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UNION PARISH SCHOOL BOARD
Bossierite, Louisiana

GENERAL-PURPOSE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1967
WITH SUPPLEMENTAL INFORMATION

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

Release Date ~~1967-2-4-1968~~

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

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

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UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

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UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

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

CERTIFIED PUBLIC ACCOUNTANTS



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INDEPENDENT AUDITORS' REPORT

Board Members
Union Parish School Board
Farmerville, Louisiana

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated October 17, 1997, on our examination of the Union Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Union Parish School Board, Farmerville, Louisiana, taken as a whole. The accompanying supplemental information, including the schedule of expenditures of federal awards which is required by U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

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

Monroe, Louisiana
October 17, 1997

UPON PARISH SCHOOL BOARD
Farmerville, Louisiana

All Fund Types and Account Groups
Condensed Balance Sheet
June 30, 2020

| | GOVERNMENTAL FUNDS | | | |
|--|---------------------|-----------------------------|-------------------------|-----------------------------|
| | GENERAL FUND | SPECIAL REVENUE FUNDS | DEBT SERVICE FUND | CAPITAL PROJECTS FUND |
| ASSETS AND OTHER DEBITS | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 1,048,000 | \$ 384,793 | \$ 67,861 | \$ 15,740 |
| Investments | 1,512 | 0 | 800,880 | 0 |
| Receivables | 24,800 | 771,727 | 27,250 | 0 |
| Intertural receivable | 68,328 | 178,188 | 0 | 0 |
| Inventory | 0 | 65,841 | 0 | 0 |
| Fixed assets | 0 | 0 | 0 | 0 |
| Other debits: | | | | |
| Amount available in debt service funds | 0 | 0 | 0 | 0 |
| Amount to-be provided for payment of debt | 0 | 0 | 0 | 0 |
| TOTAL ASSETS AND OTHER DEBITS | \$ 2,211,460 | \$ 870,722 | \$ 796,012 | \$ 15,740 |
| LIABILITIES, EQUITY AND OTHER CREDITS | | | | |
| Liabilities: | | | | |
| Accounts, salaries and other payables | \$ 1,102,184 | \$ 128,893 | \$ 735 | \$ 0 |
| Intertural payable | 790 | 184,208 | 1,800 | 0 |
| Deferred compensation benefits payable | 0 | 0 | 0 | 0 |
| Deposits due others | 0 | 0 | 0 | 0 |
| Bonds payable | 0 | 0 | 0 | 0 |
| Leases payable | 0 | 0 | 0 | 0 |
| Compensated absences payable | 0 | 0 | 0 | 0 |
| Total Liabilities | \$ 1,103,074 | \$ 313,101 | \$ 1,835 | \$ 0 |
| Equity and other credits | | | | |
| Investment in general fund assets | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Fund balances: | | | | |
| Reserved: | | | | |
| For inventory | 0 | 65,841 | 0 | 0 |
| Debt service | 0 | 0 | 362,980 | 0 |
| Unreserved: | | | | |
| Designated | 205,088 | 0 | 0 | 0 |
| Undesignated | 713,608 | 207,241 | 0 | 15,740 |
| Total Equity and other credits | \$ 908,598 | \$ 250,082 | \$ 362,980 | \$ 15,740 |
| TOTAL LIABILITIES, EQUITY AND OTHER CREDITS | \$ 2,011,672 | \$ 613,272 | \$ 799,012 | \$ 15,740 |

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

Statement A

| POLICYARY AGENCY FUND | -----ACCOUNT GROUPS----- | | TOTAL BENEFIT (NET) |
|-----------------------------|---------------------------|------------------------------|---------------------------|
| | GENERAL FUND ASSETS | GENERAL LONG-TERM DEBT | |
| \$ 104,817 | \$ 0 | \$ 0 | 2,990,885 |
| 80,280 | 0 | 0 | 800,817 |
| 0 | 0 | 0 | 219,832 |
| 0 | 0 | 0 | 189,824 |
| 0 | 0 | 0 | 55,841 |
| 0 | 14,558,158 | 0 | 14,558,158 |
| 0 | 0 | 769,782 | 769,782 |
| 0 | 0 | 2,807,278 | 2,807,278 |
| <u>\$ 205,182</u> | <u>\$ 14,558,158</u> | <u>\$ 3,577,060</u> | <u>\$ 21,812,873</u> |
| \$ 0 | \$ 0 | \$ 0 | 1,241,782 |
| 0 | 0 | 0 | 189,824 |
| 30,472 | 0 | 0 | 30,472 |
| 189,880 | 0 | 0 | 189,880 |
| 0 | 0 | 2,868,280 | 2,868,280 |
| 0 | 0 | 189,878 | 189,878 |
| 0 | 0 | 808,284 | 808,284 |
| <u>\$ 205,182</u> | <u>\$ 0</u> | <u>\$ 3,577,060</u> | <u>\$ 4,898,308</u> |
| \$ 0 | \$ 14,558,158 | \$ 0 | 14,558,158 |
| 0 | 0 | 0 | 55,841 |
| 0 | 0 | 0 | 769,782 |
| 0 | 0 | 0 | 219,800 |
| 0 | 0 | 0 | 3,028,808 |
| <u>\$ 0</u> | <u>\$ 14,558,158</u> | <u>\$ 0</u> | <u>\$ 18,612,372</u> |
| <u>\$ 205,182</u> | <u>\$ 14,558,158</u> | <u>\$ 3,577,060</u> | <u>\$ 25,028,313</u> |

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

Statement 8

| | GENERAL FUND | SPECIAL REVENUE FUNDS | SERVICE FUND | CAPITAL PROJECTS FUND | TOTAL (MEMORANDUM ONLY) |
|--|----------------------|-----------------------------|-------------------|-----------------------------|-------------------------------|
| REVENUES | | | | | |
| Local sources: | | | | | |
| Taxes: | | | | | |
| Ad valorem | \$ 398,070 | \$ 96,562 | \$ 755,587 | \$ 0 | \$ 1,250,219 |
| Sales and use | 0 | 1,285,492 | 0 | 0 | 1,285,492 |
| Interest earnings | 91,043 | 31,454 | 53,298 | 0 | 155,895 |
| Fuel service | 0 | 373,008 | 0 | 0 | 373,008 |
| Other | 33,839 | 25,415 | 0 | 0 | 59,254 |
| State sources: | | | | | |
| Equityshare | 10,182,070 | 388,808 | 0 | 0 | 10,570,878 |
| Other | 287,734 | 151,088 | 0 | 0 | 438,822 |
| Federal sources | 10,270 | 2,262,124 | 21,480 | 0 | 2,293,874 |
| Total revenues | \$ 13,812,993 | \$ 4,895,567 | \$ 780,365 | \$ 0 | \$ 19,489,415 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular programs | \$ 5,133,818 | \$ 575,951 | \$ 0 | \$ 0 | \$ 5,709,769 |
| Special programs | 881,487 | 1,223,484 | 0 | 0 | 2,104,971 |
| Other instructional programs | 437,877 | 138,638 | 0 | 0 | 576,515 |
| Support services: | | | | | |
| Student services | 358,835 | 93,528 | 0 | 0 | 452,363 |
| Instructional staff support | 425,455 | 193,422 | 0 | 0 | 618,877 |
| General administration | 285,828 | 185,988 | 84,323 | 0 | 556,139 |
| School administration | 651,215 | 50,880 | 0 | 0 | 702,095 |
| Business services | 12,320 | 87,328 | 0 | 0 | 99,648 |
| Plant services | 780,835 | 483,583 | 0 | 0 | 1,264,418 |
| Student transportation services | 1,216,952 | 84,207 | 0 | 0 | 1,301,159 |
| Contract services | 30,890 | 3,183 | 0 | 0 | 34,073 |
| Food services | 50,840 | 1,790,577 | 0 | 0 | 1,841,417 |
| Community service program | 2,900 | 1,783 | 0 | 0 | 4,683 |
| Facilities acquisition and construction | 87,835 | 953,983 | 0 | 4,585 | 1,636,403 |
| Debt service: | | | | | |
| Principal retirement | 75,102 | 26,871 | 445,800 | 0 | 547,773 |
| Interest and bond charges | 13,217 | 11,284 | 198,920 | 0 | 223,421 |
| Total expenditures | \$ 13,852,437 | \$ 6,848,876 | \$ 685,000 | \$ 4,585 | \$ 21,390,918 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | | |
| | \$ 358,292 | \$ 32,881 | \$ 95,365 | \$ (4,585) | \$ 482,953 |

(CONTINUED)

IBBON PARISH SCHOOL BOARD
 Farmerville, Louisiana

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

Continued

| | GENERAL FUND | SPECIAL REVENUE FUNDS | DEBT SERVICE FUND | CAPITAL PROJECTS FUND | TOTAL (MEMORANDUM ONLY) |
|---|-----------------|-----------------------------|-------------------------|-----------------------------|-------------------------------|
| OTHER FINANCING SOURCES (USES) | | | | | |
| Operating transfers in | \$ 0 | \$ 210,000 | \$ 0 | \$ 0 | \$ 210,000 |
| Operating transfers out | 0 | (210,000) | 0 | 0 | (210,000) |
| Other Sources - sale of equipment | 0 | 1,000 | 0 | 0 | 1,000 |
| Total other financing sources (uses) | \$ 0 | \$ 1,000 | \$ 0 | \$ 0 | \$ 1,000 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | \$ 250,261 | \$ 26,001 | \$ 67,460 | \$ 4,588 | \$ 348,310 |
| FUND BALANCE AT BEGINNING OF YEAR | 588,264 | 210,660 | 585,770 | 20,288 | 1,394,982 |
| FUND BALANCE AT END OF YEAR | \$ 838,525 | \$ 236,661 | \$ 653,230 | \$ 24,876 | \$ 1,753,292 |

DISCLOSED

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

WISON PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
for the Year Ended June 30, 1987

Statement C

| | -----GENERAL FUND----- | | VARIANCE FAVORABLE UNFAVORABLE |
|---|------------------------|----------------------|--------------------------------------|
| | BUDGET | ACTUAL | |
| REVENUES | | | |
| Local sources: | | | |
| Taxes: | | | |
| Ad valorem | \$ 401,400 | \$ 396,815 | \$ (4,585) |
| Interest earnings | 32,800 | 50,043 | 17,243 |
| Other | 23,500 | 28,808 | 5,308 |
| State sources: | | | |
| Equalization | 18,098,907 | 18,128,178 | 29,271 |
| Other | 251,257 | 283,774 | 32,517 |
| Federal sources: | | | |
| | 8,000 | 10,000 | 2,000 |
| Total revenues | \$ 19,844,754 | \$ 19,923,628 | \$ 78,874 |
| EXPENDITURES | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | \$ 5,234,366 | \$ 5,130,819 | \$ 103,547 |
| Special programs | 1,033,200 | 991,437 | 41,763 |
| Other instructional programs | 442,200 | 427,877 | 14,323 |
| Support services: | | | |
| Student services | 378,342 | 358,925 | 19,417 |
| Instructional staff support | 448,558 | 408,488 | 40,070 |
| General administration | 207,458 | 286,028 | 78,570 |
| School administration | 888,797 | 881,216 | 7,581 |
| Business services | 70,527 | 32,820 | 37,707 |
| Plant services | 952,480 | 780,935 | 171,545 |
| Student transportation services | 1,441,287 | 1,455,810 | (14,523) |
| Capital services: | | | |
| Food services | 48,000 | 26,548 | 21,452 |
| Community service program | 68,816 | 68,948 | (32) |
| Facilities acquisition and construction | 2,800 | 2,800 | 0 |
| Other services: | | | |
| Principal retirement | 18,000 | 25,000 | 7,000 |
| Interest and bank charges | 0 | 0 | 0 |
| | 0 | 0 | 0 |
| Total expenditures | \$ 10,883,698 | \$ 10,983,421 | \$ 99,723 |

(continued)

UNION PARISH SCHOOL BOARD
 Ferriday, Louisiana

GOVERNMENTAL FUNDS

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

Statement C

| | -----GENERAL FUND----- | | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|------------------------|-------------------|--|
| | BUDGET | ACTUAL | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 295,380 | \$ 338,262 | \$ 428,408 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers out | \$ (10,000) | \$ 0 | \$ 10,000 |
| Other uses | <u>10,000</u> | <u>10,000</u> | <u>0</u> |
| Total other financing sources (uses) | \$ (10,000) | \$ 10,000 | \$ 10,000 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | \$ (10,000) | \$ 338,262 | \$ 448,400 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>284,288</u> | <u>600,284</u> | <u>316,000</u> |
| FUND BALANCES AT END OF YEAR | \$ <u>284,288</u> | \$ <u>938,546</u> | \$ <u>632,000</u> |

CONTINUED

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS
Condensed Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Plus G.A.P. Items) and Actual
For the Year Ended June 30, 1997

Statement C

| | -----SPECIAL REVENUE----- | | VARIANCE FUNDABLE |
|--|---------------------------|---------------------|----------------------|
| | BUDGET | ACTUAL | |
| REVENUES | | | |
| LOCAL SOURCES | | | |
| Taxes: | | | |
| Ad valorem | \$ 87,148 | \$ 88,282 | \$ (708) |
| Sales and use | 1,388,008 | 1,388,483 | 475 |
| Interest earnings | 28,792 | 31,884 | 1,792 |
| Fuel service | 278,588 | 273,880 | (4,708) |
| Other | 80,588 | 80,478 | (110) |
| State sources: | | | |
| Equalization | 384,234 | 388,858 | 4,624 |
| Other | 188,288 | 187,808 | (480) |
| Federal sources: | 2,321,884 | 2,314,848 | (7,036) |
| Total revenues | \$ 4,888,438 | \$ 4,888,818 | \$ 380 |
| EXPENDITURES | | | |
| Current | | | |
| Instruction: | | | |
| Regular programs | \$ 551,418 | \$ 578,581 | \$ 27,163 |
| Special programs | 1,088,588 | 1,088,183 | 405 |
| Other instructional programs | 128,587 | 128,808 | 221 |
| Support services: | | | |
| Busied services | 81,588 | 83,808 | 2,220 |
| Instructional staff support | 284,587 | 283,423 | (1,164) |
| General administration | 178,128 | 180,888 | 2,760 |
| School administration | 81,588 | 80,888 | (700) |
| Business services | 88,888 | 87,888 | (1,000) |
| Plant services | 442,738 | 452,882 | 10,144 |
| Student transportation services | 87,888 | 84,887 | (3,001) |
| Central services | 8,208 | 8,188 | (20) |
| Food services | 1,778,888 | 1,777,834 | (1,054) |
| Community service program | 3,882 | 3,788 | (94) |
| Facilities acquisition and construction | 0 | 214 | 214 |
| Total expenditures | \$ 4,888,888 | \$ 4,873,187 | \$ 15,701 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 0.000 | \$ 15,631 | \$ 15,631 |

(CONTINUED)

BRICK PARRISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS

Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - (Budget (Item/MAF) Basis) and Actual
For the Year Ended June 30, 1997

Statement C

| | -----SPECIAL REVENUE----- | | |
|---|---------------------------|------------|-------------|
| | VARIANCE | | |
| | FAVORABLE | | |
| | BUDGET | ACTUAL | UNFAVORABLE |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | \$ 202,000 | \$ 210,000 | \$ 7,999 |
| Operating transfers out | (202,000) | (210,000) | (7,999) |
| Other sources - sale of equipment | 1,821 | 1,822 | (1) |
| Total other financing sources (uses) | \$ 1,821 | \$ 1,822 | \$ (1) |
| | | | |
| (EXCESS (DEFICIENCY) OF REVENUES) AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | \$ (2,801) | \$ 26,001 | \$ 43,992 |
| | | | |
| FUND BALANCES AT BEGINNING OF YEAR | 312,687 | 312,687 | \$ |
| | | | |
| FUND BALANCES AT END OF YEAR | \$ 309,886 | \$ 338,688 | \$ 43,992 |

(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS
Consolidated Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Plus GAMP Basis) and Actual
For the Year Ended June 30, 2021

Statement C

| | *****DEBT SERVICE***** | | |
|--|------------------------|---------------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | |
| Local sources: | | | |
| Taxes: | | | |
| Ad valorem | \$ 734,190 | \$ 739,867 | \$ (5,677) |
| Interest earnings | 36,000 | 33,286 | 2,714 |
| Federal sources - payment in lieu of taxes | 26,000 | 21,490 | 4,510 |
| Total revenues | <u>\$ 796,190</u> | <u>\$ 794,643</u> | <u>\$ (1,547)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Support services: | | | |
| General administration | \$ 84,803 | \$ 84,803 | \$ 0 |
| Debt service: | | | |
| Principal retirement | 445,800 | 445,800 | 0 |
| Interest and bank charges | 160,800 | 160,800 | 0 |
| Total expenditures | <u>\$ 691,403</u> | <u>\$ 691,403</u> | <u>\$ 0</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ 104,787</u> | <u>\$ 103,240</u> | <u>\$ (1,547)</u> |
| FUND BALANCES AT BEGINNING OF YEAR | <u>898,894</u> | <u>898,712</u> | <u>182</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ 1,003,681</u> | <u>\$ 1,001,952</u> | <u>\$ (1,729)</u> |

(continued)

**UNION PARISH SCHOOL BOARD
Ponchartraine, Louisiana**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1993**

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UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

The School Board operates eleven schools within the parish with a total enrollment of approximately 4,010 pupils. In conjunction with the regular educational program, seven of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

B. FUNDS AND ACCOUNT GROUPS

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

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

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Governmental Funds

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

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

Special Revenue Funds - account for revenue sources that are legally restricted in expenditures for specified purposes (not including expendable trusts or major capital projects).

Debt Service Fund - accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Capital Projects Fund - accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Fiduciary Funds

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

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

School Activity Agency Fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Sales Tax Collection Agency Fund - accounts for monies collected on behalf of other taxing authorities within the parish.

Deferred Compensation Agency Fund - accounts for contributions and earnings by employees who participate in the plan.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Account Groups

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental Funds

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

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

Revenues

Ad valorem taxes and sales taxes are susceptible to accrual.

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

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

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Expenditures

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

Other Financing Sources (Uses)

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

Fiduciary Funds

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

D. BUDGETS

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

State statute requires budgets be adopted for the general fund and all special revenue funds.

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

Appropriations (unexpended budget balances) lapse at year end.

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

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS (Continued)

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with generally accepted accounting principles (GAAP) except for a special revenue fund that did not include on-behalf payments. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget, that is, total budgeted revenues and other financing sources including fund balances must equal or exceed total budgeted expenditures and other financing uses. State statute requires the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

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

The capital projects fund budget is adopted on a project basis as projects are approved by the Board. By statute, the Board is not required to adopt a budget for its capital projects fund, therefore, this fund uses project budgets rather than annual budgets and accountability is controlled over the life of the project.

The debt service funds budget is approved by the Board. By statute, the Board is not required to adopt a budget for its debt service fund.

E. ENCUMBRANCES

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

F. CASH AND CASH EQUIVALENTS

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

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days, however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, except for investments in defined contribution agency funds, which are reported at market.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. INVESTMENTS

Investments are limited by LSA-RS, 10:2819 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments in money-market interest-bearing accounts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure as per GASB Statement No. 31.

Investments in the deferred compensation agency fund are reported at market.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

I. INVENTORY

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

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

J. FIXED ASSETS

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

Fixed assets valued at estimated historical cost, where no historical records exist, was \$1,375,317 at year-end.

Public domain (infrastructure) general fixed assets (e.g. roads, bridges, sidewalks and other assets that are inalienable and of value only to the government) are not capitalized.

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

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. COMPENSATED ABSENCES

All 12-month employees earn 30 days of consecutive vacation leave each year. Upon separation of employment, all unused vacation leave is forfeited.

All 12-month employees earn from 17 to 18 days of sick leave each year, depending on their length of service with the School Board, and 9-month employees earn 18 days of sick leave each year. Sick leave can be accumulated without limitation.

Upon retirement or death, unused accumulated sick leave of up to 15 days is paid to the employee or to the employee's estate at the employer's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

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

GAAP Statement No. 14 provides that vacation leave and other compensated absences with similar characteristics should be accrued as liability as the benefits are earned by the employees if both of the following conditions are met:

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

GAAP Statement No. 14 provides that a liability for sick leave should be accrued using one of the following termination approaches:

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

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

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. COMPENSATED ABSENCES (Continued)

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

L. LONG-TERM OBLIGATIONS

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

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

M. FUND EQUITY

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

Designations of fund balance represent tentative management plans that are subject to change.

N. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonreversing or non-routine permanent transfers of equity are reported as retained equity transfers. All other interfund transfers are reported as operating transfers.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. SALES TAXES

The voters of Union Parish approved on May 19, 1979, a one percent sales tax to be collected within Union Parish. The tax is for an indefinite period of time. The proceeds from the tax are dedicated for salaries and retirement benefits for school teachers and other school employees and/or for maintaining and operating school buildings, facilities, and equipment. The costs of collecting and administering the tax are paid from the sales tax special revenue fund.

P. USE OF ESTIMATES

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

Q. MEMORANDUM ONLY - TOTAL COLUMNS

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

R. NEW APPLICABLE GASB PRONOUNCEMENTS

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

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

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

NOTE 2 - EXPENDITURES - ACTUAL AND BUDGET

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

| Fund | Budget | Actual | Unfavorable Variance |
|---------------------------------------|-----------|-----------|-------------------------|
| Special revenue fund | | | |
| Special fund | | | |
| Special programs instruction | \$149,000 | \$172,591 | \$23,591 |
| Student services | 25,000 | 67,699 | 42,699 |
| Facility acquisition and construction | - | 374 | 374 |
| Sales tax | | | |
| Regular programs instruction | 351,410 | 375,991 | 24,581 |
| Special programs instruction | 180,214 | 148,671 | 31,543 |

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

NOTE 3 - LEVIED TAXES

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

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

Property Tax Calendar

| | |
|-----------------------|-------------------------------|
| Millage rates adopted | May 15, 1996 |
| Levy date | October 14, 1996 |
| Tax bills mailed | On or about November 15, 1996 |
| Due date | December 31, 1996 |
| Law date | January 1, 1997 |

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

| | |
|------------------------------|---|
| 10% land | 15% machinery |
| 10% residential improvements | 15% commercial improvements |
| 17% industrial improvements | 25% public service properties, including land |

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 3 - LEVIED TAXES (Continued)

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$77,898,500 in calendar year 1996. Louisiana state law exempts the first \$2,500 of assessed value of a taxpayer's primary residence from local property taxes. This homestead exemption was \$21,418,940 of the assessed value in calendar year 1996.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 0.25% per month until the taxes are paid. After notice is given to the delinquent taxpayer, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general, District A special revenue fund and debt service fund on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 90 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 1997 property taxes to be collected occurs in December, January and February of the next year. As a result, no property taxes receivable for 1997 taxes is included on the accompanying balance sheet because it is not available within 90 days of the School Board's year-end.

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

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

| | Authorized Millage | Levied Millage | Expiration Date |
|--------------------|-----------------------|-------------------|--------------------|
| Parish-wide taxes: | | | |
| Constitutional | 5.00 | 3.60 | Statutory |
| Maintenance | 1.84 | 1.72 | 1998 |
| Maintenance | 3.18 | 2.98 | 1999 |
| District taxes: | | | |
| bond and interest | Variable | 13.00 | 2001 |

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 4 - CASH AND CASH EQUIVALENTS

At June 30, 1997, the School Board has cash and cash equivalents (bank balances) totaling \$3,186,320 as follows:

| | |
|---|---------------------|
| Demand deposit | \$ 30,287 |
| Interest-bearing demand deposits | 1,409,007 |
| Time deposits | 1,646,536 |
| Other | - |
| Subtotal | <u>3,186,320</u> |
| Less deposits classified as investments | <u>(1,826,174)</u> |
| Total | <u>\$ 2,450,146</u> |

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

At year-end, the School Board's carrying amount of deposits was \$3,186,320 and the bank balance was \$4,011,614. Of the bank balance, \$189,324 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining balance, \$4,087,790 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 2).

Even though the pledged securities are considered noncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 29:1229 imposes a statutory requirement on the custodial bank to advise, and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 - INVESTMENTS

Investments are categorized into three broad categories of credit risk:

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

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 5 - INVESTMENTS (Continued)

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

| Type of Investment | Category | | | Carrying Amount | | | Total Carrying Amount |
|---|--------------|----------------|------------------|-----------------|----------------|------------------|-----------------------|
| | 1 | 2 | 3 | Fair Value | Amortized Cost | Cost | |
| Certificates of deposit | \$ - | \$ - | \$634,823 | \$ - | \$ - | \$634,823 | \$634,823 |
| Cash held in state treasury | --- | 1,312 | --- | - | - | 1,312 | 1,312 |
| Total | \$--- | \$1,312 | \$634,823 | | | | |
| Investments not subject to categorization | | | | | | | |
| Deferred compensation plan | | | | 38,472 | --- | --- | 38,472 |
| Total investments | | | | \$38,472 | \$- | \$635,135 | \$666,807 |

NOTE 6 - RECEIVABLES

The receivables of \$179,622 at June 30, 1997, are as follows:

| Class of Receivables | General Fund | Special Revenue Funds | Debt Service Fund | Total |
|----------------------------|-----------------|-----------------------|-------------------|------------------|
| Taxes | | | | |
| Ad valorem | \$ 2,718 | \$ 789 | \$ 5,483 | \$ 8,990 |
| Intergovernmental - grants | | | | |
| Federal | - | 62,289 | - | 62,289 |
| State | 21,417 | 83,794 | - | 105,211 |
| Other | 124 | 1,042 | 29,633 | 30,803 |
| Total | \$24,259 | \$113,732 | \$35,116 | \$173,107 |

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

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

NOTE 7 - FIXED ASSETS

The changes in general fixed assets follow:

| | Balance July 1, 1996 | Additions | Deductions | Balance June 30, 1997 |
|-------------------------|-------------------------|------------------|-----------------|--------------------------|
| Land | \$ 186,384 | \$ - | \$ - | \$ 186,384 |
| Buildings | 9,343,756 | - | - | 9,343,756 |
| Furniture and equipment | 4,584,807 | 216,087 | 16,885 | 5,201,079 |
| Total | \$14,315,947 | \$216,087 | \$16,885 | \$14,515,149 |

NOTE 8 - RETIREMENT SYSTEMS

Substantially all School Board employees participate in either the Teachers' Retirement System or the Louisiana School Employees' Retirement System (Or System), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS), other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the Systems, with employee benefits vesting after 10 years of service.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with 10 years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally 2% (with less than 25 years of service) or 2.5% (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$400 applicable to persons becoming members prior to July 1, 1994).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service or at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally 2% times the years of creditable service times the retiree's average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement Systems are eligible for normal retirement after 10 years of service, or after 20 years of service at age 55, or after 10 years of service at age 60. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary times the years of service plus a supplement of \$2 per month times the years of service.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 8 - RETIREMENT SYSTEMS (Continued)

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

| | Employee | Employer |
|---------------------------------------|----------|----------|
| LA Teachers Retirement System | | |
| Regular | 8.00% | 14.2% |
| Plan A | 9.10% | 18.9% |
| LA School Employees Retirement | 6.35% | 6.8% |

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

In addition, the employer does not contribute to the Teachers' Retirement System, Regular Plan or Plan A, the employee's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the State of Louisiana.

Benefits granted by the retirement systems are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. For the year ended June 30, 1997, the current-year payroll for the School Board totaled \$8,762,882. The employer contributions and total current-year payroll of covered employees for 1997 follow:

| | TRS | | | Total |
|------------------------------|------------------|---------------|------------------|------------------|
| | Regular | Plan A | LSERS | |
| Employer contribution | \$ 595,169 | \$ 8,166 | \$ 74,815 | \$ 668,150 |
| Employee contribution | 1,288,876 | 14,694 | 79,678 | 1,373,248 |
| Total covered payroll | 7,214,583 | 98,143 | 1,178,138 | 8,582,864 |

Although contributions are determined by statute, actuarial contributions are determined for the Systems. For the year ended June 30, 1997, the latest information available, the Systems' (TRS and LSERS) actuarially required contributions from all sources was \$48.1 million and \$12.9 million, respectively. The required contributions represent 17.79 and 6.12 percent, respectively, of salaries for the year ended June 30, 1997.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to-date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the Systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERA and employers. The Systems (TRS and LSERS) do not make separate measurements of assets and pension benefit obligations for individual employees.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 8 - RETIREMENT SYSTEMS (Continued)

The pension benefit obligations at June 30, 1997 for the Systems, each as a whole, the Systems' net assets available for benefits on that date (valued at market), and the resulting unfunded (overfunded) pension benefit obligations were as follows:

| | TRS | LERS |
|--|-------------------------|-------------------------|
| Pension Benefit Obligation | \$11,230,762,000 | \$ 978,569,414 |
| Net Assets Available for Benefits | <u>7,056,898,000</u> | <u>1,088,262,511</u> |
| Unfunded (Overfunded) Pension Benefit Obligation | <u>\$ 4,173,864,000</u> | <u>\$ (109,793,402)</u> |

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

| | |
|-------------------------------------|------|
| Teacher's Retirement System | 3.5% |
| School Employees' Retirement System | 3.0% |

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

| | |
|--|--|
| Teacher's Retirement System of Louisiana Post Office Box 74123 Baton Rouge, Louisiana 70804-9123 (504) 523-6446 | Louisiana School Employees' Retirement System Post Office Box 44505 Baton Rouge, Louisiana 70804 (504) 523-6446 |
|--|--|

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

In accordance with state statute, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the Louisiana Employees Group Insurance Plan, whose monthly premiums are paid jointly by the employee and by the School Board. The cost of retiree benefits totaled \$183,823, for approximately 235 retirees.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$1,241,182 at June 30, 1997, are as follows:

| | General Fund | Special Revenue Funds | Debt Service Fund | Total |
|--------------|--------------------|-----------------------------|-------------------------|--------------------|
| Salaries | \$1,000,000 | \$ - | \$ - | \$1,000,000 |
| Accounts | 59,081 | 138,810 | 171 | 297,962 |
| Total | \$1,059,081 | \$138,810 | \$171 | \$1,241,182 |

NOTE 11 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

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

| | Balance July 1, 1996 | Additions | Reductions | Balance June 30, 1997 |
|--------------------------|-------------------------|--------------------|--------------------|--------------------------|
| School activity accounts | \$144,088 | \$ 508,738 | \$ 808,134 | \$168,692 |
| Sales tax collect ins | ----- | 4,264,425 | 4,264,425 | ----- |
| Total | \$144,088 | \$4,773,163 | \$5,072,559 | \$168,692 |

NOTE 12 - COMPENSATED ABSENCES

At June 30, 1997, employees of the School Board have accumulated and vested \$686,364 of employee leave benefits, which was computed in accordance with GASB Compensation Scales C68. This amount is not reported to be paid from current available resources; therefore, the liability of \$686,364 is recorded within the general long-term obligation account group.

NOTE 13 - LEASES

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

| | Accrued Amount |
|--|-------------------|
| Leases | |
| School buses (18) | \$246,730 |
| Computer equipment - School Food Service | 81,087 |
| Computer software - School Food Service | 68,817 |
| Computer software - General | 21,775 |
| Total | \$418,409 |

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 13 - LEASES (Continued)

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

| | <u>Equipment</u> |
|---|------------------|
| 1997-1998 | \$173,286 |
| 1998-1999 | 46,352 |
| 1999-2000 | 46,352 |
| 2000-2001 | 7,238 |
| Total minimum lease payments | 273,228 |
| Less - amounts representing executory costs | (20,000) |
| Net minimum lease payments | 253,228 |
| Less - amounts representing interest | (64,357) |
| Present value of net minimum lease payments | <u>\$188,871</u> |

NOTE 14 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

| | <u>Bonded Debt</u> | <u>Lease- Purchase Agreements</u> | <u>Compensated Absences</u> | <u>Total</u> |
|------------------------|------------------------|---|---------------------------------|--------------------|
| Balance, June 30, 1996 | \$3,010,000 | \$308,799 | \$694,181 | \$3,944,980 |
| Additions | - | - | - | - |
| Deductions | (445,000) | (101,674) | (27,812) | (574,486) |
| Balance, June 30, 1997 | <u>\$2,565,000</u> | <u>\$199,875</u> | <u>\$666,369</u> | <u>\$3,371,244</u> |

The School Board bond outstanding at June 30, 1997, in the amount of \$2,565,000, is a general obligation bond with maturities from 1998 to 2002 and an interest rate of 4.97 percent. Bond principal and interest payable in the next fiscal year are \$478,000 and \$122,480, respectively. The issue is as follows:

| <u>Bond Issue</u> | <u>Original Issue</u> | <u>Interest Rate</u> | <u>Fiscal Payment Due</u> | <u>Interest to Maturity</u> | <u>Principal Outstanding</u> |
|-------------------|---------------------------|--------------------------|-----------------------------------|-------------------------------------|----------------------------------|
| 1996 | 2,615,000 | 4.97% | 2002 | <u>\$202,628</u> | <u>\$2,565,000</u> |

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

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

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, 1997, the School Board has accumulated \$763,662 in the debt service fund for future debt requirements. The bonds are due as follows:

| Year Ending June 30, | Principal Payments | Interest Payments | Total |
|-------------------------|---------------------------|-------------------------|---------------------------|
| 1998 | \$ 478,080 | \$127,080 | \$ 605,160 |
| 1999 | 458,080 | 104,122 | 562,202 |
| 2000 | 518,080 | 78,768 | 596,848 |
| 2001 | 535,000 | 54,412 | 589,412 |
| 2002 | <u>558,000</u> | <u>71,812</u> | <u>629,812</u> |
| Total | <u>\$2,557,240</u> | <u>\$376,294</u> | <u>\$2,933,534</u> |

In accordance with Louisiana Revised Statute 38:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 2.5 percent of the assessed value of taxable property. At June 30, 1997, the statutory limit is \$17,283,179, and outstanding bonded debt totals \$2,933,534.

NOTE 15 - INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

| Receivable Fund | Payable Fund | Amount |
|-----------------|------------------------|----------------------|
| General Fund | Director's | \$25,771 |
| | Special | 31,788 |
| | Title I | 9,886 |
| | Sales Tax | 2,382 |
| | Sinking | 1,580 |
| | School Lunch | 1,686 |
| | Special Ed | 471 |
| | Title 6 | 348 |
| | Title I Carryover | 175 |
| | Special Ed - President | <u>58</u> |
| Subtotal | | <u>84,378</u> |

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 15 - INTERFUND ASSETS/LIABILITIES (Continued)

Due from/to other funds: (Continued)

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|--------------------------|-------------------|
| General | Special Ed District A | \$ 2,651 1,288 |
| Subtotal | | 4,339 |
| District A | Sales Tax | 117,889 |
| Title I Carryover | General Fund | 617 |
| Special Ed | Payroll | 100 |
| Title I | General Fund | 60 |
| Total | | <u>\$186,524</u> |

NOTE 16 - RESERVED AND DESIGNATED FUND BALANCES

Reservations:

Inventory: This amount represents the portion of fund balances relating to inventory on hand which is therefore unavailable to be expended for other purposes.

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

Designations:

Designated for Cost Insurance: This amount represents a portion of fund balances that has been designated to fund possible losses from self-insurance liability for workers' compensation and to cover the deductibles for property insurance.

At June 30, 1997, the School Board had designated portions of the fund balances of the general fund for self-insurance for workers' compensation and to cover the deductibles for property insurance. The following is an analysis of the changes in the designated fund balances for the year ended June 30, 1997:

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

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

NOTE 16 - RESERVED AND DESIGNATED FUND BALANCES (Continued)

| | Property | Workers' Compensation | Total |
|------------------------------|------------------|-----------------------|------------------|
| Balance at beginning of year | \$115,000 | \$100,000 | \$215,000 |
| Additions | - | 10,000 | 10,000 |
| Deductions | ----- | ----- | ----- |
| Balance at end of year | <u>\$115,000</u> | <u>\$110,000</u> | <u>\$225,000</u> |

NOTE 17 - INTERFUND TRANSFERS

Opening transfers for the year ended June 30, 1997, were as follows:

| Fund | Transfers To | Transfers Out |
|--|-----------------|------------------|
| Special Revenue Funds Sales Tax District A | \$210,000 | \$210,000 |

NOTE 18 - RISK MANAGEMENT

The School Board initiated a risk management program for workers' compensation in 1991. During fiscal year 1997, a total of \$134,212 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$200,000. Maximum retention expense for aggregate claims amounts to \$1,000,000. An amount for self-insurance losses of \$100,000 was designated at June 30, 1997. The amount of settlement did not exceed insurance coverage for each of the past three years.

Changes in the claims amount for years ending June 30, 1995, 1996 and 1997 are as follows:

| Year ending June 30 | Beginning of Fiscal Year Liability | Claims and Changes in Estimates | Benefit Payments and Claims | Ending of Fiscal Year Liability |
|---------------------|--|---------------------------------------|-----------------------------------|---------------------------------------|
| 1995 | \$43,150 | \$125,915 | \$(122,521) | \$ 46,544 |
| 1996 | 46,124 | 24,899 | (11,591) | 61,464 |
| 1997 | 61,464 | 180,718 | (134,212) | 187,966 |

UNION PARISH SCHOOL BOARD
Farmville, Louisiana

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

NOTE 19 - BUDGET/GAAP RECONCILIATION

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

| | <u>General</u> | <u>Special Revenue</u> |
|---------------------------------|--------------------------|----------------------------|
| Fund balances (Budget) | \$ 858,518 | \$ 253,188 |
| Revenues | | |
| Federal sources | | 75,879 |
| Expenditures | | |
| Student transportation services | 189,718 | |
| Contract services | 8,488 | |
| Facilities and acquisitions | (62,825) | (53,329) |
| Principal | (75,183) | (26,371) |
| Interest and bank charges | (19,317) | (11,294) |
| Food services | | 77,247 |
| Special instruction | | 36,668 |
| Other uses | 18,800 | |
| Fund balance | <u>(20,080)</u> | <u> </u> |
| Fund Balance (GAAP) | <u>\$ 838,518</u> | <u>\$ 253,188</u> |

For the general fund and special revenue funds, budget/GAAP reporting differences are a result of reallocations. All capital outlays and debt service expenditures were reported separately for GAAP reporting purposes, but were reported in the appropriate functional category for budget purposes. Also, the change for the year for workers' compensation board-designated fund balance was classified as an "other financing use" for budget purposes, but reported as designated fund balance for GAAP purposes.

Other budget/GAAP reporting differences in special revenue are a result of on-behalf payments from another governmental entity. For budget purposes, only \$19,080 of these payments were included, while all \$117,479 was included for GAAP reporting.

NOTE 20 - LITIGATION AND CLAIMS

Litigation

As June 30, 1997, the School Board is involved in five matters involving litigation. It is the opinion of the legal adviser for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 20 - LITIGATION AND CLAIMS (Continued)

Grant Disallowances

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

Tax Arbitrage Refunds

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

Self-Insurance

The School Board is partially self-insured for workers' compensation, and health insurance coverage. Claims are funded through employee contributions and operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$1,000,000 and \$200,000 per occurrence for each employee for workers' compensation insurance coverage, and for health coverage, respectively. All known claims filed and an estimate of incurred but not reported claims based on experience of the School Board are made and accrued as necessary in the financial statements. A portion of fund balance of the general fund has been designated for payment of future claims.

NOTE 21 - DEFERANCE OF DEBT

The School Board deferred in the prior year certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the deferred bonds are not included in the School Board's financial statements. On June 30, 1997, \$2,609,080 of bonds outstanding are considered deferred.

NOTE 22 - DEFERRED COMPENSATION PLAN

Under the guidelines established in accordance with the Internal Revenue Code Section 457, the School Board has a deferred compensation plan which is administered by Lincoln National Life Insurance Company on behalf of all participating employees. The plan, mandatory for part-time, seasonal and temporary employees, and voluntary for all employees, permits them to defer a portion of their salary until future years. The deferred pay and any income earned on it is not subject to income taxes until actually received by the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

NOTE 21 - DEFERRED-COMPENSATION PLAN (Continued)

The assets in the plans remain the property of the School Board until paid or made available to participants, subject only to the claims of the School Board's creditors. The participants have no vested interest or accrued or preferred position with respect to the assets or have any claim against the School Board, except as a general creditor, in an amount equal to the fair market value of the participant's account.

It is the opinion of the School Board's legal counsel that the School Board is not liable for losses arising from depreciation or shrinkage or shrinkage in the value of any investments acquired under the deferred compensation plans. However, the School Board believes it has the duty of due care that would be required of an ordinary prudent investor. The School Board also believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Transactions related to the deferred compensation plan are recorded as an agency fund. The assets of the deferred compensation plan are stated at market value.

A summary of changes in deferred compensation payable for the year ended June 30, 1997 is as follows:

| | |
|------------------------|-----------------|
| Balance, June 30, 1996 | \$ 9,161 |
| Additions | 22,264 |
| Deductions | <u> 93</u> |
| Balance, June 30, 1997 | <u>\$31,332</u> |

NOTE 22 - ON-BEHALF PAYMENTS

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

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$17,875. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

The School Board is one member of the NLSC LEARN association, comprised of eleven school boards. One of the other school boards serves as the fiscal agent and pays the bills for all the participating members in the association. The fiscal agent paid \$127,479 for computers, upgrades, computer equipment and services for the School Board. The amount has been recorded as internal revenue and the applicable expenditure in the applicable fund.

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

SUPPLEMENTAL INFORMATION

UNION PARISH SCHOOL BOARD

Farmerville, Louisiana

SUPPLEMENTAL INFORMATION

AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

SPECIAL REVENUE FUNDS (Continued)

SALES TAX

The sales tax fund accounts for a one percent sales tax used to pay salaries and retirement benefits for school teachers and other school employees and to maintain and operate school buildings, facilities, and equipment. The School Board is the centralized sales tax collection agency for all taxing authorities in the parish. As a result, the School Board receives a fee of one percent of collections for performing the duties of the collection agency. The costs of collecting and administering the tax are paid from the fund.

DISTRICT A

The District A fund accounts for the proceeds of an ad valorem tax dedicated for maintenance and upkeep of school facilities.

SCHOOL FOOD SERVICE

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

The Summer Food Service Program for Children provides nonprofit food service program for needy children during the summer months and at other approved times when area schools are closed for vacation.

UNION PARISH SCHOOL BOARD
 Ferrisville, Louisiana

Special Revenue Funds
Comparing Balance Sheet
June 30, 1997

| | TITLE I | TITLE VI | SPECIAL EDUCATION | SPECIAL FUNDS |
|--|---------------------|------------------|----------------------|------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,075 \$ | 14,200 \$ | 2,124 \$ | 25,280 |
| Receivables | 35,471 | 4,890 | 4,000 | 44,449 |
| Interfund receivable | 0 | 0 | 100 | 0 |
| Inventory | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 37,546 \$</u> | <u>19,090 \$</u> | <u>6,224 \$</u> | <u>69,729</u> |
| LIABILITIES AND FUND EQUITY | | | | |
| Liabilities | | | | |
| Accounts, salaries and other payables | \$ 35,870 \$ | 17,081 \$ | 3,000 \$ | 44,579 |
| Interfund payable | 10,881 | 388 | 3,180 | 21,199 |
| Total Liabilities | <u>\$ 46,751 \$</u> | <u>17,469 \$</u> | <u>6,180 \$</u> | <u>65,767</u> |
| Fund Equity | | | | |
| Fund Balances | | | | |
| Reserved for inventory | \$ 0 \$ | 0 \$ | 0 \$ | 0 |
| Unreserved and undesignated | 0 | 0 | 0 | 0 |
| Total Equity | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 46,751 \$</u> | <u>17,469 \$</u> | <u>6,180 \$</u> | <u>65,767</u> |

EXHIBIT 1

| | SALES TAX | DISTRICT A | SCHOOL FOOD SERVICE | TOTAL |
|------|-------------------|-------------------|---------------------------|----------------|
| \$ | 130,140 \$ | 228,200 \$ | 5,841 \$ | 364,200 |
| | 0 | 700 | 0 | 117,737 |
| | 0 | 171,484 | 0 | 118,499 |
| | 0 | 0 | 55,841 | 55,841 |
| \$ | <u>130,140 \$</u> | <u>229,200 \$</u> | <u>5,841 \$</u> | <u>375,272</u> |
| | | | | |
| \$ | 3,084 \$ | 40,850 \$ | 1,060 \$ | 138,840 |
| | 118,738 | 27,950 | 1,898 | 184,328 |
| \$ | <u>121,822 \$</u> | <u>68,800 \$</u> | <u>2,178 \$</u> | <u>323,168</u> |
| | | | | |
| \$ | 0 \$ | 0 \$ | 55,841 \$ | 55,841 |
| | 7,280 | 287,498 | 2,898 | 347,641 |
| | 7,280 | 287,498 | 55,841 | 350,619 |
| \$ | <u>130,140 \$</u> | <u>357,200 \$</u> | <u>61,200 \$</u> | <u>548,572</u> |

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

| | TITLE 1 | TITLE IV | SPECIAL EDUCATION | SPECIAL FUNDS |
|--|-------------------|---------------|----------------------|------------------|
| REVENUES | | | | |
| Local sources: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 0 0 | 0 0 | 0 0 | 0 |
| Sales and use | 0 | 0 | 0 | 0 |
| Interest earnings | 0 | 0 | 0 | 0 |
| Fees and services | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| State sources: | | | | |
| Unrestricted | 0 | 0 | 0 | 0 |
| Restricted | 0 | 0 | 0 | 191,000 |
| Federal sources: | 802,200 | 18,200 | 182,012 | 248,210 |
| Total revenues | \$ 802,200 | 18,200 | 182,012 | 248,210 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular programs | \$ 0 0 | 0 0 | 0 0 | 0 |
| Special Programs | 558,000 | 0 | 149,297 | 173,281 |
| Adult and continuing education programs | 0 | 0 | 0 | 81,584 |
| Support services: | | | | |
| Student services | 0 | 0 | 0 | 67,450 |
| Instructional staff support | 171,750 | 11,851 | 24,800 | 0 |
| General administration | 14,500 | 240 | 2,100 | 0 |
| School administration | 0 | 0 | 0 | 0 |
| Business services | 64,233 | 0 | 2,810 | 0 |
| Plant services | 21,854 | 0 | 4,957 | 0 |
| Student transportation services | 0 | 0 | 1,778 | 0 |
| Central services | 1,200 | 0 | 0 | 0 |
| Food services | 0 | 0 | 0 | 0 |
| Community service programs | 1,762 | 0 | 0 | 0 |
| Facilities acquisition and construction | 35,650 | 0 | 0 | 73,650 |
| DEA services: | | | | |
| Principal retirement | 0 | 0 | 0 | 0 |
| Interest and bank charges | 0 | 0 | 0 | 0 |
| Total expenditures | \$ 862,598 | 12,091 | 182,812 | 390,291 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ -60,398 | 6,109 | -1,800 | 58,919 |

Exhibit 2

| SALES TAX | SCHOOL FOOD SERVICE | | TOTAL |
|---------------------|---------------------|---------------------|---------------------|
| | DISTRICT A | | |
| \$ 0 | \$ 60,282 | \$ 0 | \$ 60,282 |
| 1,388,400 | 0 | 0 | 1,388,400 |
| 13,428 | 10,119 | 2,049 | 25,596 |
| 0 | 0 | 272,000 | 272,000 |
| 26,413 | 0 | 0 | 26,413 |
| 0 | 20,107 | 241,721 | 261,828 |
| 0 | 0 | 0 | 0 |
| 0 | 2,613 | 1,262,864 | 1,265,477 |
| <u>\$ 1,428,240</u> | <u>\$ 124,117</u> | <u>\$ 1,805,171</u> | <u>\$ 4,899,237</u> |
| | | | |
| \$ 575,851 | \$ 0 | \$ 0 | \$ 575,851 |
| 148,871 | 0 | 0 | 1,833,494 |
| 87,245 | 0 | 0 | 138,838 |
| 20,881 | 0 | 0 | 60,828 |
| 41,760 | 0 | 0 | 180,422 |
| 71,248 | 10,814 | 0 | 108,966 |
| 80,880 | 0 | 0 | 68,888 |
| 1,857 | 0 | 0 | 87,908 |
| 48,100 | 200,100 | 0 | 420,082 |
| 82,300 | 0 | 0 | 84,027 |
| 1,820 | 200 | 0 | 3,180 |
| 118,187 | 0 | 1,088,798 | 1,798,077 |
| 0 | 0 | 0 | 1,782 |
| 0 | 0 | 28,380 | 151,983 |
| 0 | 0 | 28,071 | 20,071 |
| 0 | 0 | 11,284 | 11,284 |
| <u>\$ 1,214,786</u> | <u>\$ 208,280</u> | <u>\$ 1,897,973</u> | <u>\$ 4,848,830</u> |
| | | | |
| \$ 274,402 | \$ 274,402 | \$ 1,895 | \$ 27,887 |

(CONTINUED)

ERON PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Comparing Statement of Revenue, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1987

| | TITLE I | TITLE II | SPECIAL EDUCATION | SPECIAL FUNDS | |
|--|---------|----------|----------------------|------------------|---|
| OTHER FINANCED SOURCES (USES) | | | | | |
| Operating transfers in | \$ | \$ 0 | \$ 0 | \$ 0 | 0 |
| Operating transfers out | | 0 | 0 | 0 | 0 |
| Other sources - sale of equipment | | 0 | 0 | 0 | 0 |
| Total other financing sources (uses) | \$ | \$ 0 | \$ 0 | \$ 0 | 0 |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | \$ | \$ 0 | \$ 0 | \$ 0 | 0 |
| FUND BALANCES AT BEGINNING OF YEAR | | 0 | 0 | 0 | 0 |
| FUND BALANCES AT END OF YEAR | \$ | \$ 0 | \$ 0 | \$ 0 | 0 |

Exhibit 3

| | SALES TAX | DISTRICT A | SCHOOL FOOD SERVICE | TOTAL |
|------|--------------|------------|---------------------------|---------|
| \$ | 0 \$ | 210,000 \$ | 0 \$ | 210,000 |
| | 210,000 | 0 | 0 | 210,000 |
| | 0 | 0 | 1,800 | 1,800 |
| \$ | 210,000 \$ | 210,000 \$ | 1,800 \$ | 421,800 |
| | | | | |
| \$ | 4,410 \$ | 55,150 \$ | 990 \$ | 59,550 |
| | 2,000 | 282,380 | 28,500 | 312,880 |
| \$ | 7,290 \$ | 287,680 \$ | 29,490 \$ | 364,460 |

(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

Exhibit D-1

| | BUDGET | | ACTUAL | | VARIANCE FAVORABLE (UNFAVORABLE) | |
|--|--------|---------|--------|---------|--|----------|
| | | | | | | |
| REVENUES | | | | | | |
| Federal monies: | \$ | 000,000 | \$ | 882,308 | \$ | (84,700) |
| Total revenues | \$ | 000,000 | \$ | 882,308 | \$ | (84,700) |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Instruction: | | | | | | |
| Special programs | \$ | 600,000 | \$ | 581,733 | \$ | 38,044 |
| Support services: | | | | | | |
| Instructional staff support | | 123,000 | | 111,793 | | 11,207 |
| General administration | | 10,000 | | 14,832 | | 4,832 |
| Business services | | 87,000 | | 84,233 | | 2,767 |
| Plant services | | 60,076 | | 51,804 | | 8,272 |
| Control services | | 1,200 | | 1,200 | | 0 |
| Community service programs | | 5,882 | | 1,760 | | 4,600 |
| Facility acquisition and construction | | 0 | | 0 | | 0 |
| Total expenditures | \$ | 812,880 | \$ | 837,360 | \$ | (64,780) |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ | 0 | \$ | 0 | \$ | 0 |
| FUND BALANCE AT BEGINNING OF YEAR | | 0 | | 0 | | 0 |
| FUND BALANCE AT END OF YEAR | \$ | 0 | \$ | 0 | \$ | 0 |

continues

UNION PARISH SCHOOL BOARD
 Ferrisville, Louisiana

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

Exhibit 5-1

| | TITLE VI | | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|-----------|-----------|--|
| | BUDGET | ACTUAL | |
| REVENUES | | | |
| Federal sources | \$ 18,299 | \$ 18,299 | \$ 0 |
| Total revenues | \$ 18,299 | \$ 18,299 | \$ 0 |
| EXPENDITURES | | | |
| Current | | | |
| Support services | | | |
| Instructional staff support | \$ 17,950 | \$ 17,950 | \$ 0 |
| General administration | 349 | 349 | 0 |
| Total expenditures | \$ 18,299 | \$ 18,299 | \$ 0 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ 0 | \$ 0 | \$ 0 |
| FUND BALANCE AT BEGINNING OF YEAR | 0 | 0 | 0 |
| FUND BALANCE AT END OF YEAR | \$ 0 | \$ 0 | \$ 0 |

(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

EXHIBIT 1-2

| | SPECIAL EDUCATION | | |
|--|-------------------|------------|--|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| REVENUES | | | |
| Federal grants: | \$ 252,188 | \$ 183,873 | \$ (68,315) |
| Total revenues | \$ 252,188 | \$ 183,873 | \$ (68,315) |
| EXPENDITURES | | | |
| Current: | | | |
| Instruction: | | | |
| Special programs | \$ 105,183 | \$ 149,287 | \$ 34,104 |
| Support services: | | | |
| Instructional staff support | \$ 22,294 | \$ 21,828 | \$ 466 |
| General administration | \$ 678 | \$ 3,138 | \$ 2,460 |
| Business services | 0 | \$ 2,819 | \$ 2,819 |
| Plant services | \$ 184 | \$ 4,255 | \$ 4,071 |
| Student transportation services | \$ 800 | \$ 775 | \$ 25 |
| Total expenditures | \$ 212,959 | \$ 182,312 | \$ 30,647 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ 39,229 | \$ 1,561 | \$ 37,668 |
| FUND BALANCE AT BEGINNING OF YEAR | \$ 0 | \$ 0 | \$ 0 |
| FUND BALANCE AT END OF YEAR | \$ 39,229 | \$ 1,561 | \$ 37,668 |

(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (900-0000) Basis and Actual
For the Year Ended June 30, 1997

EXHIBIT 3-4

| | SPECIAL FUND | | |
|--|--------------|------------|--------------------------------------|
| | BUDGET | ACTUAL | VARIANCE FAVORABLE UNFAVORABLE |
| REVENUES | | | |
| State sources | | | |
| Residual | \$ 120,000 | \$ 101,000 | \$ 19,000 |
| Federal sources | 710,000 | 730,730 | 20,730 |
| Total revenues | \$ 830,000 | \$ 831,730 | \$ 1,730 |
| EXPENDITURES | | | |
| Current: | | | |
| Instruction: | | | |
| Special programs | \$ 149,040 | \$ 170,000 | \$ (20,960) |
| Support services: | | | |
| Adult and continuing education | 64,872 | 60,696 | 4,176 |
| Student services | 28,600 | 27,488 | 1,112 |
| General administration | 210 | 0 | 210 |
| Facility acquisition and construction | 0 | 336 | (336) |
| Total expenditures | \$ 242,722 | \$ 258,520 | \$ (15,798) |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | \$ 587,278 | \$ 573,210 | \$ 14,068 |
| FUND BALANCE AT BEGINNING OF YEAR | 0 | 0 | 0 |
| FUND BALANCE AT END OF YEAR | \$ 587,278 | \$ 573,210 | \$ 14,068 |

(CONTINUED)

UNION PARISH SCHOOL BOARD
Bossier Parish, Louisiana

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

Exhibit 4-B

| | SALES TAX | | BALANCE FAVORABLE (UNFAVORABLE) |
|---|--------------|--------------|---------------------------------------|
| | BUDGET | ACTUAL | |
| REVENUES | | | |
| Local sources: | | | |
| Taxes: | | | |
| Sales and use | \$ 1,280,000 | \$ 1,289,483 | \$ 9,483 |
| Interest earnings | 14,000 | 13,429 | (571) |
| Other | 30,000 | 28,479 | (1,521) |
| Total revenues | \$ 1,324,000 | \$ 1,431,391 | \$ 107,391 |
| EXPENDITURES | | | |
| Current: | | | |
| Instruction: | | | |
| Regular programs | \$ 882,410 | \$ 875,555 | \$ 6,855 |
| Special programs | 128,214 | 148,871 | (20,657) |
| Adult and continuing education | 55,525 | 57,048 | (1,523) |
| Support services: | | | |
| Student services | 57,558 | 28,081 | 29,477 |
| Instructional staff support | 41,588 | 41,783 | (195) |
| General administration | 77,575 | 74,743 | 2,832 |
| School administration | 21,528 | 80,880 | (59,352) |
| Business services | 1,000 | 1,887 | (887) |
| Plant services | 80,870 | 48,782 | 32,088 |
| Student transportation services | 81,000 | 82,282 | (1,282) |
| Central services | 4,580 | 1,833 | 2,747 |
| Food services | 715,780 | 735,287 | (19,507) |
| Total expenditures | \$ 1,980,234 | \$ 1,214,755 | \$ 765,479 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ 343,766 | \$ 216,636 | \$ 127,130 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfer out | \$ (28,000) | \$ (28,000) | \$ - |
| TOTAL OTHER FINANCING SOURCES (USES) | (28,000) | (28,000) | - |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | \$ 315,766 | \$ 188,636 | \$ 127,130 |
| FUND BALANCE AT BEGINNING OF YEAR | 2,870 | 2,870 | - |
| FUND BALANCE AT END OF YEAR | \$ 3,186 | \$ 2,056 | \$ 1,130 |

(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GRAP Basis) and Actual
For the Year Ended June 30, 1987

Exhibit 3.4

| | -----OBJECT 4----- | | VARIANCE FAVORABLE (UNFAVORABLE) |
|---|------------------------|------------------------|--|
| | BUDGET | ACTUAL | |
| REVENUES | | | |
| Local sources | | | |
| Taxes | | | |
| Ad valorem | \$ 97,148 | \$ 95,383 | \$ (1,765) |
| Interest earnings | 8,328 | 9,145 | 817 |
| State sources | | | |
| Unrestricted | 28,388 | 25,987 | (2,401) |
| Federal sources | 2,882 | 2,873 | (9) |
| Total revenues | \$ 136,646 | \$ 134,488 | \$ (2,158) |
| EXPENDITURES | | | |
| Current | | | |
| Support services | | | |
| General administration | \$ 12,445 | \$ 13,814 | \$ 1,369 |
| Plant services | 288,880 | 298,405 | 27,525 |
| Capital services | 2,800 | 500 | (2,300) |
| Total expenditures | \$ 304,125 | \$ 312,719 | \$ 8,594 |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | _____ (167,479) | _____ (178,231) | _____ 10,752 |
| OTHER FINANCING SOURCES (USED) | | | |
| Grants transfer in | \$ 292,508 | \$ 292,028 | \$ 480 |
| TOTAL OTHER FINANCING SOURCES (USED) | \$ 292,508 | \$ 292,028 | \$ 480 |
| EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USED | \$ (37,971) | \$ (86,203) | \$ 48,232 |
| FUND BALANCE AT BEGINNING OF YEAR | _____ 282,285 | _____ 282,285 | _____ \$ |
| FUND BALANCE AT END OF YEAR | \$ 244,314 | \$ 196,082 | \$ 48,232 |

(continued)

URBON PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Pre-BAMP) Basis and Actual
For the Year Ended June 30, 1987

Exhibit 3.7

| | SCHOOL FOOD SERVICE | | BALANCE FAVORABLE (UNFAVORABLE) |
|--|---------------------|--------------|---------------------------------------|
| | BUDGET | ACTUAL | |
| REVENUES | | | |
| Local sources: | | | |
| Interest earnings | \$ 6,000 | \$ 7,048 | \$ 1,048 |
| Food services | 273,000 | 273,000 | (2,000) |
| State sources: | | | |
| Unencumbered | 329,074 | 341,731 | 12,657 |
| Federal sources: | 1,047,808 | 1,040,844 | (6,964) |
| Total revenues | \$ 1,432,882 | \$ 1,462,623 | \$ 2,981 |
| EXPENDITURES | | | |
| Current: | | | |
| Food services | \$ 1,462,832 | \$ 1,462,002 | \$ (830) |
| Total expenditures | \$ 1,462,832 | \$ 1,462,002 | \$ (830) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | \$ (2,000) | \$ (1,000) | \$ 2,981 |
| OTHER FINANCING SOURCES (USES) | | | |
| Other sources - sale of equipment | \$ 1,820 | \$ 1,820 | 13 |
| Total other financing sources (uses) | \$ 1,820 | \$ 1,820 | 13 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | \$ (2,700) | \$ 980 | \$ 2,994 |
| FUND BALANCE AT BEGINNING OF YEAR | 58,513 | 58,513 | 0 |
| FUND BALANCE AT END OF YEAR | \$ 55,713 | \$ 59,493 | \$ 2,994 |

(009048011)

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

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

AGENCY FUNDS:

SCHOOL ACTIVITY FUND

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

SALES TAX COLLECTION FUND

The sales tax collection agency accounts for monies collected on behalf of the other taxing authorities in Union Parish. Upon receipt of sales tax returns and monies, the School Board remits checks to other taxing authorities periodically throughout each month.

DEFERRED COMPENSATION

The deferred compensation agency fund is used to account for employee deferrals, investment earnings, and eventual payments of benefits to employees under deferred compensation plans established by the School Board under Section 457 of the Internal Revenue Code.

UNION PARISH SCHOOL BOARD
 Farmerville, Louisiana

AGENCY FUNDS
 Combining Statement of Assets and Liabilities
 June 30, 1997

EXHIBIT A

| | SCHOOL ACTIVITY FUND | SALES TAX COLLECTION FUND | DEFERRED COMPENSATION | TOTAL |
|--|----------------------------|---------------------------------|--------------------------|-------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 124,807 | \$ 0 | \$ 0 | \$ 124,807 |
| Investments | 38,800 | 0 | 36,472 | 65,272 |
| TOTAL ASSETS | \$ 163,607 | \$ 0 | \$ 36,472 | \$ 200,079 |
| LIABILITIES | | | | |
| Deferred compensation benefits payable | \$ 0 | \$ 0 | \$ 36,472 | \$ 36,472 |
| Deposits due others | 163,607 | 0 | 0 | 163,607 |
| TOTAL LIABILITIES | \$ 163,607 | \$ 0 | \$ 36,472 | \$ 200,079 |

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SCHOOL ACTIVITY AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 1987

(Cont'd)

| SCHOOL | Balance, Beginning | Additions | Deductions | Balance, Ending |
|-------------------------|-----------------------|------------|------------|--------------------|
| DEWIDE HIGH | \$ 48,712 | \$ 83,817 | \$ 87,271 | \$ 45,258 |
| DOWNVILLE HIGH | 28,471 | 160,897 | 141,008 | 28,450 |
| FARMERVILLE ELEMENARY | 18,388 | 68,049 | 86,883 | 21,009 |
| FARMERVILLE HIGH | 63,734 | 180,480 | 190,480 | 153,734 |
| FARMERVILLE MIDDLE | 20,028 | 68,755 | 100,473 | 20,009 |
| LELIE MIDDLE | 8,188 | 87,881 | 88,289 | 4,900 |
| LEVILLE HIGH | 5,222 | 80,088 | 75,218 | 5,089 |
| MARION HIGH | 1,735 | 43,170 | 40,118 | 2,787 |
| ROCKY BRANCH ELEMENTARY | 8,400 | 21,027 | 28,960 | 9,467 |
| SPRINGVILLE HIGH | 79 | 89,280 | 58,922 | 110 |
| Total | \$ 100,000 | \$ 800,780 | \$ 808,128 | \$ 100,000 |

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SALES TAX COLLECTION AGENCY FUND -
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 1997

Exhibit A

| | |
|---|--------------------|
| DEPOSIT BALANCE AT BEGINNING OF YEAR | \$ _____ 0 |
| ADDITIONS | |
| Sales tax collections | \$ _____ 4,284,629 |
| DEDUCTIONS | |
| Transfer to general fund - sales tax collection fee | \$ 28,684 |
| Payments to: | |
| Union Parish Sheriff | 688,210 |
| Union Parish School Board | 1,280,180 |
| Union Parish Police Jury | 1,074,987 |
| Town of Farmerville | 511,044 |
| Town of Berwick | 185,560 |
| Town of Minden | 70,000 |
| Jupiter City | 8,228 |
| Audit fee (sales tax vendors) | _____ 4,879 |
| Total deductions | \$ _____ 4,284,629 |
| DEPOSIT BALANCE AT END OF YEAR | \$ _____ 0 |

LABON PARISH SCHOOL BOARD
Farmerville, Louisiana

DEFERRED COMPENSATION AGENCY FUND -
Schedule of Changes in Deferred Compensation Benefits Payable
For the Year Ended June 30, 1997

Exhibit 7

| | |
|--|-----------|
| DEFERRED COMPENSATION BENEFITS PAYABLE AT BEGINNING OF YEAR | \$ 9,381 |
| ADDITIONS | |
| Contributions | 20,874 |
| Interest income | 1,450 |
| Total additions | 22,324 |
| DEDUCTIONS | |
| Withdrawals | 800 |
| DEFERRED COMPENSATION BENEFITS PAYABLE AT END OF YEAR | \$ 30,473 |

**UNION PARISH SCHOOL BOARD
Farmerville, Louisiana**

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

GENERAL

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 34 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 17:54, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$530 per month, and the president receives \$600 per month for performing the duties of his office.

FEDERAL AWARDS PROGRAMS

In accordance with Office of Management and Budget (OMB) Circular A-113, a schedule of expenditures of federal awards is presented.

URON PARISH SCHOOLS BOARD
 Farmville, Louisiana

Schedule of Compensation Paid Board Members
 For the Year Ended June 30, 1987

Page 8

| | | |
|------------------------------|----|--------|
| MR. C. W. WHEELER, PRESIDENT | \$ | 7,200 |
| MR. KEITH ANLEY | | 6,800 |
| MR. DORSEY B. BURNS | | 6,800 |
| MR. DORSEY CRIBB | | 6,800 |
| MR. MICHAEL HOLLEY | | 6,800 |
| MR. ROBERT C. JAMES, SR. | | 6,700 |
| MR. ROBERT C. JAMES, JR. | | 725 |
| MR. RONNIE JONES | | 6,000 |
| MR. GLYN HALE | | 6,000 |
| MR. MARCUS WADE WATLEY | | 6,000 |
| TOTAL | \$ | 60,525 |

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

Exhibit 9

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME | CFDA Number | Pass-through Grantor No. | Expenditures |
|--|----------------|-----------------------------|------------------|
| CASE FEDERAL AWARDS | | | |
| United States Department of Agriculture | | | |
| Passed through Louisiana Department of Education: | | | |
| School Breakfast Program | 10.550 | NONE | \$ 281,907 |
| National School Lunch Program | 10.550 | NONE | 629,205 |
| Summer Food Program for Children | 10.550 | NONE | 30,056 |
| Total United States Department of Agriculture | | | <u>941,168</u> |
| United States Department of Education | | | |
| Passed Through Louisiana Department of Education: | | | |
| Adult Education - State Grant Program | 84.080 | NONE | 18,833 |
| Title II Grants to Local Educational Agencies | 84.010 | 97-185A-96 | 802,323 |
| Title I Grants to Local Educational Agencies (Carryover) | | 96-609-96 | 34,963 |
| Special Education: | | | |
| Grants to States (Part B) | 84.027 | 96-PT-96 | 130,182 |
| Grants to States (Part B) | | 96-PTC-96 | 1,649 |
| Preschool Grants | 84.073 | 97-97-96 | 47,662 |
| Grants for Infant's Families with Disabilities (Part H Infant/Toddler) | 84.380 | 96-CIT3-96 | 3,080 |
| Vocational Education: | | | |
| Basic Grants to States | 84.048 | 96-97-96-289BG | 62,880 |
| Tech-Prep Education | 84.340 | 96-97-96-289BG | 2,194 |
| Improved Education Program Strategies - | | | |
| Title VI (formerly Chapter 2) | 84.204 | 97-1A5A-96-6 | 18,209 |
| Title II (Louisiana Professional Development - State Grants) | 84.281 | 97-1A5A-96 | 23,635 |
| Title IV (Safe and Drug-Free Schools - State Grant) | 84.180 | 97-1A5A-96 | 22,111 |
| Passed through Plaquemine Parish School Board: | | | |
| Goals 2000 | | | |
| State and Local Education Systematic Improvement Grants (Goals 2000 State Grants - Louisiana LEARN for the 21st Century) | 84.370 | 97PA60818 | 122,479 |
| Total United States Department of Education | | | <u>1,285,837</u> |

(Continued)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

Exhibit 9

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME: | CFDA Number | Pass-through Grantor No. | Expenditures |
|--|----------------|-----------------------------|------------------|
| CASH FEDERAL AWARDS | | | |
| United States Department of Labor Passed Through for Community Action of Farmerville, Louisiana (Job Training Partnership Act (JTPA)) | 17.290 | 98-91039492 | \$ 10,598 |
| Other Cash Federal Awards Payment in Lieu of Taxes | NONE | NONE | 35,092 |
| TOTAL CASH FEDERAL AWARDS | | | 45,690 |
| NONCASH FEDERAL AWARDS | | | |
| United States Department of Agriculture Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution (Commodities) | 10.558 | NONE | 84,974 |
| TOTAL FEDERAL AWARDS | | | \$130,664 |
| | | | (Enclosed) |

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

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

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

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

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

| | Federal Sources |
|------------------------|--------------------|
| General Fund | \$ 10,775 |
| Special Revenue Funds: | |
| Title I | 857,306 |
| Title VI | 18,299 |
| Special Education Fund | 182,613 |
| Special Fund | 248,349 |
| District A | 2,813 |
| School Food Service | 1,042,944 |
| Debt Service Fund | 11,480 |
| | <u>\$1,354,559</u> |

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 5 - NONCASH PROGRAMS

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

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

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Ernest L. Allen, CPA
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Marjorie Williamson, CPA

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

Board Members

Union Parish School Board
Farmerville, Louisiana

We have audited the financial statements of the Union Parish School Board, as of and for the year ended June 30, 1997, and have issued our report thereon dated October 17, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Union Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings and Questioned Costs as item 93.2. We also noted certain instances of noncompliance that we have reported to management of the Union Parish School Board in a separate letter dated October 17, 1997.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Union Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters arising in our opinion relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Union Parish School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item FT-1. We also noted other matters involving the internal control over financial reporting that we have reported to management of the Union Parish School Board in a separate letter dated October 17, 1997.

Board Members
Union Parish School Board
Farmerville, Louisiana

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all weaknesses in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

Allen, Green & Company LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 17, 1997

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

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

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

CERTIFIED PUBLIC ACCOUNTANTS



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

Board Members

Union Parish School Board
Farmerville, Louisiana

Compliance

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

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

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

Internal Control Over Compliance

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

Board Members
Union Parish School Board
Farmerville, Louisiana

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.

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

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 17, 2003

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

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

Title: Use of Rubber Stamp for Signing Checks

Initially occurred: Fiscal Year Ended June 30, 1996

Condition: According to Louisiana Revised Statute L.S.A.-R.S. 17:97, all checks other than payroll are required to have two signatures. A rubber stamp was used for one of the two signatures on nonpayroll checks. This procedure weakens internal control over the check-signing process because the stamp could be used without the knowledge of the official responsible for signing the checks.

Corrective action taken: Although the stamp is still being used, the superintendent reviews all checks and manually signs each. Because no check can be processed without his signature, the superintendent's signature compensates for the use of the stamp.

Person responsible for corrective action:

Ms. Donna Crawford, Business Manager
Union Parish School Board
P. O. Box 308
Farmerville, Louisiana 71241-0308

Telephone: (318) 368-9713
Fax: (318) 368-1011

Finding Reference #: Finding #2 on Schedule of Reportable Conditions

Title: Accounting for All General Fixed Assets

Initially occurred: Fiscal Year Ended June 30, 1996

Condition: The School Board was not accounting for program computers and other fixed assets being purchased through the Grade 2000 consortium.

Corrective action taken: The computers and other fixed assets purchased through the Grade 2000 consortium were added to the fixed asset listing of the School Board.

Person responsible for corrective action:

Ms. Donna Crawford, Business Manager
Union Parish School Board
P. O. Box 308
Farmerville, Louisiana 71241-0308

Telephone: (318) 368-9713
Fax: (318) 368-1011

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

SUMMARY SCHEDULE OF FINANCIAL AUDIT FINDINGS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1997

Finding Reference #: Finding #1 on Schedule of Findings and Questioned Costs

Title: Inventory of Fixed Assets
(All programs except Title I and Title VI Programs)
Initially occurred: Fiscal Year Ended June 30, 1996

Condition: The School Board did not maintain a comprehensive inventory of fixed assets. Only additions and deletions were being maintained.

Partial corrective action taken: The School Board has made great effort to compile a comprehensive listing of fixed assets. Policy for accounting for fixed assets has been enforced by the central office to the school principals in order to keep an updated, accurate listing for all School Board-owned assets. Yet, during testing of fixed assets, the School Board's fixed asset listing was discovered to not yet be complete.

Planned corrective action: See current-year finding #97-2 in the Schedule of Findings and Questioned Costs.

Person responsible for corrective action:
Ms. Donna Crawford, Business Manager
Union Parish School Board
P. O. Box 308
Farmersville, Louisiana 71241-0308
Telephone: (318) 368-8713
Fax: (318) 368-3311

Anticipated completion date: June 30, 1998

Finding Reference #: Finding #3 on Schedule of Findings and Questioned Costs

Title: Budget Overruns
Initially occurred: Fiscal Year Ended June 30, 1996

Condition: For two funds, the sales tax special revenue fund and the school food service special revenue fund, the School Board had unfavorable budget variances exceeding 5%. The Louisiana Local Government Budget Act requires budgets be amended if required actual expenditures exceed budgeted expenditures by 5% or more.

Partial corrective action taken: Neither the sales tax special revenue fund nor the school food service special revenue fund had unfavorable budget variances exceeding 5%. Yet, the special fund special revenue fund had actual expenditures that exceeded the budget expenditures by more than 5%.

Planned corrective action: See current-year finding #97-3 in the Schedule of Findings and Questioned Costs.

Person responsible for corrective action:
Ms. Donna Crawford, Business Manager
Union Parish School Board
P. O. Box 308
Farmersville, Louisiana 71241-0308
Telephone: (318) 368-8713
Fax: (318) 368-3311

UNION PARISH SCHOOL BOARD
Farmersville, Louisiana

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

PART I - Summary of the Auditor's Results

Financial Statement Audit

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

The reportable condition disclosed was not considered a material weakness as defined by the Government Auditing Standards.
- iii. There was an instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance of major federal awards was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section 3.106(a).
- vii. The major federal awards are:

| | |
|---|---|
| CPDA, #94-318 | Title I Programs - Local Educational Agencies |
| Cluster (as defined by OMB Circular No. A-133 Provisional Compliance Supplement): | |
| #90-353 | School Breakfast Program |
| #90-358 | National School Lunch Program |
| #90-359 | Summer Food Service |
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular No. A-133, Section 3.106(b) was \$100,000.
- ix. The auditor did not qualify as a low-risk auditor under OMB Circular No. A-133, Section 3.10.

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

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

Finding Reference # and Title 97-1 Inventory of Fixed Assets

Condition: In prior years, the School Board had no listing of fixed assets for all programs other than Title I and Title VI. As of the beginning of the current year, the School Board began the comprehensive task of compiling a list of all fixed assets. Despite efforts to complete the listing, the School Board had at least one school with an incomplete inventory listing. Until the School Board's listing is complete, the School Board will have inadequate control over the safeguarding of fixed assets.

Recommendation: The School Board should continue their effort of completing a fixed asset listing including description, tag number, date of purchase, number of items, location, and cost. These records should be updated at least quarterly, and an annual physical inventory should be taken.

Management's Corrective Action Plan:

Planned corrective action: We will complete the inventory listing by June 30, 1998 and take an annual inventory of fixed assets.

Person responsible for corrective action:

Ms. Donna Crawford, Business Manager
Union Parish School Board
P. O. Box 308
Farmerville, Louisiana 71241-0308

Telephone: (504) 268-9715
Fax: (504) 268-2511

Anticipated completion date: June 30, 1998

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

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

Finding Reference # and Title: 97-2 Budget Overruns

Condition: The School Board had an unfavorable budget variance exceeding 7% for the following fund for the year ended June 30, 1997:

| | Budget | Actual | Unfavorable Variance |
|----------------------|-----------|-----------|-------------------------|
| Special revenue fund | | | |
| Special fund | \$218,000 | \$231,778 | \$62,848 |

The Louisiana Local Government Budget Act requires budgets be amended if expected actual expenditures exceed budgeted expenditures by 7% or more.

Recommendation: The School Board should monitor budget-to-actual periodically and amend the budget as needed.

Management's Corrective Action Plan

Planned corrective actions: We will amend the budget as needed to assure compliance with the 7% rule.

Person responsible for corrective action:

Mr. Darin Crawford, Business Manager
Union Parish School Board
P. O. Box 308
Farmerville, Louisiana 71241-0308

Telephone: (504) 368-0719
Fax: (504) 368-3511

Anticipated completion date: March 31, 1998

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

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

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

ALLEN, GREEN & COMPANY, LLP

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Ernest S. Allen, CPA
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Maige Williams, CPA

RECEIVED

Management Letter

JUN 05 10 37 AM '97

UNION PARISH SCHOOL BOARD

Board Members
Union Parish School Board
Farmerville, Louisiana

Dear Board:

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

However, during our work, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated October 17, 1997, on the general-purpose financial statements of Union Parish School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

1. Instructional Expenditures Less Than the Statutory Percent Threshold

Condition: Article VII, Section 17(B) of the Constitution of Louisiana requires the State Board of Elementary and Secondary Education (BESSE) and the Legislature to approve a formula for state funding to all public elementary and secondary schools in Louisiana. A cost distribution formula which was adopted as part of Senate Concurrent Resolution #123 during the 1993 regular session, requires that local School Boards ensure that seventy percent of state funds are expended on instruction. The School Board fell short of the seventy percent threshold by spending 68.3 percent on instruction.

Reason/Improvement Needed: To comply with state law.

2. Student Activity Accounts

Condition: Controls over the student activity funds of Donnerville High School are not adequate. The receipts collected were not being deposited intact. A cash amount was being held out and not deposited until the next deposit was made. Of the 25 disbursements total, three invoices were not itemized to show payment in order to prevent duplicate payment, three checks were not supported by proper documentation, and one charge had no evidence of receipts of the goods.

Reason Improvement Needed: To ensure all cash receipts are accounted for by being deposited into the school's bank account intact. To ensure all charges are supported by proper documentation in order to show support for the charge, to prevent duplicate payments, and to show receipt of goods for which the charge was made.

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

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

OMB Circular A-123

All School Boards became subject to U. S. Office of Management and Budget (OMB) Circular A-130 and OMB Circular A-133 Provisional Compliance Supplement for the first time for the fiscal year that recently ended. As part of these audit regulations which resulted from the passage of the Single Audit Act Amendment of 1996, there is a De Facto incentive to the School Board in there potentially can be less audit work annually in the federal program area if the School Board can be classified as a low-risk auditee. Items that prevents a School Board from being treated as a low-risk auditee is if the School Board had reportable conditions (internal control weaknesses) that were considered material weaknesses and material noncompliance (violations of laws, regulations, contracts provisions, etc.) findings.

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

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

Year 2000 Compliance

The turn of the century will be an exciting time for many, but could turn into a disaster unless plans are made concerning year 2000 compliance for many School Board's computer systems. The basic problem lies in the way most computer software, both operating systems and application programs, calculate dates. Most programs use two digits to represent the last two years of the 19XX dates, therefore the programs are conditioned to expect dates between the year 1990 and 1999. If dates for the year 2000 are entered into these noncompliant programs, the programs will assume the year 2000 to be the year 1800. Many arithmetic calculations, such as due dates and interest calculations, will therefore be incorrect. The impact of this problem, if not corrected, could be that the entire computing system would cease to function. This would obviously cause tremendous problems in important areas such as accounts payable and payroll just to name a few.

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

Retirees Returning to Work

The most severe penalty that we have noticed during our firm's career in auditing School Boards is the penalty imposed by the Teachers' Retirement System of Louisiana (TRS) upon School Boards for their failure to report annually the TRS retirees working at the School Board. The penalty is figured as though the employee is subject to paying retirement, resulting in the School Board paying the amount that would have been withheld for a regular employee plus the employer's portion. The penalty works out to be approximately 27% of the retiree's wages and is paid entirely by the School Board. The TRS will assess the penalty for however many years the annual reports were not filed. You should ascertain that annual reports were filed.

Employees Being Treated as Contract Labor

Frequently, at School Boards audited by our firm, we are noticing employees not being paid amounts outside of the salary schedule for extra duties, attending after-hours seminars and etc. Further, we sometimes see these amounts being paid by a vendor check which happens the amounts being subject to payroll tax and related regulations. Only in very rare instances can an employee of the School Board be treated as an independent contractor. The instances are so rare, in fact, that we would suggest you check with the Internal Revenue Service or us before treating an employee as an independent contractor.

Extra Pay

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

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

SEC Municipal Bond Disclosure Requirements

In response to concerns about the municipal securities market, the Securities and Exchange Commission (SEC) issued a final rule entitled *Municipal Securities Disclosure* that became effective on July 3, 1995 (Section 17, Code of Federal Regulations (CFR), Part 240, Release No. 34-24963). The final rule amends Rule 15c2-11 under the Securities Exchange Act of 1934 and attempts to deter fraud and manipulation in the municipal securities market by prohibiting the underwriting and subsequent recommendation of securities for which adequate information is not available. The SEC issued interpretive Release No. 33-7589 (Section 17, CFR, Parts 211, 231, and 240) *Statement of the Commission Regarding Disclosure Obligations of Municipal Securities Issuers and Others*. This interpretive release is cited in the above-described final rule as a source of guidance on the disclosure obligations of issuers of municipal securities and is intended to advise municipal securities issuers, brokers, and dealers in meeting their obligations under the anti-fraud provisions of the securities laws.

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

Section 403(b) Tax-Sheltered Annuities

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

The IRS's Tax-Sheltered Annuity Voluntary Correction (TVC) program, which began in 1985, gives plan sponsors of Section 403(b) annuity plans the opportunity to voluntarily correct any plan defects. The program was scheduled to conclude October 1996. However, the IRS has recently announced that the program has been extended until December 31, 1998. Use of the TVC program may result in significantly reduced settlements with the IRS, compared to settlements based on deficiencies discovered during audits performed by the IRS.

IRC Section 457 Deferred Compensation Plans

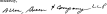
Many state and local governments have established deferred compensation plans for their employees under the provisions of IRC Section 457. The recently passed Small Business Job Protection Act of 1996 includes a provision that will require these plans to hold all assets in trust for the exclusive benefit of participants and their beneficiaries. This new requirement generally is effective for assets and income held by IRC Section 457 plans on or after August 20, 1996. However, for plans in existence before August 20, 1996, a trust need not be established before January 1, 1998. Before this new legislation, the amounts deferred under an IRC Section 457 plan were, much to the dismay of the employees, legally the property of the governmental employer.

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

Board Members
Union Parish School Board
Page 5

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

Sincerely,



ALLEN GREEN & COMPANY, LLP

Monroe, Louisiana
October 17, 1997