

Washington Parish School Board

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GENERAL PURPOSE

FINANCIAL

STATEMENTS

AND SINGLE

AUDIT REPORTS

Fiscal year ended June 30, 1998

Under provisions of state law, this report is a public document. A copy of the report first shall be submitted to the parish council, or council, entity and other appropriate public officials. This report is provided for public inspection at the Baton Rouge office of the State Auditor and is not appropriate in the office of the parish clerk of court.

Mr. Harold R. Smith
President

Batone, La. JUNE 9 1998

Mr. Dennis Fowler
Superintendent

Mr. Adren Payboon
Director of Finance

WASHINGTON PARISH SCHOOLS BOARD
Franklin, Louisiana

General Purpose Financial Statements

Year ended June 30, 1998

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WASHINGTON PUBLIC SCHOOL BOARD
Franklin, Louisiana

General Purpose Financial Statements

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KPMG Peat Marwick LLP

One Shell Plaza
New Orleans, LA 70119-3500

Independent Auditor's Report

The Members of the
Washington Parish School Board
Franklin, Louisiana

We have audited the accompanying general purpose financial statements of the Washington Parish School Board (the School Board), as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the School Board as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 1998, on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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



October 30, 1998

INDEPENDENT AUDITORS' REPORT
Trustees, City of Chicago

Financial Statements and Schedule of Expenditures of Resources

June 30, 2008

and a schedule of expenditures of resources

Local government funds

As a result of the audit, the following items were noted:
 - The audit revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2008.
 - The audit also revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2007.
 - The audit also revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2006.

Total local government funds

Local government fund totals

State government fund

The audit revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2008.
 - The audit also revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2007.
 - The audit also revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2006.

Total state government fund

Federal government fund

The audit revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2008.
 - The audit also revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2007.
 - The audit also revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2006.

Total federal government fund

Total government fund totals

| Fund | Balance, June 30, 2007 | Additions | Deductions | Balance, June 30, 2008 | Expenditures | | | Balance, June 30, 2008 |
|-------------------------|------------------------|------------------|--------------------|------------------------|------------------|--------------------|------------------|------------------------|
| | | | | | Total | By Object Class | By Program | |
| Local government funds | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| State government fund | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| Federal government fund | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| Total | 3,000,000 | 3,000,000 | (3,000,000) | 3,000,000 | 3,000,000 | (3,000,000) | 3,000,000 | |

| Fund | Balance, June 30, 2007 | Additions | Deductions | Balance, June 30, 2008 | Expenditures | | | Balance, June 30, 2008 |
|-------------------------|------------------------|------------------|--------------------|------------------------|------------------|--------------------|------------------|------------------------|
| | | | | | Total | By Object Class | By Program | |
| Local government funds | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| State government fund | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| Federal government fund | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| Total | 3,000,000 | 3,000,000 | (3,000,000) | 3,000,000 | 3,000,000 | (3,000,000) | 3,000,000 | |

| Fund | Balance, June 30, 2007 | Additions | Deductions | Balance, June 30, 2008 | Expenditures | | | Balance, June 30, 2008 |
|-------------------------|------------------------|------------------|--------------------|------------------------|------------------|--------------------|------------------|------------------------|
| | | | | | Total | By Object Class | By Program | |
| Local government funds | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| State government fund | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| Federal government fund | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| Total | 3,000,000 | 3,000,000 | (3,000,000) | 3,000,000 | 3,000,000 | (3,000,000) | 3,000,000 | |

| Fund | Balance, June 30, 2007 | Additions | Deductions | Balance, June 30, 2008 | Expenditures | | | Balance, June 30, 2008 |
|-------------------------|------------------------|------------------|--------------------|------------------------|------------------|--------------------|------------------|------------------------|
| | | | | | Total | By Object Class | By Program | |
| Local government funds | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| State government fund | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| Federal government fund | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | 1,000,000 | (1,000,000) | 1,000,000 | |
| Total | 3,000,000 | 3,000,000 | (3,000,000) | 3,000,000 | 3,000,000 | (3,000,000) | 3,000,000 | |

As a result of the audit, the following items were noted:
 - The audit revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2008.
 - The audit also revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2007.
 - The audit also revealed that the City of Chicago did not maintain adequate records to support the reported expenditures for the fiscal year ended June 30, 2006.

Warrantee's Form F-10000 of Assets, Liabilities
and Financial Position

December 31

Continental Insurance of America, Inc. and Company
Facilities - All-Commercial Lines Type

For the year ended 12/31/50
and comparative data for the year ended 12/31/49

| | Assets and Liabilities | | | Equity | |
|---------------------------|------------------------|------------|--------|-----------|------------|
| | 1950 | 1949 | 1948 | 1950 | 1949 |
| Assets | | | | | |
| Investments | | | | | |
| Real estate | | | | | |
| land | | | | | |
| and contents | \$ 20,000 | 1,000 | 50,000 | - | 1,000,000 |
| debt and net | 250,000 | - | - | - | 200,000 |
| total real estate | 270,000 | 1,000 | 50,000 | - | 1,200,000 |
| Government | | | | | |
| bonds and notes | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Other assets | | | | | |
| Cash and cash equivalents | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Accounts receivable | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Other | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 30,000,000 | 30,000,000 | - | - | 30,000,000 |
| Investments | | | | | |
| Real estate | 270,000 | 1,000 | 50,000 | - | 1,200,000 |
| Government | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Other | 30,000,000 | 30,000,000 | - | - | 30,000,000 |
| total | 40,270,000 | 40,001,000 | 50,000 | - | 41,200,000 |
| Liabilities | | | | | |
| Accounts payable | | | | | |
| Real estate | 10,000,000 | - | - | - | 10,000,000 |
| Government | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Other | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 30,000,000 | 20,000,000 | - | - | 30,000,000 |
| Other liabilities | | | | | |
| Accounts payable | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Accounts receivable | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Other | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 30,000,000 | 30,000,000 | - | - | 30,000,000 |
| Other liabilities | | | | | |
| Accounts payable | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Accounts receivable | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Other | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 30,000,000 | 30,000,000 | - | - | 30,000,000 |
| Other liabilities | | | | | |
| Accounts payable | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Accounts receivable | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Other | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 30,000,000 | 30,000,000 | - | - | 30,000,000 |
| Other liabilities | | | | | |
| Accounts payable | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Accounts receivable | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Other | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 30,000,000 | 30,000,000 | - | - | 30,000,000 |
| Equity | | | | | |
| Capital stock | | | | | |
| Common | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Preferred | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 20,000,000 | 20,000,000 | - | - | 20,000,000 |
| Reserves | | | | | |
| Surplus | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Retained earnings | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 20,000,000 | 20,000,000 | - | - | 20,000,000 |
| Other equity | | | | | |
| Surplus | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Retained earnings | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 20,000,000 | 20,000,000 | - | - | 20,000,000 |
| Other equity | | | | | |
| Surplus | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| Retained earnings | 10,000,000 | 10,000,000 | - | - | 10,000,000 |
| total | 20,000,000 | 20,000,000 | - | - | 20,000,000 |
| Total | | | | | |
| Assets | 40,270,000 | 40,001,000 | 50,000 | 1,200,000 | 41,200,000 |
| Liabilities | 30,000,000 | 30,000,000 | - | - | 30,000,000 |
| Equity | 10,270,000 | 10,001,000 | 50,000 | 1,200,000 | 11,200,000 |

For an inquiry refer to pages 10 and 11 of this report.

MEMORIAL UNIVERSITY OF NEWFUNDLAND
Expenditures, Liabilities

Appendix 3

Comparing Statement of Income, Expenditures, and Changes in Fund Balances -
 Budget and Actual - General and Special Revenue Fund Years
 2012/13 Budget (Actual)

Summited from 20, 199

| | General Fund | | Special Revenue Funds | | Variance Actual - Budget |
|---|--------------|-----------|-----------------------|-----------|--------------------------------|
| | Budget | Actual | Budget | Actual | |
| Income: | | | | | |
| Local sources: | | | | | |
| Trust | 78,146 | 41,899 | 20,714 | 11,049 | 50 |
| Ad valorem | 1,061,193 | 1,061,193 | 292,211 | - | - |
| Sales tax/levy | 18,000 | 11,250 | 27,243 | 20,119 | 4,081 |
| Income tax/levy | - | - | 91,500 | 150,111 | 58,611 |
| Fund service | 19,072 | 14,555 | 34,481 | 11,242 | 9,867 |
| Other | - | - | - | - | - |
| Base revenue: | 1,074,309 | 1,228,097 | 346,149 | 342,529 | 1,000 |
| Expenditure | 81,187 | 1,170,511 | 200,887 | 3,000 | 1,166 |
| Medical services | - | - | - | - | - |
| Intercollegiate - Student and research | 26,889 | 18,696 | 117,276 | 20,888 | 21,141 |
| Intercollegiate - Student and research | - | - | 4,000,000 | 1,040,000 | 2,960,000 |
| Library - Collections | - | - | 1,000,000 | 18,152 | 1,018,152 |
| Total revenue | 1,155,496 | 2,398,696 | 811,328 | 4,296,337 | 4,084,939 |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Regular program | 1,120,491 | 646,115 | 292,124 | 1,000,000 | 1,308 |
| Special program | 3,000,000 | 3,000,000 | 1,000,000 | 6,000,000 | 2,000,000 |
| Adult and continuing education programs | 171,000 | 140,000 | 20,000 | - | - |
| Total instructional expenditures | 4,291,491 | 3,786,115 | 312,124 | 7,000,000 | 2,708 |

UNIVERSITY ENDOWMENTS BOARD
Provisional, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual - General and Special Revenue Fund Types
 2014-15 Budget Basis, Continued

For ended June 30, 2015

| | General Fund | | Special Revenue Funds | |
|--|--------------|-----------|-----------------------|-----------|
| | Budget | Actual | Budget | Actual |
| Revenues: | | | | |
| Admission activity: | | | | |
| Instructional and support | 811,000 | 794,000 | 77,000 | 80,000 |
| General administration | 276,750 | 271,000 | 260,000 | 274,000 |
| Student administration | 921,000 | 911,000 | 1,517,000 | 1,517,000 |
| Business services | 1,450,000 | 1,429,000 | - | - |
| Plant services | 211,000 | 200,000 | 190,000 | 181,000 |
| Student transportation services | 1,750,000 | 1,690,000 | - | - |
| Fund transfer | 2,291,000 | 2,291,000 | 801,000 | 800,000 |
| Total support services expenditures | 7,291,000 | 7,264,000 | 2,270,000 | 2,266,000 |
| Community service programs | - | - | 15,000 | 14,700 |
| Total expenditures | 7,291,000 | 7,264,000 | 2,285,000 | 2,280,700 |
| Revenues (deficit) of expenditures | 1,410,000 | 991,000 | 18,000 | 10,300 |
| Other financing sources (uses): | | | | |
| Sale of fixed assets | 1,000 | 4,000 | - | - |
| Operating transfers in | 49,000 | 51,000 | 150,000 | 150,000 |
| Operating transfers out | - | - | (250,000) | (250,000) |
| Fund other financing sources (uses) | 90,000 | 51,000 | 8,000 | - |
| Revenues of sources used other financing sources | 140,000 | 106,000 | 158,000 | 150,000 |
| Revenues of sources used other financing sources | 6,700 | 1,000,000 | 2,100 | 41,000 |
| Fund balances at beginning of year | 5,268,000 | 5,268,000 | 277,000 | 277,000 |
| Fund balances at end of year | 5,308,000 | 4,973,000 | 279,000 | 308,000 |

See accompanying notes to financial statements.

WASHINGTON PARISH SCHOOL BOARD
Broussard, Louisiana

**Statement of Revenues, Expenses, and Changes in Retained Earnings -
Proprietary Fund Type - Internal Service Fund**

Year ended June 30, 1998
with comparative totals for the year ended June 30, 1997

| | <u>1998</u> | <u>1997</u> |
|--|---------------------|------------------|
| Operating revenues - premiums | \$ 375,868 | 381,911 |
| Operating expenses: | | |
| Worker's compensation benefits | 198,127 | 63,824 |
| Claims administration fees | 5,094 | 5,793 |
| Excess insurance premium payments | 40,784 | 48,995 |
| Legal services | 3,479 | - |
| Other expenses | 1,798 | 3,085 |
| Total operating expenses | <u>199,382</u> | <u>121,697</u> |
| Operating income | <u>176,486</u> | <u>260,214</u> |
| Nonoperating revenues: | | |
| Interest | 58,812 | 48,575 |
| Other revenue | 6,574 | - |
| Total nonoperating revenue | <u>65,386</u> | <u>48,575</u> |
| Net income | <u>241,872</u> | <u>308,789</u> |
| Retained earnings at beginning of year | <u>1,179,279</u> | <u>990,449</u> |
| Retained earnings at end of year | \$ <u>1,421,151</u> | <u>1,299,238</u> |

See accompanying notes to general purpose financial statements.

WASHINGTON PARISH SCHOOL BOARD
Franklinton, Louisiana

Statement 2

Statement of Cash Flows -
Proprietary Fund Type - Internal Service Fund

Year ended June 30, 1998
with comparative results for the year ended June 30, 1997

| | <u>1998</u> | <u>1997</u> |
|--|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Premiums | \$ 323,864 | 283,951 |
| Operating expenses | (154,679) | (135,156) |
| Net cash provided by operating activities | 171,185 | 148,795 |
| Cash flows from investing activities - interest earned | 58,812 | 48,573 |
| Net increase in cash and cash equivalents | 229,997 | 197,368 |
| Cash and cash equivalents at beginning of year | <u>1,328,769</u> | <u>1,024,401</u> |
| Cash and cash equivalents at end of year | \$ <u>1,658,766</u> | \$ <u>1,228,769</u> |
| Reconciliation of operating income to net cash provided by operating activities - operating income: | | |
| Adjustments to reconcile operating income to net cash provided by operating activities - change in liabilities: | \$ 42,589 | (54,671) |
| Net cash provided by operating activities | \$ <u>171,185</u> | \$ <u>148,795</u> |

See accompanying notes to general purpose financial statements.

WASHINGTON PARISH SCHOOL BOARD
Franklin, Louisiana

Notes to General Purpose Financial Statements

June 30, 1998

(1) **Summary of Significant Accounting Policies**

The Washington Parish School Board (the School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Washington Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of eight members who are elected from eight districts for concurrent terms of four years.

The School Board operates 17 schools within the parish with a total enrollment of 4,704 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.

(a) **Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity for general purpose financial statements is the exercise of oversight responsibility over such agencies by elected officials. This could include the appointment of management by elected officials, the accountability of management to elected officials for fiscal matters, and the ability of elected officials to significantly influence operations, such as reviewing and approving budgetary requests and amendments. One manifestation of the oversight responsibility is financial interdependency between the governmental unit and an agency, including responsibility for funding deficits and operating deficiencies, control of surplus funds, and governing the process of collecting and disbursing funds.

There may be circumstances where factors other than oversight are so significant in the relationship between a particular agency and a reporting entity that exclusion of the agency from the reporting entity's financial statements would be misleading. The scope of public service is one such factor that includes the following aspects:

- (1) Whether the activity is for the benefit of the reporting entity and/or its residents.
- (2) Whether the activity is conducted within the geographic boundaries of the reporting entity and is generally available to the citizens of that entity.

Several agencies, although meeting the criterion for scope of public service, are not included in the financial statements of the School Board because there is no oversight responsibility by elected School Board officials and no financial interdependency with the School Board. These agencies, such as the parish police jury, independently elected parish officials and municipalities within the parish, are separate taxing entities established by Louisiana law.

Similarly, the School Board is not included in any other reporting entity since School Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for local matters.

WASHINGTON PARISH SCHOOL BOARD
Franklin, Louisiana

Notes to General Purpose Financial Statements

June 30, 1998

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

64 Basis of Presentation - Fund Accounting

The accounts of the School Board are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the School Board:

Governmental Fund Types

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

General Fund - The General Fund is the general operating fund of the School Board. The General Fund receives most of the resources derived by the School Board from local sources (principally ad valorem and sales taxes) and state sources (principally the State Equalization funding). General fund expenditures represent the cost of general school system operations and individual functional categories of instructional and support services. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, principal and interest on long-term debt.

Capital Project Funds - The Capital Project Funds are used for the receipt and disbursement of proceeds of bond issues and other special or designated revenues, such as insurance, and for the acquisition or construction of major capital facilities, renovations and major repairs. The School Board's Capital Projects Funds are used to account for the insurance and bond proceeds received as a result of a fire and the necessary repairs to Voodoo High School.

Proprietary Fund Type

The Proprietary Fund is used to account for the School Board's ongoing organizations and activities which are similar to those often found in the private sector. The Proprietary Fund is accounted for on a capital maintenance measurement focus, that is the measurement focus is

WASHINGTON PARISH SCHOOL BOARD
Franklin, Louisiana

Notes to General Purpose Financial Statements

June 30, 1998

based upon determination of net income. The School Board applies all applicable GASB pronouncements issued on or before November 30, 1988, in accounting and reporting for its proprietary fund operations unless those pronouncements conflict with or contradict GASB pronouncements. The School Board's proprietary fund type is limited to Internal Service Funds as follows:

Internal Service Fund - The Internal Service Fund accounts for the Self-Insurance Program, which is provided by one department to other departments.

Proprietary Fund Type

The Proprietary Fund is used to account for assets held by the School Board in a trust or agency capacity. The following Proprietary Fund is maintained by the School Board:

Agency Fund - The School Activity Agency Fund is used to account for assets held by the School Board as an agent for the individual schools and school organizations. Agency Funds are custodial in nature and do not involve measurement of results of operations.

Account Groups

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

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

General Long-Term Debt Account Group - This account group is established to account for all long-term obligations of the School Board. Long-term liabilities reported to for interest from governmental funds, are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

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

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

(d) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

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The modified accrual basis of accounting is followed by all governmental funds (General Fund, Special Revenue Funds and Debt Service Funds). Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Ad valorem taxes are considered "measurable" at the time of preparation of the tax roll by the tax assessor. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

In applying the susceptible to accrual concept to nongovernmental revenues, the legal and contractual requirements of the nongovernmental programs are used as guidelines. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose or expenditure and are usually receivable only for failure to comply with prescribed compliance requirements. These monies are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Sales taxes, tuition, rents, and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Depreciations are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. As of June 30, 1998, all instructional related salaries for July and August have been accrued because the salaries have been earned but not paid. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The Proprietary Fund is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned and its expenses are recognized when they are incurred.

The School Activity Agency Fund is controlled in nature (assets equal liabilities) and does not involve measurement of results of operations.

(d) **Budgetary Data**

The School Board utilizes the following procedure in establishing the budgetary data reflected in the financial statements:

- (1) On September 21, 1997, the Superintendent submitted to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and sources of funding.
- (2) A public hearing was conducted after official journal notification.
- (3) On September 21, 1997, the budget was legally adopted during public session.
- (4) The budget document is structured such that revenues are budgeted by source and appropriations by function. The Special Revenue Funds are budgeted by program. School Board policy provides that expenditures may not exceed appropriations on a

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functional basis. Revisions to the budget as enacted require School Board approval. Revisions are made as considered necessary.

- (5) The School Board utilizes formal budgetary integration as a management control device for the General Fund and Special Revenue Funds.
- (6) Comparison of budgeted and actual amounts, as shown in Statement 3 in the accompanying financial report, includes the General Fund and Special Revenue Funds.
- (7) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Budgeted amounts reflected in the accompanying budget and actual comparisons are as originally adopted and legally amended by the School Board during the fiscal year. Appropriations which are not expended lapse at year-end.
- (8) The School Board is legally required to prepare annual operating budgets for its General and Special Revenue Funds.

(f) **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to ensure that portions of the applicable appropriation, as employed in the governmental funds as a management control device. However, at year end, all encumbrances lapse and must be budgeted in the subsequent year.

(g) **Cash and Cash Equivalents**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits. These deposits are recorded at cost which approximates market. 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.

For purposes of the statement of cash flows, the School Board considers all highly-liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

(h) **Intergovernmental Receivables**

Intergovernmental receivables consist of receivables for reimbursement of expenditures under various state and federal programs and grants. All amounts are expected to be collected within the next twelve months.

(i) **Short-Term Interfund Receivables/Payables**

Short-term interfund loans are classified as interfund receivables/payables.

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(i) Inventories

All purchased inventories are valued at cost (first-in, first-out); commodities are assigned values based on information provided by the U.S. Department of Agriculture. Inventories in the School Lunch Special Revenue Fund consist of food and supplies. The commodities are recorded as revenue and expenditures when consumed.

(ii) General Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

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

(iii) Long-term Obligations

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group.

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported as the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

(iv) Deferred Revenues

Deferred revenues arise when resources are received by the School Board before it has a legal claim to them or when gains accrue are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the resource is recognized.

(v) Vacation and Sick Leave

All 12-month employees earn from 6 to 20 days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated to a maximum of 10 days at the end of each calendar year.

Teachers and other 9-month employees earn 10 days of sick leave each year. All 12-month employees earn up to 17 days sick leave each year, depending on their length of service with the School Board. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave up to 25 days and unused vacation leave up to 10 days is paid to employees (or their heirs) at the employee's current rate of pay. Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit's computation of earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers Retirement System and for sick leave earned under

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the Louisiana School Employees Retirement System, all unpaid sick leave, which includes the 15 days paid, is used in the retirement board's compensation as-earned service.

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

The cost of current leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the General Long-Term Debt Account Group.

(d) **Pension Plans**

The School Board participates in two pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements.

(e) **Reserves**

Use of the term "reserve" in describing governmental fund "Fund Balances" and proprietary fund "Retained Earnings" indicates that a portion of the fund balance or retained earnings is not available to appropriate for expenditure or is legally segregated for a specific future use. The nature and purpose of these reserves are explained as follows:

Inventory - This amount represents the portion of fund balance reserved in the Special Revenue Fund for purchased inventory. It is reserved which indicates that the balance does not constitute available expendable resources even though purchased inventory is a component of net current assets.

Capital Projects - This amount consists primarily of dedicated bond proceeds for repairs to Varado High School.

Debt Service - This amount represents the portion of fund balance that has been reserved in the Debt Service Fund for future payment of principal and interest on bonded debt.

Reserved, Other

Reserved for Schools - This reservation reflects board-approved amounts dedicated to the schools by state tax authorities.

Property Insurance Deductible - The Board has reserved for fund balance in the General Fund to cover the per year deductible for fire and extended coverage on School Board properties.

(f) **Designations**

Use of the term "designation" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance has been segregated to indicate tentative plans for future financial resource use. The nature and purpose of these designations are as follows:

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Designated for Schools - This designation is allocated for expenditures of the individual schools on a per pupil basis.

Designated for School Board Office - This designation is allocated for expenditures of the School Board's Central Office, warehouse, and recreational center.

Designated for Capital Expenditures - This designation is allocated to for future lease obligations for the School Board's capital.

(g) Interfund Transactions

There are several types of transactions that are reported in the general purpose financial statements as interfund items. Interfund transactions which constitute reimbursements to a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonreversing or nonreciprocal transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from fund balances. All other transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds.

(h) Sales Taxes

On October 4, 1968, the voters of Washington Parish approved a one percent parishwide sales and use tax to be levied for the Washington Parish School Board and the City of Bogalusa School Board. The proceeds of the tax are allocated on the basis of 45 percent to the Washington Parish School Board and 55 percent to the City of Bogalusa School Board. The proceeds, after payment of necessary costs and expenses of collecting the tax, are dedicated for payment of salaries of teachers, other school personnel, and for other operating expenditures.

On April 4, 1981, the voters of Washington Parish approved a one percent sales and use tax to be levied for the Washington Parish School Board. The proceeds, after payment of necessary costs and expenses of collecting the tax, are dedicated to the general operation and maintenance of the schools in the parish, including the payment of salaries and fringe benefits of all school board employees, to acquire land and buildings, make other capital improvements to the schools in the parish, and to fund bonds for the purpose of making capital improvements as mentioned previously.

Sales and use taxes are collected and remitted to the School Board by the Washington Parish Sheriff's Office. The sales and use taxes collected in June on behalf of the Washington Parish School Board are remitted to the School Board by July 30.

(i) Claims and Judgments

The School Board accounts for its workers' compensation self-insurance program in its normal service fund. The liabilities for claims and judgments are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because school claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and change awards, the

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reverse used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

(1) Comparative Total Data (Memorandum Only)

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

The total data, captioned "Memorandum Only," are the aggregate of the fund types and account groups. No consolidating or other eliminations were made in arriving at the totals; thus, they do not present consolidated information.

(2) Cash and Cash Equivalents

At June 30, 1998, the School Board had cash and cash equivalents as follows:

| | | |
|--------------------------------|----|------------------|
| Money market and bank accounts | \$ | 2,763,340 |
| Time certificates of deposit | | 5,784,857 |
| LAMP | | <u>1,250,711</u> |
| | \$ | <u>9,818,911</u> |

Under state law, the bank balances of these deposits 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 or exceed the amount on deposit with the fiscal agent. At June 30, 1998, the School Board was in compliance with this policy.

LAMP represents those assets held in the Louisiana Asset Management Pool (LAMP), a local government investment pool which is not registered under GIAB (Certification System 180-054) because the investment is in a pooled fund and thereby not governed by securities that exist in physical or book-entry form. LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1995. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 3-a-7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are registered or securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, corporations, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar-weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 367 days. The fair market value of investments is determined on a weekly basis to monitor any variance between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to provide immediate access to participants.

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(2) Property Taxes

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

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

Property Tax Calendar

| | |
|----------------------------------|------------------------|
| Assessment date | January 1 |
| Levy date | Not later than June 15 |
| Total taxes due date | November 15 |
| Penalties and interest are added | December 31 |
| Lien date | January 1 |
| Tax sale - delinquent property | About June 1 |

The School Board is permitted to levy taxes up to 10% of the assessed property valuation for such special purposes, or in the aggregate for all purposes, 30% of the assessed valuation for the payment of principal and interest on long-term debt after approval by the voters of the parish.

The tax roll is not prepared by the tax assessor until November of each year; therefore, the amount of property taxes to be collected within the next year is not known. As a result, the property tax receivable for calendar year 1998 taxes is included on the accompanying audited balance sheet. The School Board records property taxes when received.

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

| | <u>Authorized Millage</u> | <u>Levied Millage</u> | | |
|---|-------------------------------|---------------------------|-------------------------------|---------------------------|
| Parish-wide taxes: | | | | |
| Constitutional | 3.91 | 3.91 | | |
| General operational | 5.12 | 5.12 | | |
| Maintenance and operations | 5.12 | 5.12 | | |
| Maintenance and operations | 4.89 | 4.89 | | |
| District taxes - Anglin School District | <u>3.12</u> | <u>3.12</u> | | |
| | | | <u>Authorized Millage</u> | <u>Levied Millage</u> |
| | <u>Low</u> | <u>High</u> | <u>Low</u> | <u>High</u> |
| District taxes - bond and interest | <u>5.12</u> | <u>99.00</u> | <u>5.12</u> | <u>99.00</u> |

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(4) **Receivables**

Receivables at June 30, 1998 are as follows:

| | <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Total</u> |
|-----------------------------|-------------------------|--------------------------------------|------------------|
| Intergovernmental - grants: | | | |
| State | \$ 361,798 | 1,218,481 | 1,580,279 |
| Federal | - | 3,636 | 3,636 |
| | <u>\$ 361,798</u> | <u>1,222,117</u> | <u>1,583,915</u> |

(5) **Fixed Assets**

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

| | <u>Balance July 1, 1997</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance June 30, 1998</u> |
|----------------------------|---------------------------------|------------------|------------------|----------------------------------|
| Land | \$ 580,868 | 16,796 | - | 597,664 |
| Buildings and improvements | 12,486,743 | 18,888 | - | 12,505,631 |
| Furniture and equipment | 5,655,189 | 827,739 | (28,762) | 6,215,151 |
| | <u>\$ 18,722,800</u> | <u>863,414</u> | <u>(28,762)</u> | <u>19,557,438</u> |

Additions to general fixed assets are included in plant services expenditures.

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16) Other Individual Fund Disclosures

(a) Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at June 30, 1998 were as follows:

| Receivable Fund | Payable Fund | Amount |
|------------------------|-------------------------------|---------------------|
| General Fund | Special Revenue Funds: | |
| | ISAA - Title I | \$ 803,179 |
| | ISAA - Title II | 26,027 |
| | ISAA - Title VI | 26,217 |
| | Special Federal Funds | 119,449 |
| | Federal Drug-Free Schools | 17,297 |
| | IDEA (Special Education) | <u>97,482</u> |
| | | 1,189,651 |
| | School Activity Agency Funds: | |
| | Pine High School | 5,600 |
| | Yamato High School | <u>3,833</u> |
| | | 9,433 |
| | Total General Fund | 1,199,084 |
| Special Revenue Funds | General Fund - ISAA-Title I | <u>2,802</u> |
| | | \$ 1,181,282 |

(b) Operating Transfers

Individual fund interfund operating transfers for the year ended June 30, 1998 were as follows:

| Fund | Operating transfers in | Operating transfers out |
|--------------------------------|-------------------------------|--------------------------------|
| General | \$ <u>22,000</u> | - |
| Special Revenue: | | |
| ISAA (Title I) | - | 41,687 |
| Special Federal Funds | - | 1,133 |
| Federal IDEA Drug-Free Schools | - | 1,018 |
| IDEA (Special Education) | - | <u>9,004</u> |
| Total - Special Revenue | <u>-</u> | 52,842 |
| Total - all Funds | \$ <u>22,000</u> | <u>52,842</u> |

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(7) Accounts, Salaries, and Other Payables

Payables of \$1,541,004 at June 30, 1998 are as follows:

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Total</u> |
|---|-------------------------|-------------------------------------|------------------|
| Salaries and related withholdings and accruals | \$ 1,038,563 | 299,431 | 1,344,800 |
| Accounts | 128,508 | 7,226 | 186,204 |
| | <u>\$ 1,264,541</u> | <u>306,657</u> | <u>1,541,004</u> |

(8) Changes in Agency Fund - Deposits Due Others

The changes in school activity accounts for the year ended June 30, 1998, are as follows:

| | <u>Balance at beginning of year</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance at end of year</u> |
|--------------------------|---|------------------|-------------------|-----------------------------------|
| School activity accounts | \$ 256,286 | 1,868,636 | (1,935,051) | 271,871 |

(9) Long-Term Obligations

The following is a summary of long-term obligations transactions for the year ended June 30, 1998:

| | <u>Bonded debt</u> | <u>Compensated employees</u> | <u>Total</u> |
|--|---------------------|----------------------------------|------------------|
| Long-term obligations at July 1, 1997 | \$ 3,901,000 | 1,190,482 | 5,091,482 |
| Deductions | (445,000) | (148,500) | (593,500) |
| Additions | 1,290,000 | | 1,290,000 |
| Long-term obligations at June 30, 1998 | <u>\$ 4,650,000</u> | <u>1,040,000</u> | <u>5,700,000</u> |

All School Board bonds outstanding at June 30, 1998, in the amount of \$4,650,000, are general obligations bonds with final maturities from 1999 to 2018 and interest rates from 4.5 to 9.8 percent.

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The individual bonds are as follows:

| <u>Bond issue</u> | <u>Original issue</u> | <u>Interest rates</u> | <u>Final payment due</u> | <u>Interest to maturity</u> | <u>Principal outstanding</u> |
|--------------------------------|-----------------------|-----------------------|--------------------------|-----------------------------|------------------------------|
| Ms. Hermans - 1979 | \$ 507,000 | 8.0% | February 2, 1998 | 2,700 | 49,000 |
| Franklinton-Gene-1981 | 5,520,000 | 5.9 - 6.4% | March 1, 2004 | 796,510 | 5,345,000 |
| Vernade School District - 1998 | 1,250,000 | 4.5 - 4% | March 1, 2010 | 702,215 | 1,250,000 |
| | | | | <u>\$ 1,501,525</u> | <u>4,600,000</u> |

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 1998, the School Board has accumulated \$998,583 in the debt service funds for future debt requirements. The bonds are due as follows:

| <u>Year ending June 30</u> | <u>Principal payments</u> | <u>Interest payments</u> | <u>Total</u> |
|----------------------------|---------------------------|--------------------------|------------------|
| 1998 | \$ 500,000 | 283,215 | 823,215 |
| 2000 | 500,000 | 290,550 | 800,550 |
| 2001 | 500,000 | 292,310 | 792,310 |
| 2002 | 650,000 | 171,690 | 797,690 |
| 2003 | 650,000 | 156,840 | 786,840 |
| Thereafter | <u>1,720,000</u> | <u>467,440</u> | <u>2,187,440</u> |
| | <u>\$ 4,640,000</u> | <u>1,581,525</u> | <u>6,191,525</u> |

In accordance with Louisiana Revised Statute 38:502, the School Board is legally restricted from incurring long-term bonded debt in excess of 50 percent of the assessed value of taxable property, which includes both homestead exempt property and non-exempt property. At June 30, 1998, the statutory limit is \$31,183,530, outstanding bonded debt totaled \$1,600,000 and the legal debt margin is \$29,583,530.

The School Board is in compliance with all significant limitations and restrictions set forth in the individual bond indentures.

At June 30, 1998, employees of the School Board have accumulated and vested \$1,040,958 of employee leave benefits. Vested benefits are considered to be the accumulated leave value of employees with ten years of experience. This amount is recorded within the general long-term debt account group. General fund expenditures are recorded when incurred.

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(10) Reservations and Designations of Fund Balance

The General Fund's reserved and designated fund balances as of June 30, 1998 are as follows:

| | |
|---|---------------------|
| Reserved fund balances: | |
| Reserved for schools: | \$ 300,085 |
| Reserved by Board for property insurance deductible | <u>24,857</u> |
| | \$ 324,942 |
| Designated fund balances: | |
| Designated for schools, to be approved by Board for reservation | \$ 1,829,281 |
| Designated for school board office | 214,229 |
| Designated for copier expenditures | <u>58,699</u> |
| | \$ 2,102,179 |

(11) Self-Insurance Program

On July 1, 1990, the School Board established a Self-Insurance Program (an internal service fund) to account for and finance its assumed risk of loss in regard to workers' compensation insurance. Under the terms of an excess workers' compensation insurance agreement with a private insurance company, which became effective July 1, 1990, the School Board's maximum liability per occurrence is \$175,000 with a two-year maximum liability of \$524,532 for all claims paid during a two-year period. The School Board purchases commercial insurance with an excess limit of \$1,000,000 for claims in excess of coverage provided by the program. As of June 30, 1998, the School Board reported a claims liability of \$85,489 in the internal service fund. All funds of the School Board participate in the program and make payments to the internal service fund in amounts needed to pay current-year claims and to establish a reserve for catastrophic losses.

At June 30, 1998, there are no long-term obligations arising from the Self-Insurance Program, and the program has retained earnings of \$1,213,581. Changes in the fund's claims liability amount in previous years are as follows:

| | Beginning balance | Current-year claims and changes in estimates | Claims payments | Balance at fiscal year end |
|---------|----------------------|---|--------------------|----------------------------------|
| 1991-92 | \$ 830 | 38,579 | (48,186) | 1,213 |
| 1992-93 | 1,213 | 75,682 | (41,973) | 15,008 |
| 1993-94 | 15,078 | 175,681 | (78,234) | 62,725 |
| 1994-95 | 62,725 | 123,078 | (91,648) | 94,155 |
| 1995-97 | 94,155 | 58,814 | (110,212) | 42,838 |
| 1997-98 | 42,838 | 139,127 | (98,538) | 85,489 |

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(11) Pension Plans

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and teachers' workers are members of the Teachers' Retirement System of Louisiana; other employees, such as nonstaff personnel and bus drivers are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Further information, as required by the Governmental Accounting Standards Board Statement No. 25, relative to each plan follows:

(a) Teachers' Retirement System of Louisiana (TRS)

Plan description - The School Board participants in two membership plans of the TRS, the Regular Plan and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6448.

Funding policy - Plan members are required to contribute 8.0 percent and 2.0 percent of their annual covered salary for the Regular Plan and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 16.4 percent of annual covered payroll for both membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution to 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.

The School Board's contributions to the TRS for the years ending June 30, 1996, 1997 and 1998 were \$2,171,088, \$2,828,597, and \$1,764,476, respectively, equal to the required contributions for each year.

(b) Louisiana School Employees' Retirement System (LSERS)

Plan description - The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 94505, Baton Rouge, Louisiana 70804, or by calling (504) 929-6484.

Funding Policy - Plan members are required to contribute 6.55 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 6.80 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public

WASHINGTON PARISH SCHOOL BOARD
Franklin, Louisiana

Notes to General Purpose Financial Statements

June 30, 1998

Retirement Systems' Actuarial Committee. The School Board's employer contribution for the 1996-97 is funded by the State of Louisiana through annual appropriations and by contributions from the School Board.

The School Board's contributions to the LSERS for the years ending June 30, 1996, 1997 and 1998 were \$91,684, \$85,002, and \$86,403, respectively, equal to the required contributions for each year.

(13) Post-retirement Health Care Benefits

The Washington Parish School Board provides certain continuing health care and life insurance benefits for its retired employees as provided by Louisiana Revised Statute (LSA-R.S.) 17:1221. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Benefits Program, whose monthly premiums are paid jointly by the employer and the School Board. The School Board recognizes the cost of providing these benefits (School Board's portion of premiums) as an expenditure when the monthly healthcare benefit premiums are due. In 1998, healthcare benefit premiums totaled \$7,257,321 of which \$623,618 represented the employees' portion with the remaining amount funded by School Board revenues. Also included in the total amount is the cost of retiree benefits totaling \$471,485 for 234 retirees.

(14) Excess of Expenditures Over Appropriations

For those funds for which a budget-to-actual comparison was made, actual expenditures exceeded budgeted expenditures on a line item basis as follows:

| | Expenditures | | Unfavorable Variance |
|--|--------------|-----------|-------------------------|
| | Budget | Actual | |
| General Fund: | | | |
| Instruction - Special programs Support | \$ 3,290,352 | 3,302,676 | (12,324) |
| services: | | | |
| Instructional staff support | 376,763 | 377,386 | (623) |
| School administration | 1,245,163 | 1,279,371 | (34,211) |
| Business services | 223,749 | 230,000 | (6,251) |
| Special Revenue Fund - | | | |
| Plant Services | 176,600 | 182,501 | (5,901) |

(15) Contingencies

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.

WASHINGTON PARISH SCHOOL BOARD
FRANKLINTON, LOUISIANA

Notes to General Purpose Financial Statements

June 30, 1998

(18) Subsequent Events

In October 1, 1998, the Board approved the issuance of \$1,035,000 of General Obligation Bonds for the Mt. Herman School District, the purpose of which is to acquire and/or improve land for building sites and playgrounds. The bonds are general obligations of the Board and are payable from ad valorem taxes.

SCHOOL LUNCH FUND

The School Lunch Fund is a program that provides nourishing meals to students in all grades. This program is supplemented by both federal and state funds that are based on reimbursement and participation.

INTERSTATE AMERICA'S SCHOOLS ACT FUNDS

Improving America's Schools Act (IASA) is a federally funded program promulgated by Public Law (PL) 101-162 which consolidated fourteen programs. IASA's purposes are to create high standards for all students, provide students with an enriched and accelerated educational program, provide staff development, and to align the efforts of state and local educational agencies.

SPECIAL FEDERAL FUND

During fiscal year 1995, the School Board established this fund to account for federal grants previously received in the General Fund. The programs included in this fund, all of which are federally financed, include Vocational Education, Adult Basic Education, and Starting Points.

FEDERAL (ESIA) DRUG FREE SCHOOL FUND

During fiscal 1995, the School Board established this fund for its ESEA Drug Free Schools program, a program that is federally financed to establish and implement drug abuse education and prevention programs in elementary and secondary schools.

IEEA SPECIAL EDUCATION FUND

Individuals with Disabilities Education Act (IDEA), Public Law (PL) 90-478, is a federally financed program of free public education in the least restrictive environment for children with exceptionalities.

ANGIE SCHOOL DISTRICT FUND

The Angie School District Fund accounts for a five-mill ad valorem tax assessed on property within the Angie School District to improve, maintain, and operate schools within the district. The majority of financing is provided by ad valorem tax and state revenue sharing.

STATE OF CALIFORNIA
 DEPARTMENT OF REVENUE

General Fund
 General Fund

June 30, 1987

| Account | Actual 1987 | Actual 1986 | Actual 1985 | Actual 1984 | Actual 1983 | Actual 1982 | Actual 1981 | Actual 1980 | Actual 1979 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General Fund | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Revenue | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| Expenditures | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| Inventory in use | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total assets | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |
| Liabilities and Equity | | | | | | | | | |
| Liabilities | | | | | | | | | |
| Accounts payable | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Accrued interest | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Accrued salaries | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Total liabilities | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 | 20.00 |
| Equity | | | | | | | | | |
| State fund equity | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 |
| Local fund equity | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total equity | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 |
| Total liabilities and equity | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 | 50.00 |

For accompanying schedule submit report

MEMORANDUM FOR THE BOARD OF SUPERVISORS
Financials - Continues

Special Revenue Funds

Contributions to Funds of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2016
 with comparison with the year ended June 30, 2015

| Account | Fiscal Year 2015 | | Fiscal Year 2016 | | Funding Allocation (See Memo) | Funds Status | Total | |
|-----------------------------|------------------|------------------|------------------|------------------|-------------------------------|--------------|------------------|------------------|
| | Actual | Original Budget | Actual | Original Budget | | | 2015 | 2016 |
| Special Revenue | | | | | | | | |
| Leisure Center | 81,171 | - | - | - | - | 11,000 | 1,000 | 7,700 |
| Recycling | 1,100 | - | - | - | - | 20 | 20 | 1,060 |
| CDBG | 1,000 | - | - | - | - | 30 | 30 | 2,000 |
| Fire Services | - | - | - | - | - | - | - | - |
| Police | - | - | - | - | - | 1,000 | 1,000 | 10,000 |
| Other | - | - | - | - | - | 1,000 | 1,000 | 1,000 |
| Transportation | 1,000,000 | 1,000,000 | 1,017,000 | 1,017,000 | 1,000,000 | - | 1,000,000 | 1,017,000 |
| General Governmental | 1,761,126 | 1,761,126 | 1,761,126 | 1,761,126 | 1,761,126 | - | 1,761,126 | 1,761,126 |
| Total | 2,643,297 | 2,761,126 | 2,778,126 | 2,778,126 | 2,761,126 | 1,790 | 2,000,000 | 2,785,826 |
| Expenses | | | | | | | | |
| Leisure Center | - | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | - | 1,000,000 | 1,000,000 |
| Police Services | - | 10,000 | 10,000 | 10,000 | 10,000 | - | 10,000 | 10,000 |
| Fire Services | - | 10,000 | 10,000 | 10,000 | 10,000 | - | 10,000 | 10,000 |
| Transportation | 1,761,126 | 1,761,126 | 1,761,126 | 1,761,126 | 1,761,126 | - | 1,761,126 | 1,761,126 |
| General Governmental | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | - | 1,000,000 | 1,000,000 |
| Other | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | - | 1,000,000 | 1,000,000 |
| Total | 2,761,126 | 2,761,126 | 2,761,126 | 2,761,126 | 2,761,126 | 1,790 | 2,000,000 | 2,785,826 |

Continued

Accounting fees in addition to audit fees
 PricewaterhouseCoopers

Special Services/fees

Continuing Statement of Revenue, Expenses, and Changes in Fund Balances - Continued

Year ended June 30, 1999
 and components thereof for the period from 10/1/98

| | Actual 1999 | Accounting Fees | Special Services/fees | Special Fund Account | Fund Total 1999 | Actual 1998 | Fund Total 1998 |
|---|----------------|--------------------|--------------------------|----------------------------|-----------------------|----------------|-----------------------|
| Excess of revenues over expenditures | 97,640 | 41,875 | - | 1,175 | 140,690 | 142,882 | 142,882 |
| Other financing sources (uses) | - | - | - | - | - | 878 | 878 |
| Operating revenues & expenses (revenues in excess of expenses) | 97,640 | 41,875 | - | 1,175 | 140,690 | (1,000) | (1,000) |
| Total other financing sources (uses) | - | (41,875) | - | (1,175) | (44,125) | (878) | (878) |
| Excess of revenues and other financing sources over expenditures and other uses | 97,640 | - | - | - | 97,640 | (1,878) | (1,878) |
| Fund balance at beginning of year | 26,600 | - | - | - | 26,600 | 28,478 | 28,478 |
| Fund balance at end of year | 124,280 | - | - | - | 124,280 | 26,600 | 26,600 |

See accompanying independent auditors report.

DEBT SERVICE FUNDS

The MS. Herrera and Foundation Lines School District Debt Service Funds accumulate monies for the payment of remaining bond issues. The bond issues are financed by a special property tax levy on property within the territorial limits of the appropriate school districts.

WASHINGTON PUBLIC SCHOOLS BOARD
Franklin, Louisiana

Debt Service Funds

Combining Balance Sheet

June 30, 1999

with comparative totals for June 30, 1997

| Assets | ML. Horton | Franklin | Total | |
|--|--------------------|------------------------------|---------|---------|
| | School District | Public School District | 1998 | 1997 |
| Cash and cash equivalents | \$ 54,718 | 547,223 | 601,941 | 547,204 |
| Liabilities and Equity | | | | |
| Liabilities - matured bonds and interest payable | \$ 0,000 | - | 0,000 | 000 |
| Equity - fund balances - restricted for debt service | 54,718 | 547,223 | 601,941 | 547,204 |
| Total liabilities and equity | \$ 54,718 | 547,223 | 601,941 | 547,204 |

See accompanying independent auditor's report.

WASHINGTON PARISH SCHOOL BOARD
Franklin, Louisiana

Schedule 4

Debt Service Fund

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 1998
with comparative data for June 30, 1997

| | De. Revenue School District | Fund from State School Board | Total | |
|--|-----------------------------------|------------------------------------|------------------|----------------|
| | | | 1998 | 1997 |
| Revenues: | | | | |
| Local sources: | | | | |
| Ad valorem taxes | \$ 45,211 | 795,874 | 794,089 | 951,294 |
| Interest earnings | 1,545 | 22,491 | 22,076 | 22,488 |
| Total revenues | <u>46,756</u> | <u>718,365</u> | <u>820,165</u> | <u>973,782</u> |
| Expenditures: | | | | |
| Debt service - general administration | 1,401 | 34,257 | 22,746 | 32,189 |
| Debt service: | | | | |
| Principal retirement | 40,000 | 435,000 | 494,000 | 475,000 |
| Interest and bond charges | 3,000 | 211,500 | 211,451 | 211,260 |
| Total expenditures | <u>45,401</u> | <u>780,757</u> | <u>768,197</u> | <u>768,649</u> |
| Excess (deficiency) of revenues over expenditures | 1,355 | 138,608 | 51,968 | 205,133 |
| Fund balances at beginning of year | 53,530 | 893,681 | 940,401 | 730,367 |
| Fund balances at end of year | <u>\$ 54,885</u> | <u>1,032,289</u> | <u>1,032,369</u> | <u>935,500</u> |

See accompanying independent auditors' report.

CAPITAL PROJECTS FUNDS

The Yamado High School and Yamado High School Reconstruction Funds accumulate monies for the reconstruction and improvement to Yamado High School as a result of a fire. The bond issue is financed by a special property tax levy as properly within the territorial limits of the appropriate school districts.

WASHINGTON PARISH SCHOOL BOARD
Franklin, Louisiana

Capital Projects Funds

Comparing Balance Sheet

June 30, 1998

with comparative totals for June 30, 1997

| Assets | Vermade High School | Vermade High School Reconstruction | Total | |
|---|---------------------------|--|------------------|------------------|
| | | | 1998 | 1997 |
| Cash and cash equivalents | \$ <u>1,150,188</u> | <u>71,526</u> | <u>1,221,715</u> | <u>1,241,417</u> |
| Equity | | | | |
| Equity - fund balances - reserved for capital projects | \$ <u>1,150,188</u> | <u>71,526</u> | <u>1,221,715</u> | <u>1,241,417</u> |

See accompanying independent auditor's report.

WASHINGTON PARISH SCHOOL BOARD
Franklin, Louisiana

Schedule 4

Capital Projects Fund

Continuing Schedule of Revenues, Expenditures, and Changes in Fund Balance

Year ended June 30, 1998
with comparative totals for June 30, 1997

| | Vernado High School | Vernado High School Reconstruction | Total | |
|---|------------------------|--|-------------|-----------|
| | | | 1998 | 1997 |
| Revenues: | | | | |
| Local sources - interest earnings | \$ 18,731 | 44,337 | 63,068 | 80,969 |
| Total revenues | 18,731 | 44,337 | 63,068 | 80,969 |
| Expenditures: | | | | |
| Support services - general administration | 4,704 | - | 4,704 | 1,788 |
| Construction | 80,619 | 1,714,343 | 1,794,962 | 258,838 |
| Total expenditures | 85,323 | 1,714,343 | 1,799,666 | 260,626 |
| Deficiency of revenues over expenditures | (66,592) | (1,669,911) | (1,736,503) | (177,657) |
| Other financing sources: | | | | |
| Bond proceeds | 1,250,000 | - | 1,250,000 | - |
| Insurance proceeds | - | - | - | 128,528 |
| | 1,250,000 | - | 1,250,000 | 128,528 |
| Excess (deficiency) of revenues and other sources over expenditures | 1,183,408 | (1,669,911) | 513,497 | 148,881 |
| Fund balance at beginning of year | - | 1,241,447 | 1,241,447 | 1,050,768 |
| Fund balance at end of year | \$ 1,183,408 | 571,536 | 1,754,944 | 1,199,649 |

See accompanying independent auditors' report.

**FIDUCIARY FUNDS:
SCHOOL ACTIVITY
AGENCY FUNDS**

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

WASHINGTON PARISH SCHOOL BOARD
Franklin, Louisiana

Fiduciary Fund

**Schedule of Changes in School Account Balances - School Activity Agency Fund
Cash Balances**

Year ended June 30, 1998

| School | Balance July 1, 1997 | Additions | Deductions | Balance June 30, 1998 |
|------------------------------|-------------------------------------|------------------|-------------------|--------------------------------------|
| Angin Junior High School | \$ 9,825 | 54,124 | 54,132 | 1,817 |
| Enon Elementary School | 37,447 | 89,326 | 65,146 | 61,627 |
| Franklin Primary School | 39,328 | 63,278 | 62,730 | 40,876 |
| Franklin Elementary School | 3,892 | 80,328 | 81,860 | 2,360 |
| Franklin Junior High School | 14,323 | 132,800 | 138,329 | 8,794 |
| Franklin High School | 44,871 | 352,776 | 332,179 | 65,468 |
| St. Herman High School | 51,829 | 132,233 | 168,889 | 15,173 |
| Pine High School | 44,172 | 179,200 | 182,876 | 40,496 |
| Thomas Junior High School | 31,790 | 37,202 | 52,991 | 16,001 |
| Vermado Elementary School | 4,364 | 26,237 | 26,831 | 3,770 |
| Vermado High School | 16,185 | 85,566 | 76,697 | 45,054 |
| Wesley Ray Elementary School | 12,320 | 41,594 | 37,358 | 16,556 |
| Adult Education Center | 2,796 | 8,230 | 9,808 | 1,218 |
| \$ | 243,081 | 1,268,671 | 1,333,834 | 788,524 |

Note: As of June 30, 1998, Pine High School and Vermado High School have payables to the General Fund of \$3,800 and \$3,853, respectively. The total Agency Fund's deposits due others is \$211,871.

See accompanying independent auditor's report.

**OTHER
SUPPLEMENTAL
INFORMATION**

The Schedule of Compensation Paid to 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 17:96, 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 \$700 per month for performing the duties of his office.

WASHINGTON PARISH SCHOOL BOARD
 Franklinton, Louisiana

Other Supplemental Information

Schedule of Compensation Paid to Board Members

Year ended June 30, 1998

| | | |
|-------------------------|----|---------------|
| Harold Smith, President | \$ | 9,000 |
| Karl L. Blackburn, Jr. | | 7,500 |
| Raymond D. Boone | | 7,500 |
| Bruce L. Brown | | 7,500 |
| Holly M. James | | 7,500 |
| Freddie H. Jefferson | | 7,500 |
| Raymond Jones | | 7,500 |
| Richard M. Thomas | | 7,500 |
| Juanita Harbot | | 7,500 |
| | \$ | <u>61,000</u> |

See accompanying independent auditor's report.

SINGLE AUDIT SECTION

REQUIRED REPORTS - GOVERNMENT ACCOUNTING STANDARDS

The following pages contain reports on the internal control structure and compliance with laws and regulations required by Government Accounting Standards, issued by the Comptroller General of the United States. These reports address the general purpose financial statements, as well as the Federal financial assistance programs of the Federal Board.

In accordance with Office of Management and Budget Circular A-133, a Schedule of Expenditures of Federal Awards and related notes are presented.

KPMG Peat Marwick LLP

One World Financial Center
New York, NY 10048-3000

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

The Members of the
Washington Parish School Board
Franklin, Louisiana

We have audited the general purpose financial statements of Washington Parish School Board (the School Board), as of and for the year ended June 30, 1998, and have issued our report thereon dated October 30, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School Board's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the School Board in a separate letter dated October 30, 1998.

This report is intended for the information of the Board, the School Board's management and federal funding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

KPMG Audit Manual LLP

October 30, 1998

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

The Members of the
Washington Parish School Board
Franklin, Louisiana

Compliance

We have audited the compliance of Washington Parish School Board (the 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, 1998. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with 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 the School Board's compliance with those requirements.

In our opinion, the 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, 1998.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the School Board as of and for the year ended June 30, 1998, and have issued our report thereon dated October 30, 1998. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

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

KPMG Peat Marwick LLP

October 30, 1998

MAKINGDON PARISH SCHOOL BOARD
Franklin, Louisiana

Schedule of Expenditures of Federal Awards

For the year ended June 30, 1999

| | Pass-Through Number | CFDA Program Number | Expenditures |
|---|------------------------|---------------------------|------------------|
| United States Department of Agriculture | | | |
| Federal-through Louisiana Department of Education: | | | |
| National School Lunch Program | - | 10-555 | 1,073,930 |
| School Breakfast Program | - | 10-553 | 482,121 |
| Federal-through Louisiana Department of Agriculture and Forestry - Food Distribution | - | 10-600 | <u>136,124</u> |
| Total United States Department of Agriculture | | | <u>1,754,281</u> |
| United States Department of Defense - | | | |
| Master BOPV | - | 80-600 | <u>17,982</u> |
| United States Department of Education | | | |
| Federal-through Louisiana Department of Education: | | | |
| Adult Education - State-Administered Program | - | 80-602 | 99,000 |
| Improving America's Schools Act (IASA) | 90-1A5A-90-1 | 84-008 | 1,864,900 |
| Table II - Dwight D. Eisenhower Professional Development Program | 90-1A5A-90-2 | 84-231 | 26,407 |
| Table VII - Innovative Education Program Strategies | 90-1A5A-90-6 | 84-299 | 25,000 |
| Vocational Education - Basic Grants to States | 25-90-90-2(B)(2) | 84-009 | 75,000 |
| Goals 2000 - Educate America Act Education Systemic Improvement | 2116A-900-8 | 84-276A | 98,000 |
| Department of Health and Communities | 90-1A5A-90-FV | 84-180 | 35,700 |
| Education for All | COMBUST B 10A-800000 | 84-288 | 22,000 |
| Louisiana State Software Technical Preparation Grant | 20-90-020-970 | 84-243A | 5,700 |
| For Service Act | 480 | 84-999 | 15,500 |
| Technology Literacy-Challenge Fund | 1000 | 84-314 | 18,100 |
| Reading/Parent Personnel Program | 80000000 | 81-075 | 18,500 |
| Handicapped State Grants - IDEA Part D | 90-FY-09 | 84-007 | 319,500 |
| Individuals with Disabilities Education Act (IDEA) - Preschool Programs | 90-FY-09 | 84-175 | 66,121 |
| Fixed Clinical | 82 | 83-999 | <u>120</u> |
| Total United States Department of Education | | | <u>3,645,794</u> |
| Total Federal Award Expenditures | | | 4,118,099 |

See accompanying independent auditor's report and notes to Schedule of Federal Awards.

WASHINGTON PARISH SCHOOL BOARD
Franklin, Louisiana

Notes to Schedule of Expenditures of Federal Awards

June 30, 1998

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of the Washington Parish School Board (the School Board). The School Board reporting entity is defined in Note 1 to the general purpose financial statements for the year ended June 30, 1998. All federal awards received directly from federal agencies is included on the schedule, as well as federal awards passed through other government agencies.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's general purpose financial statements for the year ended June 30, 1998.

3. Relationship to General Purpose Financial Statements

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

| | |
|-----------------------|---------------------|
| General Fund - Grants | \$ <u>18,080</u> |
| Special Revenue Fund: | |
| Indirect cost | 32,900 |
| Grants | 3,968,679 |
| Commodities | <u>186,123</u> |
| | <u>4,187,712</u> |
| | \$ <u>4,175,908</u> |

4. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports, except for the amounts in reports submitted as of a date subsequent to June 30, 1998.

WASHINGTON PARISH SCHOOL BOARD
Franklinton, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 1998

(1) Summary of Auditors' Results

- (a) The type of report issued on the general purpose financial statements: unqualified opinion
- (b) Reportable conditions in internal control were disclosed by the audit of the Financial Statements: none reported Material weaknesses: no
- (c) Noncompliance which is material to the general purpose financial statements: no
- (d) Reportable conditions in internal control over major programs: none reported Material weaknesses: no
- (e) The type of report issued on compliance for major programs: unqualified opinion
- (f) Any audit findings which are required to be reported under Section 518(a) of OMB Circular A-133: no
- (g) Major programs:
 United States Department of Agriculture:
 National School Breakfast Program (CPDA Number 10.533)
 National School Lunch Program (CPDA Number 10.553)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$200,000
- (i) Auditors qualified as a low-risk auditors under Section 518 of OMB Circular A-133: yes
- (2) Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards:
None
- (3) Findings and Questioned Costs relating to Federal Awards: None

WASHINGTON PARISH SCHOOL BOARD
Franklin, Louisiana

Schedule of Prior Audit Findings

Year ended June 30, 1998

| <u>Reference</u> | <u>Finding</u> | <u>Status</u> | <u>Contact Person</u> |
|------------------|--|---------------|-----------------------|
| 97-1 | Noncompliance with periodic payroll conditions | Corrected | Bob Furell |

CONFIDENTIAL

October 30, 1998

Members of the Washington Parish School Board
Washington Parish School Board
800 Main Street
Franklinton, Louisiana 70434

Dear Members of the Board:

We have audited the general purpose financial statements of the Washington Parish School Board (the School Board) for the year ended June 30, 1998, and have issued our report thereon dated October 30, 1998. In planning and performing our audit of the general purpose financial statements of the School Board, we considered the School Board's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on internal control. We have not considered internal control since the date of our report.

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

SEGREGATION OF DUTIES

Limited segregation of duties exists in the Special Education Program in certain areas, such as receipts, as a result of limited staffing in the program. We recommend that the Program Director ensure that a second review of the monthly bank reconciliations, deposit logs, and other areas performed by one person be conducted in order to assure a proper review process. In addition, we recommend that the Accounting Department receive a copy of the receipt log for their records to assure that the general ledger activity agrees to the log transactions.

FILING OF REIMBURSEMENT REQUESTS

For the year ended June 30, 1998, receivables due for reimbursement from the State for certain federally-sponsored programs totaled \$1,222,127. The increase in the receivable amount appears to be related to delays by the program in filing for reimbursements. Because of these delays, the General Fund has borne the expenditures of these programs for several months. We recommend that requests for reimbursements be filed timely and, that if delays are anticipated, the Accounting Department should be notified.

Our audit procedures are designed primarily to enable us to form an opinion on the general purpose financial statements and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the School Board's organization gained during our work to make comments and suggestions that we hope will be useful to you. The attached Appendix A reports the status of the prior year's recommendations. Appendix B contains management's response to the current year comments. We would be pleased to discuss this report with you at any time.

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

Very truly yours,



STATUS OF PRIOR YEAR COMMENTFixed Assets

We conducted two site visits to schools to test fixed asset records. At one school, one of eleven items tested could not be located. At the other school, we tested thirteen items, one item was on the list but was no longer in use and had been removed from the school, another item could not be located and a third item was on the list but not tagged.

Status:

There has been a process hired that will perform additional reviews of the fixed assets at each school.

MANAGEMENT'S RESPONSE TO CURRENT YEAR COMMENTS**SEGREGATION OF DUTIES**

Limited segregation of duties exists in the Special Education Program in certain areas, such as receipts, as a result of limited staffing in the program. We recommended that the Program Director ensure that a second review of the monthly bank reconciliation, deposit logs, and other items performed by one person be conducted in order to ensure a proper review process. In addition, we recommended that the Accounting Department receive a copy of the receipt log for their records to ensure that the general ledger activity agrees to the log transactions.

School Board Response:

To ensure a proper review process where a limited segregation of duties exists, the Special Education Program Director will instruct the Special Education Accounting Clerk to submit for second review the bank reconciliation and deposit logs to the Accounting Department. The Accounting Department will ensure that the general ledger activity agrees with the deposit log activity and the bank reconciliations.

FILING OF REIMBURSEMENT REQUESTS

For the year ended June 30, 1998, receivables due for reimbursements from the State for certain federally-sponsored programs totaled \$4,225,127. The increase in the receivable amount appears to be related to delays by the programs in filing for reimbursements. Because of these delays, the General Fund has borne the expenditures of these programs for several months. We recommended that requests for reimbursements be filed timely and, that if delays are anticipated, the Accounting Department should be notified.

School Board Response:

We will recommend to the Title I Director and the Special Education Director that requests for reimbursements from the state be filed each month within two days of the deadline for clearing the books for the month. The Accounting Department will be notified if delays are anticipated.

KPMG Peat Marwick LLP

Suite 2000 One Mall Square
New Orleans, LA 70119-0000

October 30, 1998

The Members of the Board
Washington Parish School Board

We have audited the general purpose financial statements of Washington Parish School Board as of and for the year ended June 30, 1998, and have issued our report thereon dated October 30, 1998. Under generally accepted auditing standards, we are providing you with the attached information related to the conduct of our audit.

This information is intended solely for the use of the Board and management and should not be used for any other purpose.

Very truly yours,



WASHINGTON PARISH SCHOOL BOARD

June 30, 1998

Our Responsibility Under Generally Accepted Auditing Standards

Our responsibility under generally accepted auditing standards is to express an opinion on the general purpose financial statements of Washington Parish School Board (the School Board) as of and for the year ended June 30, 1998 based on our audit. In carrying out this responsibility, we assessed the risk that the general purpose financial statements may contain a material misstatement, either intentional or unintentional, and designed and conducted our audit to provide reasonable, not absolute, assurance of detecting misstatements that are material to the financial statements. In addition, we considered the internal control structure of the School Board to gain a basic understanding of the accounting system in order to design an effective and efficient audit approach, although not for the purpose of providing specific assurance on the internal control structure.

Furthermore, our audit, including the limited inquiries we made in connection with the Year 2000 issue, was not designed to, and does not, provide any assurance that a Year 2000 issue which may exist will be identified, on the auditors of the School Board's remediation plans related to Year 2000 financial or operational issues, or on whether the School Board is or will become Year 2000 compliant. Year 2000 compliance is the responsibility of management.

Significant Accounting Policies

The significant accounting policies used by the School Board are described in the "Summary of Significant Accounting Policies" note to the general purpose financial statements.

We noted no transactions entered into by the School Board during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based upon management's current judgments. These judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of the significance of the general purpose financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We note no areas requiring significant management judgment or accounting estimate.

Significant Audit Adjustments

We proposed no such adjustments to the general purpose financial statements.

Disagreements With Management

There were no disagreements with management on financial accounting and reporting matters which, if not satisfactorily resolved, would have caused a modification of our report on the School Board's 1998 financial statements.

Consultation With Other Accountants

To the best of our knowledge, management has not consulted with or obtained an opinion, written or oral, from other independent accountants during the past year which were subject to the requirements of Statement on Auditing Standards No. 99, "Reporting on the Application of Accounting Principles."

Major Issues Discussed With Management Prior to Retention

There have been no major issues discussed with management prior to our retention as your auditors.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.