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INDEPENDENT AUDITORS' REPORT

Board Members
Richland Parish School Board
Rayville, Louisiana

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

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

The School Board has not maintained adequate records of additions and deletions of the general fixed asset account group. We were not able to satisfy ourselves by other auditing procedures as to the fairness of the changes in general fixed assets for the year ended June 30, 1997.

In our opinion, except for the effect on the financial statements of the omission described in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Richland Parish School Board, as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 17, during the year ended June 30, 1997, the Richland Parish School Board began assessing sales taxes collected by vendors in June of 1997 and remitted to the School Board in July of 1997 in accordance with Governmental Accounting Standards Board Statement No. 32, *Accounting for Taxpayers - Assessed Revenue in Governmental Funds*.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 1997 on our consideration of the Richland Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Board Members
St. Landry Parish School Board
Rayville, Louisiana

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of St. Landry Parish School Board, Rayville, Louisiana, taken as a whole. The accompanying supplemental information, including the schedule of expenditures of federal awards which is required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Allen, Green & Company, LLP

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

Monroe, Louisiana
October 30, 1997

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

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

	GOVERNMENTAL FUNDS			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICES FUNDS	CAPITAL PROJECT FUNDS
ASSETS AND OTHER DEBITS				
<i>Assets</i>				
Cash and cash equivalents	\$ 2,240,390	\$ 804,046	\$ 1,082,000	\$ 158,607
Investments	1,083,583	0	0	0
Receivables	478,265	837,478	0	0
Interfund receivable	587,497	5,082	0	0
Inventory	0	48,898	0	0
Land, buildings and equipment	0	0	0	0
<i>Other Debits</i>				
Amount available in Debt Service Funds	0	0	0	0
Amount to be provided for retirement of all general long-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 5,348,034	\$ 1,705,502	\$ 1,082,000	\$ 158,607
LIABILITIES, DUE TO COUNTY AND OTHER CREDITS				
<i>Liabilities</i>				
Accounts, salaries and other payables	\$ 1,568,270	\$ 144,877	\$ 0	\$ 158,608
Interfund payable	800	572,347	0	0
Deposits due others	0	0	0	0
Deferred revenues	0	65,281	0	0
Worker's compensation claims payable	0	0	0	0
Compensated absences payable	0	0	0	0
Notes payable	0	0	0	0
Bonds payable	0	0	0	0
Liases payable	0	0	0	0
Total Liabilities	\$ 1,569,070	\$ 732,505	\$ 0	\$ 158,608
<i>Equity and other credits</i>				
Investment in general fund assets	\$ 0	\$ 0	\$ 0	\$ 0
<i>Fund Balances:</i>				
Reserved for debt service	0	0	1,082,000	0
Reserved for inventory	0	48,898	0	0
Reserved for contingencies	158,605	0	0	0
Unreserved				
Undesignated	2,681,392	914,188	0	23,241
Total Equity and other credits	\$ 2,840,002	\$ 963,174	\$ 1,082,000	\$ 23,241
TOTAL LIABILITIES, DUE TO COUNTY AND OTHER CREDITS	\$ 4,209,072	\$ 1,700,002	\$ 1,082,000	\$ 158,849

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

Statement A

*****ACCOUNT GROUPS*****				
FISCAL YEAR	GENERAL	GENERAL	TOTAL	
FUNDS -	FUNDS	LONG-TERM	(MEMORANDUM	
AGENCY FUNDS)	ASSETS	OBLIGATIONS	ONLY)	
\$	\$02,800	\$	\$	\$4,000,000
	0	0	0	1,000,000
	0	0	0	1,010,700
	0	0	0	572,540
	0	0	0	48,000
	0	43,000,700	0	43,000,700
	0	0	1,000,000	1,000,000
	0	0	8,707,107	8,707,107
<u>\$</u>	<u>\$02,800</u>	<u>\$</u>	<u>\$8,649,107</u>	<u>\$8,652,177</u>
\$	\$	\$	\$	1,070,740
	0	0	0	670,000
000,000	0	0	0	500,000
0	0	0	0	70,200
0	0	22,100	22,100	
0	0	584,000	584,000	
0	0	107,000	107,000	
0	0	0,004,000	0,004,000	
0	0	00,000	00,000	
<u>\$</u>	<u>\$00,000</u>	<u>\$</u>	<u>\$,040,100</u>	<u>\$,040,000</u>
\$	\$	\$	\$	43,000,700
	0	0	0	1,000,000
	0	0	0	48,000
	0	0	0	340,000
	0	0	0	3,140,777
<u>\$</u>	<u>\$</u>	<u>\$43,000,700</u>	<u>\$</u>	<u>\$8,652,178</u>
<u>\$</u>	<u>\$02,800</u>	<u>\$43,000,700</u>	<u>\$8,649,107</u>	<u>\$8,652,177</u>

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 1997

	<u>GENERAL</u>	<u>SPECIAL</u>	<u>DEBT</u>
	<u>FUNDS</u>	<u>REVENUE</u>	<u>SERVICES</u>
	<u>FUNDS</u>	<u>FUNDS</u>	<u>FUNDS</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 812,764	\$ 0	\$ 1,800,211
Sales and use	2,100,380	0	0
Interest earnings	399,373	21,950	17,876
Fees services	0	158,400	0
Other	100,380	200	0
State sources:			
Unrestricted	12,088,801	207,488	0
Restricted	710,808	18,487	0
Federal sources	<u>284,018</u>	<u>2,989,372</u>	<u>0</u>
Total Revenues	\$ 18,308,871	\$ 3,487,208	\$ 1,818,087
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 7,244,171	\$ 121,028	\$ 0
Special programs	2,400,088	1,094,111	0
Other instructional programs	1,188,700	0	0
Support services:			
Student services	327,310	124,091	0
Instructional staff support	327,134	258,028	0
General administration	298,078	28,600	58,047
Student administration	950,744	80,875	0
Business services	280,480	8,140	0
Fleet services	1,879,087	144,028	0
Student transportation services	1,480,044	0	0
Central services	20,882	0	0
Food services	0	1,800,070	0
Community service programs	44,400	0	0
Facilities acquisition and construction	0	0,880	0
Debt service:			
Principal retirement	80,400	0	1,100,000
Interest and bank charges	<u>8,277</u>	<u>0</u>	<u>480,789</u>
Total Expenditures	\$ 18,308,889	\$ 3,541,808	\$ 1,881,269
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 110,011	\$ 384,304	\$ 146,818

Statement B

EXPITAL PROJECT FLUOR	(TOTAL) MEMORANDUM DOLL.
\$ 0	\$ 2,472,379
0	2,169,289
5,587	329,828
0	159,498
0	103,599
0	92,047,099
0	191,193
0	3,253,099
<u>0</u>	<u>21,209,729</u>

\$ 0	\$ 1,276,899
0	2,445,499
0	1,590,792
0	640,294
0	599,792
208	294,949
0	1,821,899
0	303,840
0	1,723,999
0	1,490,244
0	23,892
0	1,630,273
0	14,739
293,097	300,739
0	1,221,959
0	499,059

\$ 794,079 \$ 22,009,477

\$ (293,097) \$ (999,147)

(CONTINUED)

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 1997

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 0	\$ 44,512	\$ 0
Operating transfers out	(44,512)	0	0
Other sources - note proceeds	191,589	0	0
	\$ 147,077	\$ 44,512	\$ 0
Total Other Financing Sources (Uses)			
	\$ 147,077	\$ 44,512	\$ 0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	30,871	(239,792)	140,983
FUND BALANCES AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ 3,417,385	\$ 700,808	\$ 830,821
PRIOE PERIOD ADJUSTMENT	321,863	0	0
FUND BALANCES AT BEGINNING OF YEAR, AS RECALCULATED	\$ 3,639,248	\$ 700,808	\$ 830,821
FUND BALANCES AT END OF YEAR	\$ 3,670,119	\$ 461,016	\$ 1,001,804

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

Statement B

CAPITAL PROJECT FUNDS	(TOTAL MEMORANDUM DAILY)
\$ 0	\$ 49,012
0	(49,012)
0	187,508
<u>\$ 0</u>	<u>\$ 187,508</u>
<u>285,000</u>	<u>(285,000)</u>
\$ 285,000	\$ 5,267,884
<u>0</u>	<u>221,882</u>
\$ 285,000	\$ 5,267,882
<u>\$ 285,000</u>	<u>\$ 5,218,882</u>

(continued)

RICHLAND PARISH SCHOOL BOARD
 Rayville, Louisiana

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

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE PAYABLE (UNFAVORABLE)</u>
REVENUES			
Local sources			
Taxes:			
Ad valorem	\$ 897,260	\$ 872,958	\$ 24,302
Sales and use	2,462,861	2,465,885	(3,024)
Interest earnings	212,718	269,233	57,185
Fees and charges	66,573	0	(66,573)
Other	21,724	701,280	679,556
State sources:			
Licensed	12,217,289	12,217,289	0
Reimbursed	842,088	848,837	6,749
Federal sources	<u>354,532</u>	<u>350,800</u>	<u>(3,732)</u>
Total Revenues	<u>\$ 18,954,832</u>	<u>\$ 18,462,852</u>	<u>\$ 491,980</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 7,271,794	\$ 7,230,260	\$ 41,534
Special programs	2,431,546	2,400,889	30,657
Other instructional programs	1,172,869	1,160,700	12,169
Support services:			
Student services	818,494	833,210	(14,716)
Instructional staff support	363,388	333,768	29,620
General administration	268,831	266,819	2,012
School administration	895,286	895,744	(458)
Business services	206,573	205,466	1,107
Plant services	1,562,814	1,579,854	(17,040)
Student transportation services	1,055,142	1,048,054	7,088
Central services	27,876	30,882	(2,906)
Community service programs	<u>6,830</u>	<u>14,122</u>	<u>(7,292)</u>
Total Expenditures	<u>\$ 18,445,800</u>	<u>\$ 18,354,877</u>	<u>\$ 90,923</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 491,980</u>	<u>\$ 107,975</u>	<u>\$ 383,960</u>

(CONTINUED)

RICHLAND PARISH SCHOOL BOARD
Bossierville, Louisiana

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

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE PAYABLE DEFICITABLE</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	\$ 130,554	\$ 271,023	\$ (240,469)
Other sources - note proceeds	167,500	167,500	0
Other uses	<u>(237,488)</u>	<u>(237,488)</u>	<u>0</u>
Total Other Financing Sources (Uses)	\$ 160,566	\$ (37,911)	\$ (298,456)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES (OVER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>142,132</u>	<u>90,871</u>	<u>152,082</u>
FUND BALANCE AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ 3,417,388	\$ 3,417,388	\$ 0
PRIOR PERIOD ADJUSTMENT	<u>0</u>	<u>221,882</u>	<u>221,882</u>
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED	\$ 3,417,388	\$ 3,639,270	\$ 221,882
FUND BALANCE AT END OF YEAR	<u>\$ 3,559,520</u>	<u>\$ 3,650,212</u>	<u>\$ 91,692</u>

(CONTINUED)

RICKLAND PARISH SCHOOL BOARD
Bossier, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Condensed Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (2022) (Actual) and Actual
For the Year Ended June 30, 2022

Statement 0

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE UNFAVORABLE</u>
REVENUES			
Local sources:			
Interest earnings	\$ 21,078	\$ 21,083	\$ (5)
Fund services	100,488	100,488	0
Other	289	289	0
State sources:			
Unrestricted	297,488	297,488	0
Restricted	6,791	16,487	9,696
Federal sources	<u>2,895,892</u>	<u>2,895,572</u>	<u>(320)</u>
Total Revenues	\$ 3,494,716	\$ 3,497,385	\$ 2,669
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 747,734	\$ 731,829	\$ 15,905
Special programs	1,457,088	1,064,711	492,377
Support services:			
Student services	0	124,001	(124,001)
Instructional staff support	0	258,008	(258,008)
General administration	38,264	38,800	(536)
School administration	0	89,818	(89,818)
Business services	0	8,148	(8,148)
Fleet services	188,588	194,008	(5,420)
Food services	1,094,738	1,802,272	(707,534)
Facilities acquisition and construction	0	8,685	(8,685)
Total Expenditures	\$ 3,795,722	\$ 3,741,885	\$ 53,837
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(301,006)	(244,504)	(56,502)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 44,811	\$ 44,811	\$ 0
Total Other Financing Sources (Uses)	\$ 44,811	\$ 44,811	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (256,195)	(199,693)	(56,502)
FUND BALANCE AT BEGINNING OF YEAR	702,808	702,808	0
FUND BALANCE AT END OF YEAR	\$ 446,613	\$ 503,114	\$ (56,502)

(continued)

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

RICHLAND PARISH SCHOOL BOARD
Bossierite, Louisiana

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

INDEX		Page
NOTE 1	- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	13
	A. Reporting Entity	13
	B. Funds and Account Groups	13-14
	C. Measurement Focus and Basis of Accounting	15-16
	D. Budgets	16
	E. Disclosures	17
	F. Cash and Cash Equivalents	17
	G. Investments	17
	H. Short-Term, Interfund Receivables/Payables	17
	I. Inventory	17
	J. Fixed Assets	18
	K. Deferred Revenues	18
	L. Compensated Absences	20-19
	M. Long-Term Obligations	19
	N. Fund Equity	20
	O. Interfund Transactions	20
	P. Sales Taxes	20
	Q. Use of Estimates	20
	R. Memorandum Only - Total Columns	20
	S. Non-Applicable GASB Provisions	20
NOTE 2	- LEVIED TAXES	21-23
NOTE 3	- EXPENDITURES - ACTUAL AND BUDGET	23
NOTE 4	- CASH AND CASH EQUIVALENTS	23
NOTE 5	- INVESTMENTS	24
NOTE 6	- RECEIVABLES	24
NOTE 7	- FIXED ASSETS	25
NOTE 8	- RETIREMENT SYSTEMS	25-27
NOTE 9	- OTHER POSTEMPLOYMENT BENEFITS	27
NOTE 10	- ACCOUNTS, SALARIES AND OTHER PAYABLES	27
NOTE 11	- COMPENSATED ABSENCES	28
NOTE 12	- LEASES	28
NOTE 13	- CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS	28
NOTE 14	- CHANGES IN GENERAL LONG-TERM OBLIGATIONS	29-30
NOTE 15	- INTERFUND ASSETS/LIABILITIES	30
NOTE 16	- RESERVATIONS OF FUND BALANCE	30
NOTE 17	- PRIOR PERIOD ADJUSTMENT	31
NOTE 18	- RISK MANAGEMENT	31
NOTE 19	- LITIGATION AND CLAIMS	31-32
NOTE 20	- ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES	32
NOTE 21	- BUDGET/GAAP RECONCILIATION	32

RICHLAND PARISH SCHOOL BOARD
Bossierite, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Richland Parish School Board was created by Louisiana Revised Statute (LSA-RS) 17:91 to provide public education for the children within Richland Parish. The School Board is authorized by LSA-RS 17:91 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 nine members who are elected from nine districts for terms of four years.

The School Board operates twelve schools within the parish with a total enrollment of approximately 4,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

B. FUNDS AND ACCOUNT GROUPS

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

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

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Governmental Funds

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

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

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

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

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

Fiduciary Funds

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

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

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

Account Groups

The **general fund assets account group** is used to account for fixed assets not accounted for in proprietary or trust funds.

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

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unamortized principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Revenues

All relevant taxes and sales taxes are susceptible to accrual.

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

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

Expenditures

Salaries are recorded as paid. Salaries for non-month employees who do not to be paid over twelve months are accrued at June 30.

Other Financing Sources (Uses)

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

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Fiduciary Funds

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

D. BUDGETS

The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State Statute requires budgets be adopted for the General Fund and all Special Revenue Funds.

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the General Fund and Special Revenue Funds' budgets that are not grant-oriented. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. Grant funds are included in Special Revenue Funds and their budgets are adopted at the time the grant applications are approved by the grantor. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Encumbrance accounting (e.g., purchase orders, contracts) is not recognized within the accounting records for budgetary control purposes.

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental or project level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. Those revisions were considered insignificant by the Board. All budget revisions are approved by the Board.

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ENCUMBRANCES

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

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. INVESTMENTS

Investments are limited by R.S. 33:2951 and the School Board's investment policy. If the original maturity of investments stated 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments are stated at cost.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

I. INVENTORY

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when consumed; however, all inventory items are recorded as expenditures when purchased. Unused commodities at June 30 are reported as deferred revenues. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned value based on information provided by the U. S. Department of Agriculture.

RICHLAND PARISH SCHOOL BOARD
Bayville, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. FIXED ASSETS

Fixed assets used in governmental fund types of the School Board are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Depreciated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest during construction is not capitalized on general fixed assets.

Fixed assets valued at estimated historical cost where no historical records exist was \$18,170,293 at year-end.

Public domain (infrastructure) general fixed assets (e.g. roads, bridges, sidewalks and other assets that are inseparable and of value only to the government) are capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

K. DEFERRED REVENUES

The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenues is removed from the combined balance sheet and the revenues is recognized.

L. COMPENSATED ABSENCES

All 13-month employees earn from twelve to eighteen days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated. However, upon separation, all unused vacation leave is forfeited.

All School Board employees earn from twelve to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

RICHLAND PARISH SCHOOL BOARD
Bossierite, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. FUND EQUITY

Reserves

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

Designated Fund Balances

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

O. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecursing or non-recurring permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. SALES TAXES

The School Board has the following two sales tax ordinances:

The School Board has a one cent parish-wide sales and use tax as authorized in a special election held February 6, 1988. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the School System and for benefits of the retirees of the School System.

The School Board has a one-half cent parish-wide sales and use tax as authorized in a special election held September 21, 1996. In accordance with the proposition approved by the voters of the parish, the net revenues derived from said sales and use tax is to be dedicated and used solely to maintain and operate the public schools of Richland Parish.

Q. USE OF ESTIMATES

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

RICHLAND PARISH SCHOOL BOARD
Bayside, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. MEMORANDUM ONLY - TOTAL COLUMNS

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

S. NEW APPLICABLE GASB PRONOUNCEMENTS

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

NOTE 2 - LEVIED TAXES

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

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

Property Tax Calendar

Millage rates adopted	October 1, 1996
Levy date	November 1, 1996
Tax bills mailed	On or about November 15, 1996
Due date	December 31, 1996
Lien date	January 1, 1997

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

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

RICHLAND PARISH SCHOOL BOARD
Bossierite, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 2 - LEVIED TAXES (Continued)

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$68,886,389 in calendar year 1996. Louisiana state law excepts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$18,408,560 of the assessed value in calendar year 1996.

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

All property taxes are recorded in the general and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 1997 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 1997 taxes is included on the accompanying balance sheet because it is not available within 60 days of the School Board's year-end.

Historically, virtually all of revenues taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

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

	Authorized Millage	Levied Millage
Parish-wide taxes		
Constitutional	6.16	6.16
Maintenance	6.61	6.65
Division taxes		
School District #1	28.80	28.00
School District #2	32.80	32.00
School District #3	34.50	34.00
School District #4	36.80	32.00

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 3 - EXPENDITURES - ACTUAL AND BUDGET

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 1997:

FUND	Budget	Actual	Unfavorable Variance
Special Revenue Funds			
Title I	\$1,478,515	\$1,472,767	\$5,748
School Food Service	1,804,756	1,828,272	23,516

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last budget revision.

NOTE 4 - CASH AND CASH EQUIVALENTS

At June 30, 1997, the School Board has cash and cash equivalents totaling \$4,598,594 as follows:

Demand deposits	\$ 336,312
Interest-bearing demand deposits	3,975,982
Time deposits	286,200
Total	\$4,598,594

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

At year-end, the School Board's carrying amount of deposits, including certificates of deposit classified as investments, was \$4,532,577 and the bank balance was \$4,498,882. Of the bank balance, \$513,887 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). Of the remaining balance, \$1,234,799 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 2) and \$121,199 is not secured by the pledge of securities and is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 79:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 5 - INVESTMENTS

Investments are categorized into three broad categories of credit risk:

1. Insured or registered, or securities held by the School Board or its agent in the School Board's name.
2. Uninsured and unregistered, with securities held by the issuer party's trust department or agent in the School Board's name.
3. Uninsured and unregistered, with securities held by the issuer party, or by its trust department or agent but not in the School Board's name.

At year end, the School Board investment balances were as follows:

Type of investment	Category			Carrying Amount		Total Carrying Amount
	1.	2.	3.	Fair Value	Amortized Cost	
Certificates of deposit	\$1,953,582	\$ -	\$ -	\$ -	\$ -	\$1,953,582
Total investment	\$1,953,582	\$ -	\$ -	\$ -	\$ -	\$1,953,582

NOTE 6 - RECEIVABLES

The receivables of \$1,015,738 at June 30, 1997, are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Total
Taxes:			
Sales and use	\$294,267	\$ -	\$ 294,267
Inter-governmental - grants:			
Federal	198,373	524,844	625,217
State	194,877	12,611	186,688
Local accounts	38,538	20	38,558
Total	\$478,245	\$537,475	\$1,015,738

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 7 - FIXED ASSETS

The balance of fixed assets is as follows:

Land	\$ -
Buildings	38,170,393
Furniture and equipment	<u>2,155,475</u>
Total	<u>\$40,325,768</u>

NOTE 8 - RETIREMENT SYSTEMS

Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and health-care workers are members of the Louisiana Teachers' Retirement System (TRS), other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with 10 years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally 2% (with less than 15 years of service) or 2.7% (with 15 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1980).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally 3% times the years of creditable service times the average salary of the 36 highest successive months.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55, or after 10 years of service at age 60. The maximum retirement allowance is computed at 2.7% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE B - RETIREMENT SYSTEMS (Continued)

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

	Employee	Employer
Louisiana Teachers Retirement System:		
Plan A	9.10%	16.0%
Regular	8.00%	14.0%
Louisiana School Employees Retirement System:	8.35%	8.0%
Louisiana Parochial Employers' Retirement:		
July 1, 1996 - December 31, 1996	9.5%	7.25%
January 1, 1997 - June 30, 1997	9.5%	7.25%

The School Board's employer contribution for the TRS, as provided by state law, is funded by the state of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSEERS, the School Board's employer contribution is funded by the state of Louisiana through annual appropriations.

Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. For the year ended June 30, 1997, the current-year payroll for the School Board totaled \$12,248,932. The employee and employer contributions and total current-year payroll of covered employees for 1997, follow:

	TRS		LSEERS	Parochial	Total
	Regular	Plan A			
Employee contribution	\$ 364,716	\$ 13,393	\$ 75,647	\$ 1,563	\$ 454,319
Employer contribution	1,378,312	25,809	71,478	1,207	1,476,806
Total covered current-year payroll	9,568,594	146,669	1,391,193	36,470	10,942,926

Although contributions are determined by statute, actuarial contributions are determined for the Systems. For the year ended June 30, 1996, the latest information available, the Systems' (TRS and LSEERS) actuarially required contribution from all sources was \$481.8 million and \$82.9 million, respectively. The required School Board contribution represents 13.7% and 6.13 percent, respectively, of salaries for the year ended June 30, 1996.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to-date. The measure, which is the actuarial present value of credited pension benefits, is intended to help users assess the Systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The Systems do not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligations at June 30, 1997 for the Systems, each as a whole, the Systems' net assets available for benefits on that date (valued at market), and the resulting unfunded (overfunded) pension benefit obligations were as follows:

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 8 - RETIREMENT SYSTEMS (Continued)

	<u>TRS</u>	<u>LSERS</u>
Pension benefit obligation	\$11,731,762,080	\$ 930,969,614
Net assets available for benefits	<u>7,056,608,080</u>	<u>1,089,862,911</u>
Unfunded (overfunded) pension benefit obligation	<u>\$ 4,675,154,000</u>	<u>\$ 1,119,293,437</u>

The School Board's total actuarially determined contribution requirements as a percentage of total contributions required of all entities for the year ended June 30, 1996 were as follows:

Teachers' Retirement System	1.26%
School Employees' Retirement System	1.70%

Ten-year historical trend information showing the Systems' progress in accumulating sufficient assets to pay benefits when due is presented in the Systems' June 30, 1996 comprehensive annual financial reports, which is the latest available report. The reports can be obtained by telephoning or writing to the following:

<p>Teachers' Retirement System of Louisiana Post Office Box 94125 Baton Rouge, Louisiana 70804-9125 (504) 923-6444</p>	<p>Louisiana School Employees' Retirement System Post Office Box 44318 Baton Rouge, Louisiana 70804 (504) 923-6444</p>
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NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The Richland Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees and the School Board. The cost of retiree benefits totaled \$640,433 for approximately 271 retirees.

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$1,878,743 at June 30, 1997, are as follows:

	General Fund	Special Revenue Funds	Capital Projects	Total
Salaries	\$1,513,528	\$ -	\$ -	\$1,513,528
Accounts	37,081	144,842	136,846	318,769
Due to other governments	<u>32,134</u>	<u>181</u>	<u>-</u>	<u>32,315</u>
Total	<u>\$1,582,743</u>	<u>\$144,843</u>	<u>\$136,846</u>	<u>\$1,878,743</u>

RICHLAND PARISH SCHOOL BOARD
Bayville, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 11 - COMPENSATED ABSENCES

As June 30, 1997, employees of the School Board have accumulated and vested \$584,683 of employee leave benefits, which was computed in accordance with GASB Codification Section 630. This amount is not expected to be paid from current available resources; therefore the liability of \$584,683 is recorded within the general long-term obligations account group.

NOTE 12 - LEASES

The School Board records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

<u>Item</u>	<u>Recorded Amount</u>
School buses	<u>\$423,272</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1997:

<u>Fiscal year</u>	<u>Payment</u>
1997-1998	\$ 93,700
Less - amounts representing executive costs	-----
Net minimum lease payments	85,700
Less - amounts represent interest	<u>1,471.75</u>
Present value of net minimum lease payments	<u>\$ 84,228</u>

NOTE 13 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in school activity agency fund deposits due others for the years ended June 30, 1997 follows:

	<u>Balance July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1997</u>
Agency funds:				
School activity accounts	<u>\$205,631</u>	<u>\$1,078,171</u>	<u>\$1,888,245</u>	<u>\$205,557</u>

NICHOLAND PARISH SCHOOL BOARD
Rayville, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 14 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	Notes Payable	Bonds Payable	Componented Abscans	Capital Loans	Warrant Compensation Claims Payable	Total
Balance, beginning of year	\$ -	\$7,080,808	\$589,811	\$177,180	\$11,258	\$7,869,047
Additions	197,500	-	-	-	80,714	278,214
Deductions	-	3,125,000	3,200	86,430	60,858	3,275,488
Balance, end of year	\$197,500	\$3,955,808	\$586,611	\$ 90,750	\$32,124	\$5,843,693

All School Board bonds outstanding at June 30, 1997, in the amount of \$3,954,808, are general obligation bonds (or other as indicated) with maturities from 1998 to 2012 and interest rates from 5.8 to 10.0 percent. Bond principal and interest payable in the next fiscal year are \$1,279,808 and \$488,854, respectively. The individual bonds are as follows:

Bond Issue	Original Issue	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding
General Obligations:					
School District #1					
September 1, 1978	\$4,215,000	6.0%-6.4%	Mar. 1, 1998	\$ 23,868	\$ 165,000
School District #2					
July 28, 1983	418,000	7%	Mar. 1, 2005	74,708	370,000
School District #3					
July 1, 1991	4,862,000	7.75%-8.3%	Mar. 1, 2008	226,729	1,715,000
School District #4					
September 1, 1978	1,680,808	8.3%-8.9%	Mar. 1, 1998	9,180	148,000
February 1, 1982	3,790,808	6.9%-10.0%	Feb. 1, 2012	1,213,089	3,293,808
Series 1997	197,500	5%	Oct. 1, 1998	7,920	182,580
Total				\$2,558,805	\$5,151,508

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 general operating funds of the School Board. At June 30, 1997, the School Board has accumulated \$1,882,683 in the debt service funds for future debt requirements. The notes and bonds are due as follows:

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 14 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30	Notes		Bonds		Total
	Principal Payments	Interest Payments	Principal Payments	Interest Payments	
1998	\$100,000	\$1,845	\$1,270,000	\$ 488,856	\$1,781,591
1999	97,500	4,879	775,000	327,497	1,204,876
2000	-	-	870,000	374,668	1,244,668
2001	-	-	288,000	217,462	505,462
2002	-	-	216,000	282,119	500,119
Thereafter	-	-	2,695,000	1,120,293	3,815,293
Total	\$197,500	\$7,824	\$5,934,000	\$2,590,888	\$8,716,312

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 is \$24,882,366 and outstanding bonded debt totals \$5,934,000.

NOTE 15 - INTERFUND ASSETS/LIABILITIES

Due from/to others:	Due from:	Due to:
General Fund	\$967,457	\$ 282
Special Revenue Funds:		
Title I	890	368,017
Title VI	-	4,963
Special Education	4,000	302,810
Title II	-	3,397
Drug Free Schools	102	15,274
School Food Service	-	82,080
Total	\$972,449	\$672,523

NOTE 16 - RESERVATIONS OF FUND BALANCE

At June 30, 1997, a portion of the fund balance of the general fund was reserved as follows:

Reserve for workers' compensation self-insurance	\$100,000
Sales tax - 10% reserved for self-insurance and disaster contingencies	656,325
Total	\$756,325

NICHLAND PARISH SCHOOL BOARD
Bayville, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 17 - PRIOR-PERIOD ADJUSTMENT

Statement No. 12 of the Governmental Accounting Standards Board, *Accounting for Taxpayer-Deferred Tax Payments in Governmental Funds*, became effective for the year ending June 30, 1996. According to Statement No. 12, June sales taxes remitted to the School Board in July should be accrued. In years prior to June 30, 1997, the School Board did not accrue sales tax revenue for June sales received in July. A prior period adjustment was made to record \$221,863 of June 1996 sales taxes received by the School Board in July 1996.

NOTE 18 - RISK MANAGEMENT

The School Board initiated a self-insured program for workers' compensation in 1991. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. Intended provisions are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

Changes in the claims amount in previous fiscal years were as follows:

	Beginning of Fiscal Year ...Liability...	Claims and Changes in Estimates	Benefit Payments and Claims	Ending of Fiscal Year ...Liability...
1995 - 1996	\$14,586	\$44,974	\$47,804	\$11,756
1996 - 1997	11,316	80,334	69,835	22,135

In addition, the School Board is at risk for property damage, liability and theft which are covered by insurance policies.

NOTE 19 - LITIGATION AND CLAIMS

Litigation

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

Self-Insurance

The School Board initiated a risk management program for workers' compensation in 1991. During fiscal year 1997, a total of \$69,835 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$175,000. Maximum retention exposure for aggregate claims amounts to \$1,000,000. An amount for self-insurance losses of \$180,000 was reserved for year ending June 30, 1997. Claims payable of \$22,135 as of June 30, 1997 have been accrued as a liability in the General Long-Term Obligations account group.

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

NOTE 19 - LITIGATION AND CLAIMS (Continued)

Grant Disallowances

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

NOTE 20 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$19,649. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 21 - BUDGET/GAAP RECONCILIATION

The following schedule reconciles the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget to Actual to the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances:

	<u>General Fund</u>
Fund balances (budget)	\$ 3,690,232
Revenues	
Local sources: other	3,808
State sources: unrestricted	(217,080)
State sources: restricted	30,678
Federal sources	(78,678)
Expenditures	
Regular programs	(14,511)
Student transportation services	65,703
Debt service: principal retirement	(86,448)
Debt service: interest and bank charges	(9,275)
Other financing sources (uses)	
Operating transfers out	12,501
Other uses	<u>217,488</u>
Fund balances (GAAP)	\$ 3,690,232

All budget/GAAP reporting differences are a result of classification.

RICHLAND PARISH SCHOOL BOARD
Bogalusa, Louisiana

SUPPLEMENTAL INFORMATION

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

SPECIAL REVENUE FUNDS

TITLE I

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

TITLE III

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

Funds may be used for: innovative assistance in the acquisition and use of instructional materials; technology related to the implementation of school bus reforms; promising education reform projects; promoting higher order thinking skills of disadvantaged students; and reform activities associated with Goals 2000.

SPECIAL EDUCATION

STATE GRANTS

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

PRESCHOOL GRANTS

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

TITLE II

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

DRUG FREE SCHOOLS

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

SCHOOL FOOD SERVICE

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

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1997

	<u>TITLE I</u>	<u>TITLE IV</u>	<u>SPECIAL EDUCATION</u>
ASSETS			
Cash and cash equivalents	\$ 50,882	\$ 861	\$ 40,441
Receivables	438,898	4,800	71,981
Interfund receivable	890	0	4,000
Inventory	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 490,670</u>	<u>\$ 4,661</u>	<u>\$ 116,422</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts, salaries and other payables	\$ 118,430	\$ 0	\$ 10,580
Unfunded payables	269,017	4,960	100,890
Deferred revenues	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 387,447</u>	<u>\$ 4,960</u>	<u>\$ 111,470</u>
Fund Equity			
Fund Balances:			
Reserved for inventory	\$ 0	\$ 0	\$ 0
Unreserved and undesignated	<u>0</u>	<u>0</u>	<u>0</u>
Total Equity	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 387,447</u>	<u>\$ 4,960</u>	<u>\$ 111,470</u>

Exhibit 5

TITLE 8	BRAG-FREE SCHOOLS	SCHOOL FOOD SERVICES	TOTAL
\$ 1,000 \$	3,340 \$	607,841 \$	611,181 \$
128	12,448	8,867	23,443
0	202	0	202
0	0	48,058	48,058
<u>\$ 2,237 \$</u>	<u>16,090 \$</u>	<u>655,966 \$</u>	<u>1,194,293 \$</u>
0 \$	0 \$	4,203 \$	44,837
2,237	16,094	82,048	112,247
0	0	38,281	18,021
<u>\$ 2,237 \$</u>	<u>16,094 \$</u>	<u>120,229 \$</u>	<u>130,868</u>
0 \$	0 \$	48,800 \$	48,058
0	0	414,752	456,158
<u>0 \$</u>	<u>0 \$</u>	<u>463,552 \$</u>	<u>504,216</u>
<u>\$ 2,237 \$</u>	<u>16,094 \$</u>	<u>689,024 \$</u>	<u>1,199,060</u>

RICHLAND PARISH SCHOOL BOARD
 Rayville, Louisiana

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

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>SPECIAL COLLATION</u>
REVENUES			
Local sources:			
Interest earnings	\$ 0	\$ 0	\$ 0
Fund transfers	0	0	0
Other	0	0	0
State sources:			
Unrestricted	0	0	0
Restricted	0	0	9,800
Federal sources	<u>1,472,507</u>	<u>20,747</u>	<u>243,480</u>
Total Revenues	\$ 1,472,507	\$ 20,747	\$ 243,480
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 129,010	\$ 0	\$ 0,014
Special Programs	718,277	20,024	241,688
Support services:			
Student services	124,664	0	0
Instructional staff support	255,870	0	0
General administration	20,801	213	4,088
School administration	66,810	0	0
Business services	8,145	0	0
Plant services	144,658	0	0
Food services	0	0	0
Facilities acquisition and construction	<u>9,800</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$ 1,472,507	\$ 20,747	\$ 243,480
EXCESS (deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0

EXHIBIT 2

TITLE	DRUG FREE SCHOOLS	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 0	\$ 21,000	\$ 21,000
0	0	158,400	158,400
0	0	200	200
0	0	257,400	257,400
0	0	8,987	8,987
<u>38,840</u>	<u>25,800</u>	<u>1,187,088</u>	<u>1,891,728</u>

\$ 38,840 \$ 25,800 \$ 1,187,088 \$ 1,891,728

\$ 0	\$ 0	\$ 0	\$ 450,000
21,000	25,200	0	1,044,711
0	0	0	124,000
6,000	0	0	258,000
771	670	0	38,000
0	0	0	60,000
0	0	0	8,140
0	0	0	144,000
0	0	1,000,272	1,000,272
0	0	0	6,890

\$ 38,840 \$ 25,800 \$ 1,000,272 \$ 1,711,800

\$ 0 \$ 0 \$ (284,384) \$ (284,384)

(CONTINUED)

BOULARD PARISH SCHOOL BOARD
 Rayville, Louisiana

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

	TITLE I	TITLE II	SPECIAL LEGISLATION
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ _____	\$ _____	\$ _____
TOTAL OTHER FINANCING SOURCES (USES)	\$ _____	\$ _____	\$ _____
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ _____	\$ _____	\$ _____
FUND BALANCES AT BEGINNING OF YEAR	_____	\$ _____	\$ _____
FUND BALANCES AT END OF YEAR	\$ _____	\$ _____	\$ _____

Exhibit 2

TITLE II	DEAF FREE SCHOOLS	SCHOOL FOOD SERVICE	TOTAL
\$	0 \$	0 \$	44,512 \$
\$	0 \$	0 \$	44,512 \$
0	0 0	0 0	(200,700) 0
	0	0	700,000
\$	0 \$	0 \$	481,794 \$

(CONCLUDED)

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

CAPITAL PROJECT FUNDS

School District No. 2
School District No. 3
School District No. 4

The capital project funds are used to acquire and improve sites for school buildings and playgrounds; to purchase, erect and/or improve school buildings and other school-related facilities and to acquire the necessary equipment and furnishings for these facilities.

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

CAPITAL PROJECT FUNDS
Combining Balance Sheet
June 30, 1997

Exhibit B

	<u>SCHOOL</u> <u>DISTRICT #1</u>	<u>SCHOOL</u> <u>DISTRICT #2</u>	<u>SCHOOL</u> <u>DISTRICT #4</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 8,798	\$ 2,882	\$ 147,288	\$ 158,968
TOTAL ASSETS	<u>\$ 8,798</u>	<u>\$ 2,882</u>	<u>\$ 147,288</u>	<u>\$ 158,968</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts, salaries and other payables	\$ 0	\$ 0	\$ 128,848	\$ 128,848
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 128,848</u>	<u>\$ 128,848</u>
Fund Equity				
Fund Balances:				
Unreserved and undesignated	\$ 8,798	\$ 2,882	\$ 18,800	\$ 24,480
Total Equity	<u>\$ 8,798</u>	<u>\$ 2,882</u>	<u>\$ 18,800</u>	<u>\$ 24,480</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 8,798</u>	<u>\$ 2,882</u>	<u>\$ 147,288</u>	<u>\$ 158,968</u>

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

CAPITAL PROJECT FUNDS
Containing Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

Exhibit 4

	SCHOOL DISTRICT #1	SCHOOL DISTRICT #2	SCHOOL DISTRICT #3	TOTAL
REVENUES				
Local sources:				
Taxes:				
Motor earnings	\$ 282	\$ 81	\$ 1,181	\$ 1,544
Total Revenues	\$ 282	\$ 81	\$ 1,181	\$ 1,544
EXPENDITURES				
Current:				
General administration	\$ 0	\$ 88	\$ 722	\$ 810
Facilities acquisition and construction	\$ 0	\$ 0	\$ 293,887	\$ 293,887
Total Expenditures	\$ 0	\$ 88	\$ 294,609	\$ 294,607
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 282	\$ 1	\$ (116,428)	\$ (113,945)
FUND BALANCES AT BEGINNING OF YEAR	8,888	2,882	228,158	339,928
FUND BALANCES AT END OF YEAR	\$ 9,170	\$ 2,883	\$ 111,730	\$ 123,883

NOTHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

DEBT SERVICE FUNDS

School District No. 1
School District No. 2
School District No. 3
School District No. 4

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands for building sites and to purchase, construct, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the territorial boundaries of the respective wards.

RICKLAND PARISH SCHOOL BOARD
Bossier, Louisiana

DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 1997

Amount \$

	<u>SCHOOL</u> <u>DISTRICT #1</u>	<u>SCHOOL</u> <u>DISTRICT #2</u>	<u>SCHOOL</u> <u>DISTRICT #3</u>	<u>SCHOOL</u> <u>DISTRICT #4</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$ 119,877	\$ 84,811	\$ 578,721	\$ 388,094	\$ 1,881,803
TOTAL ASSETS	<u>\$ 119,877</u>	<u>\$ 84,811</u>	<u>\$ 578,721</u>	<u>\$ 388,094</u>	<u>\$ 1,881,803</u>
LIABILITIES AND FUND-EQUITY					
Liabilities:					
Accounts, salaries and other payables	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Equity					
Fund Balances:					
Reserved for debt service	\$ 119,877	\$ 84,811	\$ 578,721	\$ 388,094	\$ 1,881,803
Total Equity	<u>\$ 119,877</u>	<u>\$ 84,811</u>	<u>\$ 578,721</u>	<u>\$ 388,094</u>	<u>\$ 1,881,803</u>
TOTAL LIABILITIES AND FUND-EQUITY	<u>\$ 119,877</u>	<u>\$ 84,811</u>	<u>\$ 578,721</u>	<u>\$ 388,094</u>	<u>\$ 1,881,803</u>

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

DEBT SERVICE FUNDS
Consolidated Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

EXHIBIT

	SCHOOL DISTRICT #1	SCHOOL DISTRICT #2	SCHOOL DISTRICT #3	SCHOOL DISTRICT #4	TOTAL
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 440,588	\$ 80,328	\$ 688,747	\$ 575,344	\$ 1,688,211
Interest earnings	1,981	1,688	15,178	8,303	27,058
Total Revenues	\$ 442,569	\$ 82,016	\$ 703,925	\$ 583,647	\$ 1,811,237
EXPENDITURES					
Current:					
General administration	\$ 15,345	\$ 3,889	\$ 21,888	\$ 16,585	\$ 60,877
Debt service:					
Principal	340,000	50,000	910,000	280,000	1,135,500
Interest and bond charges	65,120	28,841	741,005	258,265	893,238
Total Expenditures	\$ 420,465	\$ 82,730	\$ 1,661,893	\$ 544,850	\$ 1,651,208
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 22,104	\$ -1,714	\$ 43,032	\$ 38,797	\$ 148,022
FUND BALANCES AT BEGINNING OF YEAR					
	77,248	40,898	493,641	524,004	508,821
FUND BALANCES AT END OF YEAR	\$ 99,352	\$ -2,426	\$ 480,613	\$ 562,801	\$ 1,059,342

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

AGENCY FUND

SCHOOL ACTIVITY AGENCY FUND

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

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

Exhibit 7

SCHOOL ACTIVITY AGENCY FUND
Schedule of Changes in Deposits Due Officers
For the Year Ended June 30, 1997

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
DELHI ELEMENTARY	\$ 27,000	\$ 88,417	\$ 75,845	\$ 39,572
DELHI JUNIOR HIGH	76,476	88,800	68,878	96,400
DELHI HIGH	20,880	102,837	102,837	20,880
HOLLY RIDGE	12,870	78,707	81,113	10,464
IRVINGHAM E. ELEMENTARY	43,118	48,078	42,378	48,818
IRVINGHAM JUNIOR HIGH	44,760	82,368	47,888	79,240
IRVINGHAM HIGH	18,884	182,774	182,881	18,777
RAYVILLE ELEMENTARY	115,408	81,347	74,180	122,575
RAYVILLE JUNIOR HIGH	33,332	89,873	95,423	27,782
RAYVILLE HIGH	23,988	266,412	266,890	23,510
RICHLAND SPECIAL	340	4,713	5,890	1,163
START ELEMENTARY	71,873	65,187	61,871	75,189
TOTAL	\$ 589,699	\$ 1,028,727	\$ 1,060,845	\$ 657,581

**RICHLAND PARISH SCHOOL BOARD
Bayville, Louisiana**

**SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

GENERAL

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$400 per month, and the president receives \$245 per month for performing the duties of his office.

FEDERAL FINANCIAL ASSISTANCE PROGRAMS

In accordance with Office of Management and Budget (OMB) Circular A-133, a Schedule of Expenditures of Federal Awards is presented.

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

Exhibit B

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
For the Year Ended June 30, 1987

MR. DAVID BARTON, PRESIDENT	\$	6,000
MR. ROBERT ADAMS		5,200
MR. ALBERT CHRISTIAN		5,200
MR. SIDNEY EPPHETTE		5,200
MR. JAMES HUGH		5,200
MR. GLENN LARSON		5,200
MR. DOYAL MCMADE		5,810
MR. CLAUDE MORG		5,350
MR. GABRIEL SHARBONO		<u>5,200</u>
TOTAL	\$	<u>48,110</u>

RICHLAND PARISH SCHOOL BOARD
Bossierite, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1997

Exhibit F

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
School Breakfast Program	10-552	N/A	\$ 303,185
National School Lunch Program	10-555	N/A	____784,354
Total United States Department of Agriculture			<u>1,087,539</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84-802	N/A	38,809
Title I Grants to Local Educational Agencies	84-818	9303842	1,472,757
Special Education:			
Grants to States (Part D)	84-827	93PT42	185,499
Preschool Grants	84-173	91PP42	56,961
Vocational Education:			
Basic Grants to States	84-048	25-97-42-28-990	46,451
Federal, State and Local Partnerships			
for Educational Improvement (Title VI)	84-151	97-165A-42-VI	31,747
Elementary Mathematics and Science Education			
State Grants - (Title II)	84-164	97-165A-42-II	38,940
Drug Free Schools and Communities			
State Grant - Title IV	84-186	95-165A-42-IV	25,883
GOALS 2000			
State and Local Education Systematic			
Improvement Grants (Grants 2000 State Grants			
Louisiana LEARN for the 21st Century)	84-276	276A0818	____85,653
Total United States Department of Education			<u>1,852,630</u>
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Child Care and Development Block Grant			
(Starting Points Preschool)	93-535	N/A	____40,879

(Continued)

RICHLAND PARISH SCHOOL BOARD
 Bayville, Louisiana

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 1997**

Exhibit F

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Labor			
Passed Through the Private Industry Council:			
Job Training Partnership Act (JTPA)	07.250	N/A	\$ 25,177
Passed Through the Louisiana Department			
of Social Services:			
Job Opportunities and Basic Skills Training			
(Passport Independence)	93.561	06274	____ 9,721
Total United States Department of Labor			____ 35,008
United States Department of Defense			
Direct Programs:			
Department of the Army			
IBOIC	12.689	50A	____ 56,985
TOTAL CASH FEDERAL AWARDS			____ 3,151,892
NONCASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution (Commodities)	18.090	N/A	____ 90,508
TOTAL FEDERAL AWARDS			____ \$3,151,558
			(Enclosed)

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

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

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

	<u>Federal Sources</u>
General Fund	\$ 234,000
Special Revenue Funds:	
Title I	1,472,767
Title VI	35,747
Special Education Fund	242,680
Title II	38,040
Drug Free Schools	19,888
School Food Service	1,102,822
	<u>\$3,271,844</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 5 - NONCASH PROGRAMS

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

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board Members
Richland Parish School Board
Rayville, Louisiana

We have audited the financial statements of Richland Parish School Board, as of and for the year ended June 30, 1997, and have issued our report thereon dated October 30, 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 Richland Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these 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*. We also noted certain immaterial instances of noncompliance that we have reported to management of Richland Parish School Board in a separate letter dated October 28, 1997.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs on items 97-1 and 97-2.

Board Members
Richland Parish School Board
Bossierite, Louisiana

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 97-1 to be a material weakness. We noted other matters involving the internal control over financial reporting that we have reported to management of Richland Parish School Board in a separate letter dated October 30, 1997.

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

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 30, 1997

ALLEN, GREEN & COMPANY, LLP

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Management Letter

Board Members

Richard Parish School Board
Rayville, Louisiana

Dear Board:

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

However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 30, 1997, on the general-purpose financial statements of Richard Parish School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

1. Principal Payment not Made

Condition: A principal payment on Refunding Bond 1993 School District #7 was not paid timely. The principal payment was not made because a notice was not received from the bank. The bank failed to send a notice of principal payment due because an invoice due date was recorded by the bank. The payment was made immediately on discovery of the failure to pay.

Recommendation: The bond amortization schedule should be used to ensure that principal payments are made timely.

2. Davis-Bacon Act Compliance

Condition: Title I Carryover funds were used to re-roof the Media Center. The contractor did not comply with the Davis-Bacon Act, which provides for payment of prevailing wages in construction jobs financed with federal funds.

Recommendation: Any contracts with federal agencies which are used to finance construction activity should be reviewed to ascertain if the Davis-Bacon Act applies to the award. If the Act is applicable, the School Board should develop a system to monitor compliance.

3. **Travel Advance Documentation**

Condition: A sample of ten travel disbursements was selected for testing. One exception was noted. An employee was advanced \$208.08 for travel expenses. A settling up of this advance never occurred.

Recommendation: A settling up of travel advances should occur within 10 days of returning from a trip.

4. **Title I Comparability**

Condition: A school district may receive Title I funds only if state and local funds will be used in participating schools to provide services that, taken as a whole, are at least comparable to services that the school district is providing in schools not receiving Title I funds. One measure to determine comparability is to complete a comparability report. This report dated November 4, 1990 was reviewed and tested as part of our auditing procedures. This report revealed one school, Rayville Junior High, which did not meet the comparability requirements. A comparability report was also prepared in December 1997 and, according to the report, all schools met the comparability requirements.

Recommendation: The November 1990 report should be reviewed to ascertain the reason this school did not meet the requirements.

5. **School Activity Funds**

Condition: A agreed upon procedures were performed at all schools by another auditing firm. The following conditions were noted at several of the schools.

Controls over cash receipts are inadequate in some instances as schools in general do not have procedures to control funds prior to receipt by the school bookkeeper. The significant sources of cash receipts are athletic admission events, concessions and fund-raisers.

Several instances of inadequate documentation for expenditures were noted.

Recommendation: Procedures should be implemented to provide adequate controls over cash receipts. Disbursements should be made only when adequate documentation exists. Adequate documentation consists of an original invoice, evidence of receipt of goods and proper approval.

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

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

OMB Circular A-123

All School Boards became subject to U. S. Office of Management and Budget (OMB) Circular A-123 and OMB Circular A-133 Provisional Compliance Supplement for the first time for the fiscal year that recently ended. As part of these audit regulations which resulted from the passage of the Single Audit Act Amendment of 1996, there is a De Facto incentive to the School Board. Most audit work will be required annually in the federal program area. For a government that falls outside the low-risk audit classification as defined by OMB, items that prevent a School Board from being treated as a low-risk auditee are reportable conditions (internal control weaknesses) that were considered material weaknesses and material compliance (violations of laws, regulations, contract provisions, etc.) findings. It would be to the School Board's benefit to correct the current-year findings reflected in the Schedule of Findings and Questioned Costs included in the single audit report, particularly any finding that is considered a material weakness.

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

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

Year 2000 Compliance

The turn of the century will be an exciting time for many, but could turn into a disaster unless plans are made concerning year 2000 compliance for many School Board's computer systems. The basic problem lies in the way most computer software, both operating systems and application programs, calculate dates. Most programs use two digits to represent the last two years of the HOXX data, therefore the programs are conditioned to expect dates between the year 1900 and 1999. If dates for the year 2000 are entered into these noncompliant programs, the programs will assume the year 2000 to be the year 1900. Many arithmetic calculations, such as due dates and interest calculations, will therefore be incorrect. The impact of this problem, if not corrected, could be that the entire computing system would cease to function. This would obviously cause tremendous problems to important areas such as accounts payable and payroll just to name a few.

Year 2000 Compliance (Continued)

Software and main hardware vendors should be contacted immediately to determine the requirements of making the computer system Year 2000 compliant. Plans should be drawn up with the assistance of vendors and/or a consultant to Year 2000 compliance and closely monitored to assure that the School Board's system will not suffer a crisis. We would suggest that agreements or memorandums should be obtained from the software/hardware vendors regarding their ability to make their systems Year 2000 compliant. It may be that your system is Year 2000 compliant.

Refuses Returning to Work

The most severe penalty that we have noticed during our firm's career in auditing School Boards is the penalty imposed by the Teachers' Retirement System of Louisiana (TRS) upon School Boards for their failure to report annually the TRS salaries working at the School Board. The penalty is calculated as though the employee is subject to paying retirement, resulting in the School Board paying the amount that would have been withheld for a regular employee plus the employer's portion. The penalty works out to be approximately 12% of the salaries' wages and is paid entirely by the School Board. The TRS will assess the penalty for however many years the annual reports were not filed. You should ascertain that annual reports were filed.

Employees Being Treated as Contract Labor

Frequently at School Boards our firm audits we are noticing employees are being paid amounts outside of the salary schedule for extra duties, attending after-hours seminars and so. Further, we sometimes see these amounts being paid by a vendor check which bypasses the amounts being subject to payroll tax and related regulations. Only in very rare instances can an employee of the School Board be treated as an independent contractor. The instances are so rare, in fact, that we would suggest you check with the Internal Revenue Service or an attorney treating an employer as an independent contractor.

Documentation to Support Extra Pay

If the time worked is outside the work day, then some type of time records (time sheets, attendance log, etc.) should be in the voucher file indicating dates, the time of day, the work performed and approval of some person in the organization at the School Board above the level of the person receiving the check.

Also, documentation for key employees pay that is outside the salary schedule should meet at least the minimum required by the School Board's policy or practice required of non-key employees. Because key employees are in a position to make decisions, and could, if they so choose, manipulate situations to their favor, documentation for key employees should be stronger than for non key employees.

We did not note any problems in this area during our audit testing, but believe you should be kept aware of potential problems in this area.

SEC. Municipal Bond Disclosure Requirements

In response to concerns about the municipal securities market, the Securities and Exchange Commission (SEC) issued a final rule entitled *Municipal Securities Disclosure* that became effective on July 3, 1995 (Section 13, Code of Federal Regulations (CFR), Part 340, Release No. 34-3440). The final rule amends Rule 15c2-17 under the Securities Exchange Act of 1934 and attempts to deter fraud and manipulation in the municipal securities market by prohibiting the underwriting and subsequent recommendation of securities for which adequate information is not available. The SEC issued Interpretive Release No. 33-7049 (Section 17, CFR, Parts 211,231, and 241) (Section 17 of the Commission Regarding Disclosure Obligations of Municipal Securities Issuers and Others. This interpretive release is cited in the above-described final rule as a source of guidance on the disclosure obligations of issuers of municipal securities and is intended to assist municipal securities issuers, brokers, and dealers in meeting their obligations under the anti-fraud provisions of the securities laws.

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

Section 408(b) Tax-Sheltered Annuities

Certain governmental entities offer Section 408(b) tax-sheltered annuities to their employees. The IRS has developed an examination program for employees who utilize these annuities. To date, examinations have uncovered many deficiencies in employers' plans. These deficiencies have included exceeding the various contribution limits, noncompliance with distribution requirements, inadequate salary reduction agreements, and failure to offer universal availability of salary reduction programs (due to impermissible eligibility restrictions, mandatory contributions, and participant exclusions). Stable assessments against these employees have been common as a remedy to prevent the programs from being declared taxable.

The IRS's Tax-Sheltered Annuity Voluntary Correction (TVC) program, which began in 1985, gives plan sponsors of Section 408(b) annuity plans the opportunity to voluntarily correct any plan deficits. The program was scheduled to conclude October 1996. However, the IRS has recently announced that the program has been extended until December 31, 1998. Use of the TVC program may result in significantly reduced settlements with the IRS, compared to assessments based on deficiencies discovered during audits performed by the IRS.

IRC Section 457 Deferred Compensation Plans

Many state and local governments have established deferred compensation plans for their employees under the provisions of IRC Section 457. The recently passed Small Business Job Protection Act of 1996 includes a provision that will require these plans to hold all assets in trust for the exclusive benefit of participants and their beneficiaries. This new requirement generally is effective for assets and income held by IRC Section 457 plans on or after August 28, 1996. However, for plans in existence before August 28, 1996, a trust need not be established before January 1, 1999. Before this new legislation, the amounts deferred under an IRC Section 457 plan were, much to the dismay of the employees, legally the property of the governmental employer.

Board Members
Richland Parish School Board
Bossier, Louisiana
Page 6

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

We hope the suggestions on the previous pages are useful to you.

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

Allen, Green & Company, L.L.P.

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

Monroe, Louisiana
October 30, 1997

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

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

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

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

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board Members

Richland Parish School Board
Rayville, Louisiana

Compliance

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

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. 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 Richland Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Richland Parish School Board's compliance with those requirements.

In our opinion, Richland Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

The management of Richland 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 Richland Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over-compliance in accordance with OMB Circular A-133.

Board Members
Bossier Parish School Board
Bossier, Louisiana

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur, and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 97-3 to be a material weakness.

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

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 30, 1997

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 1997

FINDING:

Reference to: Finding #2 on Schedule of Reportable Conditions

Title: Inadequate Segregation of Duties

Fiscal year finding initially occurred: Fiscal Year Ended June 30, 1995

Condition: Bookkeepers receive funds, prepare journal entries, prepare deposit slips and reconcile their fund bank accounts.

Planned corrective action: Current division of duties will be reviewed and adjusted as necessary to provide for more segregation of duties with particular attention paid to the reconciliation of bank statements and deposit preparation.

Contact person responsible for corrective action:

Harold Gillman
Business Manager
P. O. Box 598
Rayville, Louisiana 71269-0598

Telephone: (318) 728-5964
Fax: (318) 728-6386

Anticipated completion date: January 1998

RICHLAND PARISH SCHOOL BOARD
Bayville, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 1997

FINDING:

Reference to: Finding #3 on Schedule of Reportable Conditions

Title: Inventory of Fixed Assets

Fiscal year finding initially occurred: Fiscal Year Ended June 30, 1995

Condition: The School Board does not maintain an adequate inventory of fixed assets. A comprehensive inventory listing was prepared in the current year, however, it contained numerous discrepancies.

Corrective Action Taken: The School Board took a complete inventory of furniture and equipment in the 1996-1997 school year. The School Board now has an accurate listing to use as a base for additions and deletions.

RICHLAND PARISH SCHOOLS BOARD
Rayville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

PART I - Summary of the Auditors' Results

Financial Statement Audit

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

One of the reportable conditions disclosed was considered a material weakness as defined by the Government Auditing Standards and the other reportable conditions were not considered material weaknesses.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

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

The reportable condition disclosed was considered a material weakness as defined by OMB Circular No. A-133.
- v. The type of report the auditors issued on compliance of major federal awards was unqualified.
- vi. The audit disclosed an audit finding which the auditor is required to report under OMB Circular No. A-133, Section 518(a).
- vii. The major federal awards are:

CFDA #84.010	CFDA Title	Title I Program - Local Education Agencies
Cluster (as defined by OMB-Circular No. A-133 Provisional Compliance Supplement)		
CFDA #10.150	CFDA Title	School Breakfast Program
#10.155		National School Lunch Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular No. A-133, Section 518(b) was \$400,000.
- ix. The auditors does not qualify as a low-risk auditor under OMB Circular No. A-133, Section 530.

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

PART II: Finding(s) which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Finding Reference # and Title: FT-1 **Inadequate Segregation of Duties**

Condition: Bookkeepers receive funds, prepare journal entries, prepare deposit slips and reconcile their first bank account. These activities are incompatible when performed by the same individual and increase the risks of errors occurring without detection.

Recommendation: Duties should be realigned to provide for adequate segregation. Bank reconciliations should be performed by someone independent of the check preparation process for that fund. Bank statements should be received unopened by the person doing the reconciliation. Access to the reconciliation for that fund should be limited to the person performing the reconciliation.

Management's Corrective Action Plan:

Planned corrective action: Current division of duties will be reviewed and adjusted as necessary to provide for more segregation of duties with particular attention paid to the reconciliation of bank statements.

Person responsible for corrective action:
Harold Gullman, Business Manager
Richland Parish School Board
P. O. Box 599
Rayville, Louisiana 71289-0599

Telephone: (318) 728-5964
Fax: (318) 728-6266

Anticipated completion date: January 1998

Finding Reference # and Title: FT-2 **Unsecured Deposits**

Condition: The deposits as of June 30, 1997 at one depository were undercollateralized by \$223,195.

Recommendation: The School Board should monitor the balances at each bank and the amount of securities pledged to secure these balances.

Management's Corrective Action Plan:

Planned corrective action: The balances at each bank and the securities pledged to secure these balances will be monitored to ensure balances are adequately secured.

Person responsible for corrective action:
Harold Gullman, Business Manager
Richland Parish School Board
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Rayville, Louisiana 71268-0599

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Fax: (318) 728-6266

Anticipated completion date: Immediately

RICHLAND PARISH SCHOOL BOARD

Bossier, Louisiana

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997**

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section 518 (c):

Finding Reference # and Title: 97-3 **Incompatible Accounting Functions
Performed by Accounting Personnel**

1. Federal program and specific federal award identification:

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Federal Award Year
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
School Breakfast Program	30.553	N/A	1997
National School Lunch Program	30.555	N/A	1997
United States Department of Education			
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	N/A	1997
Title I Grants to Local Educational Agencies	84.010	9703842	1997
Special Education			
Grants to States (Part H)	84.027	97FF42	1997
Procedural Grants	84.173	97FF42	1997
Vocational Education			
Basic Grants to States	84.048	N/A	1997
Federal, State and Local Partnerships for Educational Improvement (Title VI)	84.151	97-1A.5.8-42-VI	1997
Enhancer Mathematics and Science Education			
State Grants - (Title II)	84.164	97-1A.5.8-42-II	1997
Drug Free Schools and Communities			
State Grant - Title IV	84.186	97-1A.5.8-42-IV	1997
GOALS 2000			
State and Local Education Systematic Improvement Grants (Goals 2000 State Grants Louisiana LEARN for the 21st Century)	84.276	N/A	1997
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Child Care and Development Block Grant (Starting Point: Preschool)	93.575	N/A	1997

ECHTLAND PARISH SCHOOL BOARD
Rayville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-113 Section .500 (c)

Finding Reference # and Title **FF-3** **Incompatible Accounting Functions Performed by Accounting Personnel**

II. Federal program and specific federal award identification (Continued)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Contract No.	Federal Award Year
United States Department of Labor Passed Through the Private Industry Council: Job Training Partnership Act (JTPA) Passed Through the Louisiana Department of Social Services: Job Opportunities and Basic Skills Training (Project Independence)	17.230 01.561	N/A B6274	1997 1997
United States Department of Defense Direct Programs: Department of the Army B6DTC	 02.608	 N/A	 1997
United States Department of Agriculture Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution (Commodities)	 02.858	 N/A	 1997

Comment: See Finding #97-1 under Part II of this Schedule of Findings and Questioned Costs.

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

Management has included corrective action plans for all findings in the Schedule of Findings and Questioned Costs which precedes this schedule in this audit report. The corrective action plans are located at the end of each finding.

RICHLAND PARISH SCHOOL BOARD
Rayville, Louisiana

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RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997
WITH SUPPLEMENTAL INFORMATION

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-4-98

RICHLAND PARISH SCHOOL BOARD
Bossier, Louisiana

**GENERAL-PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997
WITH SUPPLEMENTAL INFORMATION**

CONTENTS

	Statement	Page
INDEPENDENT AUDITORS' REPORT		1-3
GENERAL-PURPOSE FINANCIAL STATEMENTS:		
Combined Balance Sheet		
All Fund Types and Account Groups	A	3-4
GOVERNMENTAL FUNDS:		
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	B	5-8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual	C	9-11
Notes to the General-Purpose Financial Statements		
Index		12
Notes		13-32
	Exhibit	
SUPPLEMENTAL INFORMATION:		33
SPECIAL REVENUE FUNDS:		34
Combining Balance Sheet	1	35-36
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	2	37-40
CAPITAL PROJECT FUNDS:		41
Combining Balance Sheet	3	42
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	4	43
DEBT SERVICE FUNDS:		44
Combining Balance Sheet	5	45
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	6	46
AGENCY FUND:		47
Schedule of Changes in Deposits Due Others - School Activity Agency Fund	7	48
GENERAL:		49
Schedule of Compensation Paid Board Members	8	50
Schedule of Expenditures of Potential Awards	9	51-52
Notes to the Schedule of Expenditures of Potential Awards		53

RICHLAND PARISH SCHOOLS BOARD
Bayville, Louisiana

GENERAL-PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997
WITH SUPPLEMENTAL INFORMATION

CONTENTS (Continued)

Page

OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

54

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

53-55

OTHER REPORT REQUIRED BY OFFICE OF MANAGEMENT AND BUDGET
DMB CIRCULAR 6-122

57

*Report on Compliance with Requirements Applicable to Each Major Program
and Internal Control over Compliance in Accordance with DMB Circular 6-122*

58-59

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

60-61

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

62-65

CORRECTIVE ACTION PLAN FOR CURRENT-YEAR AUDIT FINDINGS

66