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**Lincoln Parish School Board
Natchez, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 1989**

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

Approved Date: 1/20/2000

**Lincoln Parish School Board
Bossier, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 1998**

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Lincoln Parish School Board
Baton Rouge, Louisiana

Annual Financial Report
As of and for the Year Ended June 30, 1999

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INDEPENDENT AUDITORS' REPORT

Board Members
Lincoln Parish School Board
Bossier, Louisiana

We have audited the accompanying **GENERAL PURPOSE FINANCIAL STATEMENTS** of Lincoln Parish School Board, Bossier, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the School Board, as of June 30, 1999, and the results of its operations, and the cash flows of its proprietary fund types for the year then-ended, in conformity with generally accepted accounting principles.

The year 2000 information on page 42 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board (GASB) Technical Bulletin (TB) 99-1, *Disclosures About Year 2000 Issues* - an amendment of Technical Bulletin 94-1. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the School Board is or will become year 2000 compliant, that the School Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the School Board does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued our report, under separate cover, dated October 14, 1999, on our consideration of the School Board's internal control over financial reporting and controls of its compliance with certain provisions of laws, regulations, contracts and grants.

Board Members
Lincoln Parish School Board
Bastion, Louisiana

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the School Board, taken as a whole. The 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.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 14, 1999

LINCOLN PARISH SCHOOL BOARD
Baton Rouge, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1983

	GOVERNMENTAL FUNDS			PROPRIETARY
	GENERAL FUND	SPECIAL FUND	DEBT SERVICE FUND	TYPE-INTERNAL SERVICE
ASSETS AND OTHER DEBITS				
Assets				
Cash and cash equivalents	\$ 1,708,717	\$ 648,872	\$ 487,400	\$ 401,390
Investments	2,875,805	285,400	1,434,800	0
Receivables	1,075,397	542,781	6,354	81,043
Due from other funds	404,835	0	0	0
Deposits	0	2,850	0	0
Inventory	0	87,388	0	0
Prepaid items	6,775	0	0	0
Land, buildings, and equipment	0	0	0	0
Other debits				
Amount available in debt service fund	0	0	0	0
Amount to be provided for payment of debt	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 6,070,834	\$ 1,850,731	\$ 1,827,784	\$ 482,433
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts, salaries and other payables	\$ 2,337,847	\$ 313,021	\$ 0	\$ 280,148
Due to other funds	0	464,835	0	0
Deposits due others	0	0	0	0
Deferred revenues	0	61,848	0	0
Moray payable	0	0	0	0
Bonds payable	0	0	0	0
Capital leases payable	0	0	0	0
Compensated absences payable	0	0	0	0
Total Liabilities	\$ 2,337,847	\$ 788,804	\$ 0	\$ 280,148
Equity and other credits				
Investments in general fund assets	\$ 0	\$ 0	\$ 0	\$ 0
Retained earnings (deficit)	0	0	0	124,784
Fund Balances				
Reserved for inventory	0	33,308	0	0
Reserved for prepaid items	6,775	0	0	0
Reserved for instruction, repairs & construction	508,625	0	0	0
Reserved for salary improvements	188,848	0	0	0
Reserved for debt service	0	0	1,007,707	0
Unexpended and undesignated fund balance	1,058,039	1,028,953	0	0
Total equity and other credits	\$ 1,781,392	\$ 1,068,911	\$ 1,007,707	\$ 124,784
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 4,119,239	\$ 1,857,715	\$ 1,007,707	\$ 405,132

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

Statement A

FIDUCIARY- AGENCY FUND	ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
\$ 432,000 \$	0 \$	0 \$	0 \$	1,007,447
0	0	0	0	4,058,411
0	0	0	0	1,687,157
0	0	0	0	484,038
				2,800
0	0	0	0	57,600
0	0	0	0	8,715
0	38,242,491	0	0	38,242,491
0	0	1,827,767	1,827,767	
0	0	10,827,881	10,827,881	10,827,881
<u>\$ 432,000 \$</u>	<u>38,242,491 \$</u>	<u>12,735,688 \$</u>	<u>0 \$</u>	<u>62,782,544</u>
0 \$	0 \$	0 \$	0 \$	2,910,914
0	0	0	0	404,836
432,000	0	0	0	432,000
0	0	0	0	54,848
0	0	188,185	188,185	
0	0	10,248,000	10,248,000	
0	0	222,587	222,587	
0	0	1,827,888	1,827,888	
<u>0 \$</u>	<u>0 \$</u>	<u>12,735,688 \$</u>	<u>0 \$</u>	<u>15,854,825</u>
0 \$	38,242,491 \$	0 \$	0 \$	38,242,491
0	0	0	0	124,764
0	0	0	0	10,300
0	0	0	0	8,715
0	0	0	0	838,638
0	0	0	0	189,840
0	0	0	0	1,827,767
0	0	0	0	4,058,411
<u>0 \$</u>	<u>38,242,491 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>45,145,510</u>
<u>\$ 432,000 \$</u>	<u>38,242,491 \$</u>	<u>12,735,688 \$</u>	<u>0 \$</u>	<u>62,782,544</u>

LINCOLN PARISH SCHOOL BOARD
Burke, Louisiana

ALL GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

Statement 02

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 2,855,856	\$ 1,000,330	\$ 1,881,204	\$ 5,737,390
Sales and use	8,781,888	0	0	8,781,888
Interest earnings	400,862	58,872	86,883	546,617
Food service	0	387,043	0	387,043
Other	308,800	71,305	80	380,185
State sources:				
Equalization	17,187,306	576,458	0	17,763,764
Other	1,701,350	86,124	0	1,787,474
Federal sources:	0	0	0	0
Total Revenues	\$ 28,809,782	\$ 2,465,025	\$ 1,968,184	\$ 33,242,991
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 18,204,284	\$ 80,550	\$ 0	\$ 18,284,834
Special programs	5,089,055	1,320,885	0	6,409,940
Other instructional programs	3,233,650	89,408	0	3,323,058
Support services:				
Student services	1,223,227	0	0	1,223,227
Instructional staff support	1,441,048	305,315	0	1,746,363
General administration	680,757	82,840	86,078	849,675
School administration	1,865,433	0	0	1,865,433
Utilities services	385,870	0	0	385,870
Fund services	1,428,183	1,881,577	0	3,309,760
Student transportation services	1,273,284	440,880	0	1,714,164
Capital projects	49,288	0	0	49,288
Food services	274,885	2,500,168	0	2,775,053
Community school program	18,888	23,400	0	42,288
Facilities acquisition and construction	458,831	18,078	0	476,909
Debt service:				
Principal retirement	63,510	8,743	1,444,837	1,517,090
Interest and bank charges	28,888	3,488	870,280	902,656
Total Expenditures	\$ 38,508,717	\$ 5,470,024	\$ 2,315,163	\$ 46,293,904
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES:	\$ (9,698,935)	\$ (3,004,999)	\$ (346,979)	\$ (13,050,913)

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD
Bossier, Louisiana

ALL GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2010

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTAL (MEMORANDUM ONLY)
OTHER FINANCING SOURCES USED				
Operating transfers in	\$ 4,074	\$ 100,000	\$ 87,708	\$ 191,782
Operating transfers out	(100,000)	(80,870)	0	(180,870)
Sale of assets	600	603	0	1,203
Insurance proceeds	0	3,292	0	3,292
Total Other Financing Sources (Used)	\$ (95,326)	\$ 21,825	\$ 87,708	\$ 1,607
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 140,004	\$ 6,686	\$ (10,856)	\$ (57,270)
FUND BALANCES AT BEGINNING OF YEAR	4,028,348	1,874,201	2,650,405	8,552,954
FUND BALANCES AT END OF YEAR	\$ 4,168,352	\$ 1,880,887	\$ 2,639,549	\$ 8,688,788

(CONTINUED)

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

LINCOLN PARISH SCHOOLS BOARD
Bossier, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Condensed Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998

Statement C

REVENUES	BUDGET	ACTUAL	VARIANCE
			FAVORABLE
			UNFAVORABLE
Local sources:			
Taxes:			
All sources	\$ 2,845,028	\$ 2,885,008	\$ 39,980
Sales and use	6,715,280	6,751,860	36,580
Interest earnings	584,280	429,800	(154,480)
Other	188,028	208,800	20,772
State sources:			
Equalization	17,760,475	17,757,850	(2,625)
Other	1,715,884	1,701,200	(14,684)
Federal sources:	294,782	40,714	(254,068)
Total Revenues	\$ 28,700,777	\$ 28,604,730	\$ 96,047
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 15,141,000	\$ 15,054,034	\$ 86,966
Special programs	3,145,400	3,098,000	47,400
Other instructional programs	2,212,400	2,233,600	(21,200)
Support services:			
Student services	1,058,411	1,022,000	36,411
Instructional staff support	1,447,821	1,441,000	6,821
General administration	872,150	588,750	(283,400)
School administration	1,067,049	1,063,400	3,649
Business services	308,472	308,878	(406)
Plant services	1,407,410	1,425,180	(17,770)
Student transportation services	1,778,872	1,771,384	7,488
Central services	38,812	46,280	(7,468)
Food services	285,079	274,285	10,794
Community service program	10,137	10,589	(452)
Facilities, equipment and construction	408,044	408,821	(777)
Debt service:			
Principal retirement	83,048	83,823	(775)
Interest and bank charges	24,058	20,880	3,178
Total Expenditures	\$ 30,248,780	\$ 30,208,717	\$ 40,063
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (18,008)	\$ (16,987)	\$ 1,021

2/26/1998/RS

LINCOLN PARISH SCHOOL BOARD
Baton, Louisiana

GOVERNMENTAL FUNDS - GENERAL FUND
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2020

(Statement 1)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
OTHER FINANCING SOURCES-USES			
Operating transfers in	\$ 0	\$ 4,974	\$ 4,974
Operating transfers out	\$(115,861)	\$(188,095)	16,234
Sale of assets	0	938	938
Total Other Financing Sources (Uses)	<u>\$ (115,861)</u>	<u>\$ (183,121)</u>	<u>\$ 21,864</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (328,426)	\$ (328,095)	168,962
FUND BALANCE AT BEGINNING OF YEAR	<u>2,414,154</u>	<u>4,228,249</u>	<u>938,132</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,085,728</u>	<u>\$ 3,790,154</u>	<u>\$ 908,154</u>

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD
Baton Rouge, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999

Statement C

VARIANCE
FAVORABLE

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNFAVORABLE</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 695,700	\$ 1,000,330	\$ 304,630
Interest earnings	47,880	55,977	10,097
Food service	399,800	567,040	167,240
Other	10,100	10,308	208
State sources:			
Equalization	375,458	378,458	-
Other	94,000	95,124	1,124
Federal sources:	<u>3,688,822</u>	<u>3,689,138</u>	<u>(311,284)</u>
Total Revenues	\$ 5,618,240	\$ 6,402,607	\$ 784,367
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 91,741	\$ 85,550	\$ 6,191
Special programs	1,688,138	1,238,088	450,050
Other instructional programs	83,568	85,428	(1,860)
Support services:			
Instructional staff support	240,148	265,218	(25,070)
General administration	88,538	83,840	4,698
Plant services	1,288,288	1,894,577	(606,289)
Student transportation services	179,000	165,888	13,112
Food services	3,213,180	2,503,958	709,222
Community service program	0	10,400	(10,400)
Facilities acquisition and construction	19,200	19,870	(670)
Debt service:			
Principal retirement	0	8,540	(8,540)
Interest and bank charges	0	3,000	(3,000)
Total Expenditures	\$ 5,700,024	\$ 6,478,028	\$ 777,904
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (81,784)	\$ (75,421)	\$ (6,637)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 100,000	\$ 100,000	\$ -
Operating transfers out	0	(82,078)	(82,078)
Sale of assets	100	983	(883)
Insurance proceeds	3,000	3,233	(233)
Total Other Financing Sources (Uses)	\$ 103,100	\$ 21,155	\$ 81,945

LINCOLN PARISH SCHOOL BOARD
 MONROE, Louisiana

GOVERNMENTAL FUNDS - (SPECIAL REVENUE FUNDS)
 Combined Statement of Revenues, Expenditures, and Changes
 in Fund Balances- Budget (FAM) Basis and Actual
 For the Year Ended June 30, 1999

Statement C

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (93,334) \$	(9,899) \$	73,435
FUND BALANCES AT BEGINNING OF YEAR	1,043,805	1,074,901	31,095
FUND BALANCES AT END OF YEAR	<u>\$ 950,472</u>	<u>\$ 1,065,002</u>	<u>\$ 108,530</u>

(Continued)

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

LINCOLN PARISH SCHOOL BOARD
Bossier, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Condensed Statement of Revenues, Expenses
and Changes in Retained Earnings (Deficit)
For The Year Ended June 30, 2022

\$2022000.00

OPERATING REVENUE	
Fees	\$ 4,832,121
OPERATING EXPENSES	
Administration	\$ 227,866
Instructional expense	345,785
Other	3,851,238
Total operating expenses	\$ 4,424,889
Operating income (loss)	\$ 407,232
NONOPERATING REVENUES	
Earnings on investments	4,228
Net income (loss)	\$ 411,460
RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR	87,824
RETAINED EARNINGS (Deficit) AT END OF YEAR	\$ 129,284

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

LINCOLN PARISH SCHOOL BOARD
Bossier, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combined Statement of Cash Flows
For the Year Ended June 30, 1999

(Statement 2)

CASH FLOW FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 67,800
Adjustments to reconcile operating income to net cash provided (used) for operating activities	
Increase (decrease) in payable	120,812
(Increase) decrease in receivable	<u>0</u>
Net cash provided (used) for operating activities	\$ <u>188,612</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Earnings on investments	\$ <u>1,228</u>
Net cash provided (used) by investing activities	\$ <u>1,228</u>
Net increase/decrease in cash and cash equivalents	\$ 189,840
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>239,793</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>429,633</u>

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

**Lincoln Parish School Board
Bossier, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

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**Lizucha Parish School Board
Bastou, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

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**Lincoln Parish School Board
Baton Rouge, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the 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 Lincoln Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:21 to provide public education for the children within Lincoln Parish. The School Board is authorized by LSA-R.S. 17:21 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 twelve members who are elected from twelve districts for terms of four years.

The School Board operates fourteen schools and is the fiscal agent for four unincorporated elementary schools within the parish with a total enrollment of approximately 4,365 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school fund services for the students.

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

B. FUNDS AND ACCOUNT GROUPS

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

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

Lincoln Parish School Board
Bossier, Louisiana

Notes to the General-Purpose Financial Statements
As a Fund for the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Governmental Funds

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

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

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

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

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary fund(s) include the following:

Internal service funds — accounts for operations that provide services other departments or agencies of the government, or to other governments, on a cost-allocation basis.

Workers' compensation fund — This fund, which began in fiscal year 1991, is used to account for the payment of workers' compensation benefits. Fund revenues are derived from government allocations. These revenues are planned to match: (1) expenses of insurance premiums in excess of risk retention amounts; (2) estimated claim losses resulting from risk retention programs which include estimated liabilities for claims incurred but not yet reported at year end, and (3) operating expenses.

Group health insurance fund — Monies in this fund are received from three sources: employer deductions from payroll, 1967 sales tax fund and the state of Louisiana. Monies are used to pay employee health insurance claims, the administrative cost to the insurance administrator for administration of the plan and processing medical claims, cost of excess and special insurance to protect the fund from exposure to large claims, hospital pre-certification, and life insurance with an insurance carrier.

Llano Parish School Board
Bossier, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

II. FUNDS AND ACCOUNT GROUPS (Continued)

Fiduciary Funds

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

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

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

Account Groups

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this measurement focus, only interest assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when measurable and available (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Lincoln Parish School Board
Bossier, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Governmental Funds (Continued)

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

Revenues

All voluntary taxes and sales taxes are susceptible to accrual.

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

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

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid over twelve months.

Other Financing Sources (Uses)

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

Proprietary Funds

Proprietary funds are accounted for as the flow of economic resources management focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The school board has elected pursuant to GASB Statement No. 26, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1986.

**Lincoln Parish School Board
Bossier, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Fiduciary Funds

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

D. BUDGETS

General Budget Policies

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

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

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

Appropriations (unexpended budget balance) lapse at year-end.

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

Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

Lincoln Parish School Board
Bossier, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BUDGETS (Continued)

Budget Basis of Accounting

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

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in investments with original maturities of ninety 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.

F. INVESTMENTS

Investments are limited by LSA-R.S. 31:2915 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are valued based on investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments in certificates of deposits are stated at cost. Investments in U. S. Treasury securities are stated at amortized cost. Investments in the Louisiana Asset Management Pool (LAMP) are valued at fair value.

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

Investments in amortizing interest-bearing contracts, such as amortizable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The School Board reported at amortized cost money market investments and amortizing interest-bearing investment contracts that have a remaining maturity at time of purchase of one year or less.

Lincoln Parish School Board
Bossier, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INVESTMENTS (Continued)

Definitions:

Interest-bearing investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

The School Board participates in the Louisiana Asset Management Fund, Inc. (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

The investment objective of the LAMP is the preservation of capital and the maintenance of liquidity and, to the extent consistent with such objective, current yield.

The LAMP was established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Board of Directors of LAMP provides certain management and administrative services to LAMP and, through a competitive bidding process, selects a custodial bank and an investment adviser. The custodial bank holds the assets of LAMP and the investment decisions are made by the investment adviser. Both the custodial bank and the investment adviser are subject to the review and oversight of LAMP.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

The LAMP may invest in U. S. Government Securities and is designed to comply with restriction on investments by municipalities, parishes, and other types of political subdivisions imposed under Louisiana Revised Statute 33:2935.

The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective. The LAMP's portfolio securities are valued at fair value. The LAMP operates in a manner consistent with the SEC's Rule 221 of the Investment Company Act of 1940, as amended, which governs money market funds (although the LAMP is not a money market fund and has an obligation to conform to this rule.) In addition, the LAMP will generally comply with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP must have, at the time of purchase, a maximum remaining maturity of 397 days and must certain additional quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

The fair value of the position in the pool is the same as the value of the pool shares.

**Lincoln Parish School Board
Bossier, Louisiana**

**Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

11. INVENTORY AND PREPAID ITEMS

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. Inventory of the school food service fund is accounted for on the consumption method. Inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture. Business related commodities which are not consumed as of the date of the balance sheet are reflected as deferred revenues since it is does not pass to the School Board until the commodities are consumed. Inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources," even though they are a component of total assets.

Acquisition of materials and supplies other than the food purchases are accounted for on the purchase method, that is, the expenditures are charged when the items are purchased. The value of these materials and supplies, except for the food purchased in the school food service special revenue fund, are not considered significant at June 30, 1999, and their value is not shown in the accompanying balance sheet.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

1. FIXED ASSETS

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

Fixed assets valued at estimated historical cost where no historical records exist was \$2,117,513 at year-end.

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

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

**Lincoln Parish School Board
Bossier, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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.

K. COMPENSATED ABSENCES

All twelve-month employees earn five to fifteen days of vacation leave each year, depending on their length of service with the School Board. Vacation leave may be accumulated and carried forward to the next calendar year. Upon retirement, termination, or death, unused accumulated vacation leave is paid to the employee at the employee's current rate of pay. Nine-month employees earn two week days of personal leave per academic year, which is non-accumulative.

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

Leave benefits are based on accrued leave benefits of employees with ten years service to a maximum of twenty-five days at their current annual salary.

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

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as liability as the benefits are earned by the employees if both of the following conditions are met:

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

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for unused sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.

Lincoln Parish School Board
Bossier, Louisiana

Notes to the General Purpose Financial Statements
As of and For the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. COMPENSATED ABSENCES (Continued)

- B. *Admissivity*, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach in accruing sick leave.

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

L. LONG-TERM OBLIGATIONS

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

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

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

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are delivered and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

**Lincoln Parish School Board
Baton Rouge, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. FUND EQUITY

Reservations of fund balances represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party commitments.

Designations of fund balances represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

N. INTERFUND TRANSACTIONS

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 collections of expenditures in the fund that is reimbursed.

All other interfund transactions are reported as transfers. Non-reversing or non-reciprocal permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. SALES TAXES

The School Board levies a one and one-half cent sales and use tax. The tax is collected by the Lincoln Parish Sales and Use Tax Commission and is remitted to the School Board the same month the tax is collected. The sales and use tax is recorded as revenue in the general fund.

A one-half cent sales and use tax, approved September 12, 1967, is dedicated to supplement other revenues available for the payment of salaries of teachers in the public elementary and secondary schools and for the expenditures of operating said schools, such operating expenditures to include payment of other personnel employed by the School Board in addition to teachers.

Another one-half cent sales and use tax, approved May 29, 1979, and rededicated March 8, 1988, was dedicated as follows:

Two-thirds is for paying salaries of certified and non-certified employees of the School Board above their base pay and paying retirement and other benefits for said employees.

One-third is for constructing, acquiring, renovating, improving and/or equipping schools and school-related facilities and for paying the cost of utilities therefor, and for improving instruction, providing instructional materials and student services and curriculum enrichment, including salaries for non-staffed instructional positions, in and for the public schools.

The third one-half cent sales and use tax, approved January 16, 1993, is dedicated for the purpose of paying instructional and support staff salaries and benefits, including but not limited to salaries and benefits for elementary school librarians, elementary school vocal music instructors, and elementary coordinators.

**Lincoln Parish School Board
Baton Rouge, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. USE OF ESTIMATES

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

G. MEMORANDUM ONLY - TOTAL COLUMNS

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Retained Earnings

The Workers' Compensation Internal Service Fund had a deficit retained earnings at June 30, 1999, of \$78,814. As of July 1, 1999, the School Board is no longer self-insured for workers' compensation.

B. Excess of Expenditures over Appropriations in Individual Funds

The following individual accounts and funds had actual expenditures over budgeted expenditures for the year ended June 30, 1999:

Fund	Budget	Actual	Unfavorable ...Variance...
General Fund:			
Current:			
Regular program	\$15,140,586	\$15,254,284	\$113,698
Other instructional programs	2,211,489	2,283,659	72,170
General administration	373,156	389,797	16,641
Plant services	1,407,470	1,428,183	20,713
Community service program	15,137	15,099	(38)
Debt service:			
Principal retirement	58,549	61,512	2,963
School Bond Service	2,253,100	2,303,168	50,068
Special Revenue Funds:			
Parish-wide Maintenance	\$86,919	\$88,814	1,895
Routes No. 1 Maintenance and Operation	253,161	257,877	4,716
Route No. 3 Maintenance and Operation	48,988	48,155	(833)

**Lincoln Parish School Board
Bossier, Louisiana**

**Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 3 - LEVIED TAXES

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

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

Property Tax Calendar

Assessment date	January 1, 1998
Tax bills mailed	On or about November 23, 1998
Total taxes are due	December 31, 1998
Lien date	January 1, 1999
Penalties and interest are added	January 1, 1999
Tax sale	May 1, 1999

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$167,186,878 for the 1998 calendar year. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$48,534,219 of the assessed value in calendar year 1998.

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

All property taxes are recorded in the general, special revenue funds (maintenance funds) and debt service funds on the basis explained in Note 1. Revenues in each fund are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Delinquent taxes considered to be uncollectible are not recorded as revenues. Property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year end.

**Lincoln Parish School Board
Baton Rouge, Louisiana**

**Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 3 - LEVIED TAXES (Continued)

The tax roll is not prepared by the tax assessor until November of each year, therefore, the amount of 1999 property taxes to be collected within the next year is not known. As a result, no property tax receivable for 1999 taxes is included on the accompanying combined balance sheet.

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

	Date of Vote Approval	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:				
Constitutional	Statutory	4.00	4.00	Statutory
Special maintenance and operation	Jan. 21, 1989	5.14	5.14	2008
Special repair and equipment	Jan. 23, 1989	5.14	5.14	2008
Maintenance and operation	Jan. 18, 1993	12.00	12.00	2002
District taxes:				
Maintenance and operations				
Ruston School District #1	Apr. 3, 1994	3.05	3.05	2002
Shimboro School District #9	July 2, 1985	3.19	3.19	2009
Dubach School District #5	Jan. 21, 1989	3.23	3.23	2008
Bond and interest				
Ruston School District #1		Variable	17.80	2009
Shimboro School District #9		Variable	18.20	2008
Chevalant School District #6		Variable	28.00	2007

The difference between authorized and levied millages are the result of the measurement of taxable property acquired by Article 7, Section 23 of the Louisiana Constitution of 1974.

NOTE 4 - DEPOSITS AND INVESTMENTS

As June 30, 1999, the School Board has cash and cash equivalents (books balances) totaling \$3,987,447 as follows:

Deposits are stated at cost, which approximates fair value. 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 fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the School Board's carrying amount of deposits was \$3,431,647 (includes \$1,034,000 of time deposits) and the bank balance was \$3,341,199. Of the bank balance, \$4,581,438 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GAASB Category 1). \$3,219,514 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GAASB Category 2). The remaining balance of \$48,047 is not secured by the pledge of securities and is a violation of state law.

Livestock Parish School Board
Kenner, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1999

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 18:1279 imposes a statutory requirement on the pledging bank to adhere to 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.

The School Board maintains a sweep account for the operating funds of the School Board. Each bank/cash account is swept daily for monies/cash. Excess amounts are invested in an overnight repurchase agreement which is invested in United States government treasury bills, treasury notes, and certificates of deposit. The U. S. government investments are held in the School Board's name through a book-entry system at the Federal Reserve Bank; therefore, these investments were considered to be Category 1 which includes investments that are collateralized with securities held by the pledging financial institution's trust department or its safekeeping agent in the School Board's name. Because the repurchase agreements mature daily and are highly liquid, the School Board treats these repurchase agreements as cash equivalents.

Investments are categorized into three basic 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 included the following:

	<u>Category</u>			<u>Carrying Amount</u>			<u>Total Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Cost</u>	
Time deposits	\$ -	\$ 1,434,808	\$ -	\$ -	\$ -	\$ 1,434,808	\$ 1,434,808
U. S. treasury securities	1,812,124	-	-	-	1,812,124	-	1,812,124
Total	<u>1,812,124</u>	<u>1,434,808</u>	<u>0</u>				
Investments not subject to categorization:							
External investment pool				1,341,282	-	-	1,341,282
Total Investments				<u>1,341,282</u>	<u>1,812,124</u>	<u>1,434,808</u>	<u>3,588,414</u>

**Lincoln Parish School Board
Baton Rouge, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 5 - RECEIVABLES

The receivables of \$1,683,137 at June 30, 1999, are as follows:

	General Fund	Special Revenue Funds	Debt Service Funds	Internal Service Fund	Total
Taxes: Ad valorem	\$ 8,878	\$ 4,409	\$6,364	\$ -	\$ 19,651
Sales tax	624,596	-	-	-	624,596
Intergovernmental - grants:					
Federal	2,868	537,375	-	-	540,243
State	410,123	-	-	-	410,123
Other	18,848	1,001	-	-	19,849
Step-loss receivable	-	-	-	62,613	62,613
Total	<u>\$1,035,303</u>	<u>\$542,781</u>	<u>\$6,364</u>	<u>\$62,613</u>	<u>\$1,687,151</u>

NOTE 6 - FIXED ASSETS

The changes in general fixed assets are as follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$ 360,535	\$ 580	\$ -	\$ 361,115
Buildings	28,741,613	800,781	-	29,542,394
Improvements other than buildings	133,535	46,063	-	179,598
Furniture and equipment	7,836,183	316,884	313,619	7,739,448
Vehicles	2,024,783	248,111	91,655	2,171,239
Construction in Progress	-	363,345	-	363,345
Total	<u>\$39,317,039</u>	<u>\$1,778,664</u>	<u>\$405,274</u>	<u>\$39,249,691</u>

Lincoln Parish School Board
Bossier, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999

NOTE 3 - RETIREMENT SYSTEMS

Plan description

Substantially all school board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and enacted 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 instructional workers are members of the Louisiana Teachers' Retirement System (LRS), 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 sixty with ten years of service, or at any age with twenty years of service. The formula for annual maximum retirement benefits is generally two percent (or its less than twenty-five years of service) or 2.5 percent (with twenty-five or more years of service) times the years of creditable service times the average salary of the thirty-six highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1985).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age fifty-five with at least twenty-five years of creditable service and at age sixty with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the thirty-six highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after thirty years of service, or after twenty-five years of service at age fifty-five or after ten years of service at age sixty. The maximum retirement allowance is computed as 2.5 percent times the highest thirty-six months of average salary, times the years of service plus a supplement of \$2.80 per month times the years of service.

Both LRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
Post Office Box 54123
Baton Rouge, Louisiana 70804-9123
(225) 923-6446

Louisiana School Employees' Retirement System
Post Office Box 44316
Baton Rouge, Louisiana 70804
(225) 923-6444

**Louisiana Parish School Board
Baton Rouge, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 7 - RETIREMENT SYSTEMS (Continued)

Funding Policy

Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Assets of the systems are funded by employee and employer contributions. Assets granted by the retirement systems are governed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded by the state of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSEERS, the School Board's employer contribution is funded by the state of Louisiana through annual appropriations.

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

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 1998, are as follows:

	Employee	Employer
Louisiana Teachers' Retirement System:		
Regular	8.80%	16.50%
Plan A	9.10%	16.50%
Louisiana School Employers' Retirement System		
	6.15%	6.80%

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSEERS for the year ended June 30, 1998, amounted to \$18,117,770, \$292,321, and \$1,646,832 respectively. Employer contributions for the year ended June 30, 1998, and each of the two preceding years are as follows:

Fiscal Year Ending	TRS		LSEERS	
	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid
June 30, 1997	\$2,877,242	91.45	\$104,384	106.22
June 30, 1998	3,066,811	92.89	182,924	108.58
June 30, 1999	3,349,379	98.04	115,646	96.37

Annual actuarially required contributions for each plan above is based on the plan's annual financial report for that year except for the year ended June 30, 1998. Each annual actuarially required contribution for the year ended June 30, 1999, is based upon each plan's annual financial report for the year ended June 30, 1999, which is the latest information available.

**Lincoln Parish School Board
Kenner, Louisiana**

**Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

In accordance with state statutes, the Lincoln 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 were provided through a self-insurance program, whose monthly premiums are paid jointly by the employees and the School Board. The cost of retiree benefits totaled \$564,046 for 1999 for approximately 274 retirees.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$2,918,214 at June 30, 1999, are as follows:

	General Fund	Special Revenue Funds	Internal Service Funds	Total
Salaries and withholding	\$2,158,853	\$128,964	\$ -	\$2,287,817
Accounts payable	171,799	91,839	-	263,638
Incurred but not reported claims	-	-	160,146	160,146
Total	\$2,330,652	\$220,803	\$160,146	\$2,711,599

NOTE 10 - COMPENSATED ABSENCES

At June 30, 1999, employees of the School Board have accumulated and vested \$1,937,896 of employee leave benefits including \$248,388 of salary-related benefits. Employee leave benefits, which are computed in accordance with GASB Codification Section 608. This amount is not expected to be paid from current available resources; therefore the liability of \$1,957,896 is recorded within the general long-term debt account group.

NOTE 11 - AGENCY FUND DEPOSITS AND OTHERS

A summary of changes in school activity agency fund deposits due others for the year ended June 30, 1999, is as follows:

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Agency Funds:				
School activity	\$338,462	\$1,578,698	\$1,085,101	\$831,659

Lincoln Parish School Board
Baton Rouge, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999

NOTE 12 - LEASES

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

<u>Items</u>		
13 school buses		\$447,146
3 school buses		159,289
2 copiers		<u>32,896</u>
Total		<u>\$639,331</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, 1999:

<u>Year ending June 30,</u>	<u>13 Buses</u>	<u>3 Buses</u>	<u>2 Copiers</u>	<u>Total</u>
2000	\$ 59,004	\$ 25,083	\$12,388	\$ 96,475
2001	59,004	25,083	12,388	96,475
2002	59,004	25,083	12,388	96,475
2003	<u>59,004</u>	<u>25,083</u>	<u>6,157</u>	<u>90,244</u>
Total minimum lease payments	236,014	100,340	41,081	377,435
Less amounts representing interest	<u>31,833</u>	<u>18,898</u>	<u>5,921</u>	<u>56,652</u>
Present value of net minimum lease payments	<u>\$204,181</u>	<u>\$81,442</u>	<u>\$35,160</u>	<u>\$320,783</u>

NOTE 13 - GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1999:

	<u>Notes</u>	<u>Bonds</u>	<u>Capital Leases</u>	<u>Compensated</u>	<u>Total</u>
	<u>Payable</u>	<u>Payable</u>	<u>Payable</u>	<u>Absences</u>	
Balance, July 1, 1998	\$ 211,692	\$ 11,687,000	\$ 382,990	\$ 1,584,073	\$ 13,795,755
Additions	-	-	-	534,771	534,771
Deductions	<u>(182,927)</u>	<u>(1,328,000)</u>	<u>(1,982,000)</u>	<u>(1,862,440)</u>	<u>(4,295,467)</u>
Balance, June 30, 1999	<u>\$ 28,765</u>	<u>\$ 8,359,000</u>	<u>\$ 380,990</u>	<u>\$ 1,256,404</u>	<u>\$ 9,325,159</u>

**Louisiana Parish School Board
Ruston, Louisiana**

**Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 13 - GENERAL LONG-TERM OBLIGATIONS (Continued)

The individual issues are as follows:

	Original Issue	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding June 30, 1999
RUSTON NO. 1					
December 1, 1991	\$1,818,000	4.50 - 6.00%	2005	\$1,728,583	\$ 2,420,000
SIMSBORO NO. 2					
February 1, 1978	118,000	5.00 - 5.50%	2000	28,325	180,000
November 1, 1990	1,678,000	2.60 - 4.50%	2006	223,283	1,215,000
CHOUDEBANT NO. 6					
February 1, 1978	138,000	5.00 - 5.50%	2000	21,175	150,000
April 1, 1999	417,000	4.25% - 4.80%	2007	88,375	388,000
November 1, 1990	1,253,000	2.60% - 4.30%	2006	154,413	875,000
SERIES 1999					
Certificate of Indebtedness	280,000	3.50%	2008	4,818	45,400
SERIES 1998					
Certificate of Indebtedness	108,000	4.10%	2002	5,812	50,000
Total				\$2,236,218	\$10,434,000

All bond principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. This notes payable is funded by the Title I federal program. At June 30, 1999, the School Board has accumulated \$1,927,767 in the debt service fund for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Notes		Debt		Total
	Principal Payments	Interest Payments	Principal Payments	Interest Payments	
2000	\$ 70,499	\$ 4,785	\$ 1,424,000	\$ 186,166	\$ 2,091,350
2001	26,808	3,153	1,538,000	200,858	2,068,119
2002	9,692	848	1,627,000	423,458	2,082,998
2003	-	-	1,791,000	322,658	2,083,658
2004	-	-	1,740,000	222,374	1,972,374
Thereafter	-----	-----	2,588,000	133,132	2,681,132
Total	\$186,189	\$10,786	\$18,348,000	\$2,245,456	\$12,710,422

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the assessed value of taxable property. At June 30, 1999, the statutory limit is \$53,171,043, and outstanding net bonded debt totals \$9,478,218.

Lincoln Parish School Board
Bossier, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999

NOTE 14 - INTERFUND TRANSACTIONS

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Special Revenue Funds	
	Title I	\$278,884
	Title VI	1,315
	Adult Education	5,734
	Title II	12,823
	Bossier No. 1 Maintenance and Operations	28,264
	Special Programs	112,566
	Title IV	<u>13,412</u>
Total		<u>\$654,015</u>

Operating Transfers

	Transfer To	Transfer Out
General Fund	\$ 4,934	\$108,081
Special Revenue Funds		
Title I	-	61,039
Parish-wide Maintenance	108,080	-
Special Programs	-	740
Debt Service Funds:		
Series 1999 Sinking	<u>12,796</u>	<u> </u>
Total	<u>\$12,690</u>	<u>\$169,860</u>

NOTE 15 - RESERVE AND DESIGNATED FUND BALANCES

Reserved for Inventory

This amount represents the portion of fund balance relating to inventory on hand which is therefore available to be expended for other purposes.

Reserved for Prepaid Items

This amount represents the portion of fund balance relating to expenditures that will benefit future periods.

**Llano Parish School Board
Baton Rouge, Louisiana**

**Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 15 - RESERVED AND DESIGNATED FUND BALANCES (Continued)

Reserved for Instruction, Repairs and Construction

One-third of the one-half cent sales tax, approved May 16, 1979, and re-dedicated March 8, 1985, is dedicated for reconstructing, acquiring, erecting, improving, and/or equipping schools and school-related facilities, and for paying the cost of utilities therefor, and for improving instruction, providing instructional materials and student services and curriculum enrichment, including salaries for over-staffed instructional positions, in and for the public schools.

Reserved for Salary Improvements

Two-thirds of the one-half cent sales tax, approved May 16, 1979, and re-dedicated March 8, 1985, and the one-half cent sales tax approved January 16, 1993, is dedicated for paying salaries, retirement and other benefits.

Reserved for Debt Service

This balance is reserved for the payment of principal and interest on bonded debt.

NOTE 16 - LITIGATION AND CLAIMS

Litigation

As June 30, 1999, the School Board is involved in various litigation. It is the opinion of management and legal counsel for the School Board that potential claims against the School Board not covered by insurance would not materially affect the financial statements.

Self-Insurance

The School Board is partially self-insured for workers' compensation and health insurance coverage. Claims are handled through employer contributions and operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$150,000 and \$75,000 per occurrence for workers' compensation insurance coverage, and for health coverage, respectively. All known claims filed and an estimate of incurred but not reported claims based on experience of the School Board are made and accrued as necessary in the financial statements.

Grant Reimbursage

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.

Lincoln Parish School Board
Baton Rouge, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999

NOTE 14 - LITIGATION AND CLAIMS (Continued)

Tax Arbitrage Refund

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

Year 2000 Compliant

The turn of the century will be an exciting time for many, but could turn into a disaster unless plans have been made concerning year 2000 compliance for the School Board's computer systems. The basic problem lies in the way most computer software, both operating systems and application programs, calculate dates. Most programs use two digits to represent the last two years of the 1990s dates. Therefore, the programs are not designed to expect dates between the years 1980 and 1999. If dates for the year 2000 are entered into these non-compliant programs, the programs will assume for year 2000 to be the year 1900. Many arithmetic calculations, such as due dates and interest calculations, will be incorrect. This problem, if not corrected, could cause all of the computer systems to malfunction. This would cause tremendous problems in important areas such as accounts payable and payroll, just to name a few.

The School Board's management does not expect this matter to have any significant disruption or material financial impact to the School Board.

NOTE 17 - RISK MANAGEMENT

The School Board initiated a risk management program for workers' compensation in fiscal year 1991. Premiums are paid into the workers' compensation internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 1998, a total of \$81,817 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$150,000. An amount for self insurance losses of \$62,086 has been accrued as a liability and was calculated by the third-party administrator. Interfund premiums are based primarily upon the individual funds' claim experience and are reported as expenditures in the individual funds.

The internal service fund - workers' compensation incurred a net loss for the fiscal year 1999 of \$83,629 and at June 30, 1999, had a retained earnings deficit of \$25,794.

The School Board initiated a risk management program for employees health insurance in fiscal year 1998. Premiums are paid into the group health insurance internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 1998 a total of \$3,307,368 and \$272,838, respectively, was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$75,000. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds. The incurred but not reported claims at year end of \$288,068 has been accrued as a liability based upon the third party administrator's calculation using historical claims experience.

**Lincoln Parish School Board
Bossier, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 17 - RISK MANAGEMENT (Continued)

The Internal Service Fund - group health insurance incurred a net income during the fiscal year 1999 of \$193,419 and as of June 30, 1999, had a retained earnings of \$133,718.

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

	Beginning of Fiscal Year	Claims and Changes in	Benefit Payments	Balance at Fiscal Year-End
	<u>Liability</u>	<u>Estimates</u>	<u>and Claims</u>	<u>Year-End</u>
Workers' Compensation:				
1997-1998	\$ 21,841	\$ 48,668	\$ 61,354	\$ 10,953
1998-1999	10,853	134,178	83,697	62,086
Health Insurance:				
1997-1998	259,601	3,243,179	3,234,838	228,921
1998-1999	228,921	3,988,702	3,829,163	259,060

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 18 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

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

The state of Louisiana made pension contributions (regarding Professional Improvement Programs) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$115,251. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 19 - DEFEASANCE OF DEBT

The School Board defeased in the prior year certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statements. On June 30, 1998, \$181,800 of bonds outstanding are considered defeased.

**Lincoln Parish School Board
Bossier, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 18 - SUBSEQUENT EVENTS

The School Board purchased three new and two used buses in July and October of 1998. The total cost of the buses was \$213,300.

In the October 1999 meeting, the School Board called for an election on January 13, 2000, for a half cent sales tax and a ten mill ad valorem tax. The taxes are primarily for teacher and support staff pay raises, technology, and will also provide retiree single health premiums.

The School Board installed new phone systems at four sites with a total cost, after e-rate discounts, of approximately \$76,806. Installation began in July 1999 and will continue through January 2000.

As of July 1, 1999, the School Board is no longer self-insured for workers' compensation.

**Lincoln Parish School Board
Baton Rouge, Louisiana**

REQUIRED SUPPLEMENTAL INFORMATION

**Lincoln Parish School Board
Bastion, Louisiana**

**Required Supplemental Information
June 28, 1999**

On March 29, 1999, the Governmental Accounting Standards Board (GASB) issued Technical Bulletin (TB) 99-1, *Disclosures about Year 2000 Issues - an amendment of Technical Bulletin 98-7*. This amendment, among other things, provides that required year 2000 disclosures may be reported as required supplementary information. The School Board reported the year 2000 disclosures as required supplemental information.

Year 2000 Information

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. To date, the School Board has not experienced any such shortcomings in targeted systems and equipment.

The School Board has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are considered mission critical in conducting school board operations. These systems are financial reporting, payroll, employee benefits systems, and educational statistics reporting.

As of this date, the financial reporting system has been assessed and remediation has been completed. The payroll system has been assessed and remediated.

The District utilizes an external service organization for the claims administration of its self-insured health and dental benefit plan. The external service organization is responsible for the remediation of this system. The organization has assessed the School Board the claims processing system has been remediated and the system has been tested.

The state of Louisiana distributes a substantial sum of money to the Board in the form of payments from the Minimum Foundation Program (MFP) and federal and state grants. The MFP payments are based on student and financial data that is collected from the Lincoln Parish School Board and its schools. As of this date, the Lincoln Parish School Board has remediated the student data collection system at all sites. Further, the state processes a significant amount of financial and non-financial information about the Board through the state's Department of Education management information system. The state is responsible for the remediation of these systems.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure the School Board it or will be year 2000 ready, that the School Board's remediation efforts will be successful in whole or in part, or that parties with whom the School Board does business will be year 2000 ready.

**Lincoln Parish School Board
Baton Rouge, Louisiana**

SUPPLEMENTAL INFORMATION

**Lincoln Parish School Board
Baston, Louisiana**

GENERAL FUND

The general fund is used to account for revenues traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

LINCOLN PARISH SCHOOL BOARD
Baton Rouge, Louisiana

GENERAL FUND ACCOUNTS
Combining Balance Sheet
June 30, 1999

	1997		1998
	GENERAL	SALES TAX	SALES TAX
	ACCOUNTS	ACCOUNT	ACCOUNT
ASSETS			
Cash and cash equivalents	\$ 273,707	\$ 9,284	\$ 308,247
Investments	1,892,124	0	0
Receivables	408,728	211,476	218,831
Due from other funds	484,008	0	0
Prepaid items	8,778	0	0
TOTAL ASSETS	\$ 2,967,345	\$ 220,760	\$ 527,078
LIABILITIES AND EQUITY			
Liabilities:			
Accounts, salaries and other payables	\$ 2,871,952	\$ 3,833	\$ 194,888
Total Liabilities	\$ 2,871,952	\$ 3,833	\$ 194,888
Equity:			
Fund balances:			
Reserved for prepaid items	\$ 6,776	\$ 0	\$ 0
Reserved for instruction, repairs and construction	0	0	308,028
Reserved for salary improvements	0	0	198,648
Unassigned and undesignated fund balance	800,734	217,928	11,592
Total Equity	\$ 815,500	\$ 217,928	\$ 528,268
TOTAL LIABILITIES AND EQUITY	\$ 2,967,452	\$ 438,642	\$ 1,043,156

Exhibit 1

	1990	1990	
	SALES TAX	AD VALOREM	
	ACCOUNT	TAX ACCOUNT	TOTAL
\$	553,283 \$	594,037 \$	1,147,320
	551,425	495,448	1,046,873
	211,548	9,574	1,258,421
	0	0	484,238
	0	0	5,776
<u>\$</u>	<u>1,276,256 \$</u>	<u>119,000 \$</u>	<u>1,395,256</u>
\$	82,282 \$	18,822 \$	1,011,157
\$	82,282 \$	18,822 \$	1,011,157
\$	0 \$	0 \$	0,776
	0	0	528,621
	0	0	180,540
	1,184,245	786,738	1,970,983
<u>\$</u>	<u>1,184,245 \$</u>	<u>786,738 \$</u>	<u>1,970,983</u>
<u>\$</u>	<u>1,276,256 \$</u>	<u>119,000 \$</u>	<u>1,395,256</u>

LINCOLN PARISH SCHOOL BOARD
Bossier, Louisiana

GENERAL FUND ACCOUNTS
Comparing Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

	GENERAL ACCOUNTS	1997 SALES TAX ACCOUNT	1979 SALES TAX ACCOUNT
REVENUES			
Local sources:			
Taxes:			
Ad valorem:	\$ 1,240,087	\$ 0	\$ 0
State land sale:	0	2,250,892	2,250,892
Interest earnings:	240,278	18,897	50,791
Other:	150,820	48,300	200
State sources:			
Equalization:	12,767,896	0	0
Other:	1,704,242	0	0
Federal sources:	87,714	0	0
Total Revenues	<u>\$ 21,280,046</u>	<u>\$ 2,318,091</u>	<u>\$ 2,251,083</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs:	\$ 11,450,331	\$ 1,270,622	\$ 1,310,280
Special programs:	2,770,884	495,085	170,880
Other instructional programs:	1,728,414	183,573	182,433
Support services:			
Student services:	624,705	72,307	97,873
Instructional staff support:	1,023,000	77,484	158,705
General administration:	340,090	30,249	23,504
School administration:	1,671,771	140,877	83,268
Business services:	284,749	29,244	70,891
Plant services:	788,028	62,607	88,488
Student transportation services:	1,714,883	158,320	83,823
Central services:	42,764	1,200	2,350
Food services:	7,806	82,078	98,807
Community service programs:	15,008	0	0
Facilities acquisition and construction:	188,882	0	0
Debt service:			
Principal retirement:	83,333	0	0
Interest and bank charges:	20,888	0	0
Total Expenditures	<u>\$ 21,554,784</u>	<u>\$ 2,354,708</u>	<u>\$ 2,310,030</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (274,738)</u>	<u>\$ (36,717)</u>	<u>\$ (158,947)</u>

Exhibit 3

1993		1994		TOTAL	
SALES TAX ACCOUNT		AD VALOREM TAX ACCOUNT			
\$	0	\$	1,004,111	\$	2,885,288
	2,250,882		0		0,731,288
	67,838		48,008		428,882
	0		58,908		288,592
	0		0		17,787,358
	0		0		1,781,250
	0		0		81,734
<u>\$</u>	<u>2,318,720</u>	<u>\$</u>	<u>1,811,027</u>	<u>\$</u>	<u>25,884,138</u>

\$	1,270,987	\$	340,804	\$	15,254,284
	277,940		12,500		3,088,088
	181,080		38,380		2,333,680
	88,277		80,815		1,222,320
	188,297		4,180		1,441,048
	23,088		807,800		588,757
	103,787		44,850		1,060,450
	71,827		7,488		308,878
	78,884		493,817		1,428,182
	188,278		278,448		1,777,384
	2,849		0		48,208
	178,184		0		274,088
	0		0		13,500
	0		348,340		428,607
	0		0		83,500
	0		0		28,588
<u>\$</u>	<u>2,378,882</u>	<u>\$</u>	<u>1,888,447</u>	<u>\$</u>	<u>26,328,717</u>

\$	28,000	\$	141,800	\$	128,000
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(CONTINUED)

LINCOLN PARISH SCHOOL BOARD
Bossier, Louisiana

GENERAL FUND ACCOUNTS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

	GENERAL	1997	1978
	ACCOUNTS	SALES TAX	SALES TAX
		ACCOUNT	ACCOUNT
OTHER FINANCING SOURCES (USED):			
Operating transfers in	\$ 4,374	\$ 0	\$ 0
Operating transfers out	(100,000)	0	0
Sum of accounts	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Used)	\$ <u>(95,626)</u>	\$ <u>0</u>	\$ <u>0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (94,180)	\$ (95,150)	\$ (7,260)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,208,894</u>	<u>130,104</u>	<u>718,471</u>
FUND BALANCES AT END OF YEAR	\$ <u>1,114,714</u>	\$ <u>33,954</u>	\$ <u>711,211</u>

Exhibit B

1992		1993		TOTAL
SALES TAX ACCOUNT		AD VALOREM TAX ACCOUNT		
\$	0.0	\$	0.0	4,874
	0		0	(100,000)
	<u>0</u>		<u>0</u>	<u>890</u>
\$	0.0	\$	0.0	(84,125)
\$	20,000.0	\$	041,000.0	(430,000)
	<u>1,786,245</u>		<u>800,000</u>	<u>4,890,245</u>
\$	<u>1,786,245</u>	\$	<u>759,125</u>	<u>3,786,245</u>

(CONTINUED)

**Lincoln Parish School Board
Bossier, Louisiana**

SPECIAL REVENUE FUNDS

TITLE I

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

TITLE III

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

Grants are awarded for students at risk of failure in school; instructional materials; school-wide improvements and effective school programs; training and professional development; early identification of children with reading disabilities; personal excellence of students and student achievement; and innovative enhancement projects to the educational program and climate of the school.

ADULT EDUCATION

To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and continuing programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

TITLE III

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

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.

(Continued)

**Lincoln Parish School Board
Baton Rouge, Louisiana**

SPECIAL REVENUE FUNDS

PARISH-WIDE MAINTENANCE

The parish-wide maintenance fund accounts for the proceeds of a special parish-wide ad valorem tax to be used for maintenance and upkeep of school facilities.

**ROUSSEAU SCHOOL DISTRICT NO. 1
MAINTENANCE AND OPERATION**

The Rousseau School District No. 1 maintenance and operation fund accounts for the proceeds of a 3-mil Rousseau School District ad valorem tax to be used for the utilities of the schools in the district.

**SHIMBORA SCHOOL DISTRICT NOS. 2
MAINTENANCE AND OPERATION**

The Shimboru School District No. 2 maintenance and operation fund accounts for the proceeds of a 3-mil Shimboru School District ad valorem tax to be used for the utilities of the schools in the district.

**DEBACH SCHOOL DISTRICT NO. 3
MAINTENANCE AND OPERATION**

The Debach School District No. 3 maintenance and operation fund accounts for the proceeds of a 3-mil Debach School District ad valorem tax to be used for maintaining and operating the school facilities in the district including the payment of the cost of the utilities.

SPECIAL PROGRAMS

The special programs fund accounts for various federal grants to the School Board. All of the grants are restricted for special programs.

TRULY DRUG-FREE

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

(Continued)

LINCOLN PARISH SCHOOL BOARD
Bossier, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1999

	TITLE I	TITLE II	ADULT EDUCATION	TITLE I	SCHOOL FOOD SERVICES
ASSETS					
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75,447
Investments	0	0	0	0	0
Receivables	349,800	1,335	7,382	12,823	0
Deposits	0	0	0	0	0
Inventory	0	0	0	0	57,890
TOTAL ASSETS	\$ 349,800	\$ 1,335	\$ 7,382	\$ 12,823	\$ 133,337
LIABILITIES AND EQUITY					
Liabilities:					
Accounts, salaries & other payables	\$ 10,861	\$ 0	\$ 1,888	\$ 0	\$ 107,807
Due to other funds	370,804	1,335	8,724	12,823	0
Deferred revenues	66,183	0	0	0	33,258
Total Liabilities	\$ 547,848	\$ 1,335	\$ 7,382	\$ 12,823	\$ 141,065
Equity					
Fund Balances:					
Reserved for inventory	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,890
Unassigned and undesignated	0	0	0	0	843,790
Total Equity	\$ 0	\$ 0	\$ 0	\$ 0	\$ 894,680
TOTAL LIABILITIES AND EQUITY	\$ 547,848	\$ 1,335	\$ 7,382	\$ 12,823	\$ 1,035,745

SCHOOL DISTRICTS

FUND/PROJECT MAINTENANCE	REGIONAL NO. 1	UNIVERSITY NO. 1	EDMONTON NO. 5	SPECIAL PROGRAMS	TOTAL OF FOUR (4) FUND	TOTAL
	MAINTENANCE & OPERATIONS	MAINTENANCE & OPERATIONS	MAINTENANCE & OPERATIONS			
\$	184,800 \$	0 \$	12,270 \$	1,370 \$	0 \$	198,440
	702,890	121,921	0	26,576	0	851,387
	4,345	770	550	0	152,440	162,115
	2,500	0	0	0	0	2,500
	0	0	0	0	0	0
<u>\$</u>	<u>241,715 \$</u>	<u>122,691 \$</u>	<u>12,820 \$</u>	<u>21,896 \$</u>	<u>152,440 \$</u>	<u>550,562 \$</u>
\$	20,840 \$	20,284 \$	3,884 \$	3,071 \$	20,840 \$	0 \$
	0	20,284	0	0	152,440	172,724
	0	0	0	0	0	0
<u>\$</u>	<u>20,840 \$</u>	<u>20,284 \$</u>	<u>3,884 \$</u>	<u>3,071 \$</u>	<u>152,440 \$</u>	<u>176,794 \$</u>
\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$
	287,792	40,000	5,592	28,820	0	362,204
<u>\$</u>	<u>287,792 \$</u>	<u>40,000 \$</u>	<u>5,592 \$</u>	<u>28,820 \$</u>	<u>0 \$</u>	<u>362,204 \$</u>
<u>\$</u>	<u>241,715 \$</u>	<u>162,691 \$</u>	<u>12,820 \$</u>	<u>21,896 \$</u>	<u>152,440 \$</u>	<u>579,562 \$</u>

LINCOLN PARISH SCHOOL BOARD
Bossier, Louisiana

SPECIAL REVENUE FUND
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

	ADULT			SCHOOL FOOD SERVICE	
	TITLE I	TITLE VI	EDUCATION	TITLE B	
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest earnings	0	0	0	0	24,373
Fiscal transfer	0	0	0	0	287,040
Other	0	0	0	0	514
State sources:					
Equalization	0	0	0	0	376,458
Other	0	0	0	0	0
Federal sources	1,508,178	48,480	28,800	28,380	1,499,838
Total Revenues	\$ 1,508,178	\$ 48,480	\$ 28,800	\$ 28,380	\$ 2,295,084
EXPENDITURES					
Current:					
Instruction:					
Regular programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special programs	813,104	40,480	0	27,714	0
Other instructional programs	0	0	28,800	0	0
Support services:					
Instructional staff support	348,860	0	1,304	0	0
General administration	23,834	81	490	678	0
Plant services	91,818	0	0	0	0
Student transportation services	0	0	0	0	0
Food services	0	0	0	0	2,500,884
Community services	23,488	0	0	0	0
Facilities acquisition and construction	0	0	0	0	0
Debt service:					
Principal retirement	0	0	0	0	0
Interest and bank charges	0	0	0	0	0
Total Expenditures	\$ 1,373,244	\$ 40,481	\$ 28,800	\$ 28,384	\$ 2,295,084
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 134,934	\$ 7,999	\$ 0	\$ 0	\$ (13,000)

SCHOOL DISTRICTS

PARISHWIDE MAINTENANCE	SCHOOL DISTRICTS		SPECIAL PROGRAMS	TITLE IV (DRUG FREE)	TOTAL
	PLANT NO. 1 MAINTENANCE & OPERATIONS	BRIBARD NO. 2 MAINTENANCE & OPERATIONS			
\$ 84,410	\$ 208,000	\$ 38,207	\$ 58,860	\$ 0	\$ 1,800,000
15,415	3,818	188	1,281	0	80,570
0	0	0	0	0	287,043
32,294	0	0	0	0	32,294
0	0	0	0	0	270,489
86,124	0	0	0	0	86,124
8,200	0	0	0	587,174	38,838
\$ 787,399	\$ 204,818	\$ 38,395	\$ 61,140	\$ 587,174	\$ 6,500,000
\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,610	\$ 27,247
0	0	0	0	557,778	0
0	0	0	0	62,800	0
0	0	0	0	23,800	0
16,288	7,817	1,768	1,230	8,218	881
880,889	249,880	47,407	80,576	8,218	0
181,589	0	0	0	0	0
0	0	0	0	0	2,903,508
0	0	0	0	0	23,400
60,570	0	0	0	0	0
8,743	0	0	0	0	0
3,588	0	0	0	0	0
\$ 880,889	\$ 257,697	\$ 49,165	\$ 81,806	\$ 528,604	\$ 28,800
\$ 0	\$ 0	\$ 132,943	\$ 0	\$ 740	\$ 0

(continued)

LINCOLN PARISH SCHOOL BOARD
Baton Rouge, Louisiana

SPECIAL REVENUE FUNDS
Consisting of Statements of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

	TITLE I	TITLE IV	ADULT EDUCATION	TITLE I	SCHOOL FOOD SERVICE
OTHER FINANCING SOURCES (USES)					
Operating transfer in	0	0	0	0	0
Operating transfers out	(61,508)	0	0	0	0
Sale of assets	0	0	0	0	0
Insurance proceeds	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ (61,508)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	0	0	0	0	(10,594)
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,594</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Exhibit A

SCHOOL DISTRICTS

FUNDING SOURCE	SCHOOL NO. 1		SCHOOL NO. 2		SCHOOL NO. 3		SPECIAL PROGRAMS	TITLE IV (SCHOOL PRISM)	TOTAL
	MAINTENANCE	& OPERATIONS	MAINTENANCE	& OPERATIONS	MAINTENANCE	& OPERATIONS			
\$ 100,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	100,000
0	0	0	0	0	0	(740)	0	0	(6,878)
900	0	0	0	0	0	0	0	0	900
<u>2,250</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,250</u>
\$ 104,150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(740)	\$ 0	\$ 0	103,410
\$ 0	\$ 8,000	\$ (10,140)	\$ 8,004	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(2,136)
<u>507,297</u>	<u>85,880</u>	<u>85,728</u>	<u>78,294</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,097,419</u>
<u>\$ 507,298</u>	<u>\$ 40,000</u>	<u>\$ 2,588</u>	<u>\$ 78,294</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,058,215</u>

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**Lincoln Parish School Board
Bossier, Louisiana**

DEBT SERVICE FUNDS

The debt service funds are used to accumulate monies to pay outstanding bond issues and the Certificate of Indebtedness. The bonds were issued by the respective school districts to acquire land for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are secured by an ad valorem tax on property within the legal boundaries of the respective school districts. The proceeds of the Certificate of Indebtedness funded the cost of two computer bids for the Title I program. One certificate was issued in the 1995-96 fiscal year to be repaid over a three-year period, and another certificate was issued in the 1997-98 fiscal year to be repaid over a four-year period. The funds for repayment of these certificates are allocated annually by the LBSA Title I program.

The School Board utilizes the following debt service funds:

BOSTON SCHOOL DISTRICT NO. 1

BIMSBORO SCHOOL DISTRICT NO. 3

CHOUDEBANT SCHOOL DISTRICT NO. 6

SERIES 1995 AND 1998 BONDING

LINCOLN PARISH SCHOOL BOARD
Bossier, Louisiana

DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 1999

Exhibit B

	SCHOOL DISTRICTS			BOND	
	WAFCA	WABAMA	WABOARD	1999 AND 1999	
	NO. 1	NO. 2	NO. 3	FINANCE	TOTAL
ASSETS					
Cash and cash equivalents	\$ 278,247	\$ 30,883	\$ 44,349	\$ 30,824	\$ 484,303
INVESTMENTS	\$ 945,880	\$ 995,880	\$ 250,880	\$ 0	\$ 2,192,620
Receivables	\$ 6,238	\$ 1,837	\$ 81	\$ 0	\$ 8,156
TOTAL ASSETS	<u>\$ 1,230,365</u>	<u>\$ 204,600</u>	<u>\$ 294,249</u>	<u>\$ 30,824</u>	<u>\$ 1,800,797</u>
EQUITY					
Fund balances:					
Reserved for debt service	\$ 1,230,365	\$ 204,600	\$ 294,249	\$ 30,824	\$ 1,800,797
Total Equity	<u>\$ 1,230,365</u>	<u>\$ 204,600</u>	<u>\$ 294,249</u>	<u>\$ 30,824</u>	<u>\$ 1,800,797</u>
TOTAL EQUITY	<u>\$ 1,230,365</u>	<u>\$ 204,600</u>	<u>\$ 294,249</u>	<u>\$ 30,824</u>	<u>\$ 1,800,797</u>

LINCOLN PARKER SCHOOL BOARD
Katonah, Louisiana

GRIST SERVICE FUNDS
Comparing Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1998

Exhibit B

	SCHOOL DISTRICTS			SAPPHO	
	SCHOOL	SAPPHO	SCHOOL	1998 AND 1999	
	NO. 1	NO. 2	NO. 3	1998	1999
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 1,472,881	\$ 218,210	\$ 899,860	\$ 0	\$ 1,691,151
Interest earnings	50,130	9,834	24,830	0	84,800
Other	0	0	80	0	80
Total Revenues	<u>\$ 1,523,011</u>	<u>\$ 228,044</u>	<u>\$ 924,770</u>	<u>\$ 0</u>	<u>\$ 1,676,151</u>
EXPENDITURES					
Current:					
Instruction:					
General administration	\$ 44,951	\$ 6,480	\$ 5,941	\$ 0	\$ 57,372
Child services:					
Principal salaries	895,880	115,880	890,880	895,581	1,444,581
Interest and bank charges	824,482	12,312	80,470	7,310	879,398
Total Expenditures	<u>\$ 1,565,313</u>	<u>\$ 255,298</u>	<u>\$ 944,478</u>	<u>\$ 712,891</u>	<u>\$ 1,317,491</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (34,527)</u>	<u>\$ (27,254)</u>	<u>\$ (19,708)</u>	<u>\$ (712,891)</u>	<u>\$ (339,294)</u>
OTHER FINANCIAL SOURCES (USES)					
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 87,798	\$ 87,798
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 87,798</u>	<u>\$ 87,798</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (34,527)</u>	<u>\$ (27,254)</u>	<u>\$ (19,708)</u>	<u>\$ (625,093)</u>	<u>\$ (421,496)</u>
FUND BALANCES, AT BEGINNING OF YEAR	<u>1,238,170</u>	<u>231,271</u>	<u>814,880</u>	<u>87,044</u>	<u>2,369,438</u>
FUND BALANCES, AT END OF YEAR	<u>\$ 1,203,643</u>	<u>\$ 204,017</u>	<u>\$ 795,172</u>	<u>\$ 25,251</u>	<u>\$ 1,947,941</u>

Louisiana Parish School Board
Baton Rouge, Louisiana

INTERNAL SERVICE FUNDS

The internal service funds are used to account for the accumulation of resources for and the payment of benefits by the School Board's risk retention programs. The School Board maintains the following risk retention funds:

Workers' Compensation — This fund, which began in fiscal year 1991, is used to account for the payment of workers' compensation benefits. Fund revenues are derived from government allocations. These revenues are planned to match: (1) expenses of insurance premiums in excess of risk retention amounts; (2) estimated claim losses resulting from risk retention programs which include estimated liabilities for claims incurred but not yet reported at year end, and (3) operating expenses.

Group Health Insurance — Monies in this fund are received from three sources: employee deductions from payroll, 1997 sales tax fund and general fund. Monies are used to pay employee health insurance claims, the administrative cost to the insurance administrator for administration of the plan and processing medical claims, cost of interest and specific insurance to protect the fund from exposure to large claims, hospital pre-certification, and life insurance with an insurance carrier.

LINCOLN PARISH SCHOOL BOARD
Baton Rouge, Louisiana

PROFESSARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Balance Sheet
June 30, 1999

Exhibit 7

	<u>WORKERS</u> <u>COMPENSATION</u>	<u>GROUP</u> <u>HEALTH</u> <u>INSURANCE</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 33,100	\$ 308,900	\$ 432,000
Receivables	<u>0</u>	<u>62,815</u>	<u>62,815</u>
TOTAL ASSETS	<u>\$ 33,100</u>	<u>\$ 481,715</u>	<u>\$ 484,815</u>
LIABILITIES AND EQUITY			
Liabilities:			
Accounts payable	\$ 32,000	\$ 328,000	\$ 360,000
Equity:			
Retained Earnings (Deficit)	\$ (28,900)	\$ 153,715	\$ 124,815
TOTAL EQUITY (Deficit)	<u>\$ (28,900)</u>	<u>\$ 153,715</u>	<u>\$ 124,815</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 33,100</u>	<u>\$ 481,715</u>	<u>\$ 484,815</u>

LINCOLN PARISH SCHOOL BOARD
 RUSHO, Louisiana

Sheet 8

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
 Condensed Statement of Revenues, Expenses,
 and Changes in Retained Earnings (Deficit)
 For the Year Ended June 30, 2022

	WAGES/ COMPENSATION	GROUP HEALTH INSURANCE	TOTAL
OPERATING REVENUE			
Premiums	\$ 50,000	\$ 4,831,171	\$ 4,881,171
OPERATING EXPENSES			
Administration	\$ 0	\$ 221,080	\$ 221,080
Insurance premiums	0	346,735	346,735
Claims	124,170	3,851,589	3,975,759
Total operating expenses	\$ 124,170	\$ 4,419,399	\$ 4,543,569
Operating income (loss)	\$ (74,170)	\$ 141,772	\$ 67,602
NONOPERATING REVENUES			
Earnings on investments	541	3,987	4,528
Net income (loss)	\$ (73,629)	\$ 145,759	\$ 72,130
RETAINED EARNINGS (Deficit) AT BEGINNING OF YEAR	54,873	1,741	56,614
RETAINED EARNINGS (Deficit) AT END OF YEAR	\$ (18,756)	\$ 151,510	\$ 132,754

LINCOLN PARISH SCHOOL BOARD
Bossier, Louisiana

Exhibit B

PROBATIONARY FUND TYPE - INTERNAL SERVICE FUNDS
Consolidating Statement of Cash Flows
For the Year Ended June 30, 1999

	WORKERS' COMPENSATION	GROUP HEALTH INSURANCE	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (84,178) \$	151,712 \$	67,534
Adjustments to reconcile operating income to net cash provided (used) for operating activities:			
Increase (decrease) in payable	91,133	68,858	160,071
(Increase) decrease in receivable	_____ \$	_____ \$	_____ \$
Net cash provided (used) for operating activities	\$ _____ \$	220,570 \$	152,535
CASH FLOW FROM INVESTING ACTIVITIES			
Earnings on investments	\$ _____ \$	3,662 \$	3,662
Net cash provided (used) by investing activities	\$ _____ \$	3,662 \$	3,662
Net increase (decrease) in cash and cash equivalents	\$ (12,485) \$	224,232 \$	211,747
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	66,888	194,158	261,046
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 54,403 \$	418,390 \$	472,793

**Lincoln Parish School Board
Huston, Louisiana
AGENCY FUNDS**

SCHOOL ACTIVITY AGENCY FUND

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

LINCOLN PARISH SCHOOL BOARD
 Metairie, Louisiana

Exhibit 10

SCHOOL ACTIVITY AGENCY FUND
 Schedule of Changes in Deposits Due Others
 For the Year Ended June 30, 1999

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
Choudant Elementary	\$ 8,008	\$ 21,288	\$ 22,844	\$ 6,452
Choudant High School	24,808	108,795	142,854	90,749
Cypress Springs Elementary	22,594	44,802	45,950	21,446
Dabach High School	21,781	85,448	88,127	39,102
Glen View Elementary	22,081	22,828	24,088	20,821
Hick Elementary	10,503	38,088	34,811	13,780
Hilmar Elementary	8,268	42,408	41,324	9,352
J. A. Lewis School	22,877	88,914	81,128	30,663
Lincoln Center	1,158	21,884	21,788	1,254
Pastor Elementary	21,447	34,083	28,482	27,048
Pastor High School	70,542	594,895	588,088	167,349
Pastor Junior High	28,881	210,741	188,128	108,494
Secondary Alternative School	1,889	7,323	8,183	1,029
Shenboe High	22,824	138,428	130,844	30,408
Total	\$ 318,852	\$ 1,317,828	\$ 1,465,261	\$ 471,419

Lincoln Parish School Board
Baston, Louisiana

GENERAL

Exhibit 11

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 1999

The schedule of compensation paid to School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$480 per month and the president receives \$200 per month for performing the duties of the office.

Mr. David Wright, President	\$ 6,000
Mr. Robert E. Skandole, Vice President	4,800
Mr. William E. Atkeson	3,360
Mr. Odey Ambon	4,800
Mr. Wayne Barfield	4,800
Dr. Matty Boudry	4,800
Mr. Curtis Dowling	4,800
Mrs. Mattie M. Harrison	2,400
Mr. James B. Kessler	4,800
Mr. George Mack	4,800
Mr. Joe E. Mitchell, Jr.	4,800
Mr. Alton Tison	4,800
Mr. Curtis Wilburn	2,400
Total	<u>\$28,000</u>



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Lincoln Parish School Board
Bossier, Louisiana

Compliance with Single Audit Act
And Other Information
For the Year Ended June 30, 1999

Lincoln Parish School Board
Bossier, Louisiana

Compliance with Single Audit Act
And Other Information
For the Year Ended June 30, 1999

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a Professional
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Tom Green, CPA

Melvin Robinson, 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
Lincoln Parish School Board
Monroe, Louisiana

We have audited the financial statements of Lincoln Parish School Board, Ruston, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 14, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

Management Letter Items

However, we noted other matters involving the internal control over financial reporting which we have reported to management of the School Board in a separate letter dated October 14, 1999, included later in this report.

Board Members
Lisacoh Parish School Board
Bossier, Louisiana

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 14, 1999

ALLEN, GREEN & COMPANY, LLP

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is President
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Tim Green, CPA

Harold Williams, CPA



Report on Compliance With Requirements Applicable to Each Major Federal Program and an Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board Members

Lincoln Parish School Board

Kenner, Louisiana

Compliance

We have audited the compliance of Lincoln Parish School Board, Kenner, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to report an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular No. A-133, Audit of State, Local Governments, and Non-Profit Organizations. These standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with these requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999. The results of our auditing procedures disclosed no instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular No. A-133.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

Board Members
Lincoln Parish School Board
Bossier, Louisiana

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

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of Lincoln Parish School Board, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 14, 1999. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 14, 1999

Llano Parish School Board
Baton Rouge, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Account No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
School Breakfast Program	16.535	N/A	\$ 298,180
National School Lunch Program	16.535	N/A	1,863,183
Total United States Department of Agriculture			<u>2,161,363</u>
United States Department of Education			
Direct Programs:			
Impact Aid (Title VIII)	84.041	50412-1998-2013 50412-1993-2013	8,610
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84.082A	99-4E-21-F 99-4E7D-21-F	26,668
Title I Grants to Local Educational Agencies	84.030A	99-1A5A-21-1 2898-T151-CD 1999	1,535,179
Special Education:			
Grants to States (Part B)	84.027	99-1B-21-S, 98-PT-31-CD TO 1999 99-PT-31	300,608
Preschool Grants	84.173	99-8P-21-S,99-PP-31 99-8P-31-S-CSD-20 1999	44,208
Infants & Toddlers (Part H)	84.181A	97-CTE-31 98-1B-31-S-CD TO 1999	3,683
Vocational Education:			
Basic Grants to States	84.046A	99-VB-21-2D/BG	65,071
Innovative Education Program Strategies - Title VI	84.285A	99-1A5A-21-70	49,481
Dwight D. Eisenhower Professional Development - Title II	84.281A	99-1A5A-21-41	25,298
Safe and Drug-Free Schools - State Grant - Title IV Levy 2000	84.185A	99-1A5A-21-2V	28,828
State and Local Education Systemic Improvement Grants (Goals 2000 State Grants)	84.276A	99-TS-21-L	943
Passed Through Prairie Parish School Board:			
Goals 2000 - Educate America Act	84.276	5276A-20818-85	14,828
Total United States Department of Education			<u>3,817,213</u>

(Continued)

**Lincoln Parish School Board
Baton Rouge, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1989**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Account No.	Expenditures
CASH FEDERAL AWARDS (Continued)			
United States Department of Defense			
Direct Programs:			
Department of The Army			
TRTC	12.609	18D101-54089-04	\$ <u>31,000</u>
Federal Emergency Management Agency			
Passed Through Louisiana Department of Military Affairs:			
FEMA - Disaster Public Assistance	15.909	1264-D8-LA	<u>9,800</u>
Total Cash Federal Awards:			<u><u>3,181,800</u></u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution (Commodities)	10.150	N/A	<u>134,532</u>
TOTAL FEDERAL AWARDS:			<u><u>3,326,332</u></u>
			(Continued)

Lincoln Parish School Board
Bossier, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Lincoln Parish School Board, (the School Board), Bossier, Louisiana. The School Board's reporting entity is defined in Note 1 of the Notes to the General-Purpose Financial Statements of the School Board's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, 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 of the Notes to the General-Purpose Financial Statements of 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 Awards
General fund	\$ 41,714
Special revenue funds:	
Title I	1,135,179
Title VI	48,481
Adult education	28,669
Title II	28,390
School food service	1,496,895
Parish-wide Maintenance	9,309
Special programs	587,274
Title IV (Drug Free)	<u>38,828</u>
	<u>\$3,426,839</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.

Lincoln Parish School Board
Bossier, Louisiana

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

NOTE 5 - MAJOR FEDERAL AWARDS

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS

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

**Lincoln Parish School Board
Baton Rouge, Louisiana**

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1999**

PART I - Summary of the Auditors' Results

Financial Statements Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section 3.10(a).
- vii. The major federal programs are:

CFDA #84.010	Title I Grants to Local Educational Agencies
CFDA #04.359	School Nutrition Cluster
CFDA #10.555	School Breakfast Program
CFDA #10.552	National School Lunch Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 3.200(b) was \$300,000.
- ix. The auditor does qualify as a low-risk auditor under OMB Circular No. A-133, Section 3.18.

Lincoln Parish School Board
Bossier, Louisiana

Other Information

The information in the following section concerns management's actions or intentions concerning prior- and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular No. A-133. This information has been prepared by the management of the Lincoln Parish School Board. Management accepts full responsibility, as required by OMB Circular No. A-133, for the accuracy of the information. This information has not been audited by the auditors except as required by OMB Circular No. A-133 Section 500(a), and accordingly, no opinion is expressed. Section 500(a) requires the auditor to follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee, and report, as a current-year audit finding when the auditor concludes that the Summary Schedule of Prior Audit Findings materially misrepresents the status of any prior audit finding.

**Lincoln Parish School Board
Baton Rouge, Louisiana**

**Summary Schedule of Prior Audit Findings
June 30, 1999**

There were no audit findings for the year ended June 30, 1999.

**Lincoln Parish School Board
Bossier, Louisiana**

Management Letter Items

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Management Letter

Board Members

Lincoln Parish School Board
Baton Rouge, Louisiana

In planning and performing our audit of the general-purpose financial statements of the Lincoln Parish School Board, Baton Rouge, Louisiana, for the year ended June 30, 1999, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 14, 1999, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

PS-M) Record Keeping for Fixed Assets

Condition: A physical inventory was performed at all schools and at the central office. These inventories were submitted to the central office and the additions and deletions for ten of the 15 sites have been entered in the fixed asset system.

Recommendation: We recommend the School Board maintain the effort of entering changes for all other schools in the fixed asset system.

Management's response: We recognize the task of collecting and maintaining fixed asset records for the entire District is an enormous and very time-consuming project to undertake, but most necessary. Over the past two years we have managed to "clean up" and continuously maintain the records for 10 of our 15 sites. With continuing and diligent efforts to locate for the fixed assets at our remaining sites, our goal is to have all fixed asset records in order by the end of this next fiscal year and to continue to follow procedures to maintain future changes in fixed assets.

PS-N) Collateralization for Deposits

Condition: According to LSA-R.S. 9:1211 any bank selected as the fiscal agency of any depositing authority, or any bank with which a private contract is entered into, whether the bank is within or without the state, shall give securities for the safeguarding and payment of the deposits. One student activity fund account at a local bank was uncollateralized by \$40,647 at June 30, 1999. This was the only account at this bank.

Recommendation: The School Board should monitor bank balances and securities pledged on a periodic basis.

Management's response: This depository bank has on deposit the funds for only one student activity account in the District. After discussing the unsecured collateral funds deposited with the depository bank, it was discovered the account was not properly flagged as "public funds" in order for pledging requirements to be monitored. This has since been corrected. Management will verify that all student activity accounts are properly marked as "public funds" at all depository banks for collateralization purposes. In addition to monitoring bank balances on a frequent basis to insure proper securities are pledged by depository banks.

25-213 Student Activity Funds

Comment: Agreed-upon procedures were performed at each of the fourteen schools by another auditing firm. In addition to this, procedures were performed at two of the schools as part of our audit. The following conditions were noted:

One school appears not to maintain complete documentation such as receipt books or collection logs for the original source items that make up individual deposits.

According to LSA, R.S. 17:414.3, all requests for withdrawal of funds should be supported by two signatures, one of which should be the principal and the other an authorized personnel, such as a faculty advisor, coach, or school secretary. Two of the fourteen schools appeared to have exceptions to this law. Most of the expenditures noted at the two schools appeared to have only one authorization.

Schools should maintain original documentation supporting disbursements. Two schools had disbursements which did not appear to be supported by the original documentation.

Funds collected by the schools should be deposited on a timely basis, usually within three business days, and intact. Two schools were not making timely deposits, one of which was not making deposits intact.

Recommendation: The School Board should ensure all school administrators have a copy of the Student Activity Fund Policy manual and that they are familiar with its contents.

Management's response: Management will review with all school administrators the findings noted above and will ensure that all school administrators are made aware of the policies noted in the Student Activity Fund Policy manual.

25-214 Bonded Employees

Comment: Bond coverage for employees currently covers the Superintendent and the Board President for \$60,000 each and key employees for one school are covered for \$200,000 each. All other employees are covered in a blanket bond for \$50,000 each.

This coverage has recently been increased but is still low considering the related risks involved. Other School Boards have found it beneficial to have coverage for key employees up to \$200,000.

Board Members:
Lincoln Parish School Board
Baton Rouge, Louisiana

Recommendation: The School Board should research the benefits of increasing their bond coverage of key employees.

Management's response: In addition to the increase made this past year in the amount of bond coverage on all employees, management will look into increasing bond coverage to \$200,000 for all key employees who have access to receiving monies and making payments at all district locations.

29.015 Impact of GASB Statement No. 34

Comment: The Governmental Accounting Standards Board (GASB), which determines the standards of financial reporting for governmental entities, recently released Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB's new reporting model will be mandatory for the School Board for the fiscal year ending June 30, 2003. They allow earlier implementation.

This new reporting model will dramatically change several aspects of the financial reporting for the School Board. These major changes are a part of this new model. First, the new reporting model will include the current set of financial statements with modifications and will add a new set of financial statements. The new set will be on the economic resources measurement focus and the full accrual basis of accounting, the same as exist today in the commercial environment. A firm, Grant & Company believes, at this early stage, that the prudent approach is for the School Board to continue its current budget or modified accrual methodology for its books. Side adjustments will be made at year-end to convert the financial statements to the full accrual accounting method.

The single change that will probably pose the most challenge to the School Board may be accounting for general capital assets. Under the new reporting model, general capital assets will be accounted for in virtually the same manner as commercial entities. Assets will be capitalized, depreciated, and shown consolidated on the new Statement of Net Assets with the funds, rather than displayed separately in the fixed assets account group. The changes required by GASB Statement No. 34 will obviously require the School Board to place a greater emphasis on accounting for fixed assets than it required by the current model.

Another addition to the annual financial report will be the Management's Discussion and Analysis (MD&A). This document, which will be several pages in length, will be a narrative explanation of the major financial events/changes during the fiscal year, what caused the events/changes, and project what the events/changes's effects will be on future years. It will also give the reader insight on management's decisions underlying the budget.

Recommendation: Several important issues need to be addressed before setting up the new reporting model.

Since the fixed assets will require depreciation, the listing will need to be current and comprehensive. We encourage the current listing to be evaluated to decide if efforts are necessary to bring it up to date, both in content and accuracy. An evaluation of the fixed asset software will be necessary to decide if the system can provide a comprehensive listing in a usable format for depreciating assets. The software system should have fields for serial items, salvage value, depreciation methods and fund assignments. The system should be capable of calculating depreciation and printing reports for assets' depreciation and accumulated depreciation by asset, by fund for each year. The system must also be able to roll-forward information each year.

Board Members
Lincoln Parish School Board
Baton Rouge, Louisiana

The School Board should start now to implement the changes. A longer implementation period will allow more time for testing and coordination of the new depreciation systems and the other elements of the new model. An early start will spread the cost over a longer period, thereby smoothing the impact to cash flow. Hopefully, the longer implementation period will partially reduce the volatility.

The School Board should evaluate the need for possible changes to the current basis of accounting and should be cognizant that the new reporting model will provide the reader with more information than is currently being provided.

Management's response: Management is fully aware of the changes coming in financial reporting as a result of GASB Statement No. 34. Management will look into and keep abreast of any changes needed in daily routine operations and accounting practices needed as a result of the change to full accrual accounting. We recognize the biggest change will come in the area of reporting depreciation of fixed assets. In order to prepare for the changes in reporting of asset depreciation, we must first attain a current, reliable listing of fixed assets. As noted in management response 90-061, we are in the process of reconciling this listing. Also, we are aware that changes are needed and are making plans for changes in our fixed asset records maintenance program to accommodate the calculation of depreciation and all necessary reports. We will continue to gather more information and seek guidance from our independent auditors, as well as State governing bodies, on the financial reporting changes that will be necessary as a result of GASB Statement No. 34.

Also included immediately following this letter is a Status of Prior Management Letter Items. This information has not been audited by Allen, Green & Company, LLP, and no opinion is expressed. However, we did follow-up on prior management letter items and performed procedures to assess the reasonableness of the Status of Prior Management Letter Items prepared by the auditee, and we would report, as a current-year management letter item when Allen, Green & Company, LLP, concludes that the Status of Prior Management Letter Items materially misrepresents the status of any prior management letter items.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 14, 1999

Lincoln Parish School Board
Baton Rouge, Louisiana

Status of Prior Management Letter Items
June 30, 1999

Management letter item #1 89-01 Record Keeping for Fixed Assets

Initially occurred:

Conditions: A physical inventory was performed at all schools and at the control office. These inventories were submitted to the central office and the additions and deletions for five of the fourteen schools have been entered on the fixed asset system.

Corrective action taken: See current-year Management Letter Item 99-01.

Management letter item #2 89-02 Capitalization for Expense

Initially occurred:

Conditions: According to L.S.A.-R.S. 39:1203 any bank selected as the fiscal agency of any depositing authority, or any bank with whom a private contract is entered into, whether the bank is within or without the state, shall give receipts for the safekeeping and payment of the deposits. The deposits at a local bank were under-controlled by \$531,909 at June 30, 1998.

Corrective action taken: See current-year Management Letter Item 99-02.