

OFFICIAL  
FILE COPY

**DO NOT SEND OUT**

When necessary  
tear from this  
copy and PLACE  
BACK in file

98502592  
2625  
52

**CITY OF BOGALUSA SCHOOL BOARD**

**GENERAL-PURPOSE FINANCIAL  
STATEMENTS, SUPPLEMENTAL  
INFORMATION AND INDEPENDENT  
AUDITOR'S REPORTS**

**For the Year Ended June 30, 1998**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the public, or returned, if requested, upon receipt of public address. The report is available for public inspection at the Bogalusa Public Library, Bogalusa, Louisiana, at the office of the parish clerk of court.

November 1998

## TABLE OF CONTENTS

	Page
<b>AUDIT REPORTS REQUIRED BY GOVERNMENT ACCOUNTING STANDARDS</b>	
Independent Auditor's Report .....	1
<b>General-Purpose Financial Statements:</b>	
Combined Balance Sheet - All Fund Types and Account Groups .....	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GRAP Basis) and Actual - All Governmental Fund Types .....	6
Notes to General Purpose Financial Statements .....	8
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Accounting Standards .....	22
<b>SUPPLEMENTAL INFORMATION</b>	
<b>Special Revenue Funds:</b>	
Combining Balance Sheet .....	24
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	26
<b>Fiduciary Funds:</b>	
Schedule of Changes in School Account Balances .....	29
Schedule of Compensation Paid to Board Members .....	30

(Continued)

**TABLE OF CONTENTS (CONTINUED)**

	Page
<b>AUDIT REPORTS AND INFORMATION REQUIRED BY THE SINGLE AUDIT ACT</b>	
<i>Schedule of Expenditures of Federal Awards</i> .....	33
<i>Notes to Schedule of Expenditures of Federal Awards</i> .....	33
<i>Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133</i> .....	34
<i>Schedule of Findings and Questioned Costs</i> .....	36
<i>Summary Schedule of Prior Audit Findings</i> .....	39
<i>Corrective Action Plan</i> .....	40

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

5525 N. Greenway Blvd. • Suite 900 • P.O. Box 9792 • Metairie, LA 70002  
Phone (504) 837-0110 • Fax (504) 837-0111 • [E-mail: info@rebowe.com](mailto:info@rebowe.com)

## INDEPENDENT AUDITOR'S REPORT

**City of Bogalusa School Board**  
1785 Sullivan Drive  
Bogalusa, LA 70429

Dear Board Members:

We have audited the accompanying general-purpose financial statements of the City of Bogalusa School Board, as of and for the year ended June 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Bogalusa 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 the 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 aspects, the financial position of the City of Bogalusa School Board, as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 1998 on our consideration of the City of Bogalusa School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of State, Local Government, and Non-Profit Organizations*, 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.

*Deloitte & Company*

October 9, 1998

**CITY OF BOGALUSA SCHOOL BOARD**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**June 30, 1999**

	GOVERNMENTAL FUNDS		FUND BALANCE		ACCOUNT GROUPS		Total Governmental Funds
	General Fund	Special Revenue Fund	Major Fund	Minor Fund	Major Account Group	Minor Account Group	
<b>ASSETS ACCORDING TO STATE</b>							
Current resources	\$ 18,749	\$ 18,749	\$ 18,749	\$ -	\$ -	\$ -	\$ 18,749
Investments	96,704	-	96,704	-	-	-	96,704
Due from other funds	-	-	17,072	-	-	-	17,072
Prepaid items	-	-	4,822	-	-	-	4,822
Accounts receivable	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 115,453</b>	<b>\$ 18,749</b>	<b>\$ 115,453</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 115,453</b>
<b>LIABILITIES AND FUND EQUITY</b>							
Liabilities							
Accounts payable	\$ 18,749	\$ 18,749	\$ 18,749	\$ -	\$ -	\$ -	\$ 18,749
Retain and other payables	65,425	-	65,425	-	-	-	65,425
Due to other funds	4,000	-	4,000	-	-	-	4,000
Contract of purchase payables	-	-	-	-	-	-	-
Contract lease payables	-	-	-	-	-	-	-
Compressed air payables	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>\$ 88,174</b>	<b>\$ 18,749</b>	<b>\$ 88,174</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,174</b>
Equity and other funds							
Fund balance - major fund equity	-	-	-	-	-	-	-
Fund balance - minor fund equity	-	4,000	4,000	20,871	-	-	24,871
Reserve	-	-	-	-	-	-	-
Contingency	26,279	-	26,279	-	-	-	26,279
<b>Total equity and other funds</b>	<b>\$ 26,279</b>	<b>\$ 4,000</b>	<b>\$ 26,279</b>	<b>\$ 20,871</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,250</b>
<b>Total liabilities, equity and other funds</b>	<b>\$ 114,453</b>	<b>\$ 22,749</b>	<b>\$ 114,453</b>	<b>\$ 20,871</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 138,023</b>

The accompanying notes are an integral part of this statement.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances – Governmental Funds**  
**For the Year Ended June 30, 1998**

	General Fund	Special Revenue Funds	Debt Service Fund	Total (Majority Only)
<b>Revenues:</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 1,565,428	\$ 281,831	\$ -	\$ 1,847,259
Sales and use	1,874,615	-	-	1,874,615
Interest earnings	12,770	1,800	1,837	26,407
Food services	-	141,988	-	141,988
Other	31,814	48,239	-	70,053
State sources:				
Equalization	18,096,158	363,296	-	18,459,454
Other	1,094,278	126,587	-	1,220,865
Federal sources:				
Unrestricted indirect cost recovery	-	46,910	-	46,910
Restricted grants-in-aid	179,349	2,124,433	-	2,303,782
Other commodities	-	86,701	-	86,701
<b>Total revenues</b>	<b>14,802,514</b>	<b>3,227,355</b>	<b>1,837</b>	<b>18,031,706</b>
<b>Expenditures:</b>				
Instruction:				
Regular programs	3,428,584	-	-	3,428,584
Special programs	2,132,184	532,683	-	2,664,867
Adult and continuing education programs	11,346	-	-	11,346
Support services:				
Student services	111,031	-	-	111,031
Instructional staff support	197,785	177,998	-	375,783
Central administration	3,253,764	1,583,691	-	4,837,455
School administration	776,436	-	-	776,436
Business services	1,818,998	-	-	1,818,998
Plant services	875,283	532,683	-	1,407,966
Community services	-	9,871	-	9,871

(Continued)

**CITY OF BOGALUSA SCHOOL BOARD**  
**Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds (Continued)**  
**For the Year Ended June 30, 1988**

	General Fund	Special Revenue Funds	Debt Service Fund	Total (Majority/Minority Only)
<b>Expenditures (Continued)</b>				
Support services (Continued):				
Student transportation services	\$ 636,167	\$ -	\$ -	\$ 636,167
Fuel services	-	443,840	-	443,840
Debt service:				
Principal	-	-	363,698	363,698
Interest	-	-	52,366	52,366
<b>Total expenditures</b>	<b>14,863,428</b>	<b>3,131,771</b>	<b>415,366</b>	<b>17,990,488</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>338,086</b>	<b>105,624</b>	<b>(413,629)</b>	<b>31,071</b>
<b>Other financing sources/uses:</b>				
Operating transfers in (out)	(408,397)	-	408,397	-
<b>Total other financing sources (uses)</b>	<b>(408,397)</b>	<b>-</b>	<b>408,397</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other uses</b>	<b>(47,311)</b>	<b>105,614</b>	<b>(6,632)</b>	<b>51,671</b>
<b>Fund balances (deficit), beginning</b>	<b>336,813</b>	<b>332,360</b>	<b>29,510</b>	<b>678,443</b>
<b>Fund balances (deficit), ending</b>	<b>\$ 289,502</b>	<b>\$ 53,451</b>	<b>\$ 22,878</b>	<b>\$ 365,771</b>

The accompanying notes are an integral part of this statement.



**CITY OF BOGALUSA SCHOOL BOARD**  
**Combined Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget (GAAP Basis) and Actual - All Governmental Fund Types**  
**For the Year Ended June 30, 1998**

	Special Fund		General Revenue Fund		Revenue Bonds		Debt Incurred	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Revenues</b>								
<b>Local sources</b>								
Tax	1,000,000	1,000,000	46,811	50,000	0	0	0	0
AF system	1,500,000	1,500,000	0	0	0	0	0	0
Interest on	5,000	5,000	0	0	0	0	0	0
Inflation-riding	-	-	4,000	3,000	0	0	0	0
Real estate	10,000	10,000	10,000	10,000	0	0	0	0
Other	-	10,000	0	0	0	0	0	0
<b>Non-revenue</b>								
Grants	0	0	0	0	0	0	0	0
Capital	0	0	0	0	0	0	0	0
Federal loans	0	0	0	0	0	0	0	0
Contributions	0	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0	0
In-kind services	0	0	0	0	0	0	0	0
In-kind goods and	0	0	0	0	0	0	0	0
services	0	0	0	0	0	0	0	0
<b>Total revenue</b>	<u>1,505,000</u>	<u>1,515,000</u>	<u>46,811</u>	<u>53,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>								
Capital	0	0	0	0	0	0	0	0
Debt	0	0	0	0	0	0	0	0
Capital program	0	0	0	0	0	0	0	0
Capital program	0	0	0	0	0	0	0	0
Debt and sinking	0	0	0	0	0	0	0	0
fund payments	0	0	0	0	0	0	0	0
Capital program	0	0	0	0	0	0	0	0
Support services	15,000	15,000	0	0	0	0	0	0
Public works	15,000	15,000	0	0	0	0	0	0
Instructional and support	50,000	50,000	0	0	0	0	0	0
General administration	1,100,000	1,100,000	0	0	0	0	0	0
Other administration	50,000	50,000	0	0	0	0	0	0
Business administration	1,000,000	1,000,000	0	0	0	0	0	0
Plant services	50,000	50,000	0	0	0	0	0	0
Community services	0	0	0	0	0	0	0	0
Public transportation	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Food service	0	0	0	0	0	0	0	0
<b>Total expenditure</b>	<u>1,505,000</u>	<u>1,515,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Change in fund balances</b>								
Beginning	0	0	0	0	0	0	0	0
Ending	0	0	0	0	0	0	0	0

(Continued)

**CITY OF BOGALUSA SCHOOL BOARD**  
**Combined Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget (GAAP Basis) and Actual - All Governmental Fund Types (Continued)**  
**For the Year Ended June 30, 1998**

	General Fund		Special Revenue Funds		Vendor Payments (Subsidiary)		All Governmental Fund Types	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Expenditures:</b>								
<b>Salaries</b>	0	0	0	0	0	0	0	0
<b>Contract</b>	0	0	0	0	0	0	0	0
<b>Travel</b>	0	0	0	0	0	0	0	0
<b>Telephone</b>	0	0	0	0	0	0	0	0
<b>Printing</b>	0	0	0	0	0	0	0	0
<b>Supplies</b>	0	0	0	0	0	0	0	0
<b>Utilities</b>	0	0	0	0	0	0	0	0
<b>Repairs and Maintenance</b>	0	0	0	0	0	0	0	0
<b>Capital Expenditures</b>	0	0	0	0	0	0	0	0
<b>Depreciation</b>	0	0	0	0	0	0	0	0
<b>Interest</b>	0	0	0	0	0	0	0	0
<b>Other</b>	0	0	0	0	0	0	0	0
<b>Total</b>	0	0	0	0	0	0	0	0
<b>Change in Fund Balances</b>	0	0	0	0	0	0	0	0
<b>Beginning</b>	0	0	0	0	0	0	0	0
<b>Ending</b>	0	0	0	0	0	0	0	0
<b>Total other revenues and other financing sources</b>	0	0	0	0	0	0	0	0
<b>Total revenues (other financing sources)</b>	0	0	0	0	0	0	0	0
<b>Excess (deficiency) of revenues over expenditures</b>	0	0	0	0	0	0	0	0
<b>Total other revenues and other financing sources</b>	0	0	0	0	0	0	0	0
<b>Total revenues (other financing sources) beginning</b>	0	0	0	0	0	0	0	0
<b>Total revenues (other financing sources) ending</b>	0	0	0	0	0	0	0	0

The accompanying notes are an integral part of this statement.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements**  
**As of and for the Year Ended June 30, 1998**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Bogalusa School Board (the "School Board") is an independent special district created for the purpose of providing elementary and secondary education to the citizens of Bogalusa, Louisiana. The School Board is governed by an elected board comprised of seven members.

The following is a summary of the School Board's significant accounting policies which conforms to generally accepted accounting principles as applicable to governmental units:

**Reporting Entity** - In conformity with the Governmental Accounting Standards Board's definition of a reporting entity, the general purpose financial statements of the School Board include the accounts of all School Board operations. The School Board is considered a stand-alone reporting entity based on the following criteria:

- a. **Responsibility for Surpluses/Deficits.** The School Board is solely responsible for its surpluses/deficits. No other governmental unit is responsible for its deficits or has a claim to its surpluses.
- b. **Budget Approval.** The School Board is solely responsible for reviewing, approving and revising its budget.
- c. **Responsibility for Debt.** The School Board is authorized to issue bonds. The School Board is solely responsible for payments to the bondholders. No other governmental unit is required by statute to make any payments to bondholders nor have any payments to bondholders ever been made by any governmental unit, except the School Board.
- d. **Designation of Management.** The School Board controls the hiring of management and employees.
- e. **Special Financial Relationship.** The School Board has no special financial relationships with any other governmental unit.
- f. **Statutory Authority.** The School Board's statutory authority was created by the State of Louisiana as an independent governmental unit. Only an amendment to state statutes can change or abolish the School Board's authority.

**CITY OF ROSALISA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Additionally, the School Board is a legally separate governmental organization that has a separately elected governing body and does not meet the definition of a component unit.*

*The School Board operates 18 schools within the City with a total enrollment of approximately 3,377 pupils. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.*

**Bank of Presentation - Fund Accounting** - *The accounts of the School Board are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the School Board:*

**Governmental Fund Types**

**General Fund** - *to account for all financial resources and expenditures except those required to be accounted for in another fund.*

**Special Revenue Funds** - *to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.*

**Debt Service Funds** - *to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs.*

**Educators Fund Types**

**Agency Funds** - *to account for assets held by the School Board as an agent for others.*

**Account Groups**

*Account groups are used to establish accounting control and accountability for the School Board's general fund assets and general long-term debt. The following are the School Board's Account Groups:*

**CITY OF BOCA RATON SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**General Fixed Assets Account Group** - Fixed assets used in Governmental Fund Type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. General fixed assets consist of land, buildings and improvements, and equipment with an expected useful life of more than one year. Purchases of general fixed assets are recorded as expenditures at the time of purchase. Depreciation is not recorded in general fixed assets.

**General Long-Term Debt Account Group** - Long-term liabilities such as unamortized general obligation indebtedness and the long-term portion of compensation allowances expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

**Basis of Accounting** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund Types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by the Governmental Fund Types, and the Agency Funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, (i.e., both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, compensated absences, and claims and judgments which are recognized when due, are recorded when the fund liability is incurred, if measurable.

Revenues from local sources consist primarily of sales, use and property taxes. Year-end accrual of sales and use tax revenue is based upon June and prior months' sales and use taxes collected during July and August of the following year. Property tax revenues and revenues received from the State of Louisiana (the "State") are recognized as revenue primarily when received except at year end when they are accrued for a period not exceeding 60 days. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Generally, investment earnings are recorded as earned since they are measurable and available.

**CITY OF BOCALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant.

**Budget and Budgetary Accounting** - Under Louisiana Revised Statutes 39:1304, the School Board adopts an annual budget of expected revenues and probable expenditures for the General Fund, Special Revenue Funds and Debt Service Fund. The budgetary process includes public notice of the proposed budget, public inspection of the proposed budget, and public hearings on the budget. The budget is adopted and submitted to the State Department of Education no later than September 15th each year. Once a budget is approved by the State Department of Education, it can be amended at the function level at the discretion of management unless it becomes evident that receipts or disbursements will vary substantially from those budgeted. Then, the School Board shall prepare and adopt an amended budget. During the year, several discretionary amendments were necessary. Generally, such discretionary amendments were of an insignificant nature.

Budgetary control is exercised at the revenue and expenditure function level. Budgeted amounts reflected in the accompanying general purpose financial statements were adopted by the School Board on September 15, 1997 and include amendments made through June 1998.

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is not employed by the School Board, and encumbrances outstanding at year end are not reported.

**Cash and Cash Equivalents** - Cash and cash equivalents include all short-term, highly liquid investments (including certificates of deposit) with original maturity of three months or less when purchased.

**Investments** - Investments are stated at market value, which is based on published prices.

**Inventories** - The School Lunch Fund inventories consist of purchased food and supplies and commodities received as donations through the federal school lunch program. Such inventories are priced at cost (except for commodities received as donations which are priced using the USDA price list for commodities), on a first-in, first-out basis.

**Land, Buildings and Equipment** - General fixed assets which are purchased are recorded at cost or estimated historical cost. Actual historical cost data was not available for certain assets acquired prior to June 30, 1998. In those cases where it was not feasible to determine the actual cost, the assets were valued at estimated historical cost. General fixed assets, which are donated, are recorded at their fair market value on the date received.

**CITY OF BOCA RATON SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Compensation Absences**

- A. **Vacation and Sick Leave** - All full-time employees of the School Board are permitted to accrue vacation days (annual leave) and sick pay (sick leave). Annual leave can be accumulated up to a maximum of 15 days at the end of each fiscal year. Sick leave may accrue up to an unlimited number of days. Upon termination of employment, the employee is paid for all accrued sick leave up to a maximum of 15 days.

In the governmental funds, only that portion which will be liquidated within one year with expendable available financial resources is accrued at year-end. The term "expendable available financial resources" as used in this context means unreserved, undesignated fund balance. The remainder of the accrued liability which is applicable to governmental fund types is reported in the General Long-Term Debt Account Group. Only that portion of accumulated sick leave which is vested is accrued. The amount of accumulated vacation and accumulated vested sick leave at June 30, 1998 applicable to government fund types was \$428,275, none of which met the condition for accrual in the government funds; hence, the entire amount is reported in the General Long-Term Debt Account Group.

- B. **Sabbatical Leave** - Any employee with a teaching certificate is entitled, subject to approval, to one semester of sabbatical leave after three or more years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leaves may be granted for rest and recuperation or professional and cultural improvement and must be approved by the School Board. Unused sabbatical leave may be carried forward to periods subsequent to that in which it is earned. Sabbatical leave does not rest. Sabbatical leave benefits are recorded as expenditures in the period paid.

**2. CASH AND INVESTMENTS**

**Deposits** - In accordance with Louisiana Statutes, the School Board maintains deposits at those depository banks authorized by the School Board. All such depositories are members of the Federal Reserve System.

Louisiana Statutes require that all School Board deposits be protected by insurance or collateral. The market value of collateral pledged must equal 100% of the deposits not covered by insurance.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**2. CASH AND INVESTMENTS (CONTINUED)**

As of June 30, 1998, the carrying amount of total deposits was \$1,438,303. The book balances for these deposits totaled \$1,672,638 at June 30, 1998, and were insured or collateralized with securities held by the pledging financial institution or its agent, but not in the School Board's name. These deposits are considered Category 2 in accordance with GASB Statement No. 3.

**Investments**

Cash balances of the School Board's funds are pooled and invested to the extent possible in authorized investments. Interest earned on invested cash is distributed to the various funds on the basis of the actual invested cash balances of the participating funds during the year.

The School Board invests idle funds as authorized by Louisiana Statutes in direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States. The investments are in the name of the School Board and are held in the trust department of a custodial bank.

At June 30, 1998, the School Board held investments in U.S. treasury bills with a carrying value of \$17,613, which approximated market value. The investments are considered Category 1 in accordance with GASB Statement No. 3.

**3. RECEIVABLES**

The receivables at June 30, 1998, are as follows:

Class of Receivable	General	Special	Total
	Fund	Funds	
Sales and use taxes	\$ 248,856	\$ -	\$ 248,856
Orients:			
Federal	28,852	212,460	241,312
State	415,498	16,802	432,400
Other	<u>2,042</u>	<u>-</u>	<u>2,042</u>
Total	<u>\$ 695,248</u>	<u>\$ 229,262</u>	<u>\$ 924,510</u>



**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**4. DUE FROM/TO OTHER FUNDS**

Individual balances due from/to other funds at June 30, 1998 are as follows:

<u>Fund</u>	Due from Other Funds	Due to Other Funds
General Fund	\$ 622,780	\$ 4,932
Special revenue funds:		
Leeway Maintenance	-	335,823
School Lunch	-	28,983
Education Consolidation and Improvement Act - Title I	-	76,740
Education for Economic Security Act Title II	-	4,118
Special Education	-	142,665
Home Instruction Program for Preschool Youngsters (HIPPY)	-	14,580
Debt Service	4,932	
School Activity Agency Fund	<u>5,000</u>	<u>5,000</u>
Total	<u>\$ 632,712</u>	<u>\$ 632,712</u>

**5. GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
Land	\$ 183,426	\$ -	\$ -	\$ 183,426
Buildings	8,578,511	-	-	8,578,511
Improvements other than buildings	860,044	11,947	-	871,991
Furniture and equipment	<u>3,027,085</u>	<u>358,538</u>	<u>253,086</u>	<u>3,132,537</u>
Total	<u>\$ 12,651,066</u>	<u>\$ 370,485</u>	<u>\$ 253,086</u>	<u>\$ 12,768,465</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**6. SALES AND USE TAX**

For the year ended June 30, 1998, a one cent local sales and use tax was levied and collected within Washington Parish by the Washington Parish Sheriff's Office of which 15% was received by the School Board. All of the sales tax proceeds are used to pay payroll related expenditures of the School Board.

**7. SALARIES AND OTHER PAYABLES**

The payables at June 30, 1998, are as follows:

	General Fund	Special Revenue Funds	Total
Salaries and withholdings	\$ 877,007	\$ 90,566	\$ 967,573
Employer's portion of retirement payable	958,351	15,534	973,885
Total	\$ 1,835,418	\$ 106,100	\$ 1,941,518

**8. CHANGES IN GENERAL LONG-TERM DEBT**

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

	Balance June 30, 1997	Additions	Retirements	Balance June 30, 1998
Certificates of indebtedness payable	\$ 792,000	\$ -	\$ 363,000	\$ 429,000
Capital leases payable	18,521	7,700	9,439	16,782
Compensated absences payable	398,792	38,566	-	437,358
Total	\$ 1,189,313	\$ 46,266	\$ 372,439	\$ 863,140

During the fiscal year ended June 30, 1998, the School Board issued \$850,000 of Certificates of Indebtedness. The proceeds of the certificates were limited to capital improvements. The certificates bear interest at 7.75%. Outstanding certificates totaled \$180,000 on June 30, 1998.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**8. CHANGES IN GENERAL LONG-TERM DEBT (CONTINUED)**

During the fiscal year ended June 30, 1993, the School Board issued \$1,875,000 of Certificates of Indebtedness. The proceeds of the certificates were deposited in the General Fund for the purpose of eliminating the deficit. The certificates bear interest between 5.15% and 6.40%. Outstanding certificates totaled \$180,000 on June 30, 1998.

During the fiscal year ended June 30, 1996, the School Board issued \$400,000 of Certificates of Indebtedness. The proceeds of the certificates were used to purchase a building for School Board offices. The certificates bear interest between 5.5% and 6%. Outstanding certificates totaled \$100,000 on June 30, 1998.

All Certificates of Indebtedness are secured by the 23 mill special tax approved by the voters on April 28, 1988.

All issues of Certificates of Indebtedness listed above shall become due and payable during the year ended June 30, 1999.

**9. LEASES**

The School Board is obligated under certain leases for copying equipment accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. The following is a schedule of future minimum lease payments as of June 30, 1998.

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
1999	\$ 18,543
2000	3,866
2001	1,803
2002	<u>588</u>
Minimum lease payments for capital leases	18,800
Less: amount representing interest	<u>(2,628)</u>
Present value of minimum lease payments	<u>\$ 16,172</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**10. RESERVATION OF FUND BALANCES**

The following reservations exist for various funds:

	Special Revenue Funds	Debt Service Fund
<p><u>Inventory</u> - This reserve represents the portion of fund balance reserved in the Special Revenue Fund for inventory. It is reserved which indicates that the balance does not constitute available expendable resources even though inventory is a component of net current assets.</p>	\$ 34,829	
<p><u>Debt Service</u> - This reserve represents the portion of fund balance that has been reserved in the Debt Service Fund for future payment of principal and interest on bonded debt.</p>		\$ 22,991

**11. PROPERTY TAXES**

The School Board levies taxes on real and business personal property located within Ward 4 of Washington Parish. Property taxes are levied by the School Board on property values assessed by the Washington Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Washington Parish Sheriff's Office bills and collects property taxes for the School Board.

**Property Tax Calendar**

Assessment date	January 1
Total taxes due date	About November 15
Penalties and interest are added	January 1
Lien date	January 1
Tax sale - delinquent property	About June 1

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**11. PROPERTY TAXES (CONTINUED)**

The following is a summary of levied ad valorem taxes for the year ended June 30, 1998:

Bogalusa School Board taxes:	Levied Millage	Expiration Date
Constitutional	6.40	Indef.
Operations	6.40	2001
Construction, operation, and maintenance	5.00	2001
Operations	3.11	1998
Special Lowway Maintenance	7.76	1998
Operations	22.06	1998

**12. RETIREMENT SYSTEMS:**

Substantially all employees of the School Board are required by State law to belong to retirement plans administered by the Teachers' Retirement System (TRS) or the School Employees' Retirement System ("SERS"), both of which are administered on a statewide basis. Each plan issues a separate financial report that includes financial statements and required supplementary information. These reports may be obtained by writing or calling the plan.

Teachers' Retirement System of Louisiana  
 Post Office Box 94123  
 Baton Rouge, Louisiana 70804-9123  
 (225) 833-4396

Louisiana School Employees' Retirement System  
 Post Office Box 94516  
 Baton Rouge, Louisiana 70804-4516  
 (225) 924-4381

Disclosures relating to these plans follow:

**A. TEACHERS' RETIREMENT SYSTEM**

1. *Plan Description* - All teachers, administrators, and school lunch employees of the School Board are covered by defined benefit contributory pension plans administered and controlled by a separate Board of Trustees. The Board of Trustees administers plans which are continuing, multiple-employer public employer retirement systems.

All teachers, administrators, and school lunch employees are eligible to participate in the TRS plans. Teachers and administrators belong to the Teachers' Regular Plan, and school lunch employees belong to the Teachers' Plan A plan. Benefits are established by State statute.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**12. RETIREMENT SYSTEMS (CONTINUED)**

TRS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of creditable service. Normal retirement is at age 60 with 10 years of service or 20 years of service regardless of age for the Teachers' Regular plan members. For the Teachers' Plan A plan members, normal retirement is at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service, and at age 60 with at least 10 years of creditable service. Retirement benefits are based upon the following formula percentages:

Years of Service	Minimum Age	Teachers' Regular	Teachers' Plan A
10	60	2.0% per year	1.0% or 1.0% per year
20	Any age	1.8% per year	1.0% or 1.0% per year
25	55	2.5% per year	1.0% or 1.0% per year
30	Any age	2.2% per year	1.0% or 1.0% per year
35	60	2.2% per year	1.0% or 1.0% per year

The percentage formula is applied to the average of the highest three consecutive annual salaries. The benefit is payable for life with eight available annuity payment plans. The plans also provide various death and disability benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined in accordance with the plan.

2. **Contributions Required and Study** - Covered employees and the School Board are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Contribution rates for the plans are as follows:

	Employee	Employer
Teachers' Regular	8.00%	16.0%
Teachers' Plan A	9.10%	18.4%

The School Board's contributions to TRS for the years ended June 30, 1996, 1997 and 1998 were \$1,548,814, \$1,482,263, and \$1,473,177, respectively, equal to the required contributions for each year.

**B. SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

1. **Plan Description** - Employees who are not teachers, administrators, or school board employees are covered by defined benefit contribution pension plans administered and controlled on a statewide basis by a separate Board of Trustees. The Board of Trustees administers this plan which is a cost-sharing multiple-employer public employees retirement system.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**11. RETIREMENT SYSTEMS (CONTINUED)**

All employees, other than teachers, administrators, and school lunch employees, are eligible to participate in the SERS. Benefits are established by State statute.

SERS provides retirement benefits as well as death and disability benefits. Death and disability benefits vest after 5 years of credited service. Normal retirement is at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service, and at age 58 with at least 18 years of creditable service. The maximum retirement and disability benefit is an amount equal to 2.10% of the average compensation for the three highest consecutive years of credited service, multiplied by the number of years of service, plus a supplementary allowance of \$2.00 per month for each month of service. The plan also provides various death benefits, whereby the disabled employee or surviving spouse is entitled to receive amounts determined in accordance with the plan.

2. *Contributions Required and Made* - Covered employees and the School Board are required by State statute to contribute fixed percentages of employees' gross earnings to the pension plans. Contribution rates for the plan are 8.50% for participating employees and 6.00% for the School Board.

The School Board's contributions to SERS for the years ended June 30, 1995, 1997, and 1998 were \$55,667, \$51,863, and \$50,874, respectively, equal to the required contribution for each year.

**12. POST-EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

In accordance with State statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. Currently, retirees are eligible to participate in these benefits. These benefits for retirees are provided through the State Employees Group Benefits Program where monthly premiums are paid jointly by the retirees and by the School Board. During fiscal year 1998, the School Board contributed 40% of the total premiums for health care insurance provided to the retirees. The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure on a pay-as-you-go basis when the monthly premiums are due. The School Board's net cost of providing all health care benefits to the approximately 141 active and 272 retired participating employees amounted to \$1,652,363 for 1998. For 1998, the School Board's cost of premiums paid for retirees totaled \$512,496.

**CITY OF BOGALUSA SCHOOL BOARD**  
**Notes to the General-Purpose Financial Statements (Continued)**  
**As of and for the Year Ended June 30, 1998**

**14. FUND DEFICIT**

The General Fund had a deficit unreserved fund balance of \$82,728 at June 30, 1998.

Management plans to eliminate the deficit through a combination of additional revenues and a reduction of certain expenditures. The additional revenues will be generated primarily from the Minimum Foundation Program and the reduced expenditures will be in the discretionary expenditures for instructional supplies and maintenance supplies and repairs.

**15. LITIGATION**

As June 30, 1998, the School Board was a defendant in several lawsuits arising principally from the normal course of operations. The ultimate resolution of these lawsuits would not materially affect the financial statements in the estimation and opinion of the legal advisor of the School Board.



# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A FIDELITY NATIONAL CORPORATION

554 N. Canaway Blvd. • Suite 400 • P.O. Box 882 • Metairie, LA 70002  
Phone (504) 885-4100 • Fax (504) 885-4100 • E-mail [reb@reb.com](mailto:reb@reb.com)

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

**City of Bogalusa School Board**  
1700 Sullivan Drive  
Bogalusa, LA 70429

Dear Board Members:

We have audited the financial statements of the City of Bogalusa School Board as of and for the year ended June 30, 1998, and have issued our report thereon dated October 9, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the City of Bogalusa School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Questioned Costs as Item A2-08-1.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Bogalusa 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.

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

*Robson & Company*

October 9, 2008

## SUPPLEMENTAL INFORMATION

## SPECIAL REVENUE FUNDS

**Laneway Maintenance Fund** - Accounts for the receipt and disbursement of a 7.75 mill ad valorem tax. The proceeds are dedicated as a special tax laneway for maintenance.

**School Lunch Fund** - A program that provides reimbursing meals to students in all grades. This program is supplemented by both federal and state funds that are based on reimbursement and participation.

**Title I of the Education Consolidation and Improvement Act (ECIA)** - A program designed to meet the educational needs of students at risk of failure in school and of dropping out.

**Title VI of the Education Consolidation and Improvement Act (ECIA)** - A program by which the federal government provides programs and projects to meet the educational needs of students at risk of failure in school and of dropping out, and which will enhance the general education climate of the schools.

**Title II of the Education for Economic Security Act (EESA)** - Authorizes federal funding to improve the quality of instruction and to improve in-service training of teachers and other appropriate school personnel in the field of mathematics and science.

**Special Education Fund** - Federal and state programs which provide a free, appropriate, publicly supported education to every exceptional child in a least restrictive environment. Services are provided through various programs: kindergarten, preschool, Child Search, and Extended School Year.

**Home Instruction Program for Preschool Youngsters (HIPY)** - HIPY is a two-year program in which parents participate with their 3- or 4-year old child in pre-school activities at home to stress the importance of a parent's role in a child's transition from preschool to kindergarten.

**CITY OF BOGALUSA SCHOOL BOARD  
SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 1998**

	Current Accounts	State Aid	State Commodities Programs	Monies for Security IBS	State Aid	State Aid	Other Income	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 29,244	\$ 8,117	\$ -	\$ -	\$ -	\$ -	\$ 8,889	\$ 46,250
Accounts receivable	-	8,000	-	-	4,118	-	12,118	20,118
Inventory	-	8,000	-	-	-	-	-	16,000
Due from other funds	-	-	-	-	-	-	-	-
Total assets	\$ 29,244	\$ 24,117	\$ -	\$ -	\$ 4,118	\$ -	\$ 12,118	\$ 67,487
<b>LIABILITIES AND EQUITIES</b>								
Contributions								
Accounts payable	\$ -	\$ 1,400	\$ 1,240	\$ -	\$ -	\$ -	\$ 2,640	\$ 3,240
Salaries and other payables	-	4,411	8,400	-	-	-	12,811	17,662
Due to other funds	20,000	8,000	5,210	-	4,118	-	17,328	47,656
Total liabilities	\$ 20,000	\$ 13,811	\$ 14,650	\$ -	\$ 4,118	\$ -	\$ 34,889	\$ 52,669
Fund equity/undistributed								
Reserved for inventory	\$ 1,400	\$ 6,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,099
Unreserved undesignated	1,400	1,700	-	-	-	-	-	3,100
Total fund equity	\$ 2,800	\$ 8,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,200
Total liabilities and fund equity	\$ 22,800	\$ 22,211	\$ 14,650	\$ -	\$ 4,118	\$ -	\$ 34,889	\$ 63,869

**CITY OF BOGALUSA SCHOOL BOARD  
SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 1998**

Revenue	Levy	Other	Special	Revenues	Expenditures	Change in	Total
	Rate	Amount	Amount	From All	For All	Fund	Fund
				Source	Activity	Balance	Balance
				Revenue	Expenditure	at	at
						6/30/97	6/30/98
Levy	21.021	-	-	441	-	1	442
Other	5.000	2,073	-	2,073	-	-	2,073
Special	-	84,000	-	84,000	-	-	84,000
Admission	-	8,257	-	8,257	-	-	8,257
Activity	-	3,100	-	3,100	-	-	3,100
Transfer	-	10,000	-	10,000	-	-	10,000
Other	-	1,630	-	1,630	-	-	1,630
Total	-	107,060	-	107,060	-	107,060	107,060
Expenditures	-	-	-	-	107,060	-	107,060
Instruction	-	-	-	-	107,060	-	107,060
Other	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	-	-	-	-	107,060	-	107,060
Change in	-	-	-	-	-	107,060	107,060
Balance	-	-	-	-	-	107,060	107,060
Total	-	-	-	-	-	107,060	107,060

(Continued)

CITY OF BOCA RATON SCHOOL BOARD

SPECIAL REVENUE FUNDS

Condensing Statement of Revenues, Expenditures  
and Changes in Fund Balances (Continued)

For the Year Ended June 30, 1995

Expenses	Levy	Interest	Miscellaneous	Contributions and	Revenues to	Special	State	Total
	Account	Account	Account	Account	Account	Account	Account	Account
	1000	1000	1000	1000	1000	1000	1000	1000
Expenses								
Instruction								
Special programs			\$ 40,570	-	\$ 16,229	\$ 5,211	\$ 11,043	\$ 73,043
Support services	284,796	28,796	12,177	298	889	5,217	-	294,073
Plant services	-	87,500	10,000	15,254	4,477	10,000	41,281	156,512
General administration	-	46,490	-	-	-	-	-	46,490
Food services	-	-	15,796	-	-	17,238	11,832	44,866
Instructional support	-	-	522	-	-	-	5,025	5,547
Community services	-	-	-	-	-	-	-	-
Total expenditures	284,796	132,786	69,465	5,492	24,425	28,456	68,181	511,521
Excess (deficiency) of revenues	61,186	148,754	-	-	-	-	-	160,044
and expenditures	428	281,540						281,968
Fund balance, beginning	1,128	1,582						2,710
Fund balance, ending								

## **FIDUCIARY FUND**

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



**CITY OF HOHALUSA SCHOOL BOARD**  
**SCHOOL ACTIVITY AGENCY FUND**  
**Schedule of Changes in School Account Balances**  
**For the Year Ended June 30, 1958**

	Balance July 1, 1957	Additions	Deductions	Balance June 30, 1958
Hopkins High - Activity	\$ 21,910	\$ 142,814	\$ 155,840	\$ 20,884
Hopkins High - General	(7,551)	183,968	112,387	(7,270)
Hopkins High - Athletics	(3,725)	46,255	52,538	(9,808)
Hopkins High - Band Directors' Club	4,683	7,861	13,244	-
Hopkins High - Quaterback Club	1,718	2,889	4,917	281
Hopkins High - Lumberjack Diamond Club	307	2,452	4,073	1,686
Hopkins Jr. High	25,258	71,448	72,884	24,519
Hyd Avenue Elementary	12,148	56,810	53,909	15,051
Columbia Street Elementary	6,777	64,523	57,891	13,409
DeKalbview Elementary	4,358	62,249	61,887	3,817
Lang Avenue Elementary	4,353	44,882	46,865	2,790
Norshade	2	3,079	3,034	45
Pleasant Hill Elementary	19,289	47,868	54,929	2,437
Superior Avenue Elementary	12,947	25,156	29,518	8,585
Tyrone Elementary School Activity	380	1,751	1,818	279
Terrace Elementary	5,210	27,818	26,488	6,510
	<u>\$ 112,781</u>	<u>\$ 758,613</u>	<u>\$ 728,412</u>	<u>\$ 83,382</u>

**CITY OF BOGALUSA SCHOOL BOARD**  
**Schedule of Compensation Paid to Board Members**  
**For the Year Ended June 30, 1998**

Jo Dickhaut	\$ 5,000
Richard B. Dordt	5,000
Blaine Cecil	5,000
Wilton R. Dunaway	5,000
Joel C. Foster	5,000
Gayle Jenkins	5,000
Raymond D. Miles	<u>5,000</u>
	<u>\$ 37,000</u>

**AUDIT REPORTS AND INFORMATION REQUIRED BY  
THE SINGLE AUDIT ACT**

**CITY OF BOCA RATON SCHOOLS BOARD**  
**Schedule of Disbursements of Federal Awards**  
**For the Year Ended June 30, 1999**

	<u>Federal/State/Other Through Special Projects Title</u>	<u>CFDA Number</u>	<u>Fed Through Contract Number</u>	<u>Program or Award Amount</u>	<u>Revenue</u>	<u>Deficit/Excess</u>
<b>U.S. Department of Agriculture</b>						
<b>Food Distribution Programs</b>						
		11-208	503	\$ 86,761	\$ 86,761	\$ 86,761
<b>Food Distribution Demands</b>						
		16-010	503	208,072	208,072	208,072
		49-0100	503	600,000	600,000	600,000
				<u>1,086,833</u>	<u>1,086,833</u>	<u>1,086,833</u>
<b>Total United States Department of Agriculture</b>						
<b>U.S. Department of Education</b>						
<b>Financial through Louisiana Department of Education:</b>						
		84-002		1,000	1,000	1,000
		84-018		1,088,071	981,384	981,384
		85-021	85-07-06	208,000	208,000	208,000
		84-004		31,600	31,600	31,600
		84-210	14-04-00-02	24,200	31,070	31,070
		84-004	14-00-00-00	30,000	30,000	30,000
		84-730	85-07-06	70,000	17,100	17,100
		84-001	84-02-1-08	50,000	15,570	15,570
		84-700	14-04-00-04	20,000	20,000	20,000
		84-200	00-00-00-0	15,000	15,000	15,000
				<u>1,393,871</u>	<u>1,393,871</u>	<u>1,393,871</u>

(Continued)

**CITY OF BOGALUSA SCHOOL BOARD**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 1998**

Federal or other Pass-Through Account Program Title	CFDA Number	Pass-Through Category/Status	Program or Award Amount	Recurse	Expenditures
<b>U.S. Department of Labor</b>					
Federal Through Training Needs School Board					
Job Training Partnership Act (Title 29 - Youth)	15.150	-	\$ 11,992	11,992	11,992
Total United States Department of Labor			11,992	11,992	11,992
<b>U.S. Department of the Army</b>					
Service Reserve Officers Training Corp.	50A	50A	8,982	8,982	8,982
Total United States Department of the Army			8,982	8,982	8,982
Total Federal Financial Assistance			<u>2,011,112</u>	<u>2,011,112</u>	<u>2,011,112</u>

City major federal financial assistance programs as defined by GASB Circular A-119.

**CITY OF HOULISSA SCHOOL BOARD**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
June 30, 1986

**NOTE 1 - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-135 - "AUDITS OF STATES, LOCAL GOVERNMENTS AND NON-PROFIT ORGANIZATIONS", AND THE SINGLE AUDIT ACT OF 1984 AND 1986 AMENDMENTS**

All federal grant operations of the School Board are included in the scope of the single audit. Those programs which were major programs and which were selected for specific testing included:

National School Lunch (CFDA No. 18.555)  
Handicapped State Grant - IDEA B (CFDA No. 84.017)

The Louisiana Department of Education has been designated as the School Board's cognizant agency for the single audit.

**NOTE 2 - FISCAL PERIOD AUDITED**

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 1986. Revenues and expenditures recorded prior to July 1, 1986 for programs with contractual reimbursement periods commencing prior to that date were outside the scope of the single audit. These prior-period revenues and expenditures are subject to the audit requirements of the applicable federal funding sources. Grant terms are indicated in the Schedule of Expenditures of Federal Awards.

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the School Board has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Costs incurred on programs partially funded by federal grants are applied against federal grant funds to the extent of revenues available when they properly apply to the grant.

**Accrued and Deferred Reimbursement**

Various reimbursement procedures are used for federal awards received by the School Board. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year-end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS  
A PROFESSIONAL CORPORATION

3621 N. Causeway Blvd. • Suite 870 • P.O. Box 8874 • Metairie, LA 70008  
Phone (504) 887-1740 • Fax (504) 887-0022 • E-mail [reb@reb.com](mailto:reb@reb.com)

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

### **City of Bogalusa School Board**

1305 Sullivan Drive  
Bogalusa, LA 70429

Dear Board Members:

### **Compliance**

We have audited the compliance of the *City of Bogalusa School Board* with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1998. The *City of Bogalusa School Board's* major federal programs are identified in the summary of auditor's 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 *City of Bogalusa School Board's* management. Our responsibility is to express an opinion on the *City of Bogalusa School Board's* compliance based on our audit.

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

In our opinion, the **City of Bogalusa School Board** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

#### Internal Control Over Compliance

The management of the **City of Bogalusa 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 **City of Bogalusa 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 the internal control over compliance in accordance with OMB Circular A-133.

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

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

#### ***Roberts & Company***

October 9, 1998



**CITY OF BOGALUSA SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 1998**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the City of Bogalusa School Board.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. An instance of noncompliance was disclosed during the audit of the financial statements of City of Bogalusa School Board and is reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements performed in Accordance with Government Auditing Standards.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the City of Bogalusa School Board expresses an unqualified opinion.
6. There were no audit findings relating to the major federal award programs for the City of Bogalusa School Board.
7. The programs tested as major programs include:

A. National School Lunch Program	CFDA No. 18.555
B. Handicapped State Grant - IDEA B	CFDA No. 84.027
8. The threshold for distinguishing Types A and B programs was \$200,000.
9. The City of Bogalusa School Board was determined to be a low-risk entity.

**CITY OF BOGALUSA SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**For the Year Ended June 30, 1988**

**II. FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

**Non-Compliance Finding**

**A3-98-1 Budget**

**Condition:**

The beginning fund balances in the amended budgets for the General Fund and Debt Service Fund exceeded the actual beginning fund balances by more than five percent (5%) and the fund balances were used to fund current year expenditures, therefore, the budgets should have been properly amended.

**Criteria:**

Louisiana Revised Statute §39:1518 requires that the administrative officer advise the governing authority in writing when the actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent (5%) or more and fund balance is being used to fund current year expenditures.

**Perspective Information:**

The estimated beginning fund balance for the General Fund was \$38,000 and the actual beginning fund deficit was \$34,817, a difference of \$84,817. The estimated beginning fund balance for the Debt Service Fund was \$40,742 and the actual beginning fund balance was \$29,533, a difference of \$11,209. The differences were the result of adjusting entries for the previous year, recorded subsequent to the adoption of the budget. As a result, the estimated beginning fund balances were overstated in the budget.

**Recommendation:**

Management should monitor the operations of the School Board for significant changes, which might require amendment to the original budget.

**Response:**

We concur with the recommendation. We will monitor operations of the School Board and consider the impact on estimates included in the budget.

CITY OF ESCALONA SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
For the Year Ended June 30, 1998

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None

**CITY OF BOGALUSA SCHOOL BOARD**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended June 30, 1998**

**Finding (Section B): Selected School Accounts**

**Condition:**

The finding was a reportable condition stating that controls over school accounts were deficient.

**Current Status:**

The School Board has implemented a new School Activity Policy Manual dated June 1997. This new policy manual standardizes the reporting and control procedures for student activity accounts. Management is currently enforcing the requirements of the new policy manual.

**Finding (Section C): On-site reviews of the School Lunch Program**

**Condition:**

The finding was associated with Major Federal Award Programs. There was no evidence or documentation supporting that on-site reviews were performed timely.

**Current Status:**

Management has established procedures to ensure that these reviews are performed and documented appropriately.

**CITY OF INDIANAPOLIS SCHOOL BOARD  
CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 1998**

Management's corrective actions are described in the management response to the auditor's non-compliance finding.

10000  
10000  
10000  
10000

**CITY OF BOGALUSA  
SCHOOL BOARD**

**MEMORANDUM OF ADVISORY COMMENTS**

**For the Year Ended June 30, 1998**

## TABLE OF CONTENTS

	<b>Page</b>
Auditor's Transmittal Letter .....	1
Policies and Procedures .....	3
Louisiana Uniform Government Handbook .....	3
Year 2000 Computer Issues .....	3

# REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS  
CONSULTANTS

A PROFESSIONAL CORPORATION

2007 N. Economic Blvd. • Suite 810 • PO. Box 6952 • Metairie, LA 70006  
Phone (504) 837-6116 • Fax (504) 837-6123 • E-mail: [info@rebowe.com](mailto:info@rebowe.com)

## **City of Bogalusa School Board**

1785 Sullivan Drive  
Bogalusa, LA 70429

Dear Board Members:

We have audited the general-purpose financial statements of the City of Bogalusa School Board ("School Board") as of and for the year ended June 30, 1998, and have issued our report thereon dated October 9, 1998. As part of our audit, we considered the School Board's internal control in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing an opinion on the general-purpose financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The recommendations that accompanies this letter summarizes our comments and recommendations regarding these matters. We previously reported on the School Board's internal control in a separately issued report entitled *Report on Compliance and on Internal Control Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*, dated October 9, 1998 and noted no material weaknesses.

We will review the status of these matters during our next audit engagement. We have already discussed many of these comments and recommendations with various School Board personnel and would be pleased to discuss them with you in further detail at your convenience or to assist you in implementing our recommendations.

This report is intended solely for the information and use of the School Board, the Louisiana Legislative Auditor, and others within the organization.

*Rebowe & Company*

October 9, 1998



## POLICIES AND PROCEDURES

### I. Comment:

There are no established procedures in place to verify information transmitted electronically to the State Department of Education.

#### Background:

The School Board submits certain financial and statistical information on an annual basis to the State Department of Education. This information is accumulated in various computer file formats and then transmitted electronically to the State Department of Education. Part of the information received by the State Department of Education is used to determine the amount of Minimum Foundation Program ("MFP") funding provided to the School Board.

The MFP funding provided to the School Board during fiscal year ended June 30, 1998 was deficient due to an error in the transmission or processing of the financial and statistical information. It is unknown how the error occurred, but it appears that it is related to an understatement of the number of "free and reduced meals" students, which is a part of the MFP formula.

The School Board detected this error and communicated the problem to the State Department of Education in a timely manner and is currently pursuing final disposition of this matter. The Administration believes that the correct amount of funding will be received in the near future.

#### Recommendation:

We recommend that the Administration apply procedures to verify that the information received by the State Department of Education is consistent with the information transmitted.

#### Management's Response:

Verifying the accuracy of data transmitted to the State Department of Education (SDE) is critical. As stated above, the School Board did detect this error and communicated this to the SDE in a timely manner. This information could have been transmitted for inclusion in previous data but the School Board was advised this matter would be resolved by an on site audit. An audit was immediately scheduled in January 1998. Although student information data was verified during the audit, funding reimbursement was not forthcoming. To preclude a recurrence of this nature, the School Board is verifying to the best of its ability the accuracy of data transmitted to SDE. It was the review of data by the School Board that

detected the original error. Should there be another instance that could possibly reduce funding entitlement, the School Board will request a written response from SDE to assure the MFF is not affected.

The following are advisory comments that were reported in the Memorandum on Reportable Conditions and Other Matters dated September 26, 1997 for which no recommendations have not been fully implemented.

## LOUISIANA UNIFORM GOVERNMENT HANDBOOK

### 2. Comment:

The School Board's general ledger system is not in conformity with the Louisiana Uniform Government Handbook ("LAUGH"). The purpose of the LAUGH system is to standardize school boards' chart of accounts and to streamline the statistical data collection process.

#### Recommendation:

We recommend that the School Board convert its accounting system to conform to LAUGH. Doing so would eliminate the need to manually enter the financial data in the format accepted by the State Department of Education and would streamline the process by which the statistical data is provided to the State Department of Education.

#### Management's Response:

The School Board will convert to the Louisiana Uniform Government Handbook (LAUGH) system during the 1998-1999 fiscal year. The School Board is currently preparing for this conversion. This matter is related to the Year 2000 comment below.

## YEAR 2000 COMPUTER ISSUE

### 3. Comment:

The Year 2000 computer issue results from a computer's inability to process year-date data accurately beyond the year 1999. Except in recently introduced year 2000 compliant software programs, computer programmers consistently have abbreviated dates by eliminating the first two digits of the year, with the assumption that those two digits would always be 19. Thus January 1, 1965, became 010165. Unless corrected, this shortcut is expected to create widespread problems when the clock strikes 12:00:01 a.m. on January 1, 2000. On that date, some computer programs

may recognize the date as January 1, 1900, and process data inaccurately or stop processing altogether.

The Year 2000 issue is likely to affect computer applications before January 1, 2000, when systems currently attempt to perform calculations into the year 2000. Furthermore, some software programs use several dates in the year 1999 to mean something other than the date. Examples of such dates are 01/01/99, 09/09/99, and 02/01/99. As systems process information using these dates, they may produce erratic results or stop functioning.

The Year 2000 issue presents another challenge. The algorithm used in some computers for calculating leap years is unable to detect that the year 2000 is a leap year. Therefore, systems that are not year 2000 compliant may not register the additional day, and date calculations may be incorrect.

Based on our discussions with the Administration, it appears that they are aware of the Year 2000 issue. However, there is no documentation indicating that the potential problem was assessed nor are there any established milestones dates for completing corrective actions.

#### Recommendation:

We recommend that you take the necessary actions to immediately begin to identify, modify, and test all systems that may be negatively affected by the Year 2000 issue, particularly mission-critical systems. These actions should be executed closely to ensure completion before mission-critical systems begin to fail. Such failures may be evident before January 1, 2000. If the School Board fails to take timely and appropriate action, it may experience costly and significant application-program failures that could prevent it from performing its normal processing activities. Depending on the extent of system failures, noncompliance could have catastrophic consequences for the School Board.

Also, the School Board should implement additional verification procedures to test the accuracy of information received from its vendors, the State Department of Education, service providers, bankers, customers, and other third-party organizations with whom it exchanges data-dependent information, because these organizations also must become year 2000 compliant. The School Board also should satisfy itself that vendors, service providers, bankers, customers, and other third-party organizations will not experience problems relating to the Year 2000 issue that could affect the School Board's operations or cash flows.

**Management's Response:**

The School Board is preparing to accept bids for software and hardware upgrades and replacement to ensure Year 2000 compliance. The critical area is the computer used for payroll, general ledgers, etc. These changes will occur during the 1998-1999 fiscal year. Software upgrade to LAUNCH accounting will also occur during this time frame. Other areas are under review (SIS, Food Service) to ensure that software programs which might cause problems, are modified and tested before January 1, 2000.