

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

NOTE 1. LEVIED TAXES (Continued)

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

Property Tax Calendar

Milling rates adopted	September 15, 1996
Levy date	September 15, 1996
Tax bills mailed	On or about October 15, 1996
Due date	December 31, 1996
Limit date	January 1, 1997

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

10% land	10% machinery
10% residential improvements	10% commercial improvements
15% industrial improvements	20% public service properties, including land

A revaluation of all property is required after 1978 to be completed no less than every five years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$28,707,442 in calendar year 1996. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$9,801,485 of the assessed value in calendar year 1996.

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

All property taxes are recorded in the General, Maintenance Funds and Sinking Funds on the basis explained in Note 1. Revenues in each fund are recognized in the accounting period in which they become receivable and available. Property taxes are considered receivable in the calendar year of the tax levy. Estimated uncollectible taxes are shown since 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 amount due, or part due, and collectible within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

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

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

NOTE 3. LEVIED TAXES (Continued)

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:

	<u>Authorized</u> <u>Millage</u>	<u>Levied</u> <u>Millage</u>	<u>Expiration</u> <u>Date</u>
Parish-wide taxes:			
Contributions	4.98	4.98	Statutory
Operations	7.00	7.00	2000
Operations, Maintenance & Construction	5.29	5.23	1996
Operations and Maintenance	8.00	8.00	1996
Operations	10.57	10.57	1996
Bond and Interest	17.00	17.00	2000

NOTE 4. CASH AND CASH EQUIVALENTS

At June 30, 1997, the School Board had cash and cash equivalents (bank balances) totaling 2496,000 as follows:

Demand deposits	\$175,000
Interest-bearing demand deposits	85,700
Time deposits	53,600
Total	\$294,300

These deposits are insured 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 controlled bank that is mutually acceptable to both parties.

At year-end, the School Board's carrying amount of deposits was \$853,600 (including \$351,048 classified as investments) and the bank balance was \$1,963,200. Of the bank balance, \$361,258 was secured by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GA50 Category 1). The remaining balance, \$1,601,942 was collateralized with securities held by the pledging fiscal agent bank's trust department or agent but not in the School Board's name (GA50 Category 2).

Even though the pledged securities are unconditional uncollateralized (Category 2) under the provisions of GA50 Statement 3, Louisiana Revised Statute 29:1229 imposes a statutory requirement on the collateral bank to advance 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.

CALDWELL PARISH SCHOOL BOARD
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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDING JUNE 30, 1997**

NOTE 8 - INVESTMENTS

Investments are categorized into three three 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.

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	
Certificate of deposit	\$262,648	\$...	\$...	\$262,648	\$...	\$...	\$262,648
Total	\$262,648	\$...	\$...				
Total investments				\$262,648	\$...	\$...	\$262,648

Due to higher cash flows at certain times during the year, the School Board's investment in U. S. treasury bills in which the underlying securities were held by the School Board, increased significantly. As a result, the amount that were in category 1 at those times were substantially higher than at year end.

NOTE 9 - RECEIVABLES

The receivables of \$495,320 at June 30, 1997 are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Debt Service Fund	Total
Intergovernmental - grants:				
Federal	\$253,688	\$194,897	\$ -	\$287,385
State	33,188	-	-	33,188
Local Sources				
Sales tax	-	180,967	-	180,967
Other	43,531	861	848	49,340
Total	\$318,407	\$276,725	\$848	\$495,320

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

NOTE 7 - FINER ASSETS

The changes in general fund assets follow:

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Land	\$ 87,538	\$ -	\$ -	\$ 87,538
Buildings	4,805,037	-	-	4,805,037
Furniture and equipment	2,874,966	97,722	-	2,972,688
Total	<u>\$7,767,541</u>	<u>97,722</u>	<u>\$ -</u>	<u>\$7,865,263</u>

See Note 16 regarding reconstruction of Kelly Elementary.

NOTE 8 - RETIREMENT SYSTEMS

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

With respect to the Teachers Retirement System Regular Plan, normal retirement is at age 65 with 18 years of service, or at any age with 30 years of service. The formula for annual maximum retirement benefits is generally 7% (with less than 25 years of service) or 3.5% (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus COLA 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, or age 55 with at least 25 years of creditable service and at age 65 with at least 18 years of creditable service. The retirement benefit formula is generally 7% times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the Louisiana School Employees Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55, or after 18 years of service at age 60. The maximum retirement allowance is computed as 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.80 per month times the years of service.

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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
Louisiana Teachers Retirement System		
Regular	8.00%	16.7%
Plan A	8.18%	16.7%
Louisiana School Employees Retirement System	6.50%	6.4%

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 reimbursements from the School Board. For the LSERS, the School Board's employer contribution is funded by the state of Louisiana through annual appropriations and by reimbursements from the School Board.

Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1901. For the year ended June 30, 1997, the payroll for the School Board totaled \$5,826,945. The employer contributions and total payroll of covered employees for the year ended June 30, 1997 are as follows:

	TRS		LSERS	Total
	Regular	Plan A		
Employee contribution	\$ 366,876	\$ 10,200	\$ 36,865	\$ 414,941
Employer contribution	747,518	35,642	34,872	818,032
Total covered current-year payroll	4,581,948	134,365	580,988	5,297,301

Although contributions are determined by statute, actuarial contributions are determined by the Systems. For the year ended June 30, 1996, the latest information available, the Systems' (TRS and LSERS) actuarially required contributions from all sources was \$401.0 million and \$12.3 million, respectively. The required School Board's contribution represents 37.39 and 6.33 percent, respectively, of salaries for the year ended June 30, 1996.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to-date. The measure, which is the actuarial present value of credited 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 PERS and employers. The Systems do not make separate measurements of assets and pension benefit obligations for individual employees. The pension benefit obligations at June 30, 1997 for the Systems as a whole, net assets available for benefits as that date (valued at market), and the resulting unfunded (overfunded) pension benefit obligations were as follows:

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
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NOTE 8. RETIREMENT SYSTEMS (Continued)

	TDS	LSDBS
Pension Benefits Obligation	\$11,232,762,000	\$ 978,269,414
Net Assets Available for Benefits	<u>3,095,608,809</u>	<u>1,853,962,311</u>
Unfunded (Overfunded) Pension Benefits Obligation	<u>\$ 8,137,153,191</u>	<u>\$ -115,292,897</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:

Teachers' Retirement System	.27%
School Employees' Retirement System	.28%

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

Teachers' Retirement System of Louisiana Post Office Box 94323 Baton Rouge, Louisiana 70804-0323 (504) 315-6140	Louisiana School Employees' Retirement System Post Office Box 44536 Baton Rouge, Louisiana 70804 (504) 315-6484
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NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

The Caldwell Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the Group Benefits whose monthly premiums are paid jointly by the employer and the School Board. The School Board recognizes the cost of providing these benefits (School Board's portion of premiums) as an expenditure when the monthly premiums are due. The cost of retiree benefits for 1997 totaled \$168,512 for 300 retirees.

NOTE 10. ACCRUALS, SALARIES, AND OTHER PAYABLES

The payables of \$337,389 at June 30, 1997, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Salaries	\$ 11,885	\$ 7,611	\$ 19,496
Accounts	<u>266,317</u>	<u>61,616</u>	<u>327,933</u>
Total	\$288,202	\$69,227	\$357,429

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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
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NOTE 11 - COMPENSATED ABSENCES

As June 30, 1997, employees of the School Board have accumulated and vested \$122,151 of employee leave benefits, which was computed in accordance with GASB Codification Section 500. This amount is recorded within the general long-term obligations account group.

NOTE 12 - LEASES

The School Board records lease 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:

Type	Recorded Amount
School buses	\$162,304
Total	<u>\$162,304</u>

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

	Equipment
1997-1998	\$ 38,519
1998-1999	38,519
1999-2000	38,519
Total minimum lease payments	<u>115,557</u>
Less - amounts representing executory costs	-
Net minimum lease payments	<u>115,557</u>
Less - amounts representing interest	<u>(15,621)</u>
Present value of net minimum lease payments	<u>\$ 99,936</u>

NOTE 13 - CHANGES IN AGENCY FUND - DEPOSITS DUE OTHERS

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

	School Activity Fund
Balance, July 1, 1996	\$ 99,917
Additions	285,150
Deductions	<u>(275,241)</u>
Balance, June 30, 1997	<u>\$109,826</u>

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NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
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NOTE 14. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	Liability for Workers' Compensation Claims	Deductible Dolls	Compensated Absences	Capital Lease	Total
Balance, July 1, 1996	\$ 6,383	\$ 1,065,000	\$ 103,330	\$ 128,680	\$ 1,303,393
Additions	45,944	-	21,083	-	67,067
Deductions	(181,280)	(1,200,000)	(1,406)	(1,28,715)	(1,311,391)
Balance, June 30, 1997	<u>\$ 10,361</u>	<u>\$ 865,000</u>	<u>\$ 123,351</u>	<u>\$ 99,965</u>	<u>\$ 1,098,677</u>

The School Board Series 1990 refunding bond issue outstanding at June 30, 1997, in the amount of \$865,000, is a general obligation bond with maturities to 2031 and interest rates from 4.5 to 4.9 percent. Bond principal and interest payable in the next fiscal year are \$205,000 and \$31,690, respectively.

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 \$488,361 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
1998	\$205,000	\$ 40,000	\$ 245,000
1999	215,000	31,000	246,000
2000	220,000	21,383	241,383
2001	<u>225,000</u>	<u>11,007</u>	<u>236,007</u>
Total	<u>\$865,000</u>	<u>\$103,390</u>	<u>\$968,390</u>

In accordance with Louisiana Revised Statute 19:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 75 percent of the assessed value of taxable property. At June 30, 1997, the statutory limit was \$18,838,105 and outstanding bonded debt totaled \$865,000.

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

NOTE 12 - INTERFUND ASSETS/LIABILITIES

Due to/for others at June 30, 1997, are as follows:

Fund	Receivable Amount	Payable Amount
General	\$213,199	\$ 41,565
Special Maintenance	150	125,000
School Food Service	4,927	-
Extended Summer Program	2,669	936
Special Education	7,726	50,990
Total	<u>228,671</u>	<u>319,491</u>

NOTE 16 - LITIGATION AND CLAIMS

Litigation

At June 30, 1997, the School Board was involved in various litigations. It is the opinion of the legal advisor to the School Board that only one claim could materially affect the financial statements. However, the School Board's legal advisor could not determine the likelihood of recovery or estimate of damages at this time.

During the year ended June 30, 1996, a fire destroyed Kelly Elementary School. The fire was insured with United Communities Insurance Company (UCIC) under a policy which provided the lost building would be replaced with a functional school building at the company's contractual obligation to the Board. UCIC entered into a contract with Beaubourg Steel Buildings, Inc. to construct Kelly Elementary School. However, prior to making final payments to the construction contractor the insurance company filed bankruptcy. Subsequently, the contractor filed suit against the Caldwell Parish School Board for the remaining payment of \$275,111. The Board's attorney has indicated management intends to vigorously contest the case, but the ultimate outcome cannot presently be determined. No provision for any liability that may result has been made in the financial statements. Pending settlement of the claim, the construction of the building is not reflected in the general fixed asset account group.

Grant Disallowances

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

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**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
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NOTE 16 - LITIGATION AND CLAIMS (Continued)

Tax Arbitrage Refuge

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

NOTE 17 - RISK MANAGEMENT

The School Board initiated a risk management program for workers' compensation in 1991. The School Board joined a pool of school boards in Northwest Louisiana to share its workers' compensation cost. The School Board's share of risk is determined by calculating their percentage of the total annual premium of the group. The risk allocation for the year ended June 30, 1997 amounted to 21%. Premiums and claims are paid by the General Fund.

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

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Ending of Fiscal Year Liability
1995 - 1996	\$7,281	\$12,584	\$29,799	\$ 6,580
1996 - 1997	6,580	45,984	42,286	10,360

During fiscal year 1997, a total of \$41,206 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$140,000. Maximum retention expense for aggregate claims amounts to \$1,000,000. Claims payable of \$10,360 as of June 30, 1997 have been accrued as a liability in the general long-term obligations account group.

NOTE 18 - FUND BALANCE DEFICITS

The following funds had deficit fund balances at June 30, 1997:

Special Revenue	
Special Maintenance	\$89,217
Special Vocational	55,514

NOTE 19 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 34 requires employer governments to recognize revenues and expenditures or expenses for these on-behalf payments.

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

NOTE 15. - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES (Continued)

The state of Louisiana made previous contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$15,899. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

CALDWELL PARISH SCHOOL BOARD
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SUPPLEMENTAL INFORMATION

CALDWELL PARISH SCHOOL BOARD
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SPECIAL REVENUE FUNDS:

SALES TAX FUND

The Sales Tax Fund accounts for the collection and distribution of a one percent sales and use tax in accordance with the proposition approved by the voters of Caldwell Parish.

SPECIAL MAINTENANCE FUND

The Maintenance Fund accounts for the proceeds of all valuations taxes levied to maintain and improve school facilities in the parish.

SPECIAL VOCATIONAL FUND

The Special Vocational Fund accounts for the activities of the food processing fund.

SCHOOL FOOD SERVICE

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

EXTENDED SUMMER PROGRAM

To provide financial assistance to assist school boards in offering summer school classes.

SPECIAL EDUCATION

SPECIAL EDUCATION - PRESCHOOL GRANTS

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

SPECIAL EDUCATION - STATE GRANTS

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

AWARD OF STATE FUNDS FOR CONTRACT SERVICES

To provide financial assistance to be used for contract services for speech, physical and occupational therapy.

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SPECIAL REVENUE FUNDS (Continued)

MEDICAL ASSISTANCE PROGRAM (MEDICAID, TITLE SIX)

To provide financial assistance to states for payments of medical assistance on behalf of such assistance recipients, children, pregnant women, and the aged who meet income and resource requirements, and other categorically-eligible groups.

TITLE I

TITLE I PROGRAMS - LOCAL EDUCATIONAL AGENCIES

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

INNOVATIVE EDUCATION PROGRAM STRATEGIES

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

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

CALDWELL PARISH SCHOOL BOARD
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SPECIAL REVENUE FUNDS
Comparing Balance Sheet
June 30, 1987

	SALARY TAX FUND	SPECIAL MAINTENANCE FUND	SPECIAL VOCATIONAL FUND	SCHOOL FOOD SERVICE
ASSETS				
Cash and cash equivalents	\$ 19,811	\$ 40,200	\$ 85,374	\$ 88,086
Receivables	140,007	800	0	0
Due from other funds	0	100	0	4,007
Inventory	0	0	0	18,414
TOTAL ASSETS	<u>\$ 171,228</u>	<u>\$ 41,100</u>	<u>\$ 85,374</u>	<u>\$ 110,507</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts, salaries and other payables	\$ 503	\$ 1,248	\$ 0	\$ 6,871
Unearned payables	0	128,000	0	0
Deferred revenues	0	0	0	0
Total Liabilities	<u>\$ 503</u>	<u>\$ 129,248</u>	<u>\$ 0</u>	<u>\$ 6,871</u>
Equity and other credits				
Fund Balances:				
Reserved for inventory				
Unreserved - undesignated	171,228	89,272	85,374	85,197
TOTAL EQUITY	<u>\$ 171,228</u>	<u>\$ 89,272</u>	<u>\$ 85,374</u>	<u>\$ 85,197</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 171,228</u>	<u>\$ 41,100</u>	<u>\$ 85,374</u>	<u>\$ 110,507</u>

EXHIBIT 1

EXTENDED SUMMARY PROGRAM	SPECIAL ALLOCATION	MICHIGAN	TITLE I	TOTAL
\$ 0,804	\$ 82,381	\$ 18,179	\$ 100,860	\$ 201,850
204	11,576	0	112,831	214,635
2,809	7,708	0	5,439	15,842
0	0	0	0	15,842
<u>\$ 3,813</u>	<u>\$ 101,665</u>	<u>\$ 18,179</u>	<u>\$ 220,130</u>	<u>\$ 359,837</u>
\$ 0	\$ 1,781	\$ 0	\$ 34,880	\$ 36,661
870	90,880	0	34,880	219,880
0	0	0	85	85
<u>\$ 870</u>	<u>\$ 92,661</u>	<u>\$ 0</u>	<u>\$ 69,765</u>	<u>\$ 265,626</u>
0	0	18,179	0	18,189
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,179</u>	<u>\$ 0</u>	<u>\$ 18,189</u>
<u>\$ 870</u>	<u>\$ 101,221</u>	<u>\$ 18,179</u>	<u>\$ 69,765</u>	<u>\$ 300,431</u>

CALEWELL PARISH SCHOOL BOARD
Columbis, Louisiana

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

	SALES TAX FUND	SPECIAL MAINTENANCE FUNDS	SPECIAL VOCATIONAL FUND	SCHOOL FEES SERVICE
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 0	\$ 273,158	\$ 0	\$ 0
Sales and use	815,982	0	0	0
Interest earnings	20	158	0	8,752
Fees services	0	0	0	88,000
Other	0	31	5,895	77,288
State sources	0	41,065	0	188,000
Federal sources	0	0	0	548,358
TOTAL REVENUES	\$ 816,002	\$ 715,712	\$ 5,895	\$ 823,398
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 205,807	\$ 0	\$ 0	\$ 0
Special programs	405,453	0	0	0
Other instructional programs	24,052	0	0	0
Support services:				
Student services	22,000	0	0	0
Instructional staff support	58,000	0	0	0
General administration	114,404	0	0	0
School administration	28,000	0	0	0
Business services	88,010	0	4,852	0
Fees services	0	380,200	0	0
Student transportation services	4,500	0	0	0
Food services	0	0	0	854,181
Community service programs	0	0	5,895	0
TOTAL EXPENDITURES	\$ 793,489	\$ 380,200	\$ 5,894	\$ 854,181
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 22,513	\$ 335,512	\$ 0	\$ (330,783)
FUND BALANCES AT BEGINNING OF YEAR	81,285	(53,628)	(50,778)	218,400
FUND BALANCES AT END OF YEAR	\$ 103,798	\$ 281,884	\$ (50,778)	\$ (112,383)

Exhibit 2

EXTENDED SUMMER PROGRAM	SPECIAL EDUCATION	RESEARCH	TITLE I	TOTAL
\$	\$	\$	\$	273,100
0	0	0	0	898,100
0	0	0	0	8,000
0	0	0	0	80,000
0	0	3,000	0	88,218
14,000	0	0	0	180,004
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,228,000</u>
\$ 14,000	\$ 0	\$ 3,000	\$ 0	\$ 2,000,000
\$	\$	\$	\$	201,887
0	10,700	0	300,000	287,188
0	0	0	0	34,000
0	0	0	0	23,000
14,000	60,882	0	300,120	437,281
0	3,735	0	10,000	150,000
0	0	0	0	90,000
0	0	0	0	10,882
0	14,004	0	0	200,788
0	0	0	0	4,800
0	0	0	0	604,181
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,812</u>
\$ 14,000	\$ 170,448	\$ 0	\$ 598,221	\$ 2,110,812
\$	\$	\$	\$	(114,218)
0	0	14,800	0	180,000
<u>0</u>	<u>0</u>	<u>14,800</u>	<u>0</u>	<u>78,000</u>

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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.

**CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana**

**SCHOOL ACTIVITY AGENCY FUND
SCHEDULE OF CHANGES IN DEPOSITS OR OTHERS
FOR THE YEAR ENDED JUNE 30, 1997**

School	Balance, Beginning	Additions	Deductions	Balance, Ending
Caldwell Parish High	\$50,777	\$184,268	\$184,683	\$ 50,362
Caldwell Parish Junior High	2,119	56,218	56,218	1,114
Central Elementary	14,508	26,419	16,322	18,605
Columbia Elementary	23,468	41,348	29,296	35,520
Grayson Elementary	3,819	53,248	50,723	6,344
Kelly Elementary	3,824	19,328	14,678	8,474
Total	\$98,512	\$385,158	\$385,343	\$128,426

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

GENERAL

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 1997**

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:79, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$2000 per month and the Executive Committee members receive \$349 per month.

Board Member	\$ Amount
Scott H. Meredith, President	\$ 4,000.00
Faustia M. Barot	3,600.00
Carolya Connell	3,600.00
Marlye Warren	3,600.00
Norman Byrd	3,600.00
Jodie McCluskey-Farrest	4,000.00
Mark May	4,000.00
Baron Glass	3,600.00
Mary Taylor	4,000.00
Suzanne Strickland	<u>3,600.00</u>
TOTAL	<u>\$32,000.00</u>

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

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

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

ALLEN, GREEN & COMPANY, LLP

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Professional
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Tim Green, CPA

Margie Williamson, CPA

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

Caldwell Parish School Board
Columbia, Louisiana

We have audited the financial statements of Caldwell Parish School Board, as of and for the year ended June 30, 1997, and have issued our report thereon dated January 15, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Caldwell Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs as items 97-2, 97-3, 97-5, 97-7 and 97-8.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caldwell Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 97-1, 97-4, 97-6, 97-9, 97-10, 97-11 and 97-12.

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 could not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that we also considered to be

Board Members
Caddwell Parish School Board
Columbia, Louisiana

material weaknesses. However, of the reportable conditions described above, we consider items 97-1, 97-3, 97-9, 97-10 and 97-12 to be material weaknesses.

This report is intended for the information of the Board, management and fiduciary auditing agencies and other 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
January 13, 1998

ALLEN, GREEN & COMPANY, LLP

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

Board Members

Caldwell Parish School Board
Columbia, Louisiana

Compliance

We have audited the compliance of Caldwell 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. Caldwell 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 Caldwell Parish School Board's management. Our responsibility is to express an opinion on Caldwell Parish School Board's compliance based on our audit.

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

In our opinion, Caldwell 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. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 97-10 and 97-12.

Internal Control Over Compliance

The management of Caldwell 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 Caldwell 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
Calcedoñ Parish School Board
Columbia, Louisiana

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the School Board's ability to administer a major federal program in accordance with applicable laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item FT-14.

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. However, we believe the reportable condition 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
January 15, 1998

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

FEDERAL ORIGINATOR (PASS THROUGH ORIGINATOR PROGRAM NAME)	CFDA Number	Pass Through Number No.	Expenditures
CASH FEDERAL ASSISTANCE			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
School Breakfast Program	10553	NA	\$ 145,800
National School Lunch Program	10555	NA	348,052
United States Department of Education			
Direct Payment:			
Foreign Language Assistance - Elementary School Incentive (Title VII)	84293B	NA	95,903
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84002	NA	9,491
Title I Grants to Local Educational Agencies	84000	97-1455A-11-1	950,738
Special Education:			
Grants to States (Part E)	84007	97FF13	804,496
Psychosocial Grants	84173	97FF13	15,949
Vocational Education:			
Basic Grants to States	84048	28-07-61-2800G	12,585
Tech-Prep Education	84243	28-07-61-2800G	1,025
Innovative Education Program Strategies - Title VI (Formerly Chapter 2)	84298	97-045A-01-70	7,813
Title II (Educator Professional Development - State Training Goals 2000)	84281	97-045A-01-01	11,705
State and Local Education Systemwide Improvement Grants (Goals 2000 State Grants)	84276	NA	75,880
Even Start - Migrant Education	84214	97-05-11	112,814
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Child Care and Development Block Grant (Starting Point Preschool)	95575	NA	34,000
United States Department of Labor			
Passed Through the Private Industry Council:			
Job Training Partnership Act (JTFA)	17280	NA	34,000
Passed Through the Louisiana Department of Social Services:			
Job Opportunities and Basic Skills Training (Project Independence)	99381	NA	32,000
NONCASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Donations (Commodities)	10100	NA	46,200
TOTAL FEDERAL AWARDS			\$1,645,207

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1993**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Caldwell Parish School Board, Columbia, Louisiana. The Caldwell 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 governmental agencies, are 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 revenues are reported in the School Board's general-purpose financial statements as follows:

	Federal Source
General Fund	\$ 437,144
Special Revenue Funds:	
Special Education Fund	121,444
Title I	938,191
School Food Service	348,596
	<u>\$1,655,375</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.

COLLINGS, PARISH SCHOOL BOARD
Columbia, 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 qualified.
- ii. There were reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.

Some reportable conditions disclosed were considered material weaknesses as defined by the Government Auditing Standards.
- iii. There were instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- i. There were reportable conditions required to be disclosed by OMB Circular No. A-133.

Some reportable conditions disclosed were considered material weaknesses as defined by OMB Circular No. A-133.
- ii. The type of report the auditor issued on compliance for major programs was unqualified.
- iii. The audit disclosed audit findings which the auditor is required to report under OMB Circular No. A-133, Section 5.10(d).
- iv. The major federal programs are:

CFDA #54-919 Title I Grants to Local Educational Agencies

Nutrition Cluster

CFDA #10-553 School Breakfast Program
CFDA #10-555 National School Lunch
- vii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 5.20(b) was \$200,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular No. A-133, Section 5.30.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference # and Title: **97-1** **Lack of Separation of Duties**

Condition: The Office Manager was responsible for preparing checks, posting to the general ledger and reconciling the bank statements for all funds except School Food Service. The School Food Service bookkeeper was responsible for preparing checks for School Food Service, posting checks to the general ledger and reconciling the bank statement.

The Office Manager was also responsible for all personnel and payroll functions.

Recommendation: Duties should be reassigned to provide for adequate segregation. Bank reconciliations should be performed by someone independent of the check writing process for that fund. Bank statements should be reviewed/signed by the person performing the reconciliation. Access to the reconciliation for that fund should be limited to the person performing the reconciliation.

Reference # and Title: **97-2** **Budgeting a Deficit Fund Balance**

Condition: The School Board budgeted an ending deficit fund balance in the School Food Service Fund, Special Maintenance Fund, Food Processing Fund, Special Education Fund and Extended Summer Program Fund. Louisiana Revised Statute 17:2825 states in part that a budget shall detail expenditures, the total of which shall not exceed the expected means of financing component of the beginning fund balance and revenues.

This finding was initially reported in the fiscal year ended June 30, 1996.

Recommendation: The Special Maintenance Fund accounts for the use of ad valorem tax dedicated to maintenance and upkeep of the schools in Caldwell Parish. For the past three years, expenditures have exceeded revenues resulting in a deficit which should be eliminated by a transfer from the General Fund. The General Fund should transfer money to the Food Processing Fund to cover the deficit fund balance. A fund deficit was erroneously budgeted for the School Food Service Fund, Special Education Fund and Extended Summer Program Fund.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

PART III - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Accounting Standards:

Reference # and Title: 97-3 Late Filing of Audit Report

Condition: The Louisiana Legislative Auditor requires audit reports to be filed within six months of the year-end of the governments. The audit report as of and for the year ended June 30, 1997 will be filed January 31, 1998. This delay was caused by extra work acquired and an amendment to the original contract which occurred in November 1997.

This finding was initially reported in the fiscal year ended June 30, 1996.

Recommendation: The audit reports should be filed during the six-month period following year-end.

Reference # and Title: 97-4 Record-Keeping: Withholdings

Condition: The School Board presently records all amounts withheld from employees' wages as nonrevenue receipts. When these funds are remitted, accounts in "unclassified expenditures" are charged. This method of accounting for these transactions does not match the payment of the amounts with their receipts. Accounts are not set up properly. The balance of unremitted funds are not reflected in the accounts as a liability.

This finding was initially reported in the fiscal year ended June 30, 1996.

Recommendation: Liability accounts should be set up to record amounts withheld. These accounts would be reduced as funds are remitted to the appropriate agency. The balance of withheld funds should be properly reflected as a liability until paid.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1993

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

Reference # and Title: 97-5 Fixed Assets

Condition: The School Board was unable to provide an adequate inventory of property and equipment for June 30, 1993. Furthermore, an annual physical count of Fixed Assets was not made. This is in violation of grant requirements and LSA-RS, 24:515. The employee keeping the inventory on the computer told her computer crashed and she was unable to obtain data. She indicated her computer is old and they cannot repair it. No backups or printouts were made before the problem occurred. Assets purchased prior to fiscal year 1993 must be reconciled to add to the inventory.

This finding was initially reported in the fiscal year ended June 30, 1996.

Recommendation: The School Board should act immediately to return Fixed Assets Inventory and update it when additions and retirements are made.

Reference # and Title: 97-6 Reconciliation of Annual Financial Report

Condition: The annual financial report (AFR) filed with the Louisiana Department of Education (LDOE) could not be reconciled with the general ledger. Several journal entries and allocations were made in preparing the AFR which were not posted in the general ledger. Documentation of these entries was not available for use in reconciling the AFR to the general ledger.

Recommendation: The AFR filed with the LDOE and the general ledger should agree. Journal entries or allocations which need to be made for AFR purposes should be posted in the general ledger, unless posting the entries is not practical. All work papers should be maintained in order to provide an audit trail for these entries.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

PART II - Finding(s) related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards.

Reference # and Title: 95-7 Budget Overrun

Condition: The School Board had an unfavorable budget variance of \$33,908 in the Title I Fund which was 7% of budgeted expenditures. An unfavorable budget variance of 5% or more is a violation of the Louisiana Government Budget Act.

This finding was initially reported in the fiscal year ended June 30, 1996.

Recommendation: The School Board should regularly monitor budget to actual expenditures, and amend the budget if actual expenditures is a final excess budgeted expenditures by 5% or more.

Reference # and Title: 97-8 Employees Treated as Contract Labor

Condition: We noted several instances in which part-time and temporary workers were paid as contract labor although they appeared to be employees. These checks were not run through payroll and no taxes were withheld. We noted several other instances in which regular employees were paid for additional work with a vendor check. No 1099s were issued for the 1996 calendar year.

This finding was initially reported in the fiscal year ended June 30, 1996.

Recommendation: All contract labor payments should be reviewed. All payments to people who are considered employees by the Internal Revenue Service definition should be reported as wages. All payments to regular employees, except for reimbursements, should be through payroll.

Payments of \$600 or more to vendors other than a corporation should be reported on 1099s.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

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

Reference # and Title: 60-B Payments to the Prior Superintendent (Continued)

Condition (Continued):

C. Social Security Withholding (Continued)

Beginning in July 1995, social security taxes were withheld from the prior Superintendent's salary. Classifying his wages as earnings subject to social security taxes is incorrect. Amounts withheld from salary checks and remitted to the Social Security Administration belonged to the employee and not the School Board. However, the School Board was required to and did match the employee's contributions out of the General Fund. This may be an unconditional use of funds. Article 7, Section 14 of the Louisiana Constitution prohibits the funds, credit, property, or things of value of the state or of any political subdivision being loaned, pledged, or donated to or for any person, association or corporation, public or private. The School Board may have violated this article because no legal obligation existed for the payment of social security taxes.

Increasing the amount of wages subject to social security tax would benefit an individual by providing increased social security benefits upon retirement.

Recommendation: The School Board should file amended payroll reports with the proper agencies for the applicable periods, showing the correct amount of wages subject to social security. Any refunds, including interest, should be applied first to reimburse the School Board for its portion of the taxes paid. After the School Board has been reimbursed, additional refunds should be paid to the prior superintendent by the amounts withheld from his checks. The School Board should review the propriety of the expenditures with legal counsel of the School Board.

B. June 25, 1997 Payment

The School Board issued a vendor check for \$1,110 to the prior Superintendent on June 25, 1997. This is in addition to the check discussed in Part A. There was no documentation to support this payment and he could not explain why he received this payment.

The prior Superintendent says that the signature on the check request was not his.

Recommendation: The prior Superintendent should reimburse the School Board \$1,110. The auditor's understanding the \$1,110 has been reimbursed to the School Board. The School Board should review the propriety of the expenditures with legal counsel of the School Board.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

PART III - Findings(s) related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference # and Title: 97-12 Payments to the Office Manager

Condition: From a review of general ledger salary accounts several vendor payments to the Office Manager were noted. Upon investigation the following conditions were noted:

A. Additional Payments Made to the Office Manager

The Office Manager was being paid for additional work through vendor checks made payable in her name, T & A Services and R&T.A. Vendor checks are not subject to payroll withholdings and taxes. No time records were provided for these payments which totaled \$6,725 paid to the Office Manager, \$14,200 paid to T & A Services and \$9,165 paid to R&T.A. After questioning the Office Manager, she provided the following information. The federal funds bookkeeper retired in June 1995 and the Office Manager assumed her duties. She stated that she had an unwritten understanding with the Board to be paid an additional \$1,000 per month for the additional duties she assumed. The total payments to her through the above vendors totaled \$30,120 which is \$18,120 over the additional \$12,000 she was to be paid. When questioned about the additional amounts paid to her, she said this was for extra work over and above the \$12,000. No time records were provided for the \$18,120 paid to the Office Manager for the year ended June 30, 1997.

Recommendation: The School Board should consult with legal counsel to determine if the additional payments of \$18,120 should be reimbursed to the School Board and the propriety of these payments.

B. Fluctuations in Salary

The Office Manager's payroll check fluctuated from month to month even though she was paid on a salary basis. According to the salary schedule for non-certified personnel, the salary for the Office Manager should have been \$24,819 for the year plus \$179 per month (\$2,144 annually) for sales tax. A sales tax bonus is paid annually in June. For the year ended June 30, 1997, the office manager was paid \$38,066 for salary including sales tax. This is \$5,447 more than the salary schedule. No explanations could be provided for the fluctuations in salary. The Office Manager had complete responsibility for preparation of the payroll.

Recommendation: The School Board should consult with legal counsel to determine if the additional salary payments of \$5,447 should be reimbursed to the School Board and the propriety of these payments.

C. Sales Tax Supplement

The Office Manager calculated the additional sales tax check due each employee for the sales tax passed in the 1996-1997 year. According to her method of calculation, the amount actually paid to her was \$673 more than it should have been. No explanation could be provided for the difference.

Recommendation: The School Board should consult with legal counsel to determine if the additional sales tax payments should be reimbursed to the School Board and the propriety of these payments.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

PART III - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference # and Title: W-12 Payments to the Office Manager (Continued)

Condition: (Continued)

D. Withholdings

Teacher's retirement was withheld on the July 1996 payroll check for the Office Manager but was not withheld on the August 1996 through June 1997 payroll checks. Beginning with the August 1996 payroll check, social security was withheld instead. An active employee cannot legally stop paying teacher's retirement. The Office Manager's explanation was that one more quarter of coverage was needed for her to be eligible to draw social security.

No federal or state income tax was withheld from the Office Manager's salary in the year ended June 30, 1997.

Recommendation: The School Board should review payments to Teachers' Retirement to ensure the School Board did not pay both the employer's and the employee's portion of retirement for the Office Manager for August 1996 through June 1997.

General Recommendations

No payments should be made, when the payment is based on an hourly rate, unless time records are submitted substantiating the hours claimed. A person at least one level above the person making the request should review and approve such request.

All checks signed should have proper documentation.

Adding new employees to the payroll system and any changes made to the current amounts of employees should be done by someone independent of the check writing process. Calculation of the sales tax requirement should be reviewed by someone independent of the payroll function.

The School Board must file a copy of the employee's W-2 with the Internal Revenue Service if withholding allowances are greater than ten. Employee master files should be reviewed to see if this requirement has been met.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1997

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section 500(a):

Finding Reference Number: 97-35

Questioned Costs

FEDERAL GRANTOR/ PASS THROUGH GRANTEE/PROGRAM NAME	CFDA Number	Pass-Through Account No.	Grant Year
U. S. Department of Education Passed through Louisiana Department of Education Title I Grants to Local Educational Agencies	84.000	FT/DA/SA-11-1	1997

Condition: Title I salaries were reported twice

\$11,560

Recommendation: The School Board should follow the recommendation of Title I regarding the overpayment.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Other Financial Information

The information on the following pages concerns management's actions or intentions concerning price and one-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular A-133. This information has been prepared by the management of the Caldwell Parish School Board. Management accepts full responsibility, as required by OMB Circular A-133, for the accuracy of the information. This information has not been audited by the auditors, and accordingly, no opinion is expressed.

CALEDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Summary Status of Prior Audit Findings
June 30, 1997

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

Title: Record-Keeping: Investments

Initially occurred: Fiscal Year Ended June 30, 1996

Condition: Investment transactions are recorded as an expenditure when an investment is purchased or a savings account is opened, and as a revenue when the proceeds are received from investments. There is no accounting record maintained in the general ledger to record transactions in investments (purchase of deposits, savings). The present chart of accounts does not have an account to record these transactions. This makes control over investment transactions. A general ledger account titled "investments" should be maintained to post investment transactions. The balance of this account should be reconciled with the investment records on a periodic basis.

Corrective Action Taken: An investment account was established and all investment transactions were posted to the investment account.

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

Title: Record-Keeping: Withholdings

Initially occurred: Fiscal Year Ended June 30, 1996

Condition: The School Board properly records all amounts withheld from employees' wages as nonrevenue receipts. When these funds are received, accounts in "unclassified expenditures" are charged. This method of accounting for these transactions does not match the payment of the amounts with their receipt. If accounts are not recorded, it is difficult to determine. Accounts are not set up properly. The balance of unrecorded funds is not reflected in the accounts as a liability.

Planned Corrective Action: See management's response to Finding 93-4 included in the Corrective Action Plan for Current-Year Audit.

COLLEGE L. PARISH SCHOOL BOARD

Columbia, Louisiana

Summary Status of Prior Audit Findings

June 30, 1997

Finding Reference #: **Finding #3 of the Schedule of Reportable Conditions**

Title: **Fixed Assets**

Initially occurred: **Fiscal Year Ended June 30, 1995**

Condition: The School Board was unable to provide an adequate inventory of property and equipment for June 30, 1995. Furthermore, an annual physical count of fixed assets was not made. This is in violation with grant requirements and LSA-RS, 18:515. The employee keeping the inventory on the computer said her computer crashed and she was unable to obtain data. She indicated her computer is old and they cannot repair it. No backups or printouts were made before the problem occurred. Assets purchased prior to fiscal year 1995 must be researched to add to the inventory.

Planned Corrective Action: See management's response to Finding #7-5 included in the Corrective Action Plan for Current Year Audit.

Finding Reference #: **Finding #4 of the Schedule of Reportable Conditions**

Title: **School Activity Fund**

Initially occurred: **Fiscal Year Ended June 30, 1996**

Condition: An audit, either internal or external, has not been performed on the School Activity Funds in several years. An audit should be performed on a periodic basis to ensure Board policies and procedures are being followed by the schools and to strengthen controls. The Board should take steps to initiate an audit function at the schools.

Corrective Action Taken: An external audit was performed at one school for the year ended June 30, 1997. The School Board will select one school per year for external audit and all others will be reviewed internally.

CALEWELL PARISH SCHOOLS BOARD
Columbia, Louisiana

Summary Status of Prior Audit Findings
June 30, 1997

Finding Reference #: Finding #8 of the Schedule of Reportable Conditions

Title: Budget Overrun

Initially occurred: Fiscal Year Ended June 30, 1995

Condition: The Caldwell Parish School Board did not amend the original budget during the year, and a budget was not adopted for Extended Summer programs which is in violation of LSA R.S. 39:1329.1(1)(B). The School Board had an unfavorable budget variance of \$8,487 in the Professional Fund (exceeding 5% improvement is needed in order to be in full compliance with the Louisiana Government Budget Act and to monitor expenditures so that in the event costs exceed budget in a particular function, cutbacks can be made in other functional costs to compensate.

Planned Corrective Action: A budget was adopted for the Extended Summer Program for the year ended June 30, 1997. The Title I Fund had an unfavorable budget variance of \$22,908 (7%) for the year ended June 30, 1997. See management's response to Finding 57-7 included in the Corrective Action Plan for Current Year Audit.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Summary Status of Prior Audit Findings
June 30, 1997

Finding Reference #:	Finding #1 of the Schedule of Finding and Questioned Costs
Title:	Reconciliation of Special Education Financial Reports to General Ledger
Initially occurred:	Fiscal Year Ended June 30, 1996
Condition:	Special Education personnel prepare financial reports on Special Education programs. We noted no evidence that these reports are being reconciled to accounting department data and reports.
Corrective Action Taken:	The Special Education clerk performs a reconciliation of disbursements to reimbursement requests on a quarterly basis.
Finding Reference #:	Finding #2 of the Schedule of Finding and Questioned Costs
Title:	Fixed Assets
Initially occurred:	Fiscal Year Ended June 30, 1996
Condition:	The School Board was unable to provide an adequate inventory of property and equipment for June 30, 1996. Furthermore, an annual physical count of fixed assets is not made. An accurate fixed asset inventory should be maintained to provide an accurate accounting and safeguarding of property and to comply with grant requirements.
Planned Corrective Action:	See management's response to Finding 99-3 included in the Corrective Action Plan for Current-Year Audit.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Summary Status of Prior Audit Findings
June 30, 1997

Finding Reference #: **Finding #5 of the Schedule of Finding and Questioned Costs**

Title: **Employees Treated as Contract Labor**

Initially occurred: **Fiscal Year Ended June 30, 1996**

Conditions: We noted several instances where part-time and temporary help were paid as contract labor, although they appeared to be employees. These checks were not run through payroll and they were no taxes withheld from the payment.

Planned Corrective Action: See management's response to Finding 95-4 included in the Corrective Action Plan for Current-Year Audit.

Finding Reference #: **Finding #6 of the Schedule of Finding and Questioned Costs**

Title: **Budget Overrun**

Initially occurred: **Fiscal Year Ended June 30, 1996**

Conditions: The Caldwell Parish School Board did not amend the original budget during the year, and a budget was not adopted for Extended Summer program which is in violation of LSA-R.S. 39:1309-1311. The School Board had an unfavorable budget variance of \$8,487 in the Personnel Fund (exceeding 5% improvement is needed in order to be in full compliance with the Louisiana Government Budget Act and to monitor expenditures to that in the event costs exceed budget in a particular function, overruns can be made in other functional costs to compensate.

Planned Corrective Action: A budget was adopted for the Extended Summer Program for the year ended June 30, 1997. The Title I Fund had an unfavorable budget variance of \$33,988 (75%) for the year ended June 30, 1997. See management's response to Finding 95-7 included in the Corrective Action Plan for Current-Year Audit.

CALEDWELL PARISH SCHOOLS BOARD
Columbia, Louisiana

Summary Status of Prior Audit Findings
June 30, 1997

Finding Reference #: **Finding 97 of the Schedule of Finding and Operational Costs**

Title: **Budgeting a Deficit Fund Balance**

Initially occurred: **Fiscal Year Ended June 30, 1996**

Conditions: The School Board budgeted an ending deficit fund balance in the Special Maintenance Fund, Food Processing Fund and Title I Fund. Louisiana Revised Statute 17:88(B) states in part that a budget shall detail revenues and expenditures, the total of which shall not exceed the reported status of financing composed of beginning fund balance and revenues.

Planned Corrective Action: See management's response to Finding 97-2 included in the Corrective Action Plan for Current-Year Audit.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Corrective Action Plan for Current Year Audit
As of and for the Year Ended June 30, 1997

Finding Reference # and Title: 95-1 Lack of Separation of Duties

Corrective Action Planned: Personnel have been employed and duties have been assigned as recommended in this report for Payroll, Accounts Payable and School Food Services.

Person Responsible for Corrective Action:

Ms. Martha T. Simons, Superintendent Telephone: (518) 648-2689
Caldwell Parish School Board Fax: (518) 648-0636
P. O. Box 1019
Columbia, LA 71418-1019

Anticipated Completion Date: June 30, 1998

Finding Reference # and Title: 95-2 Budgeting a Deficit Fund Balance

Corrective Action Planned: A review of accounts will be done to determine the cause of deficit and appropriate measures taken to insure this does not occur again. Funds will be transferred from the General Fund to take care of these costs.

Person Responsible for Corrective Action:

Ms. Martha T. Simons, Superintendent Telephone: (518) 648-2689
Caldwell Parish School Board Fax: (518) 648-0636
P. O. Box 1019
Columbia, LA 71418-1019

Anticipated Completion Date: June 30, 1998

Finding Reference # and Title: 97-3 Late Filing of Audit Report

Corrective Action Planned: Reports prepared in future audits will be filed within the state mandated six month period.

Person Responsible for Corrective Action:

Ms. Martha T. Simons, Superintendent Telephone: (518) 648-2689
Caldwell Parish School Board Fax: (518) 648-0636
P. O. Box 1019
Columbia, LA 71418-1019

Anticipated Completion Date: June 30, 1998

CALEDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Corrective Action Plan for Current Year Audit
As of and for the Year Ended June 30, 1997

Finding Reference # and Title: 95-4 **Record Keeping: Withholdings**

Corrective Action Planned: Liability accounts will be set up to record amounts withheld.

Person Responsible for Corrective Action:

Ms. Martha T. Simons, Superintendent Telephone: (318) 649-3689
Caldwell Parish School Board Fax: (318) 649-8636
P. O. Box 1019
Columbia, LA 71418-1019

Anticipated Completion Date: June 30, 1998

Finding Reference # and Title: 95-5 **Fixed Assets**

Corrective Action Planned: Software has been purchased, and a physical inventory is in process. This has been a time-consuming process which is on-going.

Person Responsible for Corrective Action:

Ms. Martha T. Simons, Superintendent Telephone: (318) 649-3689
Caldwell Parish School Board Fax: (318) 649-8636
P. O. Box 1019
Columbia, LA 71418-1019

Anticipated Completion Date: June 30, 1999

Finding Reference # and Title: 95-6 **Reconciliation of Annual Financial Report**

Corrective Action Planned: We will reconcile the general ledger to the Annual Financial Report and maintain all work papers related to any journal entries and allocations made.

Person Responsible for Corrective Action:

Ms. Martha T. Simons, Superintendent Telephone: (318) 649-3689
Caldwell Parish School Board Fax: (318) 649-8636
P. O. Box 1019
Columbia, LA 71418-1019

Anticipated Completion Date: Management intends to implement this corrective action plan during the fiscal year ending June 30, 1998.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Corrective Action Plan for Current Year Audit
As of and for the Year Ended June 30, 1997

Finding Reference # and Title: 87-7 **Budget Overrun**

Corrective Action Planned: All budget revisions approved by the state will be presented to the School Board for adoption.

Person Responsible for Corrective Action:

Mr. Martin T. Simons, Superintendent Telephone: (318) 649-2688
Caldwell Parish School Board Fax: (318) 649-0636
P. O. Box 8009
Columbia, LA 71408-1819

Anticipated Completion Date: June 30, 1998

Finding Reference # and Title: 87-8 **Employees Treated as Contract Labor**

Corrective Action Planned: No contracts will be awarded in violation of the Code of Ethics law. All contracts will be subject to Board approval and time sheets will be required and signed by appropriate personnel. All such payments will be made through payroll for proper withholdings.

Person Responsible for Corrective Action:

Mr. Martin T. Simons, Superintendent Telephone: (318) 649-2688
Caldwell Parish School Board Fax: (318) 649-0636
P. O. Box 8009
Columbia, LA 71408-1819

Anticipated Completion Date: June 30, 1998

Finding Reference # and Title: 87-9 **Payments to the Prior Superintendent**

Corrective Action Planned: The prior Superintendent has reimbursed the \$4,950 and \$1,110 payments. No contracts will be awarded in violation of the Code of Ethics law. All contracts will be subject to Board approval and time sheets will be required and signed by appropriate personnel. All such payments will be made through payroll for proper withholdings.

Person Responsible for Corrective Action:

Mr. Martin T. Simons, Superintendent Telephone: (318) 649-2688
Caldwell Parish School Board Fax: (318) 649-0636
P. O. Box 8009
Columbia, LA 71408-1819

Anticipated Completion Date: June 30, 1998

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Corrective Action Plan for Current-Year Audit
As of and for the Year Ended June 30, 1997

Finding Reference # and Title: 87-10 **Payments to the Assistant Superintendent**

Corrective Action Planned: The Assistant Superintendent has reimbursed the \$1,808, \$590, \$225 and \$-0- overpayments. No contracts will be awarded in violation of the Code of Ethics law. All contracts will be subject to Board approval and time sheets will be required and signed by appropriate personnel.

Person Responsible for Corrective Action:

Ms. Martha T. Simons, Superintendent Telephone: (504) 649-2689
Caldwell Parish School Board Fax: (504) 649-8036
P. O. Box 1019
Columbia, LA 70408-1019

Anticipated Completion Date: June 30, 1998

Finding Reference # and Title: 87-11 **Payments to the Title I Director**

Corrective Action Planned: No contracts will be awarded in violation of the Code of Ethics law. All contracts will be subject to Board approval and time sheets will be required and signed by appropriate personnel.

Person Responsible for Corrective Action:

Ms. Martha T. Simons, Superintendent Telephone: (504) 649-2689
Caldwell Parish School Board Fax: (504) 649-8036
P. O. Box 1019
Columbia, LA 70408-1019

Anticipated Completion Date: June 30, 1998

Finding Reference # and Title: 87-12 **Payments to the Office Manager**

Corrective Action Planned: The Office Manager resigned effective November 4, 1997 and legal counsel will be consulted for possible reimbursement requests.

Person Responsible for Corrective Action:

Ms. Martha T. Simons, Superintendent Telephone: (504) 649-2689
Caldwell Parish School Board Fax: (504) 649-8036
P. O. Box 1019
Columbia, LA 70408-1019

Anticipated Completion Date: June 30, 1998

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

Corrective Action Plan for Current Year Audit
As of and for the Year Ended June 30, 1997

Finding Reference # and Title: 97-13 Even Start Questioned Costs

Corrective Action Planned: The General Fund will reimburse all questioned costs items. Some of the questioned costs have been reimbursed by appropriate personnel.

Person Responsible for Corrective Action:

Ms. Marika T. Simons, Superintendent Telephone: (518) 649-2689
Caldwell Parish School Board Fax: (518) 649-2638
P. O. Box 1819
Columbia, LA 71418-1019

Anticipated Completion Date: June 30, 1998

Finding Reference # and Title: 97-14 Lack of Separation of Duties

Corrective Action Planned: See management response to Finding 97-1. Personnel have been employed and duties have been assigned as recommended in this report for Payroll, Accounts Payable, and School Food Service.

Person Responsible for Corrective Action:

Ms. Marika T. Simons, Superintendent Telephone: (518) 649-2689
Caldwell Parish School Board Fax: (518) 649-2638
P. O. Box 1819
Columbia, LA 71418-1019

Anticipated Completion Date: June 30, 1998

Finding Reference # and Title: 97-15 Title I Questioned Costs

Corrective Action Planned: This \$11,540 will be reimbursed in Title I which is now identified as Title I carryover 97. A carryover request for this amount will be submitted to the state.

Person Responsible for Corrective Action:

Ms. Marika T. Simons, Superintendent Telephone: (518) 649-2689
Caldwell Parish School Board Fax: (518) 649-2638
P. O. Box 1819
Columbia, LA 71418-1019

Anticipated Completion Date: June 30, 1998

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CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

15 JUN 1997 12 49 PM
CALDWELL PARISH SCHOOL BOARD
COLUMBIA, LOUISIANA

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: 6/22/97

CALDWELL PARISH SCHOOL BOARD
Columbia, 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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(Continued)

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

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Ernest L. Allen, CPA
of Public
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Tom Green, CPA

Margie Williamson, CPA

INDEPENDENT AUDITORS' REPORT

Board Members
Caldwell Parish School Board
Columbia, Louisiana

We have audited the accompanying general-purpose financial statements of Caldwell Parish School Board, Columbia, 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 Caldwell 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.

The School Board has not maintained adequate records of property and equipment costs. We were not able to satisfy ourselves by other auditing procedures as to the fairness of the general fund asset account group stated at \$2,865,300 as of June 30, 1997.

As discussed in Note 16 to the financial statements, a lawsuit has been filed which could result in a claim of \$275,131 assessed against the School Board. The Board is contesting the claim but the ultimate outcome cannot presently be determined and no provision for any liability that may result has been made in the general-purpose financial statements.

In our opinion, except for the effects, if any, as might have been determined to be necessary had we been able to examine adequate records regarding the cost of property and equipment, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Caldwell Parish School Board as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 1998 on our consideration of the Caldwell Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Board Members
Caldwell Parish School Board
Columbia, Louisiana

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Caldwell Parish School Board, Columbia, Louisiana, taken as a whole. The accompanying supplemental information 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.

Also included is other financial information as found in the table of contents. This information has not been audited by us, and accordingly, we express no opinion concerning this information.

Allen Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
January 15, 2008

CALDWELL PARKER SCHOOL BOARD
Columbia, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1987

	*****GOVERNMENTAL FUNDS*****		
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 208,875	\$ 28,000	\$ 125,800
Investments	0	0	202,544
Receivables	278,447	275,000	844
Inter-fund receivable	230,239	18,912	0
Inventory	0	18,404	0
Prepaid items	7,875	0	0
Land, buildings and equipment	0	0	0
Amount available in debt service funds	0	0	0
Amount to be provided for payment of debt	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 698,536	\$ 308,021	\$ 489,304
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts, salaries and other payables	\$ 278,122	\$ 48,257	0
Deposits for others	0	0	0
Inter-fund payable	48,585	218,008	0
Deferred revenues	0	85	0
Capital lease payable	0	0	0
Liabilities for workers' compensation claims	0	0	0
Compensated absences payable	0	0	0
Bonds payable	0	0	0
Total Liabilities	\$ 326,707	\$ 266,008	\$ 0
Equity and other credits:			
Investment in general fund assets	\$ 0	\$ 0	0
Fund Balances:			
Reserved for:			
Debt service	0	0	489,304
Unreserved and unallocated	328,832	78,083	0
Total Equity and other credits	\$ 328,832	\$ 78,083	\$ 489,304
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 698,536	\$ 308,021	\$ 489,304

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

Statement A

FIDUCIARY FUNDS AGENCY FUNDS	*****ACCOUNT GROUPS*****		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND ASSETS	GENERAL LONG-TERM DEBT	
\$ 128,828 \$	0 \$	0 \$	400,890
0	0	0	302,848
0	0	0	409,230
0	0	0	252,254
0	0	0	15,404
0	0	0	7,875
0	7,895,200	0	7,665,300
0	0	400,001	488,303
0	0	608,317	608,317
<u>\$ 128,828 \$</u>	<u>7,895,200 \$</u>	<u>1,007,635 \$</u>	<u>18,088,238</u>
0	0	0	322,348
128,828	0	0	128,828
0	0	0	282,287
0	0	0	85
0	0	58,068	89,088
0	0	18,381	78,381
0	0	122,387	122,387
0	0	888,000	888,000
<u>\$ 400,890 \$</u>	<u>0 \$</u>	<u>1,087,678 \$</u>	<u>1,887,229</u>
0	7,895,200	0	7,895,200
0	0	0	400,001
0	0	0	488,445
<u>0 \$</u>	<u>7,895,200 \$</u>	<u>0 \$</u>	<u>8,784,000</u>
<u>\$ 128,828 \$</u>	<u>7,895,200 \$</u>	<u>1,887,678 \$</u>	<u>18,088,238</u>

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

Statement B

	GENERAL FUNDS	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTAL MEMORANDUM CEN. F.
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 800,860	\$ 273,155	\$ 358,560	\$ 1,432,575
Sales and use	0	870,190	0	870,190
Interest earnings	10,840	8,008	7,860	26,708
Food services	0	80,000	0	80,000
Other	20,394	89,310	101	109,805
State sources:	8,472,295	965,884	0	9,438,179
Federal sources	436,710	1,235,000	0	1,671,710
TOTAL REVENUES	\$ 9,646,660	\$ 2,687,549	\$ 366,420	\$ 12,699,629
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 2,212,068	\$ 204,887	\$ 0	\$ 2,416,955
Special programs	1,156,447	287,789	0	1,444,236
Other instructional programs	271,800	24,800	0	296,600
Support services:				
Student services	294,001	22,036	0	316,037
Instructional staff support	240,758	437,261	0	678,019
General administration	218,118	150,206	478	368,802
School administration	278,188	26,282	0	304,470
Business services	80,298	80,882	0	161,180
Food services	248,045	204,789	0	452,834
Student transportation services	248,278	4,580	0	252,858
Food services	88,084	204,781	0	292,865
Community service programs	0	8,842	0	8,842
Debt service:				
Principal retirement	0	0	280,000	280,000
Interest and bond charges	0	0	28,638	28,638
TOTAL EXPENDITURES	\$ 6,881,282	\$ 2,773,617	\$ 308,638	\$ 9,963,537
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 2,765,378	\$ 913,932	\$ 57,782	\$ 3,737,102
FUND BALANCES AT BEGINNING OF YEAR	363,734	183,871	280,804	828,409
FUND BALANCES AT END OF YEAR	\$ 629,112	\$ 76,583	\$ 338,586	\$ 1,044,281

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

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

			Statement of
	BUDGET	ACTUAL	VARIANCE FAVORABLE
			(UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 600,000	\$ 583,980	(160,070)
Interest savings	0	23,076	23,076
Other	0	25,184	25,184
State sources	6,505,400	6,173,280	(332,120)
Federal sources	112,630	430,738	318,108
Total Revenues	\$ 7,118,030	\$ 7,156,188	\$ 44,812
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 3,200,540	\$ 3,270,088	170,547
Special programs	1,787,028	1,838,657	55,171
Other instructional programs	382,070	271,683	(110,387)
Support services:			
Student services	205,788	284,041	78,253
Instructional staff support	288,880	283,795	(5,085)
General administration	400,820	378,158	(22,662)
School administration	600,852	578,188	(22,664)
Business services	0	80,388	80,388
Plant services	300,020	380,040	80,020
Student transportation services	637,104	558,076	(79,028)
Food services	0	50,084	50,084
Total Expenditures	\$ 7,387,778	\$ 8,067,002	\$ 779,224
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (269,748)	\$ (910,814)	\$ (641,066)
FUND BALANCES AT BEGINNING OF YEAR	300,734	150,724	(150,010)
FUND BALANCES AT END OF YEAR	\$ 30,986	\$ (860,090)	\$ (891,076)

(continued)

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

	BUDGET	ACTUAL	VARIANCE FAVORABLE (SEE ADJUSTABLES)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 273,678	\$ 270,165	\$ 3,513
Sales and use	718,778	876,382	157,604
Interest earnings	8,518	6,835	1,683
Fees and services	105,098	80,832	24,266
Other	520,546	59,715	460,831
State sources	35,021	365,864	330,843
Federal sources	876,004	1,235,653	359,649
Total Revenues	\$ 2,479,334	\$ 3,889,338	\$ 1,409,904
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 0	\$ 504,807	\$ (504,807)
Special programs	365,188	357,934	7,254
Other instructional programs	0	34,832	(34,832)
Support services:			
Student services	0	32,838	(32,838)
Instructional staff support	130,864	437,304	(306,440)
General administration	104,876	138,326	33,450
School administration	0	38,202	(38,202)
Business services	21,321	82,682	(61,361)
Plant services	475,810	504,358	28,548
Student transportation services	0	4,528	(4,528)
Food services	664,738	664,181	557
Community service programs	0	8,862	(8,862)
Total Expenditures	\$ 2,130,881	\$ 2,779,612	\$ 648,731
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 348,453	\$ 1,109,726	\$ 761,273
FUND BALANCES AT BEGINNING OF YEAR	128,888	183,821	54,933
FUND BALANCES AT END OF YEAR	\$ 477,341	\$ 287,647	\$ 189,704

(CONC 18041)

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

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

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CALDWELL PARISH SCHOOL BOARD
Columbia, 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 Caldwell 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 Caldwell Parish School Board was created by Louisiana Revised Statute (LSA-R.S. 17:21) to provide public education for the children within Caldwell 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 composed of ten members who are elected from constituencies for terms of four years.

The School Board operates six schools within the parish with a total enrollment of approximately 2,093 pupils. In conjunction with the regular educational programs, 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 No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. The School Board includes all funds, account groups, activities, or entities that are within the oversight responsibility of the School Board.

Certain units of local government over which the School Board exercises no oversight responsibility, such as the parish police jury and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Parish School Board.

B. FUNDS AND ACCOUNT GROUPS

The School Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

CALDWELL PARISH SCHOOL BOARD
Columbia, 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)

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

Governmental Funds

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

1. **General Fund** -- the general operating fund of the School Board accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special Revenue Fund** -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. **Debt Service Fund** -- accounts for transactions relating to revenues retained and used for the payments of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds include:

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

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental and Fiduciary Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. 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.

CALEDWELL PARISH SCHOOL BOARD
Columbis, 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)

Governmental and Fiduciary Funds (Continued)

The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds used the following practices in recording revenues and expenditures:

Revenues

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

All Valorem Taxes are recorded in the year the taxes are due and payable. All valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Sales Taxes are recorded in the year they are measurable and available.

Fees and Miscellaneous Revenues are recorded when received because they are generally measurable and actually received.

Interest Income on time deposits and investments is recorded when the interest becomes measurable and available to finance expenditures of the fiscal period.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

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

Principal and Interest on general long-term debt is recognized when due.

Inventory items are expensed as purchased except for inventory of the School Lunch Fund which is reported as consumed.

Compensated Absences are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death. The cost of compensated absences not requiring current resources is recorded in the general long-term obligations account group.

CALDWELL PARISH SCHOOL BOARD
Columbia, 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)

Other Financing Sources (Uses)

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

Deferred Revenues

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

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 each Special Revenue Fund. The School Board has historically approved at the July Board meeting authorization to publish a general summary of the proposed budget and set an August date for a public hearing on the proposed budget. This advertisement was not placed in the official journal for the 1996-1997 fiscal period. Also, there was no further action noted in the Board minutes on the annual budgets of the 1996-1997 fiscal period to indicate Board adoption of the budget.

Appropriations (unexpended budget balances) lapse at year end.

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

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing resources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statute requires the Board to amend its budget when revenues plus proposed 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.

CALDWELL PARISH SCHOOL BOARD
Columbia, 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)

Fiscal budget integration (within the accounting records) is not 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 significant by the Board. All budget revisions are approved by the Board.

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed for other commitments of the School Board. 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, interest-bearing demand deposits, and money market 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, money market accounts, 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 maturity exceed 90 days; however, if the original maturity is 90 days or less they are classified as cash equivalents. Investments are stated at amortized cost.

G. 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 inter-fund loans are classified as inter-fund receivable/payables.

H. INVENTORIES

Inventory items are expressed as purchased except for inventory of the School Food Service Fund.

Inventory of the School Food Service Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost. Approximately 64 percent of fixed assets are valued at actual historical cost, while the remaining 36 percent are valued at estimated historical cost.

J. COMPENSATED ABSENCES

All 12-month employees earn 10 days of vacation leave each year. Vacation leave cannot be accumulated. Upon separation of employment, all unused vacation leave is forfeited.

All School Board employees earn from 10 to 18 days of sick leave each year that can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as unused service. Under the Louisiana School Employees Retirement System, all unpaid sick leave, which includes the 25 days paid, is used in the retirement benefit computation as unused service.

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

The cost of current leave privileges, stipulated in accordance with GASB Codification Section 030, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or both is or paid for accrued leave upon retirement or death of an employee. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

K. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

CALDWELL PARISH SCHOOL BOARD
Columbia, 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)

L. FUND EQUITY

Reserves

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

Designated Fund Balances

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

M. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Warehousing or accounting permanent transfers of equity are reported as initial equity transfers. All other interfund transfers are reported as operating transfers.

N. SALES TAX

On April 7, 2009, the voters of Caldwell Parish approved a one percent sales and use tax to be levied by the Caldwell Parish School Board. The sales and use tax is collected by the Concordia Parish School Board and deposited in the Sales Tax Special Revenue Fund.

On January 18, 1997, the voters of Caldwell Parish approved a one percent sales and use tax to be levied by the Caldwell Parish School Board. The sales and use tax is collected by the Concordia Parish School Board and deposited in the Sales Tax Special Revenue Fund.

The proceeds of said tax (after paying reasonable and necessary costs and expenses of collecting and administering the tax) is to be dedicated and used to supplement other revenues available for the payment of salaries and retirement benefits for certified and non-certified employees of the School Board.

O. MEMORANDUM ONLY - TOTAL COLUMNS

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

CALDWELL PARISH SCHOOL BOARD
Caldwell, 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)

F. ADOPTION OF GASB PRONOUNCEMENTS

In September 1990, GASB issued Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" (GASB 20), which discusses the application of authoritative accounting pronouncements for proprietary accounting and other funds that use proprietary accounting.

The School Board was required to adopt GASB 20 in fiscal year 1995. GASB 20 allows the School Board to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, or to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989. The School Board has elected to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

G. 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 discontinued the effects of adoption.

NOTE 2 - EXPENDITURES - ACTUAL AND BUDGET

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

Fund	Budget	Actual	Unfavorable Variance
Special Revenue Funds:			
Special maintenance	\$146,308	\$160,135	\$ 13,827
Title I	504,343	508,251	3,908

NOTE 3 - LEVIED TAXES

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