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Caldwell Parish School Board
Columbia, Louisiana

Annual Financial Report
As of and 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 auditor, or reviewed, certified 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 ACE 2 8 1998

**Caldwell Parish School Board
Columbia, Louisiana**

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

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Cathedral Parish School Board
Columbia, Louisiana

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

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INDEPENDENT AUDITORS' REPORT

Board Members
Caldwell Parish School Board
Columbia, Louisiana

We have audited the accompanying **GENERAL-PURPOSE FINANCIAL STATEMENTS** of Caldwell Parish School Board, Columbia, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Caldwell Parish School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

The School Board has not maintained adequate records of property and equipment costs. We were not able to satisfy ourselves by other auditing procedures as to the fairness of the general fixed asset account group stated at \$7,987,658 as of June 30, 1998.

As disclosed in Note 10 to the financial statements, a lawsuit has been filed which could result in a claim of \$275,101 assessed against the School Board. The Board is contesting the claim but the ultimate outcome cannot presently be determined and no provision for any liability that may result has been made in the general-purpose financial statements.

In our opinion, except for the effects, if any, as might have been determined to be necessary had we been able to examine adequate records regarding the cost of property and equipment, or had we known the outcome of the lawsuit against the School Board, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Caldwell Parish School Board as of June 30, 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 September 11, 1998, on our consideration of the Caldwell Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Board Members
Caldwell Parish School Board
Columbia, Louisiana

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Caldwell Parish School Board, Columbia, Louisiana, taken as a whole. The accompanying SUPPLEMENTAL INFORMATION, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Also, the accompanying OTHER INFORMATION, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Caldwell Parish School Board. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.



ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
September 11, 1998

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Consolidated Balance Sheet
June 30, 1999

	GOVERNMENTAL FUNDS		
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS
ASSETS AND OTHER DEBITS			
Assets			
Cash and cash equivalents	\$ 795,000	\$ 410,870	\$ 55,276
Investments	0	52,462	251,840
Receivables	262,421	319,840	0
Interfund receivable	243,947	808	0
Inventory	0	12,114	0
Prepaid items	7,875	0	0
Land, buildings and equipment	0	0	0
Amount available to debt service funds	0	0	0
Amount to be provided for payment of debt	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 1,179,312	\$ 695,152	\$ 308,934
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities			
Accounts, salaries and other payables	\$ 795,000	\$ 389,421	\$ 0
Deposits due others	0	0	0
Interest payable	609	243,947	0
Deferred revenues	0	1,254	0
Capital lease payable	0	0	0
Liabilities for workers' compensation claims	0	0	0
Compensated absences payable	0	0	0
Bonds and notes payable	0	0	0
Total Liabilities	\$ 795,609	\$ 634,622	\$ 0
Equity and other credits			
Investment in general fund assets	\$ 0	\$ 0	\$ 0
Fund Balances:			
Reserved for:			
Prepaid items	7,875	0	0
Inventory	0	12,114	0
Debt service	0	0	308,934
Unreserved and undesignated	273,498	288,978	0
Total Equity and other credits	\$ 273,498	\$ 301,092	\$ 308,934
TOTAL LIAB, DEBT, EQUITY AND OTHER CREDITS	\$ 1,179,312	\$ 935,714	\$ 608,934

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

Statement A

FUNDARY FUND- AGENCY FUNDS	ACCOUNT GROUPS		TOTAL MEMORANDUM ONLY
	GENERAL FUND ASSETS	GENERAL LONG-TERM DEBT	
\$ 100,047	\$ 0	\$ 0	\$ 1,280,490
0	0	0	415,710
0	0	0	570,471
0	0	0	243,873
0	0	0	12,114
0	0	0	7,875
0	7,667,890	0	7,667,890
0	0	388,624	388,624
0	0	688,698	688,698
<u>\$ 100,047</u>	<u>\$ 7,667,890</u>	<u>\$ 1,280,492</u>	<u>\$ 11,895,090</u>
\$ 0	\$ 0	\$ 0	\$ 887,443
100,047	0	0	100,047
0	0	0	243,873
0	0	0	3,254
0	0	88,001	88,001
0	0	7,542	7,568
0	0	340,175	340,175
0	0	788,891	788,891
<u>\$ 100,047</u>	<u>\$ 0</u>	<u>\$ 1,280,492</u>	<u>\$ 2,632,698</u>
\$ 0	\$ 7,667,890	\$ 0	\$ 7,667,890
0	0	0	7,875
0	0	0	12,114
0	0	0	388,624
0	0	0	788,672
<u>\$ 0</u>	<u>\$ 7,667,890</u>	<u>\$ 0</u>	<u>\$ 8,172,343</u>
<u>\$ 100,047</u>	<u>\$ 7,667,890</u>	<u>\$ 1,280,492</u>	<u>\$ 11,895,090</u>

CALDWELL PARISH SCHOOL BOARD
Caldwell, Louisiana

GOVERNMENTAL FUNDS
Condensed Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 1988

Statement 8

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 672,855	\$ 245,068	\$ 183,934	\$ 1,101,857
Sales and use	0	1,305,781	0	1,505,781
Interest earnings	24,559	578	0	25,137
Food services	0	184,727	0	184,727
Other	71,558	5,358	0	76,916
State sources	6,882,528	283,888	0	7,166,416
Federal sources	0	1,517,376	0	1,517,376
TOTAL REVENUES	\$ 7,551,438	\$ 3,882,349	\$ 183,934	\$ 11,617,721
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 3,332,848	\$ 837,702	0	\$ 4,170,550
Special programs	933,000	255,128	0	1,188,128
Other instructional programs	441,880	839,275	0	1,281,155
Support services:				
Student services	208,148	38,488	0	246,636
Instructional staff support	288,888	408,188	0	697,076
General administration	284,148	58,811	0	342,959
School administration	389,884	68,811	0	458,695
Business services	225,780	24,855	0	250,635
Plant services	474,282	212,818	0	687,100
Student transportation services	581,351	74,155	0	655,506
Food services	8,888	1,001,238	0	1,010,126
Community service programs	0	1,558	0	1,558
Facilities acquisition and construction	0	8,204	0	8,204
Debt service:				
Principal retirement	62,264	0	294,008	356,272
Interest and bank charges	18,238	0	41,672	59,910
TOTAL EXPENDITURES	\$ 7,332,833	\$ 3,286,881	\$ 245,681	\$ 10,865,395
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 218,605	\$ 595,468	\$ 62,253	\$ 876,326

(CONTINUED)

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 1998

Statement B

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUNDS</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUNDS</u>	<u>TOTAL</u> <u>(AMMORTIZATION</u> <u>ONL.)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 35,413	\$ 0	\$ 35,413
Operating transfers out	<u>(35,413)</u>	<u>0</u>	<u>0</u>	<u>(35,413)</u>
Total Other Financing Sources (Uses)	<u>(35,413)</u>	<u>35,413</u>	<u>0</u>	<u>0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 35,528	\$ 332,888	\$ (30,737)	\$ 337,679
FUND BALANCES-AT BEGINNING OF YEAR	<u>245,887</u>	<u>79,595</u>	<u>450,351</u>	<u>775,833</u>
FUND BALANCES-AT END OF YEAR	<u>\$ 281,415</u>	<u>\$ 412,483</u>	<u>\$ 419,614</u>	<u>\$ 1,113,512</u>

(CONTINUED)

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

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

Statement C

	VARIANCE		
	BUDGET	ACTUAL	FAVORABLE
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Local sources:			
Admission/fees	\$ 897,810	\$ 872,000	\$ (25,810)
Interest earnings	0	(4,500)	(4,500)
Other	0	71,300	71,300
State sources	<u>8,600,860</u>	<u>8,650,850</u>	<u>(49,990)</u>
Total Revenues	<u>\$ 9,508,670</u>	<u>\$ 9,549,750</u>	<u>\$ (41,080)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 2,098,111	\$ 2,228,848	\$ (130,737)
Special programs	1,008,909	902,970	105,939
Other instructional programs	463,888	447,895	16,004
Support services:			
Student services	188,868	228,148	(39,280)
Instructional staff support	(248,720)	(258,868)	(10,148)
General administration	327,038	334,148	(7,110)
Board administration	447,410	508,854	(61,444)
Business operations	228,700	228,790	(90)
Fleet services	498,029	474,362	23,667
Student transportation services	688,088	667,067	21,021
Food services	0	8,948	(8,948)
Other services:			
Principal retirement	0	68,294	(68,294)
Interest and bank charges	<u>0</u>	<u>18,328</u>	<u>(18,328)</u>
Total Expenditures	<u>\$ 7,086,121</u>	<u>\$ 7,222,821</u>	<u>\$ (136,700)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 2,422,549</u>	<u>\$ 2,326,929</u>	<u>\$ (95,620)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	<u>0</u>	<u>(28,400)</u>	<u>(28,400)</u>
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (28,400)</u>	<u>\$ (28,400)</u>

CONTINUED

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

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

Statement 2

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCED SOURCES (USES)	\$ 795,157	\$ 39,320	\$ (755,837)
FUND BALANCES AT BEGINNING OF YEAR	\$ 285,000	\$ 245,681	\$ (39,319)
FUND BALANCES AT END OF YEAR	<u>\$ 1,080,287</u>	<u>\$ 285,001</u>	<u>\$ (795,286)</u>

(CONTINUED)

CALDWELL PARISH SCHOOL BOARD
Colonia, Louisiana

GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (B&AP Basis) and Actual
For the Year Ended June 30, 1998

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE</u>
REVENUES			
Local sources:			
Taxes:			
All voters	\$ 247,110	\$ 248,000	\$ (100)
Sales and use	1,703,070	1,329,201	178,700
Interest earnings	070	070	(7)
Food services	104,137	104,137	0
Other	05,000	1,558	03,440
State sources	287,213	283,000	(2,100)
Federal sources	<u>1,001,400</u>	<u>1,537,370</u>	<u>(14,000)</u>
 Total Revenues	 <u>\$ 3,455,990</u>	 <u>\$ 3,506,546</u>	 <u>\$ 98,100</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 1,104,000	\$ 837,700	\$ 266,300
Special programs	88,400	235,100	(146,600)
Other instructional programs	718,000	630,270	87,730
Support services:			
Student services	0	38,400	(38,400)
Instructional staff support	126,000	400,180	(274,180)
General administration	14,228	68,871	(54,780)
School administration	0	05,871	(5,871)
Business services	0	34,880	(34,880)
Plant services	183,000	215,910	(32,910)
Student transportation services	0	78,380	(78,380)
Food services	608,378	1,004,210	(17,880)
Community service programs	0	1,350	(1,350)
Facilities acquisition and construction	<u>20,700</u>	<u>8,200</u>	<u>12,500</u>
 Total Expenditures	 <u>\$ 3,308,698</u>	 <u>\$ 3,308,661</u>	 <u>\$ 70,020</u>
 EXCESS (deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ 108,891</u>	 <u>\$ 208,685</u>	 <u>\$ 100,794</u>

(CONTINUED)

CALDWELL PARISH SCHOOL BOARD
 Columbia, Louisiana

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

Statement C

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ _____	\$ 55,412	\$ 55,412
Total Other Financing Sources (Uses)	\$ _____	\$ 55,412	\$ 55,412
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ 158,801	\$ 333,288	\$ 174,487
FUND BALANCES AT BEGINNING OF YEAR	13,729	76,542	62,813
FUND BALANCES AT END OF YEAR	<u>\$ 172,530</u>	<u>\$ 410,030</u>	<u>\$ 237,626</u>

FOOTNOTES

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

**Caldwell Parish School Board
Columbia, Louisiana**

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

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**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Caldwell Parish School Board was created by Louisiana Revised Statute (LSA-R.S. 17:91) to provide public education for the children within Caldwell Parish. The School Board is authorized by LSA-R.S. 17:82 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of ten members who are elected from ten districts for terms of four years.

The School Board operates six schools within the parish with a total enrollment of approximately 3,000 pupils. In conjunction with the regular educational program, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and related field services for the students.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and financially independent, the School Board is a separate governmental reporting entity. The School Board includes all funds, account groups, activities, or errors, that are within the oversight responsibility of the School Board.

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

B. FUNDS AND ACCOUNT GROUPS

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

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

**Caddo Parish School Board
Columbia, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1995**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

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

Governmental Funds

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

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

Fiduciary Funds

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

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

4. **[I] Scholarship Fund** — This scholarship agency fund is funded by voluntary employee contributions. The proceeds are used to provide an annual scholarship for an outstanding graduate.

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental and Fiduciary Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Governmental and Fiduciary Funds (Continued)

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

Revenues

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

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

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

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

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

Expenditures

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

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

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

Inventory items are expensed as purchased except for inventory of the school lunch fund which is expensed as consumed.

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

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Other Financing Sources (Funds)

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

Deferred Revenues

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

D. BUDGETS

General Budget Policies

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

State statute requires budgets be adopted for the general fund and each special revenue fund. The School Board has historically approved at the July Board meeting authorization to publish a general summary of the proposed budget and not an August date for a public hearing on the proposed budget. The advertisement was not placed in the official journal for the 1995-1998 audit period.

Appropriations (unexpended budget balances) lapse at year end.

Fundal budget integration (within the accounting records) is not employed as a management control device. All budgets are controlled at the division, departmental or project level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the Board. All budget revisions are approved by the Board.

Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed for other commitments of the School Board. However, outstanding purchase orders are taken into consideration before expenditures are treated in order to ensure that applicable appropriations are not exceeded.

Caddwell Parish School Board
Columbia, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BUDGETS (Continued)

Budget Basis of Accounting

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

C. CASH AND CASH EQUIVALENTS

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

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less they are classified as cash equivalents. These investments are stated at cost.

D. INVESTMENTS

Investments are limited by R.S. 33:2845 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments are stated at cost.

The investments are reflected at quoted market prices except for the following, which are reported pursuant to per GASB Statement No. 31:

1. Investments in nonparticipating interest-bearing contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The School Board reported at amortized cost money market investments and participating interest-bearing investment contracts that have a remaining maturity of time of purchase of one year or less.

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INVESTMENTS (Continued)

Definitions:

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

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

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

H. INVENTORY AND PREPAID ITEMS

Inventory items are reported as purchased except for inventory of the school food service fund.

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

Certain payments to vendors reflect cost applicable to future accounting periods and are reported as prepaid items.

I. FIXED ASSETS

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

J. COMPENSATED ABSENCES

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

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. COMPENSATED ABSENCES (Continued)

All School Board employees earn from 10 to 14 days of sick leave each year that can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 24 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave, excluding the 24 days paid, is used in the retirement benefit computation as earned service. Under the Louisiana School Employees Retirement System, all unused sick leave, which excludes the 24 days paid, is used in the retirement benefit computation as earned service.

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

The cost of career leave privileges, computed in accordance with GASB Codification Section C00, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or benefits are paid for accrued leave upon retirement or death of an employee. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

K. LONG-TERM OBLIGATIONS

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

L. FUND EQUITY

Reserves

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

Designated Fund Balances

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

M. INTERFUND TRANSACTIONS

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

Caldwell Parish School Board
Columbia, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. INTERFUND TRANSACTIONS (Continued)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecouping or nonreturning payments/transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

N. SALES TAX

On April 7, 1979, the voters of Caldwell Parish approved a one percent sales and use tax to be levied by the Caldwell Parish School Board. The sales and use tax is collected by the Concordia Parish School Board and deposited in the sales tax special revenue fund.

On January 18, 1997, the voters of Caldwell Parish approved a one percent sales and use tax to be levied by the Caldwell Parish School Board. The sales and use tax is collected by the Concordia Parish School Board and deposited in the sales tax special revenue fund.

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

O. MEMORANDUM ONLY - TOTAL COLUMNS

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

P. USE OF ESTIMATES

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

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances

The following fund has a deficit in the fund balance as June 30, 1998:

Fund	Deficit Amount
Special revenue fund	
Special maintenance fund	<u>\$11,720</u>

Management expects to correct the deficit in the special maintenance fund by a transfer from the general fund early in the 1998-1999 fiscal year.

B. Excess of Expenditures Over Appropriations in Individual Funds

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 1998:

Fund	Budget	Actual	Unfavorable Variance
General fund	\$7,096,731	\$7,122,831	\$126,100
Special revenue funds:			
Sales tax fund	1,080,000	1,126,100	(45,900)
Special maintenance fund	163,807	149,868	(13,939)
Discontinued summer program	3,898	3,964	(66)
Special education	113,835	115,836	(1,999)
ITPA	33,868	43,868	(9,999)

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

NOTE 3 - LEVIED TAXES

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

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

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 3 - LEVIED TAXES (Continued)

Property Tax Calendar

Milling rate adopted	September 15, 1997
Levy date	September 15, 1997
Tax bills mailed	On or about November 15, 1997
Due date	December 31, 1997
List date	January 1, 1998

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

80% land	15% machinery
80% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, including land

A revaluation of all property is required after 1988 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$31,786,132 in calendar year 1997. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$9,173,878 of the assessed value in calendar year 1997.

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

All property taxes are recorded in the general, maintenance funds and sinking funds on the basis explained in note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or reported to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 1998 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 1998 taxes is included on the accompanying balance sheet because none is available within 60 days of the School Board's year-end.

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

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 3 - LEVIED TAXES (Continued)

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	4.98	4.98	2007
Operations	7.80	7.80	2007
Operations, maintenance and construction	5.23	5.80	2006
Operations and maintenance	8.00	8.00	2005
Operations	10.01	10.50	2006
Bond and interest	17.00	7.00	2000

NOTE 4 - CASH AND CASH EQUIVALENTS

At June 30, 1998, the School Board had cash and cash equivalents (bank balances) totaling \$1,708,529 as follows:

Demand deposits	\$ 570,054
Interest-bearing demand deposits	727,281
Time deposits	<u>411,194</u>
Total	<u>\$1,708,529</u>

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

At year-end, the School Board's carrying amount of deposits was \$1,708,529 (including \$411,194 classified as investments) and the bank balance was \$2,285,230. Of the bank balance, \$470,640 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (CLASS Category 1). The remaining balance, \$1,805,577 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (CLASS Category 2).

Even though the pledged securities are considered uncollateralized (Category 2) under the provision of CLASS Statement 3, Louisiana Revised Statute 28:1273 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 30 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

Caldwell Parish School Board
Columbia, Louisiana

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

NOTE 5 - INVESTMENTS

Investments are categorized into three categories of credit risk:

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

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

Type of investment	Category			Carrying Amount			Total Carrying Amount
	1	2	3	Fair Value	Amortized Cost	Cost	
Certificates of deposit	\$815,110	\$ -	\$ -	\$ -	\$ -	\$815,110	\$815,110
Total	\$815,110	\$ -	\$ -				
Total investments				\$ -	\$ -	\$815,110	\$815,110

NOTE 6 - RECEIVABLES

The receivables of \$579,411 at June 30, 1998, are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Total
Intergovernmental - grants:			
Federal	\$143,644	\$164,184	\$307,828
State	35,373	-	35,373
Local sources:			
Sales tax	-	212,796	212,796
Other	3,404	-	3,404
Total	\$202,471	\$376,980	\$579,451

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 7 - FIXED ASSETS

The changes in general fixed assets follow:

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
Land	\$ 87,538	\$ -	\$ -	\$ 87,538
Buildings	4,895,837	-	-	4,895,837
Furniture and equipment	2,972,638	127,493	-	3,100,131
Total	\$7,856,013	\$127,493	\$ -	\$8,083,506

See Note 16 regarding reconstruction of Kelly Elementary.

NOTE 8 - RETIREMENT SYSTEMS

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

With respect to the Teachers Retirement System Regular Plan, normal retirement is at age 60 with 10 years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally 2% (with less than 25 years of service) or 2.5% (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$200 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 68 with at least 10 years of creditable service. The retirement benefit formula is generally 2% times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the Louisiana School Employees Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55, or after 10 years of service at age 68. The maximum retirement allowance is computed at 2.5% times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 8 - RETIREMENT SYSTEMS (Continued)

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

	Employee	Employer
Louisiana Teachers Retirement System:		
Regular	8.80%	16.4%
Plan A	9.00%	16.4%
Louisiana School Employees Retirement System	6.25%	6.8%

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

Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. For the year ended June 30, 1998, the payroll for the School Board totaled \$6,699,424. The employer contributions and total payroll of covered employees for the year ended June 30, 1998, are as follows:

	TRS			
	Regular	Plan A	LSERS	
Employee contribution	\$ 407,525	\$ 9,875	\$ 39,175	\$ 456,575
Employer contribution	825,621	17,796	37,186	890,603
Total covered current year payroll	1,233,146	27,671	76,361	1,337,178

Although contributions are determined by statute, actuarial contributions are determined for the Systems. For the year ended June 30, 1997, the latest information available, the Systems' (TRS and LSERS) actuarially required contribution from all sources was \$412.7 million and \$13.1 million, respectively. The required School Board's contribution represents 17.68 and 3.98 percent, respectively, of salaries for the year ended June 30, 1997.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable to the future as a result of employee service to-date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the Systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The Systems do not make separate measurements of assets and pension benefit obligations for individual employees. The pension benefit obligations at June 30, 1998, for the Systems as a whole, net assets available for benefits on that date (valued at market), and the resulting unfunded (overfunded) pension benefit obligations were as follows:

**Caddo Parish School Board
Columbia, Louisiana**

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

NOTE 8 - RETIREMENT SYSTEMS (Continued)

	TRB	LSERS
Pension Benefit Obligation	\$12,077,642,000	\$1,067,292,000
Net Assets Available for Benefits	<u>3,751,290,000</u>	<u>1,173,452,000</u>
Unfunded Non-Fundable Pension Benefit Obligation	<u>\$8,326,352,000</u>	<u>\$-106,160,000</u>

The School Board's total actuarially determined contribution requirements as a percentage of total contributions required of all entities for the year ended June 30, 1998, were as follows:

Teachers' Retirement System	.25%
School Employees' Retirement System	.25%

Ten-year historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1997, comprehensive annual financial reports, which is the latest available report. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana Post Office Box 90173 Baton Rouge, Louisiana 70804-0173 (225) 925-6446	Louisiana School Employees' Retirement System Post Office Box 44314 Baton Rouge, Louisiana 70804 (225) 925-6484
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NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Insurance Program. The cost of retiree benefits for 1998 totaled \$117,600 for 109 retirees.

The cost of benefits for current employees are paid jointly by the employee and the School Board. The School Board's portion of the cost is recognized as an expenditure when the monthly premiums are due.

NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$997,643 at June 30, 1998, are as follows:

	General	Special Revenue	Total
Salaries	\$518,181	\$187,047	\$705,228
Accounts	<u>233,020</u>	<u>18,354</u>	<u>251,374</u>
Total	<u>\$751,201</u>	<u>\$205,401</u>	<u>\$956,602</u>

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 11 - COMPENSATED ABSENCES

At June 30, 1998, employees of the School Board have accumulated and vested \$193,215 of employee leave benefits, which were computed in accordance with GASB Codification Section 100. This amount is recorded within the general long-term obligations account group.

NOTE 12 - LEASES

The School Board incurs from time to time capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of equipment under capital leases:

Type	<u>Recorded Amount</u>
School buses	\$162,904
Total	<u>\$162,904</u>

Listed below is a schedule of all future minimum lease payments under capital leases, together with their present value as of June 30, 1998:

	<u>Equipment</u>
1998-1999	\$ 38,539
1999-2000	<u>38,539</u>
Total minimum lease payments	77,078
Less - amounts representing executory costs	<u> </u>
Net minimum lease payments	77,078
Less - amounts representing interest	<u>(1,398)</u>
Present value of net minimum lease payments	<u>\$ 75,680</u>

NOTE 13 - CHANGES IN AGENCY FUND - DEPOSITORS DUE OTHERS

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

Balance, July 1, 1997	\$129,820
Additions	498,880
Deductions	<u>(466,150)</u>
Balance, June 30, 1998	<u>\$162,550</u>

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 14 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	Liability for Workers' Compensation Claims	Bonded Debt	Compensated Absences	Capital Leases	Notes Payable	Total
Balance, July 1, 1997	\$ 10,360	\$ 865,000	\$121,250	\$ 89,866	\$ -	\$ 1,086,476
Additions	34,606	-	269,824	-	166,250	470,680
Deductions	(37,635)	(203,800)	-	(28,865)	(1,28,739)	(1,202,879)
Balance, June 30, 1998	\$ 7,331	\$ 661,200	\$390,274	\$ 61,001	\$ 137,511	\$ 1,257,317

The School Board Series 1993 refunding bond issue outstanding at June 30, 1998, is in the amount of \$660,000, is a general obligation bond with maturities to 2031 and interest rates from 4.5 to 4.8 percent. The note payable outstanding at June 30, 1998, in the amount of \$137,511, has a maturity in 2002 and an interest rate of 5.34%. The original note was \$186,250.

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem levy on taxable property within the parish. At June 30, 1998, the School Board has accumulated \$295,624 in the debt service fund for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
1999	\$215,000	\$31,680	\$246,680
2000	258,000	38,550	296,550
2001	258,183	17,953	276,136
2002	35,287	4,786	40,073
Thereafter	37,584	2,839	40,423
Total	\$796,894	\$97,808	\$894,702

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the assessed value of taxable property. At June 30, 1998, the statutory limit was \$11,125,147 and outstanding bonded debt totaled \$660,000.

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 16 - INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special maintenance fund	\$ 31,000
	Special education	47,000
	T&E I	75,912
School food service	General	126
Extended summer program	General	<u>800</u>
Total		\$153,838

Interfund receivables/payables:

General	Special maintenance fund	\$ 50,000
Total		<u>\$ 50,000</u>
Grand total		\$203,838

NOTE 18 - LITIGATION AND CONTINGENCIES

Litigation

As June 30, 1998, the School Board was involved in various litigations. It is the opinion of the legal advisor for the School Board that only one claim could materially affect the financial statements. However, the School Board's legal advisor could not determine the likelihood of recovery or estimate of damages at this time.

During the year ended June 30, 1995, a fire destroyed Kelly Elementary School. The loss was insured with United Community Insurance Company (UCIC) under a policy which provided the lost building would be replaced with a functional school building as the company's contracted obligation to the Board. UCIC entered into a contract with Hamburg Steel Buildings, Inc. to reconstruct Kelly Elementary School. However, prior to making final payments to the construction contractor, the insurance company filed bankruptcy. Subsequently, the contractor filed suit against the School Board for the remaining payment of \$275,111. The Board's attorney has indicated management intends to vigorously contest the case, but the ultimate outcome cannot presently be determined. No provision for any liability that may result has been made in the financial statements. Pending settlement of the claim, the reconstruction cost of the building is not reflected in the general fund asset account group.

Caldwell Parish School Board
Columbia, Louisiana

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

NOTE 16 - LITIGATION AND CLAIMS (Continued)

Grant Disallowances

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

Tax Arbitrage Refunds

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

Year 2000 Compliance

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

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

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 17 - RISK MANAGEMENT

The School Board initiated a risk management program for workers' compensation in 1991. It joined a pool of school boards in Northeast Louisiana in order to share teachers' compensation cost. The School Board's share of risk is determined by calculating its percentage of the total annual premium of the group. The risk allocated to the School Board for the year ended June 30, 1998, was 22%. Premiums and claims are paid by the general fund.

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

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Ending of Fiscal Year Liability
1996 - 1997	\$ 6,582	\$45,984	\$41,266	\$10,300
1997 - 1998	30,361	34,606	37,643	27,324

During fiscal year 1998, a total of \$37,643 was paid in benefits and administrative costs. An excess re-coverage insurance policy covers individual claims in excess of \$168,000. Maximum retention exposure for aggregate claim amounts is \$1,000,000. Claims payable of \$7,352 as of June 30, 1998, have been accrued as a liability in the general long-term obligations account group.

NOTE 18 - INTERFUND TRANSFERS

Operating transfers for the year ended June 30, 1998, were as follows:

Fund	Transfers In	Transfers Out
General fund	\$ -	\$ 36,413
Special revenue funds:		
Special vocational	56,413	-
Total	\$ 56,413	\$ 36,413

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

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

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$13,098. This amount was recognized as state revenue with a corresponding expenditure in the applicable fund from which the salary was paid.

**Cadwell Parish School Board
Columbia, Louisiana**

SUPPLEMENTAL INFORMATION

**Caldwell Parish School Board
Columbia, Louisiana**

SPECIAL REVENUE FUNDS:

SALES TAX FUND

The sales tax fund accounts for the collection and distribution of the sales and use taxes in accordance with the propositions approved by the voters of Caldwell Parish.

SPECIAL MAINTENANCE FUND

The maintenance fund accounts for the proceeds of ad valorem taxes levied to maintain and improve school facilities in the parish.

SPECIAL VOCATIONAL FUND

The special vocational fund accounts for the activities of the food processing fund.

SCHOOL FOOD SERVICE

Through cash grants and food donations, the school food service fund assists in providing a nutritious breakfast and lunch service for school students and encourages the domestic consumption of nutritious agricultural commodities.

EXTENDED SUMMER PROGRAM

This program provides financial assistance to assist school boards in offering summer school classes.

SPECIAL EDUCATION

SPECIAL EDUCATION - PRESCHOOL GRANTS

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

SPECIAL EDUCATION - STATE GRANTS

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

AWARD OF STATE FUNDS FOR CONTRACT SERVICES

These funds provide financial assistance for contract services for speech, physical and occupational therapy.

**Caldwell Parish School Board
Columbia, Louisiana**

SPECIAL EDUCATION FUNDS (Continued)

MEDEDIAD

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

TITLE I

Title I improves the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. It is designed primarily to provide instructional activities to educationally deprived children that would in low-income areas who have been selected on the basis of a needs assessment. These services supplement, not supplant, those normally provided by state and local educational agencies.

TITLE VI - INNOVATIVE EDUCATION

Title VI assists state and local educational agencies in improving elementary and secondary education.

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

TITLE II

This program is designed to improve the skills of teachers and the quality of instruction in mathematics and science, and, to increase the accessibility of such instruction to all students.

LEARN

The learn program provides grants to State Education Agencies (SEAs) on a formula basis to support the development and implementation of comprehensive reform plans at the state, local, and school levels to improve the teaching and learning of all children. It supports top-down and bottom-up reform through subgrants by SEAs of 70 percent of their grant funds to local education agencies (LEAs) and through LEAs to individual schools. It supports the establishment by states and localities of high standards in their core content areas. All aspects of the educational process are targeted, including, but not limited to assessments, curricula, professional development, and pre-service training.

JOB TRAINING PARTNERSHIP ACT (JTPA)

The JTPA provides job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers. The ultimate goal of JTPA is to move business into permanent, self-sustaining employment.

**Caldwell Parish School Board
Columbia, Louisiana**

SPECIAL NEEDS FUNDS (Continued)

ADULT EDUCATION

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

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

OTHER MISCELLANEOUS FUNDS

STARTING POINT

This program makes grants available to assist low-income families with child care services. The purpose of the program is to increase the availability, affordability, and quality of child care and to increase the availability of early childhood development and before- and after-school programs.

BASIC GRANTS TO STATES

The purpose of these grants is to make the United States more-competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

MISCELLANEOUS STATE/FEDERAL GRANTS

These include various small federal and state grants.

**Caldwell Parish School Board
Columbia, Louisiana**

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CALDWELL PARISH SCHOOL BOARD
Columbis, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1999

	<u>SALES TAX FUND</u>	<u>SPECIAL MAINTENANCE FUND</u>	<u>SPECIAL VOCATIONAL FUND</u>	<u>SCHOOL FOOD SERVICE</u>
ASSETS				
Cash and cash equivalents	\$ 307,150	\$ 155,279	\$ 0	\$ 48,117
Investments	0	0	0	52,462
Receivables	212,790	0	0	0
Interfund receivables	0	0	0	120
Inventory	0	0	0	12,134
TOTAL ASSETS	\$ 419,940	\$ 155,279	\$ 0	\$ 112,833
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts, salaries and other payables	\$ 99,708	\$ 11,899	\$ 0	\$ 47,242
Interfund payable	0	126,000	0	0
Deferred revenues	0	0	0	0
Total Liabilities	\$ 99,708	\$ 137,900	\$ 0	\$ 47,242
Equity and other credits				
Fund Balances:				
Reserved for Inventory	\$ 0	\$ 0	\$ 0	\$ 12,114
Unreserved - undesignated	320,160	(11,320)	0	97,263
TOTAL EQUITY	\$ 320,160	\$ (11,320)	\$ 0	\$ 112,833
TOTAL LIABILITIES AND FUND EQUITY	\$ 419,940	\$ 126,579	\$ 0	\$ 112,833

Exhibit 1

EXTENDED SUMMER PROGRAM	SPECIAL EDUCATION	MEDICARE	TITLE I	TITLE II INNOVATIVE EDUCATION	TITLE III	LEARN
\$ 0 \$	12,581 \$	19,750 \$	0 \$	0 \$	0 \$	0
0	0	0	0	0	0	0
0	22,188	0	121,888	0	0	0
800	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>\$ 800 \$</u>	<u>44,769 \$</u>	<u>19,750 \$</u>	<u>121,888 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0</u>
\$ 0 \$	1,082 \$	0 \$	54,882 \$	0 \$	0 \$	0
0	43,808	0	75,812	0	0	0
800	882	0	1,781	0	0	0
<u>\$ 800 \$</u>	<u>44,790 \$</u>	<u>0 \$</u>	<u>121,888 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0</u>
\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
0	0	18,750	0	0	0	0
<u>\$ 0 \$</u>	<u>0 \$</u>	<u>18,750 \$</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 800 \$</u>	<u>44,790 \$</u>	<u>18,750 \$</u>	<u>121,888 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0</u>

(CONTINUED)

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

SPECIAL REVENUE FUNDS
Comparing Balance Sheet
June 30, 2020

Page 1

	<u>FFA</u>	<u>ADULT EDUCATION</u>	<u>OTHER MISCELLANEOUS FUNDS</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 498,879
Investments	0	0	0	51,490
Receivables	0	0	0	170,048
Interfund receivables	0	0	0	928
Inventory	0	0	0	13,114
TOTAL ASSETS	\$ 0	\$ 0	\$ 0	\$ 874,559
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts, salaries and other payables	\$ 0	\$ 0	\$ 0	\$ 205,421
Interfund payable	0	0	0	242,847
Deferred revenues	0	0	0	3,284
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 451,552
Equity and other credits				
Fund Balances				
Reserved for inventory	\$ 0	\$ 0	\$ 0	\$ 12,114
Unreserved - undesignated	0	0	0	509,330
TOTAL EQUITY	\$ 0	\$ 0	\$ 0	\$ 521,444
TOTAL LIABILITIES AND FUND EQUITY	\$ 0	\$ 0	\$ 0	\$ 972,996

(Continued)

**Caldwell Parish School Board
Columbia, Louisiana**

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CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

SPECIAL PURPOSE FUNDS
(Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1988)

	SALES TAX FUNDS	SPECIAL MAINTENANCE FUNDS	SPECIAL VOCATIONAL FUNDS	SCHOOL FOOD SERVICE			
REVENUES							
Local sources:							
Taxes:							
AG voters	\$	\$	246,000	\$	0	\$	0
Sales and use	1,326,281	0	0	0	0	0	
Interest earnings	0	0	0	0	0	678	
Food services	0	0	0	0	164,187		
Other	0	0	517	0	300		
State sources	0	0	0	0	188,107		
Federal sources	0	0	0	0	228,452		
TOTAL REVENUES	\$ 1,326,281	\$ 246,000	\$ 517	\$ 352,144	\$ 392,537	\$ 0	
EXPENDITURES							
Current:							
Instruction:							
Regular programs	\$	278,000	\$	0	\$	0	
Special programs	182,481	0	0	0	0	0	
Other instructional programs	58,880	0	0	0	0	0	
Support services:							
Student services	20,320	0	0	0	0	0	
Instructional staff support	30,881	0	0	0	0	0	
General administration	43,723	0	0	0	0	0	
Facility administration	85,971	0	0	0	0	0	
Business services	30,231	1,728	0	0	0	0	
Plant services	43,838	187,743	0	0	0	0	
Student transportation services	74,820	0	0	0	0	0	
Food services	81,228	0	0	0	820,000	0	
Community service programs	0	0	1,388	0	0	0	
Facilities acquisition and construction	0	0	0	0	0	0	
TOTAL EXPENDITURES	\$ 1,185,300	\$ 366,471	\$ 1,388	\$ 820,000	\$ 0	\$ 0	
Excess (Deficiency) Of REVENUES OVER EXPENDITURES							
	\$ 200,981	\$ 77,482	\$ 129	\$ 472,144	\$ 392,537	\$ 0	

EXHIBIT 3

EXTENDED SUMMER PROGRAM	SPECIAL EDUCATION	MIDDAY	TITLE I	TITLE VI INNOVATIVE EDUCATION	TITLE II	LEARN	
\$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	70	2,400	0	0	0	0
5,884	0	0	0	0	0	0	10,801
0	115,000	0	861,834	5,100	13,444	0	97,800
\$	5,884 \$	115,000 \$	2,400 \$	561,834 \$	5,100 \$	13,444 \$	108,601
\$	0 \$	0 \$	0 \$	23,140 \$	0 \$	0 \$	58,800
	0	72,667	0	0	0	0	0
5,890	0	0	348,807	0	0	0	0
0	240	800	200	0	0	0	0
0	41,708	0	194,815	5,100	13,444	0	47,492
0	0	0	13,380	0	0	0	334
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	4,688	0	0	0	0
0	0	0	174	0	0	0	0
71	70	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	5,294	0	0	0	0
\$	5,890 \$	118,078 \$	800 \$	561,804 \$	5,100 \$	13,444 \$	108,612
\$	0 \$	0 \$	1,871 \$	0 \$	0 \$	0 \$	0

(CONTINUED)

CAJONWELL PARISH SCHOOL BOARD
Columbia, Louisiana

SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1998

	SALES TAX FUND	SPECIAL MAINTENANCE FUNDS	SPECIAL VOCATIONAL FUND	SCHOOL FOOD SERVICE
OTHER FINANCING SOURCES FUNDS				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 200,181	\$ 77,483	\$ 55,519	\$ (78,728)
FUND BALANCES AT BEGINNING OF YEAR	221,262	89,873	(55,519)	81,182
FUND BALANCES AT END OF YEAR	\$ 421,443	\$ 167,356	\$ 0	\$ 2,454

Table 2

EXTENDED SUMMER PROGRAM	SPECIAL EDUCATION	MEDICAL	TITLE I	TITLE II INNOVATIVE EDUCATION	TITLE III	LEARN
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	1,271	0	0	0
	0	0	18,139	0	0	0
0	0	0	19,790	0	0	0

(CONTINUED)

CALDWELL PARISH SCHOOL BOARD
Columbia, Louisiana

SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2008

EXHIBIT 2

	OTHER			TOTAL
	JTPA	ADULT EDUCATION	MISCELLANEOUS FUNDS	
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 0	\$ 0	\$ 0	\$ 148,000
Sales and use	0	0	0	1,329,287
Interest earnings	0	0	0	678
Food services	0	0	0	194,127
Other	0	0	0	2,358
State sources	0	0	87,284	282,656
Federal sources	43,888	8,192	435,132	1,027,322
TOTAL REVENUES	\$ 43,888	\$ 8,192	\$ 522,496	\$ 1,985,543
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 0	\$ 0	\$ 28,724	\$ 637,728
Special programs	0	0	0	235,128
Other instructional programs	43,888	8,078	79,897	528,273
Support services:				
Student services	0	0	0	28,458
Instructional staff support	0	0	124,855	488,188
General administration	0	182	0	58,271
School administration	0	0	0	85,821
Business services	0	0	2,997	24,253
Plant services	0	0	0	218,018
Student transportation services	0	0	0	74,185
Food services	0	0	0	1,881,238
Community service programs	0	0	0	1,258
Facilities acquisition and construction	0	0	0	8,284
TOTAL EXPENDITURES	\$ 43,888	\$ 8,182	\$ 228,496	\$ 3,289,881
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	\$ 265,662

(CONTINUED)

CAJALWELL PARISH SCHOOL BOARD
Cajalwelle, Louisiana

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

Exhibit B

	JTEC	ADULT EDUCATION	OTHER MISCELLANEOUS FUNDS	TOTAL
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0
Total Other Financing Sources (Uses)	\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0
(EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0
FUND BALANCES AT BEGINNING OF YEAR	\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0
FUND BALANCES AT END OF YEAR	\$ 0 0	\$ 0 0	\$ 0 0	\$ 0 0

(CONCLUDED)

**Caddo Parish School Board
Columbia, Louisiana**

AGENCY FUNDS

SCHOOL ACTIVITY FUND

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

A. H. SCHOLARSHIP FUND

This scholarship agency fund is funded by voluntary employee contributions. The proceeds are used to provide an annual scholarship for an outstanding graduate.

Caldwell Parish School Board
Columbia, Louisiana

AGENCY FUNDS
Combining Statement of Assets and Liabilities
June 30, 1998

Exhibit A

	<u>School Activity Fund</u>	<u>441 Scholarship Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$123,547	\$ 680	\$123,547
Liabilities			
Deposits due student groups	\$123,547	\$ 680	\$123,547

Caddwell Parish School Board
Columbia, Louisiana

AGENCY FUNDS
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 1998

Exhibit 4

	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
SCHOOL ACTIVITY FUNDS				
Assets:				
Cash and cash equivalents	\$121,502	\$ 418,180	\$ 466,150	\$121,502
Liabilities:				
Deposits due student groups	\$121,502	\$418,180	\$ 466,150	\$121,502
4 - II SCHOLARSHIP FUNDS				
Assets:				
Cash and cash equivalents	\$ _____	\$ _____	\$ _____	\$ _____
Liabilities:				
Deposits due student groups	\$ _____	\$ _____	\$ _____	\$ _____

**Caldwell Parish School Board
Columbia, Louisiana**

**School Activity Agency Fund
Schedule of Changes in Deposits Due Officers
For the Year Ended June 30, 1998**

Exhibit A

School	Balance, Beginning	Additions	Deductions	Balance, Ending
Caldwell Parish High	\$ 38,342	\$104,486	\$107,549	\$ 35,279
Caldwell Parish Junior High	1,714	105,145	104,756	2,103
Central Elementary	18,880	21,816	26,793	13,903
Columbia Elementary	37,444	44,523	52,983	29,984
Grayson Elementary	6,078	68,372	68,739	5,711
Kelly Elementary	7,488	28,028	26,815	8,699
Total	\$122,826	\$478,380	\$495,135	\$121,947

**Caldwell Parish School Board
Columbia, Louisiana**

GENERAL

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 1998**

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:26, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$300 per month and the Executive Committee members receive \$348 per month.

Board Member	Amount
Scott H. Meredith, President	\$ 4,080
Patricia M. Harvey	3,600
Candice Carwell	3,600
Marilyn Harvey	3,600
Brian Dyrd	3,600
Jane McAnahan-Garnett	4,080
Mark May	4,080
Bruce Glass	3,600
Mary Taylor	4,080
Suzanne Strickland	3,600
TOTAL	\$30,520

**Caldwell Parish School Board
Columbia, Louisiana**

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

**OTHER REPORT REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR NO. 4.13**

The second report following this page contains information on the report on compliance with requirements applicable to each major program and internal control over compliance in accordance with *OMB Circular No. 4.13*. The section of the report on compliance is related to tests of compliance with laws, regulations, contracts and grants relating to federal awards programs. The section of the report on internal control over compliance is, likewise, related to matters that would be significant and/or material to federal awards programs.

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of President
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Tom Green, CPA

Margie Williamson, CPA

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members
Caldwell Parish School Board
Columbia, Louisiana

We have audited the financial statements of Caldwell Parish School Board, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 11, 1998. In our report our opinion was qualified because the School Board has not maintained adequate records of property and equipment costs and the unknown outcome of a lawsuit against the School Board. 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

In an effort to obtain reasonable assurance about whether the School Board's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs as items 98-F1 and 98-F2.

Management Letter Items

However, we noted certain immaterial instances of noncompliance which we have reported to management of the School Board in a separate letter dated September 11, 1998, included here in this report.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record, process, summarize and report financial data consistent with the assumptions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item number 98F-3.

Board Members
Caldwell Parish School Board
Columbis, Louisiana

A *material weakness* is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition reference above to be a material weakness.

Management Letter Items

We noted other matters involving the internal control over financial reporting which we have reported to management of the School Board in a separate letter dated September 11, 1998, included later in this report.

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


ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
September 11, 1998

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

CERTIFIED PUBLIC ACCOUNTANTS



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

Board Members

Caldwell Parish School Board
Columbia, Louisiana

Compliance

We have audited the compliance of Caldwell Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. In our report our opinion was qualified because the School Board has not maintained adequate records of property and equipment costs and the unknown outcome of a lawsuit against the School Board. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

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

Internal Control Over Compliance

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

Board Members
Caldwell Parish School Board
Columbia, Louisiana

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 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.

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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable conditions referenced above to be a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the School Board as of and for the year ended June 30, 1998, and have issued our report thereon dated September 11, 1998. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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


ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
September 11, 1998

**Caldwell Parish School Board
Columbia, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Control No.	Expenditures
CASH FEDERAL AWARDS			
<i>United States Department of Agriculture</i>			
<i>Passed Through Louisiana Department of Education:</i>			
<i>National Breakfast Program</i>	13.203		\$ 140,000
<i>National School Lunch Program</i>	13.203		892,100
<i>United States Department of Education</i>			
<i>Passed Through Louisiana Department of Education:</i>			
<i>Adult Education - State Grant Program</i>	84.002		81,900
<i>Title I Grants to Local Educational Agencies</i>	84.010	93-1A(04)-11-001-1 99-1A(04)-11-1	261,804
<i>Special Education:</i>			
<i>Grants to States (Part B)</i>	84.017	98-11-11	90,788
<i>Procedural Grants</i>	84.018	98-11-11	15,218
<i> Vocational Education:</i>			
<i>Basic Grants to States</i>	84.048	28-09-11-20480 1997 sub 28-09-11-20480	25,800
<i> Innovative Education Programs Strategic -</i>			
<i>Title VI (formerly Chapter 2)</i>	84.208	99-1A(04)-11-01	5,100
<i>Title III (Crosscutting Professional Development - State Grants)</i>	84.261	99-1A(04)-11-0	13,440
<i> Goals 2000</i>			
<i>State and Local Education Systemwide Improvement</i>			
<i>Grants (Goals 2000) State Grants)</i>	84.276	52766-58018-05	188,048
<i>Even Start - Integrated Education</i>	84.214	93-115-11	51,580
<i>United States Department of Health and Human Services</i>			
<i>Passed Through the Louisiana Department of Education</i>			
<i>Child Care and Development Block Grant</i>			
<i>(Starting Points Preschool)</i>	93.013	NA	75,724
<i>United States Department of Labor</i>			
<i>Passed Through the Private Industry Council</i>			
<i>Job Training Partnership Act (JTPA)</i>	17.250	05-1004-16	43,658
TOTAL CASH FEDERAL AWARDS			1,483,072
NONCASH FEDERAL AWARDS			
<i>United States Department of Agriculture</i>			
<i>Passed Through Louisiana Department of Agriculture and Forestry:</i>			
<i>Food Distribution (Commodities)</i>	13.550	NA	37,000
TOTAL FEDERAL AWARDS			\$1,520,072

**Caldwell Parish School Board
Columbia, Louisiana**

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

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

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

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

Special revenue funds:	
School food service	\$ 569,432
Special education	105,806
Title I	581,834
Title VI - innovative education	3,158
Title II	15,444
Lease	97,909
JTPA	43,668
Adult education	8,792
Other miscellaneous funds	<u>125,112</u>
Total	<u>\$3,529,135</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 5 - MATCHING REVENUES

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

NOTE 6 - SOWCASH PROGRAMS

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

Caldwell Parish School Board
Columbia, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1998

PART I - Summary of the Auditors' Results

Financial Statement Audit

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

The reportable condition was considered a material weakness as defined by the Government Auditing Standards.
- iii. There was an instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. The statement concerning reportable conditions does not apply.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit finding which the auditor is required to report under OMB Circular No. A-133, Section 3.106(a).
- vii. The major federal programs are:

CPTIA 854-030	Title I Grants to Local Educational Agencies
Nutrition Cluster	
CPTIA #18-555	School Breakfast Program
CPTIA #18-555	National School Lunch Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 3.106(b) was \$180,800.
- ix. The auditor does not qualify as a low-risk auditor under OMB Circular No. A-133, Section 3.10.

**Caddo Parish School Board
Columbia, Louisiana**

**Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1998**

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

Reference # and title: SS-F1 L&A Fund-Commission Approval Needed

Criteria or specific requirement: R. S. 39:1418.66(A) provides, in part, that no school district created under or by the constitution and laws of the state shall have authority to borrow money, incur debt or issue bonds, or offer evidence of debt without the consent and approval of the State Board of Commissioners.

Condition: The School Board signed a promissory note for \$166,253 on July 1, 1997, with a local bank to be repaid in five annual payments until the note is repaid on July 1, 2002. No evidence of State Board Commission approval was provided.

Possible asserted effect (cause and effect):

Cause: The cause is unknown.

Effect: The School Board may have violated R. S. 39:1418.66(A).

Recommendations to prevent future occurrence: The School Board should familiarize themselves with the provisions of R. S. 39:1418.66(A) to ensure the required approval is obtained for transactions noted in this study.

Reference # and title: SS-F2 Fixed Asset Listing

Entity-wide or program/department specific: General fund.

Criteria or specific requirement: In accordance with R. S. 24:515(D), the head of every office subject to audit shall maintain records of all land, buildings, improvements other than buildings, equipment and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable.

The lack of a fixed asset listing is a weak internal control situation.

Condition: The School Board was unable to provide an adequate listing of inventory of property and equipment as June 30, 1998.

Possible asserted effect (cause and effect):

Cause: Problems with computer programs in the past.

Effect: The School Board is not in compliance with R. S. 24:515(D).

Recommendations to prevent future occurrence: The School Board should act immediately to compile a comprehensive fixed assets inventory list and make updates for additions and deletions.

Other Information

The information in the following section concerns management's actions or intentions concerning prior and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular No. A-133. This information has been prepared by the management of the Caldwell Parish School Board. Management accepts full responsibility, as required by OMB Circular No. A-133, for the accuracy of the information. This information has not been audited by the auditors except as required by OMB Circular No. A-133 Section 3.000(c), and accordingly, no opinion is expressed. Section 309(c) requires the auditor to follow-up on prior audit findings, per form procedures to assess the reconsideration of the summary schedule of prior audit findings prepared by the auditor, and report, as a current-year audit finding when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.

Caldwell Parish School Board
Columbia, Louisiana

Summary Schedule of Prior Audit Findings
June 30, 1998

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

Finding initially reported: Fiscal year ended June 30, 1997.

Condition: The office manager was responsible for preparing checks, posting in the general ledger and reconciling the bank statements for all funds except school food service. The school food service bookkeeper was responsible for preparing checks for school food service, posting checks in the general ledger and reconciling the bank statements.

The office manager was also responsible for all personnel and payroll functions.

Corrective action taken: A third person has been employed to assist in the separation of duties as recommended. Duties have been assigned to provide adequate separation of duties and checks and balances are in place.

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

Finding initially reported: Fiscal year ended June 30, 1998.

Condition: The School Board budgeted an ending deficit fund balance in the school food service fund, special maintenance fund, food processing fund, special education fund and extended summer program fund. Louisiana Revised Statute 17:58(B) states in part that a budget shall detail expenditures, the total of which shall not exceed the expected means of financing composed of the beginning fund balance and revenues.

Corrective action taken: A careful review of all accounts and the depositing of funds to these accounts as needed resulted in no deficits being budgeted.

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

Finding initially reported: Fiscal year ended June 30, 1998.

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

Corrective action taken: The audit report will be filed timely for the year ended June 30, 1998.

**Caldwell Parish School Board
Columbia, Louisiana**

**Summary Schedule of Prior Audit Findings
June 30, 1998**

Reference # and title: 97-4 **Record-Keeping: Withholdings**

Finding initially reported: Fiscal year ended June 30, 1996.

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

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

Corrective action taken: There are no unclassified accounts. Liability accounts have been set up to record amounts withheld.

Reference # and title: 97-5 **Fixed Assets**

Finding initially reported: Fiscal year ended June 30, 1996.

Condition: The School Board was unable to provide an adequate inventory of property and equipment for June 30, 1997. Furthermore, an actual physical count of fixed assets was not made. This is in violation of grant requirements and LSA-R.S. 24:515. The employee keeping the inventory on the computer said her computer crashed and she was unable to obtain data. She indicated her computer is old and they cannot repair it. No backups or printouts were made before the problem occurred. Assets purchased prior to fiscal year 1997 must be researched to add to the inventory.

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

Corrective action planned: Much progress has been made with this. All sites have completed paper copy inventories and turned them in. Darryl also has turned in an inventory to the property control officer. However, she retired and a new person has just been hired. Fixed assets will be a first priority for completion.

Person responsible for corrective action:

Ms. Marsha T. Simons, Superintendent
Caldwell Parish School Board
P. O. Box 1019
Columbia, LA 71018-1019

Telephone: (518) 649-1600
Fax: (518) 649-9506

Anticipated completion date: June 30, 1999.

**Caldwell Parish School Board
Columbia, Louisiana**

**Summary Schedule of Prior Audit Findings
June 30, 1998**

Reference # and title: #1-6 Reconciliation of Annual Financial Report

Finding initially reported: Fiscal year ended June 30, 1997.

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

Corrective action taken: The general ledger has been reconciled to the annual financial report and work papers related to all journal entries and allocations are maintained.

Reference # and title: #1-7 Budget Overrun

Finding initially reported: Fiscal year ended June 30, 1996.

Condition: The School Board had an unfavorable budget variance of \$73,808 in the Title I fund which was 7% of budgeted expenditures. An unfavorable budget variance of 5% or more is a violation of the Louisiana Government Budget Act.

Corrective action taken: The budget was revised as necessary to avoid unfavorable budget variances.

Reference # and title: #1-8 Employees Treated as Contract Labor

Finding initially reported: Fiscal year ended June 30, 1996.

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

Corrective action taken: All payments to employees were made through payroll (except reimbursement) and were reported as wages. Federal Form 1099 were issued to teachers receiving more than \$600 for the 1997 calendar year.

**Caldwell Parish School Board
Columbia, Louisiana**

**Necessary Schedule of Prior Audit Findings
June 30, 1998**

Reference # and title: 97-8 **Payments to the Prior Superintendent**

Finding initially reported: Fiscal year ended June 30, 1997.

Condition: Pursuant to the Board's request, the auditor reviewed all administrative salaries. The review was to provide the details of each administrative employee's earnings for the 1996-1997 fiscal year. A comparison of the amounts paid to the prior Superintendent with the salary schedule revealed the following:

A. Consultant's Fee

The prior superintendent was paid a consultant fee of \$4,938 which was for in-service training. No time records were provided to document this expenditure. The prior superintendent was also paid \$1,180 for consultant fees. The document also provided for this expenditure was a time record which stated the time was incurred during March through June 1997. No specific dates or times were included on the time record.

B. Sales Tax Supplement

The prior superintendent appeared to have been paid twice each month for his sales tax supplement. The supplement was included in his payroll check. He was also issued a monthly vendor check which appeared to include the supplement.

C. Social Security Withholding

The prior superintendent participated in the Louisiana Teachers' Retirement System until his retirement in 1996. He was rehired as superintendent in 1988. Beginning in July 1996, wages of the prior superintendent were classified as earnings subject to social security which appears to be incorrect because salary payments to a retiree working in a school system are not subject to social security. The School Board paid the matching portion of social security withheld from his earnings.

D. June 30, 1997 Payment

On June 25, 1997, the School Board issued a check for \$1,119 to the prior superintendent for which no documentation was provided.

Corrective action taken: Reimbursements from the prior superintendent for \$6,068 has been placed in a restricted liability account pending the outcome of the Legislative Auditor's review and an investigation by the District Attorney. Amended payroll returns were filed and a refund was received from the Internal Revenue Service for social security tax paid for the prior superintendent.

Caldwell Parish School Board
Columbia, Louisiana

Summary Schedule of Prior Audit Findings
June 28, 1998

Reference # and title: 92-08 **Payments to the Assistant Superintendent**

Finding initially reported: Fiscal year ended June 30, 1997.

Conditions: Pursuant to the Board's request, the auditors reviewed all administrative salaries. The review was to provide the details of each administrative employee's earnings for the 1996-1997 fiscal year. A comparison of the amounts paid to the Assistant Superintendent with the salary schedule revealed the following:

A. Main Home-Based Instructor Even Start Program (Federal Program)

The assistant superintendent was paid \$300 monthly (\$3,600 for the year) for serving as a home-based instructor for the Even Start program. A contract, prepared before any work began, reflected that the payment would be based on hours incurred at a rate of \$15 per hour up to 400 hours. The assistant superintendent acknowledged in a signed statement that there were no written time records, no time log, no calendar nor any home visit reports documenting the number of hours provided or when the time was incurred.

B. Pregnancy Home-Based Instructor Even Start Program (Federal Program)

The assistant superintendent was also paid as a pregnancy home-based instructor for the Even Start program. Time records were submitted for payments under this program. Several dates submitted on those time records coincided with the dates on signs-in sheets for workshops for which she was a participant according to the signs-in sheets.

C. June 25, 1997 Payments

On June 25, 1997, the assistant superintendent received two payroll checks in the amounts of \$1,500 and \$300, respectively, for which no documentation was provided.

D. Total Payments to the Assistant Superintendent

For the 1996-1997 fiscal year, the assistant superintendent was paid \$20,183 for services beyond the salary of the assistant superintendent. Most of these payments were at an hourly rate of \$15 which would equate to approximately 1,000 additional hours worked outside of the normal work day. The number of hours worked and the amount of total compensation paid to the assistant superintendent should be of concern to the School Board.

E. Contract Approval

The assistant superintendent entered into more than one written "service contract agreement" with the School Board. On at least one of these agreements, the assistant superintendent signed both as the contractor and again for the School Board.

Corrective action taken: Reimbursements from the prior assistant superintendent for \$2,060 have been placed in a restricted liability account pending completion of the legislative audit and completion of the investigation by the Legislative Auditor. School Board resolutions are now required for all additional payments outside of regular salaries.

Caldwell Parish School Board
Columbia, Louisiana

Summary Schedule of Prior Audit Findings
June 30, 1998

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

Finding initially reported: Fiscal year ended June 30, 1997.

Conditions: Pursuant to the Board's request, the auditors reviewed all administrative salaries. The review was to provide the details of each administrative employee's earnings for the 1996-1997 fiscal year. A comparison of the amounts paid to the Title I Director with the salary schedule revealed the following:

A. Home-Based Instruction: Even Start Program (Federal Program)

The Title I director was paid \$500 monthly (\$6,000 for the year) for serving as a home-based instructor for the Even Start program. A contract, prepared before any work began, reflected that the payment would be based on hours incurred at a rate of \$15 per hour up to 400 hours. The Title I director acknowledged in a signed statement that there were no written time records, no travel log, no calendar nor any home visit reports documenting the number of hours provided or when the time was incurred.

Corrective action taken: The Title I director is no longer receiving additional pay from Even Start as of November 1997. A school board resolution now requires Board approval for all after-hours work and pay.

**Caldwell Parish School Board
Columbia, Louisiana**

**Summary Schedule of Prior Audit Findings
June 30, 1998**

Reference and title: 97-12 **Payments to the Office Manager**

Finding initially reported: Fiscal year ended June 30, 1997.

Condition: From a review of general ledger salary accounts several voucher payments to the office manager were noted. Upon investigation, the following conditions were noted.

A. Additional Payments Made to the Office Manager

The office manager was paid for additional work through voucher checks made payable in her name and two other voucher items. No time records were provided for these payments.

B. Fluctuations in Salary

The office manager's payroll checks fluctuated from month to month even though she was paid on a salary basis. No explanations were provided for the fluctuations in salary. The office manager has complete responsibility for preparation of the payroll.

C. Sales Tax Supplement

The office manager calculated the additional sales tax check due each employee for the sales tax period in the 1996-1997 year. According to her method of calculation, the amount actually paid to her was \$677 more than it should have been. No explanation could be provided for the difference.

D. Withholdings

For the period August, 1996 through July 1997, the office manager did not withhold teachers' retirement contributions on her earnings. Beginning with the August 1998 payroll check, social security taxes were withheld instead. An active employee cannot legally stop paying teachers' retirement.

Corrective action taken: The business manager resigned and the issue was turned over to the District Attorney. This is still under review by the Legislative Auditor and the District Attorney.

Caldwell Parish School Board
Columbia, Louisiana

Summary Schedule of Prior Audit Findings
June 30, 1998

Reference # and title: 95-23 Questioned Costs

Finding initially reported: Fiscal year ended June 30, 1997.

I. Federal program and specific federal award identification:

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Grant ID#	Grant Year
U. S. Department of Education Passed through Louisiana Department of Education Even Start - Migrant Education	03.535	95-156-01	1998

Condition: Costs of \$12,359 were questioned due to the fact that proper supporting documentation for these costs was not provided. In addition to the \$12,359 of questioned costs, \$34,700 of contract payments were also questioned because documentation of hours worked was not provided.

Corrective action taken: The general fund will reimburse any questioned costs requested by the School agency following the completion of the investigation by the Legislative Auditor and the Legislative Auditor. These reimbursements made to the School Board are in a restricted liability account awaiting completion of these reports.

**Caldwell Parish School Board
Columbia, Louisiana**

**Summary Schedule of Prior Audit Findings
June 30, 1998**

Reference Number:	FY:18	Lack of Segregation of Duties		
Findings initially reported: Fiscal year ended June 30, 1997.				
FEDERAL AID/GRANT/PROGRAM NAME:	CFDA#	Fiscal Strength	Fiscal	Year
	Number	Number/No.		
CASE FEDERAL ASSISTANCE				
United States Department of Agriculture				
Passed Through Louisiana Department of Education:				
School Breakfast Program - 18-553		NA		1997
National School Lunch Program	18-555	NA		1997
United States Department of Education				
Direct Programs:				
Foreign Language Assistance - Elementary School Incentive (Title VI)				
Passed Through Louisiana Department of Education:	84-2984	NA		1997
Adult Education - State Grant Program				
Title I Grants to Local Educational Agencies	84-830	NA		1997
Special Education		97-085A-10-L		1997
Grants to States (Part F)	84-837	97-11		1997
Proveded Grants	84-735	97-11		1997
Vocational Education:				
Basic Grants to States	84-848	88-97-AJ-2080		1997
Tech-Prep Education	84-245	88-97-AJ-2080		1997
Incentive Education Program - Examples - Title VI	84-298	97-028A-11-Y0		1997
Title II	84-281	97-085A-8-41		1997
Goals 2000				
State and Local Education Systemic Improvement				
Grants/Goals 2000 State Lottery	84-276	NA		1997
Focus Start - Migrant Education	84-214	97-10-16		1997
United States Department of Health and Human Services				
Passed Through the Louisiana Department of Education				
Child Care and Development Block Grant	90-275	NA		1997
United States Department of Labor				
Passed Through the Private Industry Council				
Job Training Partnership Act (JTPA)	17-280	NA		1997
Passed Through the Louisiana Department of Social Services				
Job Opportunities and Basic Skills Training	93-861	NA		1997
United States Department of Agriculture				
Passed Through Louisiana Department of Agriculture and Forestry:				
Food Distribution/Commodities	18-880	NA		1997

Comment: See Summary Schedule of Prior Audit Findings 97-L.

Corrective action taken: See Corrective Action Taken in 97-L of Summary Schedule of Prior Audit Findings.

**Caldwell Parish School Board
Columbia, Louisiana**

**Summary Schedule of Prior Audit Findings
June 30, 1998**

Reference # and title	20-25	Quantified Costs			
Finding initially reported: Fiscal year ended June 30, 1995.					
MISSION - BOUNTY PASS THROUGH GRANT PROGRAM NAME:		1995A	Pass Through	Grant	
		Number	Account No.	Type	
U. S. Department of Education Period Through Louisiana Department of Education Title I Grants to Local Educational Agencies		84,000	95-1005A-11-0		1998

Condition: Title I salaries of \$31,500 were reported twice.

Corrective action taken: The \$31,500 was reimbursed to Title I and a carryover request for that amount was approved by the Louisiana Department of Education.

**Caldwell Parish School Board
Columbia, Louisiana**

**Correction Action Plan for Current-Year Audit
As of and for the Year Ended June 30, 1998**

Finding Reference # and title:	98-01	LA Bond Commission Approval Needed
Corrective action planned:	The School Board will get approval from LA Bond Commission for future bond issues audit inventories.	
Person responsible for corrective action:	Telephone: (318) 649-2649	
Ms. Martha T. Simmons, Superintendent	Fax: (318) 649-0638	
Caldwell Parish School Board		
P. O. Box 1009		
Columbia, LA 70418-1019		
Anticipated completion date:	Immediately.	
Finding Reference # and title:	98-01	Fixed Asset Liability
Corrective action planned:	Much progress has been made with this. All sites have completed paper copy inventories and turned them into the property control officer; however, the retired and a new employee has just been hired. Fixed assets will be a first priority for completion.	
Person responsible for corrective action:	Telephone: (318) 649-2649	
Ms. Martha T. Simmons, Superintendent	Fax: (318) 649-0638	
Caldwell Parish School Board		
P. O. Box 1009		
Columbia, LA 70418-1019		
Anticipated completion date:	By June 30, 1999.	

**Caldwell Parish School Board
Columbia, Louisiana**

Management Letter Items

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS



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Ernest L. Allen, CPA
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Marge B. Williams, CPA

Management Letter

Board Members
Caldwell Parish School Board
Columbia, Louisiana

In planning and performing our audit of the general-purpose financial statements of the Caldwell Parish School Board, Columbia, Louisiana for the year ended June 30, 1998, we considered the School Board's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report (September 11, 1998) on the financial statements of Caldwell Parish School Board. We will review the status of those comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss those comments in further detail at your convenience, to perform any additional study of those matters, or to assist you in implementing the recommendations. Our comments are summarized in the schedule of current-year management letter items presented later in this report.

Included later in this report is management's responses to our current-year management letter items. Management's responses can be found in the corrective action plan for the current-year management letter items. We have performed an audit walk to verify the content of the responses.

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

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


ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
September 11, 1998

**Caldwell Parish School Board
Columbia, Louisiana**

**Status of Prior Management Letter Items
June 30, 1998**

No management letter was issued for the year ended June 30, 1997. Accordingly, there are no prior items for which the status need be reported.

**Caldwell Parish School Board
Columbia, Louisiana**

**Schedule of Current-Year Management Letter Items
June 30, 1998**

Reference # and title: 98-01 School Uses Two Bank Accounts

Criteria or specific requirement: According to R. S. 17:414.3, each school shall maintain one bank account which is the responsibility of the principal or an administrator acting in his/her capacity.

Condition: One school uses two bank accounts - one bank account for the general fund and one bank account for the school club accounts.

Recommendations to prevent future occurrences: One of the two bank accounts should be closed.

Reference # and title: 98-01 Payroll Disbursements

Criteria or specific requirement: Employee files should contain proof of existence of employee. All employees categorized by the state to receive a pay raise should receive the raise.

Condition: Of 28 items tested, the following conditions were found:

- A. Three employee files had no proof of existence of employee.
- B. One employee tested did not receive a \$350 raise from the state in which he was entitled.

Impact, perspective for judging the problem and consequences: Of 2,542 checks issued from the payroll fund, 28 were tested.

Possible associated effect, cause and effort:

Cause: The cause is unknown.

Effect: Various employee files do not have proof of employee existence in file and an employee was not included in a raise from the state.

Recommendations to prevent future occurrences: Proof of employee existence should be placed in a file upon hiring, and all employees categorized by state to receive a raise should be included.

Caldwell Parish School Board
Columbia, Louisiana

Schedule of Current-Year Management Letter Items
June 30, 1998

Reference # and title:	SS.30	Failure to comply with certain provisions of the Louisiana Government Budget Act
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Criteria or specific requirement: According to R. S. 39:1306, upon completion of the proposed budget the political subdivision shall publish a notice stating the proposed budget is available for public inspection and that a public hearing will be held with the date, time, and place of the hearing specified in the notice. This notice shall be published at least ten days prior to the public hearing.

Condition: No documentation could be provided for the advertisement for the budget nor for a public hearing. The School Board did not adopt a budget for the special recreational fund and the Medicaid fund. The special recreational fund had \$1,256 in expenditures and the Medicaid fund had \$832 in expenditures.

Possible asserted effect (cause and effect):

Cause: The cause is unknown.

Effect: The effect is that the budget for the 1997 - 1998 fiscal year was adopted without evidence of public participation.

Recommendations to prevent future occurrences: The School Board should review the requirements of the Louisiana Government Budget Act to ensure compliance in the future.

Reference # and title:	SS.331	Public Bid Law
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Criteria or specific requirement: Per R. S. 38:2212(D) the provisions regarding advertising and bidding in the lowest responsible bidder shall not apply in case of extreme public emergency where such emergency has been certified by the public entity and notice of such public emergency shall, within ten days thereof, be published in the official journal of the public entity proposing or declaring such public emergency.

Condition: The School Board declared an emergency at the July 15, 1997 board meeting to repair the roof of several schools. The declaration was not published in the official journal within ten days of declaration.

Exact date(s) for judging the prevalence and consequences: Only one emergency was declared for the year ended June 30, 1998.

Possible asserted effect (cause and effect):

Cause: The School Board personnel were unaware of the requirement to publish a notice within ten days.

Effect: Provisions of R. S. 38:2212(D) were not complied with.

Recommendations to prevent future occurrences: The School Board personnel should familiarize themselves with the provisions of the public bid law to ensure compliance in the future.

**Caldwell Parish School Board
Columbia, Louisiana**

**Corrective Action Plan for Current-Year Management Letter Items
June 30, 1998**

Reference # and Title: 98-31 School Uses Two Bank Accounts

Condition: The school uses two bank accounts - one bank account for the general fund and one bank account for the school club accounts. According to R. S. 17:414.3, each school shall maintain one bank account which is the responsibility of the principal or an administrator acting on his/her behalf.

Corrective action planned: One of the bank accounts was closed after June 30, 1998.

Person responsible for corrective action:

Ms. Marika T. Simons, Superintendent Caldwell Parish School Board P. O. Box 1819 Columbia, LA 71418-1019	Telephone: (318) 649-2689 Fax: (318) 649-8636
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Anticipated completion date: By June 30, 1998.

Reference # and Title: 98-31 Payroll Disbursements

Condition: Of 78 payroll disbursements tested, the following conditions were found:

- A. Three employee files had no proof of existence of employees.
- B. One employee tested did not receive a \$380 raise from the state for was entitled to.

Corrective action planned: The School Board now obtains social security cards and I-9s as proof of existence on all new employees. The three employees without proof of existence have been employed for several years. The employee who did not receive the raise will be issued a check and records will be reviewed to ensure every employee entitled to the raise received it.

Person responsible for corrective action:

Ms. Marika T. Simons, Superintendent Caldwell Parish School Board P. O. Box 1819 Columbia, LA 71418-1019	Telephone: (318) 649-2689 Fax: (318) 649-8636
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Anticipated completion date: By June 30, 1998.

**Caldwell Parish School Board
Columbia, Louisiana**

**Corrective Action Plan for Current-Year Management Letter Items
June 30, 1998**

Reference # and Title: **28-243** **Failure to comply with certain provisions of the Louisiana Government Budget Act**

Condition: No documentation could be provided that the budget availability was advertised or a public hearing was held prior to adoption of the budget for the 1997 - 1998 fiscal year. The School Board did not adopt a budget for the special vocational fund and the Medicaid fund. The special vocational fund had \$1,356 of expenditures and the Medicaid fund had \$833 of expenditures.

Corrective action planned: Budget availability was advertised and a public hearing was held for the 1998-1999 fiscal year.

The School Board will adopt a budget for all funds for the 1998-1999 fiscal year.

Person responsible for corrective action:

Mr. Marsha T. Stevens, Superintendent Telephone: (504) 649-2689
Caldwell Parish School Board Fax: (504) 649-2626
P. O. Box 1819
Columbia, LA 71418-1019

Anticipated completion date: By June 30, 1998.

Reference # and Title: **28-244** **Public Bill Law**

Condition: The School Board declared an emergency on July 15, 1997, Board meeting to repair the roof of several schools. The declaration was not published in the official journal within ten days of declaration.

Corrective action planned: The School Board will publish the necessary information the next time it declares an emergency.

Person responsible for corrective action:

Mr. Marsha T. Stevens, Superintendent Telephone: (504) 649-2689
Caldwell Parish School Board Fax: (504) 649-2626
P. O. Box 1819
Columbia, LA 71418-1019

Anticipated completion date: By June 30, 1998.