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BACK IN FILE**SCHOOL OF BATON ROUGE SCHOOL BOARD
SCHOOL FOOD SERVICE
BATON ROUGE, LOUISIANA****ANNUAL FINANCIAL REPORT****YEAR ENDED JUNE 30, 1987**

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

Release Date 6-25-98

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DYER & VICKNAIR

CERTIFIED PUBLIC ACCOUNTANTS

SUITE B, BISHOP, 1004 BAYOU
SUITE 2, MONROE, LOUISIANABAYOU CENTER
1004 BAYOU SUITE 200
MONROE, LOUISIANA 70133
TEL 337-335-2222**INDEPENDENT AUDITORS' REPORT**

Diocese of Baton Rouge School Board
Baton Rouge, Louisiana

We have audited the accompanying balance sheet - regulatory basis
of

**DIocese of Baton Rouge School Board
SCHOOL FOOD SERVICE
BATON ROUGE, LOUISIANA**

as of June 30, 1987, and the related statements of revenues,
expenses, and fund balance - regulatory basis and changes in
financial position - regulatory basis for the year then ended.
These financial statements are the responsibility of School Food
Service's management. Our responsibility is to express an opinion
on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted
auditing standards; Government Auditing Standards; issued by the
Comptroller General of the United States; and the provisions of
Office of Management and Budget Circular A-133, Audits of States,
Local Governments, and Non-Profit Organizations. Those standards
and OMB Circular A-133 require that we plan and perform the audit
to obtain reasonable assurance about whether 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.

As described in Note #8 in the Notes to Financial Statements, these
financial statements are prepared in conformity with the accounting
practices prescribed or permitted by the Louisiana State Department
of Education National School Lunch Program, which is a
comprehensive basis of accounting other than generally accepted
accounting principles.

In our opinion, based on our audit, the financial statements
referred to above present fairly, in all material respects, the
assets, liabilities and fund balance of Diocese of Baton Rouge
School Board School Food Service, Baton Rouge, Louisiana, as of
June 30, 1987, and the results of its operations, and the changes
in financial position for the year then ended, on the basis of
accounting described in Note #8 of the Notes to Financial
Statements.

DYER & VICKNAIR

CERTIFIED PUBLIC ACCOUNTANTS

In accordance with Government Auditing Standards, we have also issued a report dated December 26, 1997 on our consideration of Diverse of Baton Rouge School Board School Food Service, Baton Rouge, Louisiana's internal control structure and a report dated December 26, 1997 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements of School Food Service, Baton Rouge, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion is fairly presented in all material respects in relation to the financial statements taken as a whole.

Baton Rouge, Louisiana
December 26, 1997

Dyer & Vicknair

DIOCESE OF BATON ROUGE SCHOOL BOARD
 SCHOOL FUND SERVICE
 BATON ROUGE, LOUISIANA
 BALANCE SHEET - REGULATORY BASIS
 JUNE 30, 1997

| <u>A S S E T S</u> | | |
|---|--|------------------|
| <u>CURRENT ASSETS</u> | | |
| Cash | | \$ 383,319 |
| Investments, at cost | | 388,077 |
| Receivables | | 50,885 |
| Inventory | | <u>180,723</u> |
| <u>Total current assets</u> | | <u>1,003,004</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>CURRENT LIABILITIES</u> | | |
| Accounts payable | | \$ 12,480 |
| Salaries and related expenses payable | | <u>148,100</u> |
| <u>Total current liabilities</u> | | 160,580 |
| <u>FUND BALANCE</u> | | <u>792,424</u> |
| <u>Total liabilities and fund balance</u> | | <u>952,904</u> |

The accompanying notes are an integral part of this statement.

BOARD OF BAYOU BOGE SCHOOL BOARD
SCHOOL FOOD SERVICE
BAYOU BOGE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
YEAR ENDED JUNE 30, 1997

OPERATING REVENUES

| | |
|--|------------------|
| Federal meal reimbursement | \$ 780,153 |
| Meal sales | 2,987,610 |
| Sales of extra food | 178,933 |
| State of Louisiana Legislative salary adjustment | 838,513 |
| Commodities received from United States Department of Agriculture | 342,028 |
| <u>Total revenues</u> | <u>5,125,231</u> |

OPERATING EXPENSES

| | |
|------------------------------------|------------------|
| Salaries and related benefits | 2,569,440 |
| Food costs | 1,830,749 |
| Materials and supplies | 269,287 |
| Nonexpendable equipment | 110,189 |
| Utilities | 165,790 |
| Equipment repairs and leases | 139,843 |
| Small equipment | 30,326 |
| Commodity transportation | 25,833 |
| Trash collection | 18,326 |
| Office expenses | 32,884 |
| Training and nutritional education | 12,393 |
| Post | 38,580 |
| All other | 28,624 |
| <u>Total operating expenses</u> | <u>5,285,286</u> |

Operating income (loss) (160,055)

OTHER REVENUE

| | |
|----------|--------|
| Interest | 48,028 |
|----------|--------|

EXCESS (DEFICIENCY) OF REVENUES

OVER EXPENSES (112,027)

FUND BALANCE, beginning

921,471

FUND BALANCE, ending

798,438

The accompanying notes are an integral part of this statement.

BOARDS OF BATON ROUGE SCHOOL BOARD
SCHOOL FOOD SERVICE
BATON ROUGE, LOUISIANA
STATEMENT OF CHANGES IN FINANCIAL POSITION -
REGULATORY BASIS
YEAR ENDED JUNE 30, 1997

FINANCIAL RESOURCES PROVIDED BY

Operations

Excess (deficiency) of revenues
over expenses

\$123,021

NET INCREASE (DECREASE) IN WORKING CAPITAL

123,021

COMPONENTS INCREASING (DECREASING) WORKING CAPITAL

Cash

\$ 43,947

Investments, at cost

(104,482)

Receivables

54,842

Inventory

4,725

Accounts payable

100,383

Salaries and related expenses payable

(16,251)

INCREASE (DECREASE) IN WORKING CAPITAL

123,021

The accompanying notes are an integral part of this statement.

DIOCESE OF BATON ROUGE SCHOOL BOARD
SCHOOL FOOD SERVICE
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1997

Note #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School Food Service is a department of Diocese of Baton Rouge School Board which is a division of the Roman Catholic Church of the Diocese of Baton Rouge. The purpose of the School Food Service is to provide food services to the students attending Catholic schools operated by the Diocese of Baton Rouge School Board.

A. Basis of Accounting

Assets and liabilities, and revenue and expenses are recognized on the accrual basis of accounting.

B. Investments

Investments are stated at cost.

C. Receivables

The direct charge-off method for bad debts is used; therefore, there is no allowance for doubtful accounts as no material write-offs are expected for receivables at the balance sheet date.

All amounts presented are expected to be collected within one year.

D. Inventory

Inventory consists of food purchased by the School Food Service and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture & Forestry.

The commodities are recorded as revenue when received; however, all inventory is recorded as an expense when consumed.

All purchased inventory items are valued at cost (first-in, first-out basis), as required by the Louisiana State Department of Education National School Lunch Program, and commodities are assigned values based on information provided by the United States Department of Agriculture.

The amount of commodity inventory at June 30, 1997, is \$161,433.

BODICES OF BATON ROUGE SCHOOL BOARD
SCHOOL FOOD SERVICE
BATON ROUGE, LOUISIANA
NOTE TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1997
(Continued)

Note #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Compensated Absences

Cafeteria employees earn no vacation and accumulate sick leave monthly. Any sick leave not used at the end of the year is allowed to be carried over. However, these employees are not allowed to receive accrued sick leave when their employment ends.

Administrative employees earn vacation based on years of service, and accumulate sick leave monthly. Any sick leave not used during the year is carried over. However, these employees are not allowed to receive accrued sick leave when their employment ends. These employees are allowed to accumulate up to one-half of unused annual vacation time. Any accumulated unused vacation time is paid when employment ends.

In accordance with the provisions of Statement of Financial Accounting Standards No. 45, Accounting for Compensated Absences, no liability is recorded for accruing accumulated rights to receive sick pay benefits. Unpaid vacation time at June 30, 1997 is immaterial and no provision for accrual has been made in the financial statements.

F. Income Taxes

The School Food Service is exempt from income taxes.

Note #2: CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. The School Food Service considers all time deposits and those investments with original maturities of three months or less to be cash equivalent.

At June 30, 1997, the School Food Service has cash totaling \$283,399. This total is comprised of \$90,390 in demand deposits and \$193,009 in interest-bearing demand deposits. These deposits are stated at cost. 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

DIOCESE OF BATON ROUGE SCHOOL BOARD
SCHOOL FOOD SERVICE
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1997
(Continued)

agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent in a custodial bank that is mutually acceptable to both parties.

At June 30, 1997, the School Food Service has \$311,681 in deposits (collected bank balances). These deposits are secured from risk by \$42,362 of Federal deposit insurance and \$269,409 of pledged securities held by the custodial bank in the name of the School Food Service (GAAP Category 2).

Note #3: INVESTMENTS

Investments at June 30, 1997, are comprised of United States Treasury bills. These investments are purchased through the local agent in the name of the School Food Service and are secured from risk by the United States Government.

The investments are stated at cost which approximates market.

Note #4: RECEIVABLES

Receivables at June 30, 1997 consist of the following:

| | |
|-------------------|---------------|
| Intergovernmental | \$ 84,938 |
| Interest | 3,825 |
| | <u>88,763</u> |

Note #5: RETIREMENT PLAN

All employees working 1 1/2 hours or more daily are members of the Roman Catholic Church of the Diocese of Baton Rouge retirement plan.

The retirement plan is an employer defined benefit plan, which is administered and controlled by a committee of the Diocese. Contributions of participating agencies are pooled within the plan to fund accrued benefits. Benefits granted by the retirement plan are guaranteed by the Roman Catholic Church of the Diocese of Baton Rouge.

DIOCESE OF BATON ROUGE SCHOOL BOARD
SCHOOL FOOD SERVICE
BATON ROUGE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
1988-1989 (JUNE 30, 1989)
(Continued)

In addition to payroll deductions, School Food Service's funds are remitted to the retirement plan. The School Food Service contributed \$78,473 to this plan during the year ended June 30, 1989 as its share of employees' contribution.

Note #6: LEASES

The School Food Service leases a small number of cafeteria equipment and warehouse space under monthly cancellable operating leases.

Note #7: RELATED PARTY TRANSACTIONS

The School Food Service leases office space from the Diocese of Baton Rouge. These transactions totaled \$9,340 during the year.

Note #8: DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

As required by the Louisiana State Department of Education National School Lunch Program, all equipment is expensed when received rather than capitalized and depreciated. This method represents a departure from generally accepted accounting principles.

DIGRESS OF BAYOU BOGE SCHOOL BOARD
SCHOOL FOOD SERVICE
BAYOU BOGE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL FUNDS
YEAR ENDING JUNE 30, 1971

| FEDERAL GRANTS/ STATE-TRANSFER GRANTS/ PROGRAM TITLE | CFDA NUMBER | EXPENDITURES |
|--|----------------|------------------|
| United States Department of Agriculture | | |
| Passed through Louisiana Department of Agriculture & Forestry | | |
| Food Distribution | 18.550 | \$ 321,314 |
| Passed through Louisiana Department of Education | | |
| Nutrition | | |
| School Breakfast Program (SFB-91) | 18.553 | 67,304 |
| National School Lunch Program (SFL-97) | 18.555 | 312,447 |
| <u>Total Nutrition</u> | | <u>380,251</u> |
| <u>Total</u> | | <u>1,111,865</u> |

DIOCESE OF BATON ROUGE SCHOOL BOARD
SCHOOL FOOD SERVICE
BATON ROUGE, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 1997

Note #1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of the Schedule

Office of Management and Budget Circular A-110, Editing of States, Local Governments, and Non-Profit Organizations, requires a schedule of expenditures of federal awards showing total expenditures for each federal financial assistance program as identified in the Catalog of Federal Domestic Assistance and for other federal financial assistance that has not been assigned a catalog number.

B. Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards includes all federal financial assistance received directly from federal agencies or passed-through state agencies.

C. Basis of Accounting

Assistance of activity presented in the Schedule of Expenditures of Federal Awards is recognized under the modified accrual basis of accounting when the related liability is incurred.

Note #2: NON-CASH ASSISTANCE

During the year ended June 30, 1997, the School Food Service received \$143,024 of food commodities granted by the United States Department of Agriculture. The commodities are valued at fair market value at the time of receipt based upon assessed value provided by the United States Department of Agriculture.

DYER & VICKNAIR

CERTIFIED PUBLIC ACCOUNTANTS

SUITE 100, GREEN OAK DRIVE
MONROE, LOUISIANA 70132SUITE 100, GREEN OAK DRIVE
MONROE, LOUISIANA 70132
PHONE 281-3333**Diocese of Baton Rouge School Board
Baton Rouge, Louisiana**

We have audited the financial statements of School Food Service, Baton Rouge, Louisiana as of and for the year ended June 30, 1987, and have issued our report thereon dated December 28, 1987. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits as contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered School Food Service, Baton Rouge, Louisiana'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 to be material weaknesses.

DYER & VICKNAIR

REGISTERED PUBLIC ACCOUNTANTS

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

There were no comments related to the internal control structure noted in the audit for the year ended June 30, 1996.

Baton Rouge, Louisiana
December 28, 1997

Dyer & Vicknair

DYER & VICKNAIR

CERTIFIED PUBLIC ACCOUNTANTS

SUITE 100, ONE OF FIVE
FIVE A. THOMAS, SUITE 1000

NEW ORLEANS, LOUISIANA
70112-1000
BAYOU BOULEVARD, SUITE 1000
NEW ORLEANS, LOUISIANA 70112-1000
PHONE 525-8800

Process of Baton Rouge School Board Baton Rouge, Louisiana

Compliance

We have audited the compliance of School Food Service, Baton Rouge, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. School Food Service, Baton Rouge, Louisiana's major federal programs are identified in 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 School Food Service, Baton Rouge, Louisiana's management. Our responsibility is to express an opinion on School Food Service, Baton Rouge, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Auditing of States, Local Governments and Non-Profit Organizations. These standards and OMB Circular A-133 required 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 School Food Service, Baton Rouge, Louisiana'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 School Food Service, Baton Rouge, Louisiana's compliance with those requirements.

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

Internal Control Over Compliance

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

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

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

There were no comments related to compliance noted in the audit for the year ended June 30, 1996.

Baton Rouge, Louisiana
December 26, 1997

Dyer & Vicknair

DIRECTOR OF BAYOU BOICE SCHOOL BOARD
SCHOOL FOOD SERVICE
BAYOU BOICE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1987

1. An unqualified opinion was issued on the financial statements.
2. The audit disclosed no noncompliance which is material to the financial statements.
3. An unqualified opinion was issued on compliance for major programs.
4. The audit disclosed no audit findings required to be reported under GAO Circular A-133.
5. The major federal programs are as follows:

| CFDA No. | Program Name |
|----------|-------------------------------|
| 10.550 | Food Distribution |
| 10.551 | School Breakfast Program |
| 10.555 | National School Lunch Program |
6. \$100,000 was the dollar threshold used to distinguish between type A and type B program.
7. The exception to the risk-based approach to major program determination applies.