242</u>

Notes:

- (1) Various taxing districts exist within DeSoto Parish that involve a small percentage of parish taxpayers. These districts' debt is not included in the amounts, and impact on this schedule is not significant.
- (2) This represents the debt of all the constituents who reside within DeSoto Parish.
- (3) Includes all general bonded debt outstanding at June 30, 1997, and the related Debt Service Funds.

Unaudited - see accompanying independent auditor's report.

TECHNICAL SCHOOLS BOARD
Miscellaneous

Related Non-General Bonded Debt
to Assessed Value and Net Bonded Debt Per Capita

Five year period June 30, 1988 through June 30, 1997

Assessment Year	Related Non-General Bonded Debt (\$)	Related Non-General Bonded Debt (\$/Cap)	Assessed Value (\$)	Assessed Value (\$/Cap)	Net Bonded Debt (\$)	Net Bonded Debt (\$/Cap)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1987	21,199	\$	77,228,128	3,044,008	796,192	31,155,288	0.685	968
1988	21,528		78,878,282	3,089,098	1,484,484	35,076,118	0.421	949
1989	26,877		79,308,174	3,124,080	2,089,076	31,518,964	0.386	947
1990	21,346		78,979,587	3,128,080	2,171,889	29,074,311	0.361	939
1991	21,473		79,880,884	3,160,800	2,111,260	34,218,240	0.428	958
1992	21,261		100,219,877	39,481,800	3,918,325	56,886,875	0.479	1,067
1993	21,134		118,910,287	46,480,800	3,714,908	37,815,168	0.318	1,187
1994	21,278		112,208,314	44,446,000	2,906,959	36,819,000	0.461	1,067
1995	21,479		114,478,062	45,418,000	3,100,704	35,198,788	0.314	984
1996	21,178		118,661,560	47,061,000	3,798,151	34,002,849	0.303	984

Notes:

- Information provided by the Research Division of Louisiana Tech University, Ruston, Louisiana.
- Assessed value is the Total Assessed Valuation of all property located in DeCade Parish. Property was assessed as 100% as land and residential structure and 15% on commercial property.
- Includes all general obligation bonds outstanding at June 30, 1997, and the related State Service Funds.

Continued - see accompanying independent auditor's report.

FINANCIAL STATEMENTS
(Amounts in millions)

Income and Use of Funds and Cash Flows—All Companies (1)

Period presented from 1976 through June 30, 1987

Year ended 1987	Income and Cash Flows				Income and Cash Flows				Use of Funds				
	Operating Income	Other Income	Net Income	Net Cash Flow	Operating Income	Other Income	Net Income	Net Cash Flow	Dividends Paid	Share Repurchases	Capital Expenditures	Other Uses	Total Uses
1987	24	1	25	25	25	1	26	26	—	—	—	—	26
1986	4	1	5	—	5	1	6	—	—	—	—	—	6
1985	3	1	4	—	4	1	5	—	—	—	—	—	5
1984	3	1	4	—	4	1	5	—	—	—	—	—	5
1983	1	1	2	—	2	1	3	—	—	—	—	—	3
1982	1	1	2	—	2	1	3	—	—	—	—	—	3
1981	1	1	2	—	2	1	3	—	—	—	—	—	3
1980	1	1	2	—	2	1	3	—	—	—	—	—	3
1979	1	1	2	—	2	1	3	—	—	—	—	—	3
1978	1	1	2	—	2	1	3	—	—	—	—	—	3
1977	1	1	2	—	2	1	3	—	—	—	—	—	3

Notes: Information provided by the Public Utility and Use of Funds Committees.

(1) The information presented in this statement may not be identical to that reported by the companies. There may be no inclusion of certain items and services.

(2) The Public Utility and Use of Funds Committees' report covering items within the public utility and services.

(3) Other income and use of funds categories, January 1, 1987 (see "Other Items").

(4) Other income and use of funds categories, January 1, 1987 (see "Other Items").

Excluded—see accompanying independent auditor's report.

DEBOTE PARISH SCHOOL BOARD
 Mansfield, Louisiana

Assessed and Estimated Actual Value of Taxable Property

Fiscal years ended June 30, 1988 through June 30, 1997

Fiscal Year	Assessed Value	Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value
1988	\$ 73,226,126	880,377,839	8.8%
1989	75,910,282	837,785,188	8.8
1990	75,358,174	851,547,366	8.8
1991	78,759,667	889,983,107	8.8
1992	79,890,964	934,482,262	8.5
1993	109,239,877	1,382,134,264	8.4
1994	110,537,587	1,386,869,702	8.3
1995	112,209,519	1,391,931,913	8.3
1996	114,436,882	1,358,737,379	8.3
1997	119,614,363	1,089,098,806	11.9

Notes:

- (1) Information provided by DeBote Parish Tax Assessor.
- (2) Assessed values are established by the DeBote Parish Tax Assessor on January 1st of each year at approximately 10-15% of actual market value, depending upon the property classification. A revaluation of the property is required to be completed no less than every four years. The last revaluation was completed as of January 1, 1996, for the tax roll of 1996. A revaluation will be completed for taxes due December 31, 2001.

Unaudited - see accompanying independent auditor's report.

MISSOURI NAZARENE SCHOOLS BOARD
 St. Louis, Missouri

Property Tax Levies and Collections (1)

Fiscal years ended June 30, 1985 through June 30, 1997

Fiscal Year	School Year Began (June 30)	Missouri School Board Percent of Total Funds To Be Assessed (2)	Current Tax Collections	Percent of Tax Levy Collected	Delinquent Taxes Collected (Amount and Percent)	Total Taxes Levied and Property Collected	Total Collections (with Percent of Current Tax Levied)
1981	1981	\$ 2,787,476	2,652,679	94.44	\$ 1,504	2,654,183	94.53
1982	1982	4,112,778	4,295,158	99.59	897	4,296,055	99.59
1983	1983	4,497,211	4,281,682	94.79	1,201	4,282,883	94.82
1984	1984	4,675,879	4,697,189	100.68	14,317	4,711,506	100.41
1985	1985	5,127,438	5,084,085	98.76	17,477	5,101,562	99.12
1986	1986	6,008,148	6,021,623	99.89	-19,926	5,999,649	99.13
1987	1987	6,181,923	6,081,424	99.79	5,808	6,087,064	99.87
1988	1988	6,486,314	6,021,184	90.03	3,959	6,025,143	92.84
1989	1989	6,141,591	6,132,177	99.85	- 8,348	6,140,584	100.11
1990	1990	7,009,422	5,839,855	83.31	3,652	5,843,507	100.21

NOTE:

- (1) Information provided by Jackson Parish Sheriff for offices as follows:
- (a) Schools all adjustments original levy.
- (b) Percentage released greater than 100% is due to collection of prior years' taxes.

Unaudited - an accompanying independent account report.

BRIDGE WATER SCHOOL BOARD
Bridgewater, Vermont

Special Operations by Function - All Governmental Fund Types (1)

Fiscal year ended June 30, 1999 through June 30, 1997

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Operating:	\$ 5,194,174	\$ 4,808,618	\$ 4,813,819	\$ 4,476,783	\$ 4,287,893	\$ 4,796,614	\$ 4,714,000	\$ 4,711,000	\$ 4,548,110	\$ 4,548,110	\$ 4,548,110	\$ 4,548,110
Instruction	981,879	914,419	989,481	944,889	981,849	790,100	734,800	740,100	881,488	813,500	813,500	813,500
Support services	1,075,000	1,075,000	1,075,000	1,075,000	1,075,000	1,075,000	1,075,000	1,075,000	1,075,000	1,075,000	1,075,000	1,075,000
Student services	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
Instructional supplies	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Instructional materials	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Library materials	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Food services	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Business services	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Transportation	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Student transportation	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Food services	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Control services	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Community service programs	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Facilities acquisition and maintenance	2,000,000	1,875,000	1,875,000	1,875,000	1,875,000	1,875,000	1,875,000	1,875,000	1,875,000	1,875,000	1,875,000	1,875,000
Debt service	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Principal and interest	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Bond amortization	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Interest and fees charges	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total expenditures	\$ 5,194,174	\$ 4,808,618	\$ 4,813,819	\$ 4,476,783	\$ 4,287,893	\$ 4,796,614	\$ 4,711,000	\$ 4,711,000	\$ 4,548,110	\$ 4,548,110	\$ 4,548,110	\$ 4,548,110

Page 11 - This comparison includes the following funds: General Fund, Special Revenue Funds, Debt Service Funds, and Capital Budget Funds.

(Detailed - an accompanying independent auditor's report.)

DESBORO PALMESH SCHOOL BOARD
Haverhill, Louisiana

Schedule of Insurance in Force

June 30, 1997

Type of Coverage Name of Company	Policy Number	Policy Period From To	Amount of Coverage and Deductible	Percentage Limit	Excesses
Property Damage Concept Insurance Co.	631-0064866	7/1/96 - 7/1/99	Blanket coverage - all property \$100,000 deductible	\$ 50,000,000	\$0,000
Property loss and damage Hartford Steam Boiler Insurance Co.	8548-4134-7446153-48	7/1/96 - 7/1/99	Boilers and electric motors \$1,000 deductible	6,000,000	\$,000
General liability Concept Insurance Co.	631-0064866	7/1/96 - 7/1/99	All property and employees \$2,000 deductible	1,000,000	98,000
Automobile liability Concept Insurance Co.	631-0064866	7/1/96 - 7/1/99	Specialized vehicles \$0 deductible	1,000,000	\$4,421
Public Employees (Boiler, Bond) Concept Insurance Co.	631-0064866	7/1/96 - 7/1/99	All School Board employees \$0 deductible	1,000,000	698
BOP and Medical Payments Concept Insurance Co.	631-0064866	7/1/96 - 7/1/99	Blanket coverage - all property \$250 deductible	1,248,566	\$,000
Medical's Compensation Midwest Employment Casualty	8773-54-1A	7/1/96 - 7/1/99	Blanket coverage - all employees Self-insured retentions \$1,5,000	5,000,000	42,798
Related Board Legal Liability Concept Insurance Co.	631-0064866	7/1/96 - 7/1/99	Errors and omissions coverage \$3,000 deductible	1,000,000	6,218

Continued - see accompanying independent auditor's report.

IBUYO PARRISH SCHOOL BOARD
Monroe, Louisiana

General Long-Term Debt Account Group

Schedule of Changes in Long-Term Debt

Year ended June 30, 1997

	July 1, 1996	Acquisitions	Decreases	Debt Service Fund Operations	June 30, 1997
Amount available in Debt Service Funds	\$ 3,181,704	—	—	(384,593)	2,797,111
Amount to be provided for retirement of long-term debt	28,936,296	1,350,000	2,168,000	394,533	30,742,829
Amount to be provided for accrued compensated absences	528,723	177,617	58,862	—	765,202
\$	<u>29,646,723</u>	<u>1,527,617</u>	<u>2,812,862</u>	<u>—</u>	<u>32,852,599</u>
Long-term obligations payable:					
General obligation bonds payable	\$ 33,000,000	1,350,000	2,365,000	—	31,985,000
Sales tax bonds payable	219,800	—	8,000	—	211,800
Certificates of indebtedness payable	3,180,000	—	393,000	—	4,805,000
Accrued compensated absences	528,723	177,617	58,862	—	765,202
\$	<u>37,028,523</u>	<u>1,527,617</u>	<u>2,812,862</u>	<u>—</u>	<u>39,852,599</u>

Note (1) - Payments include refunding of \$1,355,000 during fiscal year 1997.

See accompanying independent auditor's report.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-Term Debt Account Group represents a summary of the general long-term debt of the School Board.

DIORITO PARISH SCHOOL BOARD
Bossier Parish, Louisiana

General Fund Assets - Annual Group

Schedule of General Fund Assets -
By Function and Activity

June 30, 1997

Function and Activity	Total	Land	Buildings and Improvements	Furniture and Equipment	Transportation Equipment
Instruction:					
High schools	\$ 21,209,115	540,136	24,458,691	2,188,989	--
Middle schools	20,893,311	43,988	29,243,190	1,184,879	--
Elementary schools	3,482,765	479,304	3,751,444	228,026	--
Adult education	189,133	2,542	189,858	26,776	--
Total instruction	<u>31,654,224</u>	<u>1,065,968</u>	<u>38,622,183</u>	<u>3,628,670</u>	<u>--</u>
General and school administration	3,487,974	89,838	624,794	802,334	--
Plant and maintenance	4,157,789	62,899	3,821,811	343,079	--
Food service equipment	484,222	--	--	484,222	--
Transportation equipment	<u>703,822</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>703,822</u>
Total general fund assets allocated to functions	\$ <u>38,388,034</u>	<u>1,220,545</u>	<u>51,194,638</u>	<u>5,258,705</u>	<u>703,822</u>

See accompanying independent auditor's report.

DESOYO PARISH SCHOOL BOARD
Monroe, Louisiana

General Fixed Assets Account Group

Schedule of Changes in General Fixed Assets -
By Function and Activity

Year ended June 30, 1997

Function and Activity	General Fixed Assets July 1, 1996	Additions	Retirements	General Fixed Assets June 30, 1997
Instruction				
High schools	\$ 26,494,334	719,674	4,817	27,209,191
Middle schools	20,592,114	212,661	6,268	20,808,511
Elementary schools	3,468,094	7,643	4,931	3,470,806
Adult education	<u>128,000</u>	<u>1,300</u>	<u>328</u>	<u>139,150</u>
Total instruction	<u>30,244,320</u>	<u>941,678</u>	<u>16,424</u>	<u>31,179,574</u>
General and school administration	1,411,849	81,419	15,364	1,487,974
Plant and maintenance	5,185,495	66,450	894,157	4,257,788
Food service equipment	468,892	32,953	37,329	464,516
Transportation equipment	<u>618,626</u>	<u>189,683</u>	<u>11,500</u>	<u>796,809</u>
Total general fixed assets	<u>\$ 38,224,570</u>	<u>1,327,583</u>	<u>1,074,718</u>	<u>38,522,414</u>

See accompanying independent auditor's report.

DESO TO PARISH SCHOOL BOARD
Monroe, Louisiana

General Fixed Assets Account Group

Schedule of General Fixed Assets - By Source

June 30, 1987

(with comparative amounts for June 30, 1986)

	1987	1986
General fixed assets:		
Land	\$ 1,220,845	1,207,597
Buildings and improvements	51,184,400	51,664,289
Furniture and equipment	5,269,580	4,738,411
Transportation equipment	<u>703,829</u>	<u>618,678</u>
Total general fixed assets:	\$ <u>58,388,654</u>	<u>58,228,975</u>
Investment in general fixed assets:		
Capital Projects Funds	\$ 53,354,213	53,486,959
General Fund	2,414,199	2,190,143
School Lunch Fund	498,288	502,958
Federal aid	1,617,254	1,545,794
State aid	194,528	173,096
Gifts and donations	286,895	308,770
School Activity Agency Funds	<u>17,538</u>	<u>21,819</u>
Total investment in general fixed assets:	\$ <u>58,388,654</u>	<u>58,228,979</u>

See accompanying independent auditors' report.

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group represents a summary of fixed assets of the School Board. Capital outlay in all funds is recorded as an expenditure of those funds at the time of purchase and is subsequently recorded, at cost, for annual purposes in the General Fixed Assets Account Group. In accordance with generally accepted accounting principles for governmental entities, depreciation is not recorded on general fixed assets.

DESOUD PARIISH SCHOOL BOARD
 Mandeville, Louisiana

Fiduciary Fund - School Activity Agency Fund

Statement of Changes in Assets and Liabilities

Year ended June 30, 1997

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
Assets				
Cash	\$ 201,908	789,851	806,417	185,342
Certificates of deposit	<u>25,800</u>	<u>—</u>	<u>—</u>	<u>25,000</u>
Total assets	\$ <u>226,909</u>	<u>789,851</u>	<u>806,417</u>	<u>210,342</u>
Liabilities				
Accounts payable	\$ 13,291	6,376	18,348	6,319
Deposits due others	<u>213,648</u>	<u>783,275</u>	<u>792,136</u>	<u>203,761</u>
Total liabilities	\$ <u>226,939</u>	<u>789,651</u>	<u>806,417</u>	<u>210,080</u>

See accompanying independent auditors' report.

DESSOTO PARISH SCHOOL BOARD
 Mansfield, Louisiana
 Fiduciary Fund - School Activity Agency Fund
 Comparative Balance Sheets
 June 30, 1997 and 1996

Assets	1997	1996
Cash	\$ 185,343	201,809
Certificates of deposit	<u>25,000</u>	<u>35,000</u>
Total assets	\$ <u>210,343</u>	<u>236,809</u>
Liabilities		
Accounts payable	\$ 6,576	13,260
Deposits due others	<u>203,767</u>	<u>223,548</u>
Total liabilities	\$ <u>210,343</u>	<u>236,809</u>

See accompanying independent auditors' report.

**FIDUCIARY FUND —
SCHOOL ACTIVITY
AGENCY FUND**

The School Activity Agency Fund accounts for those monies collected by pupils and school personnel for school or school-related purposes. The school activity accounts are classified as an agency fund, and the School Board's responsibility for these accounts is fiduciary in nature. Each school accounts for its individual student body organizations. The revenues of these accounts consist primarily of fees, fund-raising projects, and contributions. Expenditures are made for a wide variety of school activities. These accounts are under the supervision of the school principals.

PROJECTS FINANCIAL SERVICES, BOARD
 Mansfield, Louisiana
 Capital Projects Funds

Comparing Statements of Revenues, Expenditures, and Changes in Fund Balances

For the year ended June 30, 1997
 (with comparative totals for June 30, 1996)

	School Districts					Total
	86.1	86.2	86.3	86.4	86.5	
Revenues - Total revenues:						
Sales and net sales	--	66,604	46,271	4,106	7,281	121,230
Interest earnings	1,281	1,221	1,149	1,401	1,428	6,480
Total revenues	1,281	67,825	47,420	5,507	8,709	127,710
Expenditures:						
General administration	--	3,117	94	0	186	4,315
Business services	31	31	12	15	9	99
Capital outlay - facilities acquisition and construction	108,211	219,211	42,212	219,211	1,429	667,165
Total expenditures	108,242	222,459	42,318	233,217	1,534	881,356
Excess (deficiency) of revenues over expenditures	(106,961)	(154,634)	(11,843)	(227,710)	3,844	(453,646)
Other financing sources:						
Proceeds from sale of assets	--	14,000	--	--	--	14,000
Increase proceeds from loans	11,481	--	--	--	--	11,481
Operating transfer in	46,268	--	--	--	--	46,268
Total other financing sources	57,749	14,000	--	--	--	71,749
Excess (deficiency) of revenues and other financing sources over expenditures	(49,212)	(140,634)	(11,843)	(227,710)	3,844	(381,897)
Fund balances at beginning of year	31,448	281,228	113,128	314,281	89,114	1,049,400
Fund balances at end of year	12,236	140,594	23,285	286,571	92,958	665,643

See accompanying independent auditor report.

DESOTO PARISH SCHOOL BOARD

Bossier Parish, Louisiana

Capital Projects Fund

Combining Balance Sheet

June 30, 1987

(With comparative total for June 30, 1986)

Assets	Balances				Totals
	1987	1986	1987	1986	
Cash	\$ 33,896	212,385	59,327	397,882	\$43,412
Total assets	\$ 33,896	212,385	59,327	397,882	\$43,412
Liabilities and Fund Balances					
Liability - accounts payable	\$ 1,121	6,816	--	50,852	--
Fund balances					
Reserved for encumbrances	--	--	--	4,708	--
Unreserved - designated for specific projects	32,775	205,569	59,327	281,598	120,115
Total fund balances	32,775	205,569	59,327	286,306	120,115
Total liability and fund balances	\$ 33,896	212,385	59,327	397,882	\$43,412

See accompanying independent auditor's report.

CAPITAL PROJECTS FUNDS

School Districts No. 1, No. 2, No. 3, No. 4, and No. 5 Funds — The school district Capital Projects Funds account for financial resources to acquire, construct, and improve public school facilities in the respective districts.

000000 FUND 93 000 00000
 Municipal, Localities

Debt Service Fund
 Custodial Balance Sheet

July 31, 1997
 1997 comparative totals for (Funds 93, 1996)

	Fiscal Year											
	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08
Assets	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7
Cash	100	100	100	100	100	100	100	100	100	100	100	100
Accounts receivable	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Inventory	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Prepaid expenses	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Other assets	—	—	—	—	—	—	—	—	—	—	—	—
Total assets	\$70.7	\$70.7	\$70.7	\$70.7	\$70.7	\$70.7	\$70.7	\$70.7	\$70.7	\$70.7	\$70.7	\$70.7
Liabilities and Fund Balance												
Liability - retained bonds and interest payable	—	—	—	—	—	—	—	—	—	—	—	—
Fund balance - reserved for debt service	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Total liability and fund balance	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0

See accompanying independent auditor report.

DEBT SERVICE FUNDS

School Districts No. 1, No. 2 (1988 Issue), No. 2 (1987 Issue), No. 2 (1992 Issue), No. 3 (1988 Issue), No. 3 (1990 Issue), No. 3 (1984 Issue), No. 4, and No. 5 Funds — The school district Debt Service Funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire land for building sites, erect and improve school buildings, and acquire the necessary equipment and furnishings thereon. The bond issues are financed by a special property tax levy on property within the respective school districts and/or an allocation of sales and use tax collected.

DESOTO PARISH SCHOOL BOARD
 Mansfield, Louisiana

Special Revenue Fund

Oath 2000

Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual

For the year ended June 30, 1997

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		
Revenues - federal sources	\$ 63,880	66,173	(2,707)	57,655
Expenditures - current:				
Instruction - special programs	3,366	6,248	1,518	35,837
Support services:				
Instructional staff support	56,275	56,723	1,552	19,269
Plant services	2,518	1,928	568	581
Total expenditures	<u>62,659</u>	<u>65,900</u>	<u>3,639</u>	<u>56,747</u>
Excess of revenues over expenditures	1,221	1,244	(73)	1,413
Other financing uses - opening transfer out	<u>(1,321)</u>	<u>(1,344)</u>	<u>23</u>	<u>(1,413)</u>
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ —	—	—	—

See accompanying independent auditors' report.

DESDO PARISH SCHOOL BOARD
Mandeville, Louisiana

Special Revenue Fund

Even Start

Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual

For the year ended June 30, 1990
(with comparative totals for June 30, 1989)

	1990		Variance Favorable (Unfavorable)	1989
	Budget	Actual		
Revenues - federal sources	\$ 355	355	—	74,752
Expenditures - current - instruction - special programs	—	—	—	74,752
Excess of revenues over expenditures	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ —	—	—	—

See accompanying independent auditors' report.

ORANGE PARISH SCHOOL BOARD
Bossier, Louisiana

General Long-Term Debt Account Group

Schedule of Changes in Long-Term Debt

Year ended June 30, 1997

	July 1, 1995	Additions	Retirements	Debt Service Fund Deposits	June 30, 1997
Amount available to Debt Service Funds	\$ 3,000,000	—	—	(304,500)	2,795,500
Amount to be provided for retirement of long-term debt	25,358,206	1,108,080	2,768,800	304,500	24,282,846
Amount to be provided for accrued compensated absences	848,212	172,672	58,862	—	906,538
	\$ 29,206,418	1,280,752	2,827,662	—	27,659,508
Long-term obligations payable:					
General obligations bonds payable	\$ 23,000,000	1,300,000	2,368,000	—	21,932,000
Sales tax bonds payable	209,800	—	8,000	—	211,000
Contributions of individuals, payable	5,080,800	—	193,000	—	4,887,800
Accrued compensated absences	828,212	172,672	58,862	—	956,538
	\$ 28,117,812	1,472,672	2,627,862	—	27,962,622

Note (1) - Payments include refunding of \$1,180,000 during fiscal year 1997.

See accompanying independent auditor's report.

DEBOTO PARISH SCHOOL BOARD
Mandeville, Louisiana

Special Revenue Fund

Vocational Education

Statement of Revenues, Expenditures, and Changes in Fund
Balance - Budget and Actual

For the year ended June 30, 1997
(with comparative totals for June 30, 1996)

	1997			1996
	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues - federal sources	\$ 82,311	77,516	(5,795)	74,853
Expenditures - current:				
Instruction - adult and continuing education programs	64,644	59,572	5,272	56,683
Support services:				
Student services	3,957	3,528	2,447	3,048
Instructional staff support	12,500	14,624	(1,824)	13,165
Total expenditures	35,111	37,516	3,395	34,737
Excess of revenues over expenditures	—	—	—	66
Other financing uses - operating transfers out	—	—	—	(66)
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ —	—	—	—

See accompanying independent auditor's report.

DEBOTO PARISH SCHOOL BOARD
 Metairie, Louisiana

Special Revenue Fund

Adult Basic Education

Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual

For the year ended June 30, 1997
 (with comparative totals for June 30, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		
Revenues - federal sources	\$ 60,047	68,346	(831)	69,316
Expenditures - current:				
Instruction - adult and continuing education programs	65,935	65,212	713	66,370
Support services - instructional staff support	1,183	967	132	1,053
Total expenditures	67,118	66,179	939	67,423
Excess of revenues over expenditures	2,929	1,957	(95)	1,993
Other financing uses - operating transfers out	(1,812)	(1,853)	41	(1,932)
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ —	—	—	—

See accompanying independent auditors' report.

DEBOTO PARISH SCHOOL BOARD
 Mandeville, Louisiana

Special Revenue Fund

Fiscal Year

**Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual**

For the year ended June 30, 1997
 (with comparative totals for June 30, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		
Revenues - External sources	\$ 48,339	44,169	(4,170)	48,253
Expenditures - current - instruction - special programs	48,328	44,389	4,939	48,253
Excess of revenues over expenditures	---	---	---	---
Fund balance at beginning of year	-----	-----	-----	-----
Fund balance at end of year	\$ -----	-----	-----	-----

See accompanying independent auditor's report.

DESOOTO PARISH SCHOOL BOARD
 Mansfield, Louisiana

Special Revenue Fund

Special Education
 P.L. 94-142 / ESEF
 P.L. 94-142 / IDEF Part B
 P.L. 94-142 / IDEF Prereferral

Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual

For the year ended June 30, 1997
 (with comparative results for June 30, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		
Revenues - federal sources	\$ 256,680	242,066	(14,614)	246,908
Expenditures - current:				
Instruction - special programs	130,379	120,910	9,369	123,470
Support services:				
Student services	700	700	—	700
Instructional staff support	104,715	101,428	3,287	100,270
General administration	406	—	406	—
Plant services	11,289	10,788	501	12,970
Student transportation services	2,890	2,210	680	2,865
Total expenditures	<u>250,279</u>	<u>236,066</u>	<u>14,213</u>	<u>241,345</u>
Excess of revenues over expenditures	6,399	6,000	(399)	2,713
Other financing uses - operating transfers out	<u>(6,399)</u>	<u>(6,000)</u>	<u>399</u>	<u>(2,713)</u>
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ —	—	—	—

See accompanying independent auditor's report.

DEBOTO PARISH SCHOOL BOARD
 Mansfield, Louisiana

Special Revenue Fund

7 Mill Maintenance Tax

Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual

For the year ended June 30, 1997
 (with comparative totals for June 30, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		
Revenues:				
Local sources:				
Ad valorem tax	\$ 643,138	648,993	4,954	632,314
Interest earnings	300	825	525	1,030
State grants - revenue sharing	45,123	48,848	3,725	47,523
Total revenues	688,561	698,766	10,204	680,867
Expenditures - current - support services:				
General administration	23,215	33,215	—	22,700
Business services	50	29	28	18
Plant services	662,345	671,890	(9,545)	657,613
Total expenditures	685,560	695,122	(9,560)	680,331
Excess (deficiency) of revenues over expenditures	—	643	643	64,602
Fund balance at beginning of year	—	—	—	4,662
Fund balance at end of year	\$ —	643	643	—

See accompanying independent auditor's report.

DEBOTO PARISH SCHOOL BOARD
 Mansfield, Louisiana

Special Revenue Fund

School Lunch Fund

**Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual**

For the year ended June 30, 1997
 (with comparative totals for June 30, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		
Revenues:				
Local sources:				
Sales and use tax	\$ 174,151	175,439	1,288	---
Food sales	225,800	228,858	3,058	245,410
Interest earnings	16,528	34,362	17,834	26,623
State sources:				
State equalization	381,064	381,064	---	381,064
Other	---	18,710	18,710	---
Federal sources	1,341,231	1,333,145	(8,086)	(1,372,698)
Total revenues	<u>2,138,874</u>	<u>2,173,812</u>	<u>34,738</u>	<u>2,085,197</u>
Expenditures - current - food services:				
Food costs	780,000	813,805	(33,805)	789,351
Salaries and related benefits	1,509,821	1,266,714	243,107	1,197,314
Materials and supplies	70,000	69,328	672	65,994
Equipment	48,829	49,361	(532)	27,977
Other	81,386	82,831	(1,445)	83,554
Total expenditures	<u>2,390,236</u>	<u>2,282,239</u>	<u>107,997</u>	<u>2,170,171</u>
Excess of expenditures over revenues	(151,362)	(108,597)	42,771	(165,004)
Other financing sources - operating transfers in	---	---	---	364,002
Excess (deficiency) of revenues and other sources over expenditures	(151,362)	(108,597)	42,771	99,098
Fund balance at beginning of year	<u>723,251</u>	<u>723,251</u>	<u>---</u>	<u>628,163</u>
Fund balance at end of year	<u>\$ 571,889</u>	<u>614,654</u>	<u>42,771</u>	<u>723,251</u>

See accompanying independent auditors' report.

DESOUDS PARISH SCHOOL BOARD
 Mansfield, Louisiana

Special Revenue Fund

Education for Economic Security Act
 Title II - Public Law 95-507

Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual

For the year ended June 30, 1997
 (with comparative totals for June 30, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		
Revenues - federal sources	\$ 33,890	26,279	(7,611)	34,665
Expenditures - current - support services - instructional staff support	32,802	28,513	4,289	33,659
Excess of revenues over expenditures	988	766	(222)	964
Other financing uses - operating transfers out	(988)	(766)	222	(964)
Excess of revenues over expenditures and other uses	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ —	—	—	—

See accompanying independent auditor's report.

DESOUD PARESH SCHOOL BOARD
 Mansfield, Louisiana

Special Revenue Fund

Educational Consolidation and Improvement Act
 Title VI

Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual

For the year ended June 30, 1997
 (with comparative totals for June 30, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		
Revenues - federal sources	\$ 67,732	56,227	(11,505)	54,381
Expenditures - current:				
Instruction - special programs	51,088	37,612	3,476	37,140
Support services:				
Student services	32,581	28,891	6,270	25,320
Instructional staff support	1,711	386	1,625	---
Total expenditures	34,292	29,277	11,171	32,869
Excess of revenues over expenditures	1,644	1,618	(324)	1,512
Other financing uses - operating transfers out	(1,622)	(1,628)	374	(1,512)
Excess of revenues over expenditures and other uses	---	---	---	---
Fund balance at beginning of year	---	---	---	---
Fund balance at end of year	\$ ---	---	---	---

See accompanying independent auditor's report.

IBBOTO PARISH SCHOOL BOARD
 Mansfield, Louisiana

Special Revenue Fund

Educational Consolidation and Improvement Act
 Title I

Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual

For the year ended June 30, 1997
 (with comparative totals for June 30, 1996)

	1997		Variance Favorable (Unfavorable)	1996
	Budget	Actual		
Revenues:				
Local sources - other	\$ ---	5,799	5,799	---
Federal sources	1,568,739	1,436,904	(131,835)	1,439,826
Total revenues	1,568,739	1,442,703	(126,036)	1,439,826
Expenditures - current:				
Instruction - special programs	963,569	932,566	40,004	891,683
Support services:				
Student services	58,494	49,288	9,206	81,841
Instructional staff support	396,098	336,380	59,718	342,123
General administration	19,790	8,158	2,592	1,263
Plant services	102,882	91,801	11,081	82,425
Total expenditures	1,551,644	1,487,993	123,651	1,399,339
Excess of revenues over expenditures	57,095	34,710	(2,879)	31,487
Other financing uses - operating transfers out	(57,095)	(34,258)	2,825	(31,487)
Excess of revenues over expenditures and other uses	---	---	---	---
Fund balance at beginning of year	-----	-----	-----	-----
Fund balance at end of year	\$ -----	-----	-----	-----

See accompanying independent auditor's report.

Adult Basic Education — Adult Basic Education is a program to develop knowledge and skills to meet immediate and long-range educational objectives of adults who have completed or interrupted formal schooling, having accepted adult roles and responsibilities.

Vocational Education — Vocational Education is a federally funded program that provides students with the opportunity to develop the knowledge, skills, and attitudes needed for employment in agriculture, home economics, industrial arts, business, etc.

Starting Points — Starting Points is a federally funded preschool program designed to provide quality early childhood education to children whose parent(s) or guardian work or are enrolled in a job training or educational program.

Even Start — Even Start is a federally funded preschool program for children under the age of five that helps children to develop a positive concept of self and school.

Goals 2000 — Goals 2000 is a Federally Funded program that attempts to build community support and a true community partnership to (1) structure the local educational system, (2) engage in long term systemic change to better address the individual needs of students, teachers, administrators, parents, employers, and citizens within its community, and (3) address the National Educational Goals, especially goals related to high academic achievement for all children.



SPECIAL REVENUE FUNDS

Education Consolidation and Improvement Act — Title I of the Education Consolidation Improvement Act of 1981 (ECIEA) is a program for economically and educationally deprived school children which is federally financed, state administered, and locally operated by the School Board. The Title I services are provided through various projects which are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

Title VI of the Education Consolidation Improvement Act of 1981 is a program by which the federal government provides money to the school systems based on a per pupil allocation for audio-visual material and equipment and library resources.

Education for Economic Security Act — Title II of the Education for Economic Security Act (EESA) is a federally financed program designed to strengthen the skills of teachers and provide for instruction in mathematics, science, foreign languages, and computer learning.

School Lunch Fund — The School Lunch Fund accounts for the operations of the school cafeterias.

7 Mill Maintenance Tax — The School Board collects a parishwide 7 mill property tax for the purpose of paying the general cost of operation and maintenance of the public schools in the parish.

Special Education — Special Education is a federally financed program to provide free, appropriate public education to all children in need of special education and related services.

Head Start — Head Start is a program by which the federal government provides money to give economically deprived children a head start in school before they enter kindergarten.

RECONCILING ITEMS STATE
 Statement of Assets

Special Revenue Fund

Comparing Statement of Assets, Expenditures, and Changes in Fund Balance

For the year ended June 30, 2017
 (continued from page 10 of 10)

	Balance at Beginning of Year	Balance at End of Year	Change	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund
Assets												
Cash	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0
Accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid expenses	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	0	0	0	0	0	0	0	0	0	0	0	0
Total assets	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0
Expenditures												
Salaries	0	0	0	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0	0	0	0	0
Supplies	0	0	0	0	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0	0	0	0	0
Telephone	0	0	0	0	0	0	0	0	0	0	0	0
Printing	0	0	0	0	0	0	0	0	0	0	0	0
Repairs	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
Total expenditures	0	0	0	0	0	0	0	0	0	0	0	0
Change in net assets	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0
Special Revenue Fund	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0
Total	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0

	Balance at Beginning of Year	Balance at End of Year	Change	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund	Special Revenue Fund
Liabilities												
Accounts payable	0	0	0	0	0	0	0	0	0	0	0	0
Accrued salaries	0	0	0	0	0	0	0	0	0	0	0	0
Accrued interest	0	0	0	0	0	0	0	0	0	0	0	0
Deferred revenue	0	0	0	0	0	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Fund balance	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0
Total fund balance	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0
Total	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0

IBERICO PARISH SCHOOLS BOARD
Bossierette, Louisiana

General Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual, Continued

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Expenditures:				
Current:				
Instruction:				
Regular programs	\$ 18,998,495	18,787,444	211,051	8,624,545
Special programs	4,323,888	4,234,563	89,325	3,785,665
Adult and continuing education programs	74,211	74,473	(262)	71,963
Support services:				
Student services	812,988	864,889	(51,901)	801,155
Instructional staff support	948,942	938,621	10,321	833,626
General administration	667,944	624,988	42,956	603,741
School administration	1,848,013	1,328,030	519,983	1,224,920
Business services	394,417	374,189	20,228	332,472
Plant services	2,179,788	2,068,133	111,655	1,798,280
Student transportation services	2,214,290	2,449,283	(234,993)	2,433,683
Central services	81,248	84,813	(3,565)	97,884
Capital outlay - facilities acquisition and construction	13,400	13,400	---	21,613,682
Total expenditures	30,648,383	30,586,369	62,014	
Excess (deficiency) of revenues over expenditures	(2,176,961)	(1,442,944)	734,017	2,349,792
Other financing sources (uses):				
Operating transfers in	81,740	47,854	33,886	44,244
Operating transfers out	(46,348)	(46,348)	---	(294,353)
Total other financing sources (uses)	35,392	1,106	34,286	(250,109)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,141,569)	(1,441,838)	700,731	2,099,683
Fund balance at beginning of year	6,382,732	6,382,732	---	4,452,783
Fund balance at end of year	\$ 4,241,163	\$ 4,940,894	700,731	6,552,792

See accompanying independent auditor's report.

DEWITT PAREN SCHOOL BOARD
 Mansfield, Louisiana

General Fund

Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual

For the year ended June 30, 1987
 (with comparative totals for June 30, 1986)

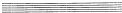
	1987		Variance - Favorable (Unfavorable)	1986
	Budget	Actual		Actual
Revenues:				
Local sources:				
Taxes:				
Ad valorem	\$ 3,537,802	3,568,868	31,066	3,473,681
Sales and use	1,388,879	1,373,888	(14,991)	1,342,684
Interest earnings	381,300	381,760	460	337,604
Other:				
Tuition	48,158	48,480	322	38,979
Fees, fines, and royalties	584,308	88,335	(495,973)	18,938
Other	28,128	24,265	(3,863)	42,176
Total other	178,194	181,241	3,047	92,093
Total local sources	1,350,678	2,429,662	1,078,984	9,278,268
State sources:				
Basic allocation	14,240,694	14,240,694	—	14,667,325
Other state programs:				
Revenue sharing	341,877	350,284	8,407	571,918
Professional improvement program	348,255	348,338	83	271,167
Other	128,883	133,875	5,000	881,238
Total other state programs	828,015	832,507	4,492	1,724,323
Total state sources	15,068,709	15,073,495	4,786	16,668,666
Federal and other sources	5,035	19,216	14,181	32,347
Total revenues	22,422,831	21,512,581	(910,250)	22,983,679

GENERAL FUND

The General Fund is the principal fund of the School Board and is used to account for all activities of the school system not required to be accounted for in another fund. These activities are funded principally by state surcess and local property and sales taxes on individuals and businesses.

GOVERNMENTAL FUNDS

- GENERAL FUND
- SPECIAL REVENUE FUNDS
- DEBT SERVICE FUNDS
- CAPITAL PROJECTS FUNDS



**SUPPLEMENTAL STATEMENTS
AND SCHEDULES —
COMBINING,
INDIVIDUAL FUND,
AND ACCOUNT
GROUP STATEMENTS
AND SCHEDULES**



DEBOTO PARISH SCHOOL BOARD
 Mansfield, Louisiana

Special Revenue Fund

Fiscal Year

**Statement of Revenues, Expenditures, and Changes in Fund
 Balance - Budget and Actual**

For the year ended June 30, 1997
 (with comparative totals for June 30, 1996)

	1997			1996
	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues - federal sources	\$ 48,250	44,969	(4,180)	48,250
Expenditures - current - instruction - special programs	48,250	44,168	4,150	48,250
Excess of revenues over expenditures	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ —	—	—	—

See accompanying independent auditor's report.

DESOYO PARISH SCHOOL BOARD
Mandeville, Louisiana

Notes to Combined Financial Statements

(13) Commitments and Contingencies

Litigation

At June 30, 1997, the School Board is involved in various litigation. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

Risk Management

The School Board is exposed to various risks of loss related to theft of, damage to and destruction of assets, errors and omissions, and natural disasters. These risks are handled by the School Board through the purchase of various commercial insurance policies with varying coverage limits, deductibles, and premiums based on the type of policy. No significant reductions in insurance coverage from coverage in the prior year occurred and no claims exceeded the School Board's insurance coverage for each of the past three years.

The School Board is partially self-insured for health and workers' compensation insurance coverage. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company under its health plan for individual claims in excess of \$100,000 and for total annual claims in excess of \$2,000,000. The School Board maintains stop-loss coverage with an insurance company under its workers' compensation plan for individual claims in excess of \$75,000 and for total claims that exceed \$750,000 in a three year period.

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. At June 30, 1997, the amount of these liabilities was \$637,977. This liability is the School Board's best estimate based on available information. Changes in the reported liability since June 30, 1995, resulted from the following:

	Beginning of Fiscal-Year Liability	Current Year Claims and Changes in Estimates	Claim Estimates	Balance at Fiscal Year-End
1995-1996	\$ 572,280	2,954,412	2,906,108	560,586
1996-1997	560,586	3,370,300	3,262,508	637,977

As of June 30, 1995, \$2,141,723 and \$225,000 of the General Fund fund balance has been designated for payment of future claims of the health plan and workers' compensation plan, respectively.

DEBOYS PARISH SCHOOL BOARD
Mansfield, Louisiana

Notes to Combined Financial Statements

Fund	In	Out
Special Education	\$ ---	6,000
Adult Basic Education	---	1,897
Starting Point	---	1,183
Grade 2000	---	1,244
Capital Projects Fund - District #1	<u>48,345</u>	---
Total	\$ <u>48,345</u>	<u>10,324</u>

(12) Compliance, Stewardship, and Accountability

(A) Excess of Expenditures Over Appropriations

For those funds for which a budget to actual comparison was made, actual expenditures exceeded budgeted expenditures for the year ended June 30, 1997, as follows:

	<u>Expenditures</u>		Unfavorable Difference	% of Balance
	Budget	Actual		
Special Revenue Funds - 7 Mill Maintenance Tax	\$ 688,157	695,023	6,866	.9%

The unfavorable budget variance for the year ended June 30, 1997, is not significant.

(B) Budgets and Budget Basis of Accounting

Annual expenditure budgets are adopted for the General Fund and Special Revenue Funds. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Revisions made to the original budget for each fund were as follows:

	Original Budget	Total Revisions	Revised Budget
General Fund	\$ 11,840,693	1,852,446	14,693,139
Educational Construction and Improvement Act			
Title I	1,032,348	246,178	1,278,526
Title VI	86,811	11,421	98,232
Education for Economic Security Act - Title II	31,943	(27)	31,916
School Lunch Fund	1,284,138	88,087	1,372,225
7 Mill Maintenance Tax	698,348	(5,141)	693,207
Special Education	289,048	47,608	336,656
Fiscal Staff	48,428	(1,088)	47,340
Adult Basic Education	71,000	(1,955)	69,045
Vocational Education	---	85,111	85,111
Starting Point	62,960	(2,898)	60,062
Even Base	67,500	107,145	174,645
Grade 2000	---	67,880	67,880

DESOYO PARENT SCHOOL BOARD
Monroe, Louisiana

Notes to Combined Financial Statements

Year Ending June 30,

1998	\$ 53,743
1999	52,402
2000	38,735
2001	14,031
2002	1,298

(11) Other Required Individual Fund Disclosures

(A) Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 1997, were as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 126,660	—
Special Revenue Funds:		
Educational Consolidation and Improvement Act:		
Title I	—	25,386
Title VI	446	1,875
Special Education	—	38,287
Adult Basic Education	—	1,288
Starting Points	—	23,521
Goals 2000	—	21,362
Education for Economic Security Act - Title II	—	4,444
Head Start	—	5,343
Vocational Education	—	3,623
	<u>\$ 127,106</u>	<u>127,106</u>
Total	\$ 127,106	127,106

(B) Operating Transfers

A reconciliation of operating transfers for the year ended June 30, 1993, follows:

Fund	In	Out
General Fund	\$ 47,838	46,546
Special Revenue Funds:		
Educational Consolidation and Improvement Act:		
Title I	—	34,250
Title VI	—	1,838
Education for Economic Security Act - Title II	—	766

DEBOTO PARISH SCHOOL BOARD
 Mandeville, Louisiana

Notes to Combined Financial Statements

irrevocable trust with an escrow agent to provide for future debt service payments on the 1987 bonds. As of June 30, 1997, \$1,185,000 of the 1987 bonds due in the period 1999 to 2007 remain outstanding but are considered to be delinquent and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

The advance refunding of the 1987 General Obligation Bonds with maturities from 1999 to 2007 decreased the School Board's total debt service payments over the next 30 years by approximately \$112,713, including additional cash paid by the School Board, and resulted in an economic gain to the School Board (difference between the present values of the debt service payments on the old and new debt less additional cash paid) of approximately \$85,375.

The annual requirements to amortize all debt outstanding as of June 30, 1997, are as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
1998	\$ 1,729,000	1,450,709	3,179,709
1999	1,844,000	1,325,003	3,169,003
2000	1,975,000	1,211,493	3,186,493
2001	2,086,000	1,114,144	3,200,144
2002	1,827,000	1,020,493	2,847,493
2003-2004	<u>17,240,000</u>	<u>6,709,324</u>	<u>23,949,324</u>
Total	\$ <u>27,681,000</u>	<u>10,791,143</u>	<u>38,472,143</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the assessed value of taxable property. At June 30, 1997, the statutory limit was \$41,805,027, the outstanding bonded debt and applicable debt service funds totaled \$19,718,915 and the legal debt margin was \$22,086,112.

(19) Lease Commitments

The School Board has a commitment under an operating lease agreement for the Superintendent's car. This agreement is a three-year lease. Total total expenditures under the operating lease was approximately \$7,765 during the year ended June 30, 1997.

The School Board is also a lessee in a lease/purchase agreement with some of its bus drivers. Certain buses were purchased by the School Board and leased to the bus drivers, with title to the bus passing to the driver at the end of the lease term. Total rental income under the lease was approximately \$42,142 during the year ended June 30, 1997. Future lease income is as follows:

DESOUD PARISH SCHOOL BOARD
Mandeville, Louisiana

Notes to Combined Financial Statements

but are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

During 1994, the School Board issued \$6,825,000 in General Obligation School Refunding Bonds, Series 1994, with interest rates ranging from 3.6% to 5.3% to refund \$3,880,000 of the maturing General Obligation School Bonds, Series 1988, with interest rates ranging from 7.25% to 7.85%. The net proceeds of the issue plus additional existing funds were used to purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1988 bonds. As of June 30, 1997, \$3,880,000 of the 1988 bonds due in the period 1999 to 2005 remain outstanding but are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

On July 1, 1994, the School Board issued \$1,785,000 of General Obligation School Refunding Bonds, Series 1994, with interest rates ranging from 4.9% to 5.85% and maturities from 1994 to 2008 to refund \$1,560,000 of the outstanding General Obligation School Bonds, Series 1988 with interest rates ranging from 7.6% to 8.0%. The net proceeds of \$1,740,000 (after payment of \$45,000 in underwriting fees and other issuance costs) plus an additional \$45,000 of existing funds were used to make an initial deposit in the escrow fund and purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1988 bonds. As of June 30, 1997, 1,560,000 of the 1988 bonds due in the period 1999 to 2008 remain outstanding but are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

On May 20, 1996, the School Board issued \$1,480,000 of General Obligation School Refunding Bonds, Series 1996, with an interest rate of 5.53% and maturities from 1996 to 2008 to refund \$1,280,000 of the outstanding General Obligation School Bonds, Series 1985 with interest rates ranging from 7.7 to 8%. The net proceeds of \$1,435,000 (after payment of \$28,500 in underwriting fees and other issuance costs) plus an additional \$15,000 of existing funds were used to make an initial deposit in the escrow fund and purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1988 bonds. As of June 30, 1997, \$1,280,000 of the 1988 bonds due in the period 1999 to 2008 remain outstanding but are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

On October 8, 1996, the School Board issued \$1,300,000 of General Obligation School Refunding Bonds, Series 1996, with interest rates ranging from 4.15% to 5.8% and maturities from 1997 to 2000 to refund \$1,185,000 of the outstanding General Obligation School Bonds, Series 1987 with an interest rate of 3%. The net proceeds of \$1,300,500 (after payment of \$26,100 in underwriting fees and other issuance costs) were used to make an initial deposit in the escrow fund and purchase a U.S. government security. This security, plus an initial cash deposit, was deposited in an

IBESOTO PARISH SCHOOL BOARD
Manvel, Louisiana

Notes to Combined Financial Statements

Bond Issue	Original Term	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	
Sales Tax Bonds - Parishwide - Dated 9-1-88	5	280,000	7.0-10.0%	90,150	121,704	211,000
Certificates of Indebtedness - School District No. 2 - Dated 7-1-87		4,990,000	8.1-8.0%	157,175	2,320,713	4,800,000
Total				\$ 2,410,863	\$ 2,000,000	

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 and a sales tax. As of June 30, 1997, the School Board has accumulated \$2,706,151 in the Debt Service Funds for future debt requirements.

During 1992, the School Board issued \$2,490,000 in refunding Certificates of Indebtedness, Series 1992B, with interest rates ranging from 5.1% to 8.0% to advance and/or refund \$2,350,000 of the outstanding Certificates of Indebtedness, dated December 1, 1980, with interest rates of 9.0%. The net proceeds of the issue were used to purchase a U.S. government security. This security was deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the Certificates of Indebtedness, dated December 1, 1980. As of June 30, 1997, \$650,000 of the 1980 Certificates of Indebtedness remain outstanding but are considered to be defeased and the liability for those bonds has been removed from the School Board's General Long-Term Debt Account Group.

During 1993, the School Board issued \$4,180,000 in General Obligation School Refunding Bonds, Series 1993, with interest rates ranging from 3.8% to 5.7% to refund \$3,980,000 of the outstanding General Obligation School Bonds, Series 1989, with interest rates ranging from 7.5% to 8.0%. The net proceeds of the issue plus additional existing funds were used to purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1989 bonds. As of June 30, 1997, \$3,590,000 of the 1989 bonds due in the period 2000 to 2008 remain outstanding but are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Debt Account Group.

During 1993, the School Board issued \$4,975,000 in General Obligation School Refunding Bonds, Series 1993, with interest rates ranging from 3.25% to 5.7% to refund \$5,910,000 of the outstanding General Obligation School Bonds, Series 1984, with interest rates of 7.7%. The net proceeds of the issue were used to purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1984 bonds. As of June 30, 1997, \$3,810,000 of the 1984 bonds due in the period 2006 to 2008 remain outstanding

DESO TO PAREN T SCHOOL BOARD
Manfield, Louisiana

Notes to Combined Financial Statements

(9) Long-Term Obligations

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

	Bonded Debt		Sales Tax Bonds	Subtotal	Compensated Absence	Total
	General Bonded Debt	Certificates of Indenture				
Balance, at July 1, 1996	\$ 21,028,000	3,283,000	278,000	24,419,000	838,710	25,257,710
Debt additions and increases in compensated absence	1,138,000	—	—	1,280,000	375,677	1,655,677
Debt retirements and payments of compensated absence	(3,178,000)	(281,000)	(9,000)	(3,468,000)	(19,801)	(3,487,801)
Debt refundings	(3,125,000)	—	—	(3,125,000)	—	(3,125,000)
Balance, at June 30, 1997	\$ 17,863,000	3,002,000	211,000	21,076,000	783,586	21,859,586

For the year ended June 30, 1997, the principal payments of \$1,573,000, plus interest and fiscal charges of \$1,373,068, on the obligations were paid from Debt Service Funds. Annual compensated absence of \$29,802 were paid by these funds and departments with salary costs and are included in payroll costs. Long-term debt at June 30, 1997, is comprised of the following issues:

Bond Issue	Original Issue	Interest Rate	Fiscal Payment Due	Interest in Maturity	Principal Outstanding
General Obligation Bonds					
School District No. 1 -					
Bond 1-1-89	\$ 1,400,000	7.5-9.0%	11,988	82,480	435,000
Bond 1-2-93	4,180,000	8.4-9.7%	13,968	1,667,283	4,033,000
School District No. 2 -					
Bond 1-1-89	1,770,000	5.5-7.0%	11,988	96,400	220,000
Bond 2-1-87	355,000	8.0%	81,798	14,000	370,000
Bond 10-0-96	1,280,000	4.0-6.0%	81,007	424,285	1,200,000
School District No. 3 -					
Bond 1-2-1-88	975,000	8.0-9.0%	120,598	25,270	385,000
Bond 7-1-94	1,783,000	4.5-8.0%	120,598	783,309	1,703,000
Bond 9-1-94	380,000	5.1-6.0%	120,013	168,736	285,000
School District No. 4 -					
Bond 10-1-88	1,020,000	8.1-9.0%	82,048	90,000	1,000,000
Bond 1-2-1-87	4,574,000	7.55-9.7%	82,048	2,088,031	4,425,000
Bond 2-0-94	6,823,000	7.4-9.7%	82,048	1,778,028	6,045,000
School District No. 5 -					
Bond 10-1-88	475,000	7.4-9.0%	82,048	11,900	121,000
Bond 2-20-96	1,488,000	5.5%	82,048	682,358	1,470,000

DESOTO PARISH SCHOOL BOARD
Monroe, Louisiana

Notes to Combined Financial Statements

and may be amended by Louisiana state statute. The School Board's contributions for the years ending June 30, 1997, 1996, and 1995 were \$124,191, \$111,689, and \$115,125, respectively, equal to the required contributions for each year. In accordance with GASB 27, the pension liability was determined to be zero. Prior to adoption of GASB 27, the School Board did not report a pension liability for the School Employees' Plan.

(7) Post-Retirement Health Care and Life Insurance Benefits

The DeSoto Parish School Board has voluntarily elected to provide 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, whose monthly premiums are paid jointly by the employee (approximately 20%) and the School Board (approximately 80%), were provided through a private insurance company. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due. The School Board's cost of providing these benefits to retirees totaled \$292,758 for 1997 and encompasses 218 former employees qualified to receive such benefits. This expenditure is recorded in the General Fund.

(8) Deposits Due Others

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

	School Activity Accounts
Agency deposits due others at July 1, 1996	\$ 213,648
Additions	383,273
Deductions	(783,124)
Agency deposits due others at June 30, 1997	\$ 803,797

DEBOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Notes to Combined Financial Statements

Teachers' Retirement System of Louisiana - Plan B (Plan B):

Plan Description

All salaried workers are members of this cost-sharing multiple-employer statewide plan, which is a part of the Teachers' Retirement System of Louisiana plan above. Benefit provisions are established in accordance with Louisiana state statute. Information regarding this plan can be obtained from the Teachers' Plan publicly available financial report above.

Funding Policy

Covered employees are required to contribute 5 percent of their salary to Plan B. The School Board was required to contribute 18.3 percent of covered employees' salaries from July 1, 1993 to June 30, 1997. The employer and employee contribution obligations are established and may be amended by Louisiana state statute. The School Board's contributions for the years ending June 30, 1997, 1998, and 1999 were \$100,817, \$108,344, and \$92,812, respectively, equal to the required contributions for each year. In accordance with GASB 27, the pension liability was determined to be zero. Prior to adoption of GASB 27, the School Board did not report a pension liability for Plan B.

Deferred Retirement Option Plan

See explanation of this option under the Teachers' Retirement System of Louisiana.

Louisiana School Employees' Retirement System (School Employees' Plan):

Plan Description

All bus drivers, bus aids, maintenance employees, and custodians are members of this cost-sharing multiple-employer statewide plan. Benefit provisions are established in accordance with Louisiana state statute. The School Employees' Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Louisiana School Employees' Retirement System, P.O. Box 44516, Baton Rouge, Louisiana 70808-4516.

Funding Policy

Covered employees were required to contribute 6.35 percent of their salary to the School Employees' Plan for 1997, 1998, and 1999. The School Board was required to contribute 6 percent of covered employees' salaries from July 1, 1993 to June 30, 1997. The employer and employee contribution obligations are established

IBBOTO PARISH SCHOOL BOARD
Mandeville, Louisiana

Notes to Combined Financial Statements

66) Defined Benefit Pension Plans

In 1987, the School Board adopted the provisions of Governmental Accounting Standards Board No. 23, *Accounting for Pensions by State and Local Governmental Employers* (GASB 27). This statement establishes standards for the measurement, recognition, and display of pension expenditures/expenses and related liabilities, assets, net discounts, and required supplementary information.

Description of Plans —The School Board provides retirement, death, and disability benefits to its employees through three pension plans administered by the state of Louisiana. These plans are:

Teachers' Retirement System of Louisiana (Teachers' Plan):

Plan Description

All teachers and administrative employees are members of this cost-sharing multiple-employer statewide plan. Benefit provisions are established in accordance with Louisiana state statute. The Teachers' Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Teachers' Retirement System of Louisiana, P. O. Box 94125, Capitol Station, Baton Rouge, Louisiana 70804-5125.

Funding Policy

Covered employees are required to contribute 8 percent of their salary to the Teachers' Plan. The School Board was required to contribute 16.3 percent of covered employees' salaries from July 1, 1995 to June 30, 1997. The employer and employee contribution obligations are established and may be amended by Louisiana state statute. The School Board's contributions for the years ending June 30, 1997, 1996, and 1995 were \$1,120,899, \$1,981,030, and \$1,768,340, respectively, equal to the required contributions for each year. In accordance with GASB 27, the pension liability was decreased to be zero. Prior to adoption of GASB 27, the School Board did not report a pension liability for the Teachers' Plan.

Deferred Retirement Option Plan

Effective July 1, 1992, the Teachers' Retirement System adopted a Deferred Retirement Option Plan (DROF). Under the DROF, a teacher is allowed to retire and accumulate his/her retirement benefits in a special reserve fund and yet continue employment and draw a salary. Upon termination of employment at the end of the specified period, the monthly retirement benefits and the amounts paid into the DROF will begin being paid to the retiree.

DELSOTO PARISH SCHOOL BOARD
Monroe, Louisiana

Notes to Combined Financial Statements

	1997	1996
General Fund - constitutional	\$ 4.36	4.41
General Fund - special maintenance and operations	39.00	40.00
Debt Service Funds:		
District No. 1	25.00	27.00
District No. 2	17.33	20.00
District No. 3	34.00	34.00
District No. 4	15.00	20.00
District No. 5	<u>31.00</u>	<u>37.50</u>
	\$ <u>165.65</u>	<u>187.91</u>

(4) **Fixed Assets**

A summary of changes in general fixed assets is as follows:

	Balance July 1, 1996	Additions	Retirements	Balance June 30, 1997
General fixed assets:				
Land	\$ 1,100,000	15,000	000	1,120,000
Buildings and improvements	53,054,500	477,600	947,700	52,584,400
Furniture and equipment	4,738,411	597,048	65,879	4,269,580
Transportation equipment	<u>444,636</u>	<u>180,082</u>	<u>11,200</u>	<u>303,518</u>
	\$ <u>59,337,537</u>	<u>1,169,730</u>	<u>1,024,779</u>	<u>59,482,488</u>

(5) **Receivables**

The receivables of \$539,403 at June 30, 1997, consist of the following:

Class of Receivable	General Fund	Special Revenue Funds	Debt Service Funds	Total
Grants:				
Federal	\$ ---	235,480	---	235,480
State	71,053	---	---	71,053
Other	<u>11,631</u>	<u>10,693</u>	2,607	<u>24,931</u>
Total	\$ <u>82,684</u>	<u>246,173</u>	2,607	<u>531,464</u>

DESOUDS PARISH SCHOOL BOARD
Mossfield, Louisiana

Notes to Combined Financial Statements

Property Tax Calendar

Assessment date	January 1, 1996
Levy date	Not later than June 1, 1996
Tax bills mailed	On or about November 15, 1996
Total taxes are due	December 31, 1996
Penalties and interest are added	January 1, 1997
Levy date	January 1, 1997
Tax sale - 1996 delinquent property	May 15, 1997

The School Board is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose or, in the aggregate for all purposes, 35% of the assessed valuation for the payment of principal and interest on long-term debt after approval by the voters of the parish.

All 1996 property taxes that had not been received as of June 30, 1997, were considered uncollectible. Any amounts that might be collected subsequently would not be significant. The tax roll is not prepared by the tax collector 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.

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

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

A revaluation of all property is required 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 \$118,614,363 and \$114,435,952 in calendar years 1996 and 1995, respectively. 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 \$24,846,739 and \$23,936,689 of the assessed value in calendar years 1996 and 1995, respectively.

The distribution of the School Board's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 1997 and 1996:

DEBOTO PARISH SCHOOL BOARD
Mansfield, Louisiana

Notes to Combined Financial Statements

School Board had certificates of deposit carried by the School Board and by the bank in \$6,311,719. These certificates of deposit are reported separately in the accompanying combined financial statements.

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. All deposits are insured or collateralized with securities with market values totaling \$94,198,232 and are categorized below to give an indication of the level of credit risk. 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 Balance
Category 1	
Deposits insured or collateralized with securities held by the School Board or by its agent in the School Board's name.	\$ 831,518
Category 2	
Deposits collateralized with securities held by the pledging financial institution's trust department or agent in the School Board's name.	12,123,023
	\$ 12,954,541

The School Board's investments during the year ended June 30, 1997, consisted of overnight repurchase agreements with a carrying and market value of \$302,000 as June 30, 1997. This investment is classified as cash in the accompanying combined financial statements and is categorized to give an indication of the level of risk assumed by the School Board at year end as a Category 1 investment, which includes those investments insured or registered or for which the securities are held by the School Board or its safekeeping agent in the School Board's name.

(3) **Local Taxes**

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

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

DESDO PARISH SCHOOL BOARD
Monroe, Louisiana

Notes to Combined Financial Statements

Special Education Funds:		
P.L. 94-142	\$	284,659
P.L. 99-497		54,899
IDEA Part H		3,338
Head Start		44,169
Adult Basic Education		68,146
Vocational Education		77,317
Starting Points		40,616
Even Start		355
Grants 2000		64,173
 Debt Service Fund - School District No. 2 (1992 issue) - state revenue sharing		 _____ 56,588
Totals	\$	<u>19,007,560</u>

(Q) Comparative Total Data

Comparative total data for the prior year have been presented in the accompanying combined financial statements to provide an understanding of changes in the School Board's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read. Certain amounts relating to 1995 have been reclassified in the accompanying financial statements in order to conform with the 1997 presentation.

(R) Total Columns on Combined Statements

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

(S) Claims and Judgments

Claims and judgments are recorded as expenditures in governmental funds for the amount that will be liquidated with expendable available financial resources. The remainder of the liability (if any) is recorded in the General Long-Term Debt Account Group.

(T) Cash and Investments

At June 30, 1997, the carrying amount of the School Board's cash deposits was \$5,844,500 and the bank balance was \$6,026,828. In addition, at June 30, 1997, the

DEBOTO PARISH SCHOOL BOARD
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Notes to Combined Financial Statements

reductions of the expenditures in the fund that is being reimbursed. Nonrecursing or noncontingent transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from fund balances. All other transfers are treated as operating transfers and are included in the results of operations. Reference should be made to note 11 regarding interfund transactions.

(P) Grants and Entitlements From Other Governmental Agencies

Federal and state governmental agencies represent an important source of supplementary funding to finance educational programs and other activities beneficial to parish schools. These funds, primarily in the form of grants, are recorded in the General Fund and Special Revenue Funds. A grant receivable is recorded when the School Board has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are audited annually under the single audit approach as mandated in the Single Audit Act of 1984.

During the year ended June 30, 1997, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or contributions in the accompanying financial statements:

Fund	
General Fund:	
State Equalization	\$ 14,240,894
State Professional Improvement Program	388,069
State Revenue Sharing	291,294
Other	348,292
Special Revenue Funds:	
Education Consolidation and Improvement Act:	
Title I:	
Title I	1,417,092
Title II - Migrant	99,413
Title VI:	
ESEA Title II	23,492
Drug-Free Schools and Communities Act	28,335
Education for Economic Security Act - Title II - P.L. 94-377	28,279
School Lunch Fund:	
Federal Reimbursement	1,230,832
State Equalization	381,064
Commodities	102,313
Other	93,310
? Meal Maintenance tax	44,849

DESOUDS PARISH SCHOOL BOARD
Mandeville, Louisiana

Notes to Combined Financial Statements

(L) **Pension Plans**

The School Board participates in three pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements (see note 6 for details of these plans).

(M) **Reserves**

Use of the term "reserve" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance is not available in appropriate for expenditure or is legally segregated for a specific future use. The reserve for debt service represents the portion of fund balance that has been reserved in the Debt Service Funds for future payments of principal and interest on bonded debt. The reserve for encumbrances at year end represents the estimated amount the School Board intends to honor as a commitment regardless of the lapse in the appropriation.

(N) **Designations**

Use of the term "designation" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance has been segregated to indicate tentative plans for future financial resource use. Designated fund balances may be changed and are subject to subsequent authorization before expenditures can be made. The nature and purpose of these designations are explained as follows:

Designated for Future Claims and Contingents

This amount represents a portion of fund balance that has been designated to fund possible losses from lawsuits, self-insurance liability, and other risks.

Designated for Equipment Replacement

This amount has been accumulated to fund the replacement of buses.

Designated for Specific Projects

This amount has been designated to fund future capital projects including acquiring land for building sites and playgrounds; purchasing, erecting, and improving school buildings and other facilities; and acquiring equipment and furnishings.

(O) **Interfund Transactions**

There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements to a fund for expenditures initially made from that fund which are properly applicable to another fund are recorded as expenditures in the reimbursing fund, and as

DESSOTO PARISH SCHOOL BOARD
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Notes to Combined Financial Statements

(J) Vacation, Sick Leave, and Sabbatical Leave

All School Board employees earn from five to fifteen days of vacation leave each year depending upon length of service. Unused vacation leave as of December 31 can be accumulated and carried forward to the succeeding year, up to a maximum of five days.

All School Board employees except twelve-month employees, earn ten days of sick leave each year. Twelve-month School Board employees earn twelve days of sick leave each year. Teachers may use two days of sick leave each year for personal business. Sick leave may be accumulated without limitation. Upon retirement or death, a maximum of twenty-five days accumulated sick leave may be paid to the employee or the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total accumulated sick leave, including the twenty-five days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement System and for sick leave earned under the Louisiana School Employees' Retirement System, all unpaid sick leave, which includes the twenty-five days paid, is used in the retirement benefit computation as earned service.

The cost of leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees or their heirs are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring current recognition up to a maximum of twenty-five days is recorded in the General Long-Term Debt Account Group. No accrual is made in the governmental funds because the current portion of the liability is deemed immaterial.

(K) Sales and Use Tax

The School Board receives a two-cent sales and use tax. For the year ended June 30, 1997, the tax was collected by the DeSoto Parish Sales and Use Tax Commission, forwarded to the School Board, and was dedicated as follows:

- (A) One cent of the sales and use tax, approved March 25, 1988, with an expiration date, is dedicated to supplement other revenues available for salaries of teachers and other personnel and for the operation of public elementary and secondary schools.
- (B) One-half cent of the sales and use tax, approved May 3, 1986, with an expiration date, is dedicated to supplement other revenues for payment of salaries of School Board employees.
- (C) One-half cent of the sales and use tax, approved May 3, 1986, for a period of twenty-five years, is dedicated for the purpose of air conditioning school buildings, repairing school buildings, and making capital improvements to school buildings and related facilities. The proceeds of this tax may be funded into bonds to pay the cost of air conditioning and capital improvements.

DESOIT PARISH SCHOOL BOARD
Mansfield, Louisiana

Notes to Combined Financial Statements

(F) Encumbrances

Encumbrance accounting, under which purchase orders are recorded to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities. Encumbrances at June 30, 1997, consist primarily of commitments to purchase school buses and those associated with construction contracts.

(G) Cash

The School Board maintains a pooled cash account for all funds of the School Board. The asset balance and interest income is allocated to each respective individual fund monthly based on their respective fund balances at month end.

(H) Investments

Investments are stated at cost or amortized cost, which approximates market. The School Board maintains investments separately for each fund.

Under state law, the School Board may invest in direct United States Treasury obligations, indistinguishable issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government), indistinguishable issued or guaranteed by federally sponsored U.S. government agencies, and may deposit its funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana or national or trust fund institutions registered with the Securities and Exchange Commission.

(I) Inventories

Inventories consist 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 by the School Lunch Fund when received; however, inventory items are recorded as expenditures when consumed. Any material commodities on hand at year end would be classified as deferred revenues. All purchased inventory items are valued at cost (first-in, first-out), and commodities are assigned values based on information provided by the United States Department of Agriculture.

DESOITS PARISH SCHOOL BOARD
Mandeville, Louisiana

Notes to Combined Financial Statements

- (4) The budgets are prepared on the modified accrual basis of accounting. The budget documents is structured such that revenues are budgeted by source and appropriations by function. School Board policy and the legal requirements, which prescribe that the legal level of control for the General Fund and Special Revenue Funds is at the fund level, provide that expenditures may not exceed appropriations in excess of five percent of the budgeted expenditures of the fund. All appropriations which are not expended lapse at year end.
- (5) Formal budgetary integration (within the accounting records) is employed as a management control device for selected funds. The Superintendent of schools is authorized to transfer amounts between line items within any fund and may amend the budget within each fund, without seeking approval of the School Board, provided that actual revenues or expenditures within the fund do not fail to meet or exceed budgeted revenues or expenditures by five percent or more. However, as is consistent with the legal requirements, when actual revenues within a fund fall to meet budgeted revenues by five percent or more and/or actual expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board at an open meeting. Amendments to the budget were made and adopted by the School Board during fiscal 1997. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. The School Board issues a budget report at least annually that demonstrates legal compliance at the legal level of budgetary control.
- (6) Comparison of budgeted and actual amounts is included in Exhibit 3 in the accompanying financial reports and includes all funds for which budgets are legally required. The budget and actual comparisons are made by source for revenues and by function for expenditures which is more detailed than the fund level legal requirement. Annual budgets are not required for the Debt Service Funds, the Capital Projects Funds, or the School Activity Agency Fund, as budgets for these funds are maintained on a project or department basis rather than on a fiscal year basis.
- (7) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Budgeted amounts reflected in the accompanying budget and actual comparisons are as originally adopted and legally amended by the School Board during the fiscal year.
- (8) The School Board is legally required to prepare annual opening budgets on the General Fund and Special Revenue Funds. However, budget-to-actual comparisons are not legally required to be presented for the Debt Service Funds, Capital Projects Funds, and School Activity Agency Fund.

DEBOTO-PARISH SCHOOL BOARD
Bossier Parish, Louisiana

Notes to Combined Financial Statements

Expenditures

Salaries are recorded as expenditures when earned. Teachers' salaries are earned over a nine-month period but are paid over a twelve-month period. As of June 30, 1997, all such salaries for July and August have been accrued because the salaries have been earned but not paid.

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 employers (or heirs) are paid for accrued leave upon retirement or death, while the cost of the leave privileges not requiring current resources is recorded in the General Long-Term Debt Account Group.

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

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

Other Financing Sources (Uses)

Operating transfers between funds that are not expected to be repaid and long-term debt proceeds are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying event occurs.

(K) Budget Practices

The School Board adopts budgets for the General Fund and each Special Revenue Fund. The School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) By May 15, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and sources of funding.
- (2) Proposed budgets are then made available for public inspection, and after proper official journal notification, a public hearing is held to obtain taxpayer comments.
- (3) Budgets are formally adopted by the School Board before July 1 of each year for the General Fund and Special Revenue Funds.

DEBOTO PARISH SCHOOL BOARD
Mandeville, Louisiana

Notes to Combined Financial Statements

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

(D) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement basis applied. The governmental (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds) and fiduciary funds are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. *Ad valorem* taxes are considered "measurable" at the time of preparation of the tax roll by the tax assessor. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. In reimbursement-type programs, monies must be expended on the specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually recoverable only for failure to comply with prescribed compliance requirements, the monies are collected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Ad valorem taxes are recorded in the year the taxes are due and payable. *Ad valorem* taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. 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 or by the Louisiana Department of Public Safety and Corrections - Public Safety Services because they are generally not measurable until actually received.

Interest earnings on time deposits are recorded as earned since they are measurable and available.