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CITY OF BOGALUSA SCHOOL BOARD

Bogalusa, Louisiana

General-Purpose Financial Statements,
Supplemental Information, and
Independent Auditor's Reports

Year Ended June 30, 1999

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

Release Date MAR 7 5 2000

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT • CERTIFIED GOVERNMENT FINANCIAL MANAGER

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana
June 30, 1999

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CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana
June 30, 1999

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***AUDIT REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS***

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ◦ CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT ON THE GENERAL-PURPOSE FINANCIAL STATEMENTS

City of Bogalusa School Board
Bogalusa, Louisiana

I was engaged to audit the accompanying general-purpose financial statements of the City of Bogalusa School Board, as of and for the year ended June 30, 1999. These financial statements are the responsibility of the School Board's management.

Management has omitted from the accompanying general-purpose financial statements information for the general fund, the debt service fund and the general long-term debt account group.

In my opinion, the omission of the information mentioned in the preceding paragraph represents material and pervasive departures from generally accepted accounting principles to the extent that the accompanying general-purpose financial statements do not present fairly, in conformity with generally accepted accounting principles, the financial position of the City of Bogalusa School Board as of June 30, 1999 or the results of its operations for the year then ended.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 2, 2000 on my consideration of the City of Bogalusa School Board's internal control over financial reporting and on tests of compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular a-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. School Board personnel have not reconciled amounts presented in the financial statements to related amounts in the Schedule of Expenditures of Federal Awards. Therefore, I do not express an opinion or any other form of assurance on the accompanying Schedule of Expenditures of Federal Awards.



Certified Public Accountant

Bogalusa, Louisiana
March 2, 2000

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1999

	GOVERNMENTAL FUNDS		FIDUCIARY FUNDS		ACCOUNT GROUP		Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Fund	School Activity Agency	General Fixed Assets	General Long-Term Debt	
ASSETS AND OTHER DEBITS							
Cash and cash equivalents	\$	\$ 690,838	\$	\$ 166,757	\$	\$	\$ 857,595
Receivables		311,795					311,795
Investments				5,000			5,000
Due from other funds		53,566			13,170,155		53,566
Inventory							13,170,155
Fixed assets							
Amount available in debt service fund							
Amount to be provided for retirement							
of general long-term debt							
Total assets and other debits	\$	\$ 1,056,199	\$	\$ 171,757	\$ 13,170,155	\$	\$ 14,398,111
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$	24,107	\$	16,352	\$	\$	\$ 40,459
Salaries and other payables		121,148		5,000			121,148
Due to other funds		804,388					809,388
Deposits due others							
Certificate of indebtedness payable							
Capital lease payable							
Compensated absences payable		949,643		21,352			970,995
Total liabilities							
Equity and other credits:							
Investment in general fixed assets					13,170,155		13,170,155
Fund balances (deficit):							
Reserved		53,566					53,566
Unreserved:							
Designated							
Undesignated		52,990		150,405			203,395
Total equity and other credits		106,556		150,405	13,170,155		13,427,116
Total liabilities, equity and other credits	\$	\$ 1,056,199	\$	\$ 171,757	\$ 13,170,155	\$	\$ 14,398,111

The accompanying notes are an integral part of this statement.

CITY OF BOGALUSA SCHOOL BOARD
 Bogalusa, Louisiana
 GOVERNMENTAL FUNDS

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total (Memorandum Only)</u>
<u>Revenues:</u>				
Local sources:				
Taxes:				
Ad valorem	\$	\$ 290,968	\$	\$ 290,968
Sales and use				
Interest earnings		5,508		5,508
Food services		157,666		157,666
Other		207		207
State sources:				
Equalization		225,989		225,989
Other		158,737		158,737
Federal sources:				
Unrestricted-indirect cost recoveries		42,540		42,540
Restricted grants-in-aid		2,324,816		2,324,816
Other-commodities		92,827		92,827
Total revenues		<u>3,299,258</u>		<u>3,299,258</u>
 <u>Expenditures:</u>				
Instruction:				
Regular programs				
Special programs		553,928		553,928
Adult and continuing education programs				
Support services:				
Student services				
Instructional staff support		124,197		124,197
General administration		1,524,612		1,524,612
School administration				
Business services				
Plant services		535,403		535,403
Community services		6,014		6,014

(Continued)

The accompanying notes are an integral part of this statement.

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana
GOVERNMENTAL FUNDS

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total (Memorandum Only)</u>
<u>Expenditures (Cont'd):</u>				
Student transportation services	\$	\$	\$	\$
Food services		451,974		451,974
Summer feeding		50,026		50,026
Debt service:				
Principal				
Interest				
Total expenditures		3,246,154		3,246,154
Excess (deficiency) of revenues over expenditures		53,104		53,104
<u>Other financing sources (uses):</u>				
Capital lease financing				
Operating transfers in (out)				
Total other financing sources (uses)				
Excess (deficiency) of revenues and other financing sources over expenditures and other uses		53,104		53,104
Fund balances (deficit), beginning		53,452		53,452
Fund balances (deficit), ending	\$	\$ 106,556	\$	\$ 106,556

(Concluded)

The accompanying notes are an integral part of this statement.

CITY OF BOGALUSA SCHOOL BOARD
 Bogalusa, Louisiana
 ALL GOVERNMENTAL FUND TYPES

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

	General Fund			Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:									
Local sources:									
Taxes:									
Ad valorem	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sales and use									
Interest earnings				5,588	5,508	(80)			
Food service				138,950	157,666	18,716			
Other				500	207	(293)			
State sources:									
Equalization				225,989	225,989	—			
Other				47,647	158,737	111,090			
Federal sources:									
Unrestricted-indirect									
cost recoveries				48,023	42,540	(5,483)			
Restricted grants-in-aid				2,688,590	2,324,816	(363,774)			
Other-commodities				87,803	92,827	5,024			
Total revenue				<u>3,524,910</u>	<u>3,299,258</u>	<u>(225,652)</u>			
Expenditures:									
Instruction:									
Regular programs				635,310	553,928	81,382			
Special programs									
Adult and continuing									
education programs									
Support services:									
Student services									
Instructional staff				147,760	124,197	23,563			
support									

(Continued)

The accompanying notes are an integral part of this statement.

CITY OF BOGALUSA SCHOOL BOARD
 Bogalusa, Louisiana
 ALL GOVERNMENTAL FUND TYPES

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

	General Fund		Special Revenue Funds		Debt Service Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	
<u>Expenditures (Cont'd):</u>							
General administration	\$	\$	\$ 1,611,671	\$ 1,524,612	\$	\$	\$ 87,059
School administration							
Business services			658,716	535,403			123,313
Plant services			10,077	6,014			4,063
Community services							
Student transportation services							
Food services			514,828	451,974			62,854
Summer feeding				50,026			(50,026)
Debt service:							
Principal							
Interest							
Total expenditures			<u>3,578,362</u>	<u>3,246,154</u>			<u>332,208</u>
Excess (deficiency) of revenues over expenditures			<u>(53,452)</u>	<u>53,104</u>			<u>106,556</u>
<u>Other financing sources (uses):</u>							
Capital lease financing							
Operating transfers in(out)							
Total other financing sources (uses)							

(Continued)
 The accompanying notes are an integral part of this statement.

CITY OF BOGALUSA SCHOOL BOARD
 Bogalusa, Louisiana
 ALL GOVERNMENTAL FUND TYPES

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

	General Fund		Special Revenue Funds		Debt Service Fund		Variance- Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	\$	\$	\$ (53,452)	\$ 53,104	\$	\$	\$
Fund balance (deficit), beginning			53,452	53,452			
Fund balance (deficit), ending	\$	\$	\$	\$ 106,556	\$	\$	\$

(Concluded)

The accompanying notes are an integral part of this statement.

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

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

INTRODUCTION

The City of Bogalusa School Board (the "School Board") is an independent special district created for the purpose of providing public education for the children within Ward 4 of Washington Parish. The School Board is comprised of seven members who are elected from seven districts for terms of four years.

The School Board operates 10 schools within the city with a total enrollment of approximately 3,500 pupils. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the City of Bogalusa 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.

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. The School Board includes all funds, account groups, activities, et cetera, 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 City of Bogalusa School Board.

C. FUND ACCOUNTING

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 expendable financial resources.

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

Governmental Funds

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

1. General fund -- the general operating fund of the School Board. The general fund 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 resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt 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:

CITY OF BOGALUSA SCHOOL BOARD

Bogalusa, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

1. School Activity Agency Fund -- accounts for assets held by the School Board as an agent for the individual schools and school organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

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

1. General Fixed Assets Account Group — Fixed assets used in Governmental Fund Type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. General fixed assets consist of land, buildings and improvements, and equipment with an expected useful life of more than one year. Purchases of general fixed assets are recorded as expenditures at the time of purchase. Depreciation is not recorded on general fixed assets.
2. General Long-Term Debt Account Group — Long-term liabilities such as unmatured general obligation indebtedness and the long-term portion of compensation absences expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

D. BASIS OF ACCOUNTING

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

*CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana
Notes to the General-Purpose Financial Statements (Continued)*

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 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.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest on checking accounts is recorded monthly when the interest is available.

Sales and use tax revenues are recorded in the month collected by merchants.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when earned. Teachers' salaries are earned over a 9-month period, but are paid over a 12-month period.

Purchases of various operating supplies are recorded as expenditures in the accounting period they are purchased.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or their heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

Principal and interest of general long-term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana
Notes to the General-Purpose Financial Statements (Continued)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying event occurs.

E. BUDGETS

The proposed budgets for the General Fund and the special revenue funds for the fiscal year beginning July 1, 1998, and ending June 30, 1999, were made available for public inspection and comments from taxpayers at the School Board's office on June 12, 1998. The budget, which included proposed expenditures and the means of financing them, was published in the official journal 28 days prior to the public hearing. The budget was adopted on September 14, 1998.

The budget is prepared on the modified accrual basis of accounting. All appropriations lapse at year end. The Superintendent and/or the administrators of the separate funds are hereby authorized to make changes within those funds as necessary, except that said changes may not exceed five percent of the revenue or expenditure in any fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

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

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

*CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana
Notes to the General-Purpose Financial Statements (Continued)*

Under state law, the City of Bogalusa 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. Investments are stated at cost.

H. INVENTORY

Inventory of the School Lunch Fund consists of kitchen supplies and 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 revenue when received; however, all inventory is recorded as an expenditure when consumed.* All inventory items purchased are valued at cost and commodities are assigned values based on information provided by the United States Department of Agriculture.

I. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are capitalized. No depreciation has been provided on general fixed assets.

Prior to June 30, 1989 the School Board did not maintain records of its fixed assets. The Board decided to make a concerted effort to identify and inventory their fixed assets that were on hand at June 30, 1989. The costs assigned to the fixed assets consisted of estimated costs and actual costs. The estimated costs were arrived at by the various personnel responsible for the assets such as principals, teachers and department heads. Also, a significant portion of the building costs were estimated by a local architect using an engineering cost index. Approximately 46 percent of fixed assets were valued at actual cost, while the remaining 54 percent were valued at estimated cost.

J. COMPENSATED ABSENCES

All 12-month employees earn 10 days of vacation leave each year, which can be accumulated up to 15 days at the end of each fiscal year.

Most School Board employees earn 10 days of sick leave each year, which can be accumulated without limitation. Upon retirement or death, unused sick leave of up to 25 days is paid to employees or their heirs at the employee's current

CITY OF BOGALUSA SCHOOL BOARD

Bogalusa, Louisiana

Notes to the General-Purpose Financial Statements (Continued)

rate of pay. Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service. Under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical 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 sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees or their heirs are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

K. LONG-TERM DEBT

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

L. FUND EQUITY

Reserves - Use of the term "reserve" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance is not available to appropriate for expenditure or is legally segregated for a specific future use.

Designations - Use of the term "designated" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance has been segregated to indicate tentative plans for future resource use.

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana
Notes to the General-Purpose Financial Statements (Continued)

another fund are recorded as expenditures/ expenses in the reimbursing fund and as reductions of expenditures/ expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. SALES AND USE TAX

On September 10, 1966, the voters of Washington Parish approved (for an indefinite period) a one percent sales and use tax. The proceeds of the tax are allocated on the basis of 55 percent to the City of Bogalusa School Board and 45 percent to the Washington Parish School Board. The sales and use tax is collected and remitted to the School Board by an independent collecting agent for a monthly fee. The proceeds of the sales tax are dedicated for salaries of teachers and/or for the general operations of the schools. All of the funds generated are distributed to employees twice a year, except for \$50,000 which the School Board voted to retain. These salary payments are included in business services expenditures in these financial statements.

O. TOTAL COLUMNS OF COMBINED STATEMENTS

Total columns of the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF BOGALUSA SCHOOL BOARD
 Bogalusa, Louisiana
 Notes to the General-Purpose Financial Statements (Continued)

2. RECEIVABLES

The receivables at June 30, 1999, are as follows:

<u>Class of Receivable</u>	<u>Special Revenue Funds</u>
Taxes:	
Ad valorem	\$ 18,800
Grants:	
Federal	274,841
State	17,919
Other	<u>235</u>
Total	<u>\$ 311,795</u>

3. GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, 1998	<u>Additions</u>	<u>Deletions</u>	Balance June 30, 1999
Land	\$ 185,426	\$	\$	\$ 185,426
Buildings	8,578,911			8,578,911
Improvements other than buildings	871,991	26,056		898,047
Furniture and equipment	<u>3,152,608</u>	<u>421,455</u>	<u>66,292</u>	<u>3,507,771</u>
Total	<u>\$ 12,788,936</u>	<u>\$ 447,511</u>	<u>\$ 66,292</u>	<u>\$ 13,170,155</u>

CITY OF BOGALUSA SCHOOL BOARD
 Bogalusa, Louisiana
 Notes to the General-Purpose Financial Statements (Continued)

4. SALARIES AND OTHER PAYABLES

The payables at June 30, 1999, are as follows:

	Special Revenue <u>Funds</u>
Salaries	\$ 99,428
Withholdings	4,411
Employer's portion of retirement payable	16,929
Other	<u>380</u>
Total	<u>\$ 121,148</u>

5. PROPERTY TAXES

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

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

Property Tax Calendar

Assessment date	January 1
Levy date	Not later than June 15
Total taxes are due	November 15
Penalties and interest are added	December 31
Lien date	January 1
Tax sale - delinquent property	About June 1

CITY OF BOGALUSA SCHOOL BOARD
 Bogalusa, Louisiana
 Notes to the General-Purpose Financial Statements (Continued)

The following is a summary of levied ad valorem taxes for the year ended June 30, 1999:

	<u>Levied Millage</u>	<u>Expiration Date</u>
Bogalusa School Board taxes:		
Constitutional	6.43	Indef.
Operations	6.43	2005
Construction, operation, and maintenance	5.02	2002
Operations	3.11	2008
Special Leeway Maintenance	7.76	2008
Operations (23 mill)	22.06	2008

6. RETIREMENT SYSTEMS

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom 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 employee benefits vesting after 10 years of service.

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

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers Retirement System - Plan A	9.10%	16.5%
Louisiana Teachers Retirement System - Regular	8.00%	16.5%
Louisiana School Employees Retirement System	6.35%	6.0%

The School Board's employer contribution for the Teachers Retirement System, 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, all of the School Board's employer contribution is funded by the State of Louisiana through annual appropriations. Benefits granted by the retirement systems are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974.

*CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana
Notes to the General-Purpose Financial Statements (Continued)*

Pension disclosures regarding actuarial funding and ten-year historical trend information required by the Governmental Accounting Standards Board is presented in the audit report of each retirement system.

7. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The City of Bogalusa 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 Benefits Program whose monthly premiums are paid jointly by the employee and by a state appropriation of the School Board. The School Board recognizes the cost of providing these benefits (the board's portion of premiums) as an expenditure when the premiums are due.

8. LITIGATION

At June 30, 1999, the School Board was a defendant in several lawsuits arising principally from the normal course of operations. The ultimate resolution of these lawsuits would not materially affect the financial statements in the estimation of the legal advisor of the School Board. He has also advised that provisions of the Louisiana Constitution do not permit a person holding a judgment against the School Board to levy or collect that judgment against any assets of the School Board in a judicial fashion.

The attorney representing the School Board and its insurer advised that he was defending against a federal lawsuit charging discrimination under the Americans with Disabilities Act and Individuals with Disabilities Education Act. He also stated that it was impractical for him to render an opinion about the likelihood of an unfavorable outcome is either "probable" or "remote".

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ◦ CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City of Bogalusa School Board
Bogalusa, Louisiana

I was engaged to audit the financial statements of the City of Bogalusa School Board as of and for the year ended June 30, 1999, and have issued my report thereon dated March 2, 2000.

Compliance

As part of my engagement I performed tests of the City of Bogalusa School Board's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed a instance of noncompliance that is required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 99-1.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered The City of Bogalusa School Board's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements

and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the members of the City of Bogalusa School Board, its management, and the office of the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Handwritten signature of Richard M. Leaf in black ink.

Certified Public Accountant

Bogalusa, Louisiana
March 2, 2000

SUPPLEMENTAL INFORMATION

SPECIAL REVENUE FUNDS

Leeway Maintenance Fund - Accounts for the receipt and disbursement of a 7.76 mill ad valorem tax. The proceeds are dedicated as a special tax leeway for maintenance.

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

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

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

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

Special Education Fund - Federal and state programs which provide a free, appropriate, publicly supported education to every exceptional child in a least restricted environment. Services are provided through various programs: Idea-B, Preschool, Child Search, 92-313 Grant, Extended School Year, Non-Competitive Grant 93, and Homebound.

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

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet
June 30, 1999

<u>ASSETS</u>	<u>Leeway Maintenance</u>	<u>School Lunch</u>	<u>Education Consolidation and Improvement Act</u>		<u>Education For Economic Security Act- Title II</u>	<u>Special Education</u>	<u>Home Instruction For Preschool Youngsters- (HIPPI)</u>	<u>Total</u>
	Title I	Title VI	Title I	Title II	Title II	Title II	Title II	Total
Cash and cash equivalents	\$ 321,904	\$ 195,704	\$ 686	\$ —	\$ 5,518	\$ 172,544	\$ 17,919	\$ 690,838
Receivables	18,800	59,204	141,508	—	5,518	68,846	—	311,795
Inventory	<u>53,566</u>	<u>53,566</u>	<u>53,566</u>	<u>53,566</u>	<u>53,566</u>	<u>53,566</u>	<u>53,566</u>	<u>53,566</u>
Total assets	<u>\$ 340,704</u>	<u>\$ 308,474</u>	<u>\$ 142,194</u>	<u>\$ —</u>	<u>\$ 5,518</u>	<u>\$ 241,390</u>	<u>\$ 17,919</u>	<u>\$ 1,056,199</u>
 <u>LIABILITIES AND FUND EQUITY</u>								
Liabilities:								
Accounts payable	\$ —	\$ 13,756	\$ 5,798	\$ —	\$ —	\$ —	\$ 4,553	\$ 24,107
Salaries and other payables	—	58,350	60,285	—	—	2,513	—	121,148
Due to other funds	<u>336,601</u>	<u>133,915</u>	<u>76,111</u>	<u>5,518</u>	<u>5,518</u>	<u>238,877</u>	<u>13,366</u>	<u>804,388</u>
Total liabilities	<u>336,601</u>	<u>206,021</u>	<u>142,194</u>	<u>5,518</u>	<u>5,518</u>	<u>241,390</u>	<u>17,919</u>	<u>949,643</u>
Fund equity-fund balances (deficit)								
Reserved for inventory	4,103	53,566	—	—	—	—	—	53,566
Unreserved-undesignated	<u>4,103</u>	<u>48,887</u>	<u>48,887</u>	<u>48,887</u>	<u>48,887</u>	<u>48,887</u>	<u>48,887</u>	<u>48,887</u>
Total fund equity	<u>4,103</u>	<u>102,453</u>	<u>102,453</u>	<u>102,453</u>	<u>102,453</u>	<u>102,453</u>	<u>102,453</u>	<u>106,556</u>
Total liabilities and fund equity	<u>\$ 340,704</u>	<u>\$ 308,474</u>	<u>\$ 142,194</u>	<u>\$ —</u>	<u>\$ 5,518</u>	<u>\$ 241,390</u>	<u>\$ 17,919</u>	<u>\$ 1,056,199</u>

See accompanying auditor's report.

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana
SPECIAL REVENUE FUNDS

Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

Revenue	Leeway Maintenance	School Lunch	Education Consolidation and Improvement Act Title I	Education For Economic Security Act- Title II	Special Education	Home Instruction For Preschool Youngsters- (HIPPY)	Total
Local sources:							
Ad valorem taxes	\$ 290,968						\$ 290,968
Interest	3,654	1,854					5,508
Student lunch payments		53,593					53,593
Adult lunch payments		37,155					37,155
Student breakfast payments		7,742					7,742
Adult breakfast payments		3,277					3,277
Other		207					207
Extra sales		55,899					55,899
State sources:							
Equalization		225,989					225,989
Other	38,834				11,073	108,830	158,737
Federal sources:							
Section IV		80,926					80,926
Section II reimbursement		580,647					580,647
Breakfast reimbursement		281,070					281,070
Summer feeding		59,293					59,293
Unrestricted-indirect cost recoveries			33,053	707		810	42,540
Restricted grants-in-aid			1,013,962	21,514	23,609	263,795	1,322,880
Other-commodities		92,827					92,827
Total revenue	<u>333,456</u>	<u>1,480,479</u>	<u>1,047,015</u>	<u>22,221</u>	<u>282,838</u>	<u>108,830</u>	<u>3,299,258</u>

(Continued)
See accompanying auditor's report.

CITY OF BOGALUSA SCHOOL BOARD
 Bogalusa, Louisiana
 SPECIAL REVENUE FUNDS

Combining Statement of Revenue, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 1999

		Leeway Maintenance	School Lunch	Education Consolidation and Improvement Act Title I	Education For Economic Security Act- Title II	Special Education	Home Instruction For Preschool Youngsters- (HIPPY)	Total
<u>Expenditures</u>								
Instruction:								
Special programs	\$			\$ 507,825	\$ 12,728	\$	\$ 33,375	\$ 553,928
Support services:								
Plant services	330,779	90,974		72,610	810	39,523		535,403
General administration		837,078		431,051	21,514	160,622	63,466	1,524,612
Food services		451,974						451,974
Summer feeding		50,026						50,026
Instruction support				32,482		82,693	9,022	124,197
Community service				3,047			2,967	6,014
Total expenditures		<u>330,779</u>	<u>1,430,052</u>	<u>1,047,015</u>	<u>24,419</u>	<u>282,838</u>	<u>108,830</u>	<u>3,246,154</u>
Excess (deficiency) of revenue over expenditures		2,677	50,427	—	—	—	—	53,104
Fund balance (deficit), beginning		<u>1,426</u>	<u>52,026</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>53,452</u>
Fund balance (deficit), ending		<u>\$ 4,103</u>	<u>\$ 102,453</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 106,556</u>

(Concluded)

See accompanying auditor's report.

FIDUCIARY FUND

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

CITY OF BOGALUSA SCHOOL BOARD
 Bogalusa, Louisiana
 SCHOOL ACTIVITY AGENCY FUND

Schedule of Changes in School Account Balances
 For the Year Ended June 30, 1999

<u>School</u>	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1999</u>
Bogalusa High - Activity	\$ 20,901	\$ 189,107	\$ 174,866	\$ 35,142
Bogalusa High - General	(7,573)	88,416	87,958	(7,115)
Bogalusa High - Athletics	(9,908)	103,817	90,631	3,278
Bogalusa High - Quarterback Club	201	2,100	2,271	30
Bogalusa High - Lumberjack Diamond Club	1,086	6,177	5,200	2,063
Bogalusa Jr. High	24,319	82,877	69,588	37,608
Byrd Avenue Elementary	15,051	53,987	56,983	12,055
Columbia Street Elementary	12,807	48,417	46,377	14,847
Denhamtown Elementary	5,817	61,491	51,469	15,839
Long Avenue Elementary	2,769	40,176	37,141	5,804
Northside	47	4,248	4,028	267
Pleasant Hill Elementary	2,437	60,998	51,068	12,367
Superior Avenue Elementary	8,585	24,919	22,542	10,962
Terrace Elementary School Activity	279	4,471	3,739	1,011
Terrace Elementary	<u>6,539</u>	<u>38,778</u>	<u>39,070</u>	<u>6,247</u>
	<u>\$ 83,357</u>	<u>\$ 809,979</u>	<u>\$ 742,931</u>	<u>\$ 150,405</u>

See accompanying auditor's report.

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

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

Raymond E. Mims, President	\$ 9,600
W. L. Pierce, Vice-President	9,600
Richard E. Borde	9,600
Doneen mcCullough	9,600
Larry Miller	9,600
Joel C. Foster	9,600
Gayle Jenkins	<u>9,600</u>
	<u>\$ 67,200</u>

See accompanying auditor's report.

***AUDIT REPORTS REQUIRED BY
SINGLE AUDIT ACT***

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 1999

FEDERAL GRANTOR PASS-THROUGH GRANTOR <u>PROGRAM NAME</u>	<u>CFDA NUMBER</u>	<u>EXPENDITURES</u>
<u>U.S. Department of Agriculture</u>		
<u>Passed through Louisiana Department of Agriculture and Forestry</u>		
Food Distribution (non-cash)	★10.550	92,827
<u>Passed through Louisiana Department of Education</u>		
School Breakfast	★10.553	281,070
Section II	★10.555	580,647
Section IV	★10.555	80,926
Summer Food Service for Children	★10.559	<u>58,969</u>
Total U.S. Department of Agriculture		<u>1,094,439</u>
<u>U.S. Department of Education</u>		
<u>Passed through Louisiana Department of Education</u>		
Adult Education - State Administered Basic Grant	84.002	4,440
Educationally Deprived Children-Title I	84.010	1,032,462
Handicapped State Grant - Idea B	84.027A	268,956
Vocational Education - Carl Perkins Basic and Guidance	84.048	42,388
Dwight D. Eisenhower Professional Development (Title II)	84.281A	29,937

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 1999

FEDERAL GRANTOR PASS-THROUGH GRANTOR <u>PROGRAM NAME</u>	<u>CFDA NUMBER</u>	<u>EXPENDITURES</u>
<u>U.S. Department of Education(continued)</u>		
<u>Passed through Louisiana Department of Education(continued)</u>		
Safe & Drug Free Schools	84.186A	19,641
Pre-School Flow-Through	84.173A	56,575
Special Education - Part H	84.181	5,885
Innovative Education Program Strategies (Title VI)	84.298A	22,221
Educationally Deprived Children (Capital Expense) - Title I	84.216A	14,554
Extended Summer July & August (ESYP)	N/A	7,941
SESI June	N/A	<u>3,132</u>
Total U.S. Department of Education		<u>1,508,132</u>
<u>U.S. Department of the Army</u>		
Junior Reserve Officers Training Corp	N/A	<u>46,351</u>
Total U.S. Department of the Army		<u>46,351</u>
Total Federal Financial Awards		<u>\$2,648,922</u>

★A major federal financial award program cluster
as defined by OMB Circular A-133.

(Concluded)

See accompanying notes to schedule of expenditures of federal awards.

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 1999

NOTE A--BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Bogalusa School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

RICHARD M. SEAL

CERTIFIED PUBLIC ACCOUNTANT ◊ CERTIFIED GOVERNMENT FINANCIAL MANAGER

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

City of Bogalusa School Board
Bogalusa, Louisiana

Compliance

I have audited the compliance of The City of Bogalusa School Board with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The City of Bogalusa School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Bogalusa School Board's management. My responsibility is to express an opinion on The City of Bogalusa School Board's compliance based on my audit.

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

compliance with those
the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on The City of Bogalusa School Board's compliance with those requirements.

In my opinion, The City of Bogalusa School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of The City of Bogalusa School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered The City of Bogalusa School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted a certain matter involving the internal control over compliance and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect the City of Bogalusa School Board's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings as item 99-2.

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 the 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. My 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, I do not believe that the reportable condition described above is a material weakness.

This report is intended for the information of the members of the City of Bogalusa School Board, its management, and the office of the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Richard M. Seal". The signature is written in a cursive, flowing style.

Certified Public Accountant

Bogalusa, Louisiana
March 2, 2000

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

Schedule of Findings
For the Year Ended June 30, 1999

I was engaged to audit the financial statements of the City of Bogalusa School Board as of and for the year ended June 30, 1999, and have issued my report thereon dated March 2, 2000. I conducted my 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. My audit of the financial statements as of June 30, 1999 resulted in an adverse opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weakness Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material weakness Yes No Reportable Conditions Yes No

Type of Opinion on Compliance
For Major Programs

Unqualified Qualified
Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133,
Section .510(a)?

Yes No

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

Schedule of Findings
For the Year Ended June 30, 1999

Section I Summary of Auditor's Reports(Continued)

c. Identification of Major Programs:

CFDA Number(s)	Name of Federal Program (or Cluster)
10.550	Food Distribution
10.553	<u>Child Nutrition Cluster</u>
10.555	School Breakfast
10.555	Section II
10.555	Section IV
10.559	Summer Food Program

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

[X] Yes [] No

Section II Financial Statement Findings

99-1 LATE AUDIT REPORT

Criteria - All local government audits in Louisiana must be completed and transmitted to the Legislative Auditor within six months of the close of the auditee's fiscal year. Since the City of Bogalusa School Board's fiscal year ended June 30, 1999, the audit should have been completed by December 31, 1999.

Condition - Completion of the audit was delayed until March 2000, because of a failure on the part of the auditee to provide information to the auditor in a timely fashion. This failure was caused by:

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

Schedule of Findings
For the Year Ended June 30, 1999

Section II Financial Statement Findings (Continued)

99-1 LATE AUDIT REPORT(continued)

- The Business Manager was unable to work for several weeks between August and October 1999, because of open heart surgery.
- During the year, the School Board converted its accounting system to conform to the Louisiana Uniform Government Handbook (LAUGH). Several major problems were encountered during the conversion which delayed the ability to obtain accurate accounting records until February 2000.

On March 2, 2000, the Legislative Auditor's office instructed the auditor to complete the audit using the information he had.

Auditor's Recommendation - There are no provisions for extensions of time to complete audit reports, and there are no exceptions to the six-month rule. Therefore, the Business Office should submit a plan to the School Board to reorganize and restructure itself to ensure that complete information be provided to the auditor in time to complete the audit by December 31, regardless of sickness or computer problems.

Management's Detailed Corrective Action Plan - Major illness similar to what occurred to the Business Manager cannot be anticipated. There were less than 24hrs between diagnosis and emergency admittance to a Cardiac Care Unit. The Business Office was in the process of converting the previous accounting system to LAUGH accounting. The conversion continued during the Business Manager's absence and was completed upon his return to work.

The conversion from one accounting system to another has inherent potential difficulties. The Business Office staff planned and prepared for this conversion to minimize problems. During the final stages of converting, the hard drive became inoperable and data could not be retrieved. In preparing for any potential problem daily backups of program and data files are made. These program and data files were restored intact after the company responsible for maintenance of the system installed a new hard drive. Preparing for a computer

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

Schedule of Findings
For the Year Ended June 30, 1999

Section II Financial Statement Findings (Continued)

99-1 LATE AUDIT REPORT(Continued)

Management's Detailed Corrective Action Plan(Continued) - malfunction, i.e. the "crash" of a hard drive is done by regular backups of files and a maintenance program to replace parts that become inoperable. These two were procedures were in place and avoided a loss of critical data.

The Business Office is organized to provide timely information to management and auditors. The preparation and execution of this conversion was sufficient to overcome the major problem areas encountered.

Section III Federal Award Findings

99-2 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Criteria - OMB Circular A-133 requires the auditee to prepare the schedule of expenditures of federal awards. This schedule reports the total expenditures for each federal program. The auditee must also be able to reconcile amounts presented in the financial statements to related amounts in the schedule of expenditures of federal awards. The auditor is then required to determine whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the auditee's financial statements taken as a whole.

Condition - School Board employees prepared the schedule of expenditures of federal awards that appear on page 33 of this report. School Board personnel have not reconciled amounts presented in the financial statements to related amounts in the schedule of expenditures of federal awards. Therefore, the auditor has been unable to determine whether the schedule of expenditures of federal awards is presented fairly.

Auditor's Recommendation - Much more care and diligence should be exercised to correct this obvious weakness in internal control in the preparation of the schedule of expenditures of federal awards.

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

Schedule of Findings
For the Year Ended June 30, 1999

Section III Federal Award Findings(Continued)

99-2 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS(continued)

Management's Detailed Corrective Action Plan - No response.

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

SUMMARY SCHEDULE OF PRIOR-YEAR FINDINGS
For the Year Ended June 30, 1999

Ref No.	Fiscal Year Finding Initially Occurred	Description of Findings	Corrective Action Taken (Yes, No, Partially)
A3-98-1	1998	The beginning fund balances in the amended budgets for the General Fund and Debt Service Fund exceeded the actual beginning fund balances by more than five percent (5%) and the fund balances were used to fund current year expenditures; therefore, the budgets should have been properly amended.	Yes. The ending deficit fund balance for June 30, 1998 was eliminated thru the budget process for FY 99. Budgets will be properly amended when the variance in fund balance varies more than 5%.
Management letter comment #1	1998	There were no established procedures in place to verify information transmitted electronically to the State Department of Education.	Yes. Procedures are in place to insure the accuracy of data submitted to the Department of Education. This includes monitoring each transmission, retaining data on removable disks and verifying data reported by the Department of Education is complete and accurate.
Management letter comment #2	1998	The School Board's general ledger system was not in conformity with the Louisiana Uniform Governmental Handbook ("LAUGH"). The purpose of the LAUGH system is to standardize school boards' chart of accounts and to streamline the statistical data collection process.	Yes. Visits by the Food Service Director and done in timely manner and documented.

CITY OF BOGALUSA SCHOOL BOARD
Bogalusa, Louisiana

MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 1999

Management's corrective action plan is included in the Schedule of Findings.