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JEFFERSON DAVIS PARISH SCHOOL BOARD  
JENNINGS, LOUISIANA

ANNUAL FINANCIAL REPORT

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 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 10 1999

JEFFERSON DAVIS PARISH SCHOOL BOARD

ANNUAL FINANCIAL REPORT  
JUNE 30, 1998

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# KRIELOW & COMPANY

A PROFESSIONAL ACCOUNTING CORPORATION

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## INDEPENDENT AUDITORS' REPORT

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the accompanying general-purpose financial statements of the Jefferson Davis Parish School Board, as of and for the year ended June 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the 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.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

The Jefferson Davis Parish School Board has omitted such disclosures. We do not provide assurance that the Jefferson Davis Parish School Board is or will be year 2000 ready, that the Jefferson Davis Parish School Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Jefferson Davis Parish School Board does business will be year 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Jefferson Davis 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 January 13, 1999 on our consideration of the Jefferson Davis Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Jefferson Davis Parish School Board, taken as a whole. The combining financial statements and other supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements of the Jefferson Davis Parish School Board. Also, 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. Such information has been subjected to the auditing procedures applied in the audit of the 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.

*Krielow & Company*  
Certified Public Accountants

Jennings, Louisiana  
January 13, 1999

JEFF DAVIS PARISH SCHOOL BOARD

Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 1998

	Governmental Fund Types			Fiduciary Fund Type		Account Groups			Total (Memorandum Only) 1998
	General Fund	Special Revenue Funds		Debt Service	School Activity Funds	General Fixed Assets	General Long-Term Debt		
		\$	\$						
<b>ASSETS AND OTHER DEBITS</b>									
Cash in banks:									
Demand deposits	\$ 5,589,469	\$ 664,866	\$ -	\$ 486,618	\$ -	\$ -	\$ -	\$ 6,740,953	
Time deposits	5,150,000	-	-	9,747	-	-	-	5,159,747	
Investments, at Cost	1,600,000	-	-	-	-	-	-	1,600,000	
Petty cash	250	-	-	-	-	-	-	250	
Revenues Receivable:									
Ad valorem taxes	113,892	22,670	-	-	-	-	-	136,562	
Louisiana Department of Education	98,099	441,258	-	-	-	-	-	539,357	
Others	63,093	48	-	-	-	-	-	63,141	
Due from other funds	406,120	1,947	-	-	-	-	-	408,067	
Inventory, at cost	26,454	117,776	-	-	-	-	-	144,230	
Prepaid Expenses	8,000	-	-	-	-	-	-	8,000	
Restricted assets:									
Cash with fiscal agents	-	-	14,594	-	-	-	-	14,594	
Time deposits	-	-	546,892	34,406	-	-	-	581,298	
Investments, at Cost	1,000,418	-	-	-	-	-	-	1,000,418	
Taxes receivable	-	-	37,640	-	-	-	-	37,640	
Land	-	-	-	-	1,168,485	-	-	1,168,485	
Buildings and improvements	-	-	-	-	28,721,411	-	-	28,721,411	
Furniture and equipment	-	-	-	-	8,496,092	-	-	8,496,092	
Construction in Progress	-	-	-	-	49,038	-	-	49,038	
Amount available in Debt Service Funds	-	-	-	-	-	584,532	-	584,532	
Amount to be provided for retirement of General Long-Term Debt	-	-	-	-	-	-	2,695,546	2,695,546	
Amount to be provided for accumulated unpaid sick pay and sabbatical leave	-	-	-	-	-	-	1,169,322	1,169,322	
<b>Total Assets and Other Debits</b>	<b>\$ 14,055,795</b>	<b>\$ 1,248,565</b>	<b>\$ 599,126</b>	<b>\$ 530,771</b>	<b>\$ 38,435,026</b>	<b>\$ 4,449,400</b>	<b>\$ 59,318,683</b>		

JEFF DAVIS PARISH SCHOOL BOARD

Exhibit A  
(Concluded)

Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 1998

	Governmental Fund Types			Fiduciary Fund Type	Account Groups			Total (Memorandum Only) 1998
	General Fund	Special Revenue Funds	Debt Service		General Fixed Assets	General Long-Term Debt		
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>								
Liabilities:								
Accounts payable	\$ 92,937	\$ 87,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,057
Accrued liabilities:								
Payroll taxes and withholdings payable	1,774,223	103,612	-	-	-	-	-	1,877,835
Salaries and wages payable	1,358,271	162,101	-	-	-	-	-	1,520,372
Due to other governments	391,103	15	-	-	-	-	-	391,118
Due to other funds	1,948	406,120	-	-	-	-	-	408,068
Payable from restricted assets:								
Matured bonds and interest payable	-	-	14,594	-	-	-	-	14,594
Bonds payable	-	-	-	-	-	3,032,000	-	3,032,000
Capital leases payable	-	-	-	-	-	248,078	-	248,078
Accumulated unpaid sick and sabbatical leave	-	-	-	-	-	-	-	-
Total Liabilities	\$ 3,618,482	\$ 758,968	\$ 14,594	\$ -	\$ -	\$ 1,169,322	\$ -	\$ 1,169,322
Fund Equity:								
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:								
Reserved for inventory	26,454	-	-	-	-	-	-	26,454
Reserved for bus replacement	475,965	-	-	-	-	-	-	475,965
Reserved for debt service	-	-	584,532	-	-	-	-	584,532
Reserved for workmans compensation insurance	8,000	-	-	-	-	-	-	8,000
Reserved for insurance	1,000,000	-	-	-	-	-	-	1,000,000
Reserved for school activities	-	-	-	530,771	-	-	-	530,771
Unreserved - undesignated	8,926,894	489,597	-	-	-	-	-	9,416,491
Total Fund Equity	\$ 10,437,313	\$ 489,597	\$ 584,532	\$ 530,771	\$ -	\$ -	\$ -	\$ 50,477,239
Total Liabilities, Equity and Other Credits	\$ 14,055,795	\$ 1,248,565	\$ 599,126	\$ 530,771	\$ 38,435,026	\$ 4,449,400	\$ -	\$ 59,318,683

The accompanying notes are an integral part of these statements.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

Exhibit B

**Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances-All Governmental Fund Types  
For the Year Ended June 30, 1998**

	General Fund	Special Revenue Funds	Debt Service	Total (Memorandum Only) 1998
<b>REVENUES</b>				
Parish sources:				
Ad valorem tax collections:				
Taxes, penalties, interest	\$ 1,348,335	\$ 878,876	\$ 682,458	\$ 2,909,669
Collections by Sheriff for retirement funds	81,151	-	-	81,151
Sales tax	5,931,361	-	-	5,931,361
Sales tax fees from municipalities	88,072	-	-	88,072
Tuition from individuals	43,535	-	-	43,535
Tuition from other parishes	92,899	-	-	92,899
Transportation fees	1,680	-	-	1,680
Interest on temporary investments	606,588	20,675	34,731	661,994
Rentals, leases and royalties	64,380	5,497	-	69,877
Contributions	24,410	-	-	24,410
Sales to maintenance funds	109,972	-	-	109,972
Other parish sources	123,288	3,911	-	127,199
Food service income	-	404,912	-	404,912
State sources:				
Equalization	18,445,349	515,500	-	18,960,849
Restricted grants in aid	1,121,618	-	-	1,121,618
Revenue Sharing	213,506	75,767	-	289,273
Revenue on behalf of LEA	30,311	-	-	30,311
Interest	629	-	-	629
Federal sources:				
Restricted grants in aid	10,916	-	-	10,916
Restricted pass through grants	-	2,557,810	-	2,557,810
Commodities-U.S.D.A.	-	137,854	-	137,854
Federal reimbursements	-	1,412,518	-	1,412,518
<b>Total Revenues</b>	<b>\$ 28,338,000</b>	<b>\$ 6,013,320</b>	<b>\$ 717,189</b>	<b>\$ 35,068,509</b>
<b>EXPENDITURES</b>				
Current operating:				
Instruction:				
Regular programs	\$ 11,849,856	\$ 429,153	\$ -	\$ 12,279,009
Special education programs	3,212,993	259,325	-	3,472,318
Vocational education programs	977,675	77,392	-	1,055,067
Other programs	133,175	40,193	-	173,368
Special programs	51,728	1,032,682	-	1,084,410
Adult continuing education programs	55,465	39,967	-	95,432
Supporting services:				
Pupil support services	1,130,289	77,028	-	1,207,317
Instructional staff	930,867	561,451	-	1,492,318
General administration	613,257	28,323	21,053	662,633
School administration	2,005,826	19,042	-	2,024,868
Business services	319,877	-	-	319,877
Plant services	2,470,315	661,401	-	3,131,716
Student transportation	1,651,678	32,649	-	1,684,327
Central services	124,017	6,610	-	130,627
Non-instructional services:				
Food Services	257,683	2,490,356	-	2,748,039
Community service programs	72,445	-	-	72,445
Facilities acquisition and construction	63,126	-	-	63,126
Debt service:				
Capital lease payments	-	207,949	-	207,949
Principal retirement	-	-	546,000	546,000
Bond interest	-	-	199,827	199,827
<b>Total All Expenditures</b>	<b>\$ 25,920,272</b>	<b>\$ 5,963,521</b>	<b>\$ 766,880</b>	<b>\$ 32,650,673</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 2,417,728</b>	<b>\$ 49,799</b>	<b>\$ (49,691)</b>	<b>\$ 2,417,836</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	\$ -	\$ 110,916	\$ -	\$ 110,916
Operating transfers (out)	(615)	(72,470)	(37,831)	(110,916)
Indirect costs	41,736	(41,738)	-	(2)
Sale of fixed assets	1,351	3,100	-	4,451
Capital leases	-	82,165	-	82,165
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 42,472</b>	<b>\$ 81,973</b>	<b>\$ (37,831)</b>	<b>\$ 86,614</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ 2,460,200</b>	<b>\$ 131,772</b>	<b>\$ (87,522)</b>	<b>\$ 2,504,450</b>
<b>Fund Balance at Beginning of Year</b>	<b>7,836,075</b>	<b>357,825</b>	<b>672,054</b>	<b>8,865,954</b>
Increase in Reserve for Bus Replacement	154,906	-	-	154,906
Decrease in Reserve for Inventory	(13,868)	-	-	(13,868)
<b>Fund Balance at End of Year</b>	<b>\$ 10,437,313</b>	<b>\$ 489,597</b>	<b>\$ 584,532</b>	<b>\$ 11,511,442</b>

The accompanying notes are an integral part of these statements.



JEFFERSON DAVIS PARISH SCHOOL BOARD

Exhibit C

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

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Parish sources:						
Ad valorem tax collections:						
Taxes, penalties, interest	\$ 1,315,596	\$ 1,348,335	\$ 32,739	\$ 856,110	\$ 878,876	\$ 22,766
Collections by sheriff for retirement funds	78,500	81,151	2,651	-	-	-
Sales tax	5,900,000	5,931,361	31,361	-	-	-
Sales tax fees from municipalities	77,250	88,072	10,822	-	-	-
Tuition from individuals	52,600	43,535	(9,065)	-	-	-
Tuition from other parishes	85,000	92,899	7,899	-	-	-
Transportation fees	950	1,680	730	-	-	-
Interest on temporary investments	562,712	606,588	43,876	15,945	20,675	4,730
Rentals, leases, and royalties	66,329	64,380	(1,949)	5,425	5,497	72
Contributions	24,500	24,410	(90)	-	-	-
Sales to maintenance funds	95,500	109,972	14,472	-	-	-
Other parish sources	41,352	123,288	81,936	1,733	3,911	2,178
Food service income	-	-	-	395,731	404,912	9,181
State sources:						
Equalization	18,405,349	18,445,349	40,000	478,500	515,500	37,000
Restricted grants in aid	1,039,248	1,121,618	82,370	-	-	-
Revenue sharing	213,506	213,506	-	75,616	75,767	151
Revenue on behalf of LEA	31,500	30,311	(1,189)	-	-	-
Interest	629	629	-	-	-	-
Federal sources:						
Restricted grants in aid	8,500	10,916	2,416	-	-	-
Restricted pass through grants	-	-	-	2,608,955	2,557,810	(51,145)
Commodities - USDA	-	-	-	154,300	137,854	(16,446)
Federal reimbursements	-	-	-	1,377,250	1,412,518	35,268
<b>Total Revenues</b>	<b>\$ 27,999,021</b>	<b>\$ 28,338,000</b>	<b>\$ 338,979</b>	<b>\$ 5,969,565</b>	<b>\$ 6,013,320</b>	<b>\$ 43,755</b>
<b>EXPENDITURES</b>						
Current operating:						
Instruction:						
Regular programs	\$ 11,982,542	\$ 11,849,856	\$ 132,686	\$ 449,964	\$ 429,153	\$ 20,811
Special education programs	3,244,247	3,212,993	31,254	273,713	259,325	14,388
Vocational education program	986,620	977,675	8,945	77,213	77,392	(179)
Other programs	155,081	133,175	21,906	49,700	40,193	9,507
Special programs	52,471	51,728	743	1,198,788	1,032,682	166,106
Adult continuing education program	55,794	55,465	329	40,310	39,967	343
Support Services:						
Pupil support services	1,138,902	1,130,289	8,613	126,802	77,028	49,774
Instructional staff	948,594	930,867	17,727	490,898	561,451	(70,553)
General administration	622,437	613,257	9,180	34,873	28,323	6,550
School administration	2,021,605	2,005,826	15,779	17,796	19,042	(1,246)
Business services	293,780	319,877	(26,097)	-	-	-
Plant services	2,521,652	2,470,315	51,337	621,512	661,401	(39,889)
Student transportation	1,652,789	1,651,678	1,111	33,859	32,649	1,210
Central services	126,074	124,017	2,057	-	6,610	(6,610)
Non-instructional services:						
Food services	262,278	257,683	4,595	2,409,747	2,490,356	(80,609)
Community service programs	79,053	72,445	6,608	-	-	-
Facilities acquisition and construction	200,000	63,126	136,874	-	-	-
Debt service:						
Capital lease payments	-	-	-	-	207,949	(207,949)
<b>Total Expenditures</b>	<b>\$ 26,343,919</b>	<b>\$ 25,920,272</b>	<b>\$ 423,647</b>	<b>\$ 5,825,175</b>	<b>\$ 5,963,521</b>	<b>\$ (138,346)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 1,655,102</b>	<b>\$ 2,417,728</b>	<b>\$ 762,626</b>	<b>\$ 144,390</b>	<b>\$ 49,799</b>	<b>\$ (94,591)</b>
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	-	-	-	99,939	110,916	10,977
Operating transfers (out)	-	(615)	(615)	(99,939)	(72,470)	27,469
Indirect costs	40,159	41,736	1,577	(40,951)	(41,738)	(787)
Capital leases	-	-	-	-	82,165	82,165
Sale of fixed assets	1,351	1,351	-	3,100	3,100	-
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ 1,696,612</b>	<b>\$ 2,460,200</b>	<b>\$ 763,588</b>	<b>\$ 106,539</b>	<b>\$ 131,772</b>	<b>\$ 25,233</b>
<b>Fund Balances at Beginning of Year</b>	<b>7,836,075</b>	<b>7,836,075</b>	<b>-</b>	<b>357,825</b>	<b>357,825</b>	<b>-</b>
Increase in Reserve for Bus Replacement	-	154,906	154,906	-	-	-
Increase in Reserve for Inventory	-	(13,868)	(13,868)	-	-	-
<b>Fund Balances at End of Year</b>	<b>\$ 9,532,687</b>	<b>\$ 10,437,313</b>	<b>\$ 904,626</b>	<b>\$ 464,364</b>	<b>\$ 489,597</b>	<b>\$ 25,233</b>

The accompanying notes are an integral part of these statements.

# JEFFERSON DAVIS PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 1998

### INTRODUCTION

The Jefferson Davis Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Jefferson Davis Parish. The school board is authorized by LSA-R.S. 17:81 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 13 members who are elected from 13 districts for terms of four years.

The school board operates 14 schools within the parish with an approximate total enrollment of 6,051 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the school board provides transportation and school food services for the students.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

The accounting and reporting policies of the primary government of the Jefferson Davis Parish School Board conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants.

#### B. REPORTING ENTITY

The financial statements of the school board consist only of the funds and account groups of the school board. The school board has no financial accountability for any other governmental entity since no other entities are considered to be component units of the school board. GASB Statement No. 14 established criteria for determining which component units should be considered part of the Jefferson Davis Parish School Board for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the school board to impose its will on the organizations and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the school board.
2. Organizations for which the school board does not appoint a voting majority but are fiscally dependent on the school board.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the school board has determined that it has no component units.

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

**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. Each category, in turn, 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 obligations. Governmental funds include:

1. General Fund-the general operating fund of the school board and 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 funds-account 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 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:

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.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust 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, expendable trust funds, and agency funds. The governmental funds and expendable trust funds use the following practices in recording revenues and expenditures:

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

**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 (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. 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 income is recorded when made available. Sales and use tax are recorded in the month collected. Substantially all other revenues are recorded when received.

**Expenditures**

Salaries are recorded when earned by the individual employee; compensated absences for sick leave are recorded when paid; capital outlays are recorded when acquisitions are made and when work is performed on construction projects; principal and interest on general long-term debt is recognized when due; substantially all other expenditures are recorded when the liability for the expenditure has become fixed and determinable.

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses) in the accounting period in which they occur.

**E. BUDGETS**

The school board uses the following budget practices:

For the year ended June 30, 1998, the School Board adopted budgets for the general fund and special revenue funds on a basis consistent with generally accepted accounting principles (GAAP). This included public notice of availability for public inspection and public hearing. Periodic budget comparisons were made during the year and amendments were made when deemed necessary. All budgetary appropriations lapse at the end of each fiscal year. Formal encumbrance accounting is not utilized by the School Board.

**F. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts and time deposits. 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.

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

**G. INVESTMENTS**

Under state law, the school board may invest in United States bonds, treasury notes, or time certificates of deposit. 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 which approximates fair value. Investments are made only in nonnegotiable certificates of deposit with a maturity at time of purchase of less than one year and are therefore exempt from the fair value standards as required by GASB Statement NO. 31.

**H. 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 as well as short-term interfund loans.

**I. INVENTORIES**

Inventory of the School Lunch 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 revenue when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost and commodities are assigned values based on information provided by the United States Department of Agriculture. General Fund inventory is also valued at cost and recorded as an expenditure at time of purchase. A fund balance reserve equal to the value of the inventory is established to indicate that the inventories do not constitute expendable financial resources available for appropriation.

**J. 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. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if historical cost is not available.

**K. COMPENSATED ABSENCES**

The school board has the following policy relating to annual and sick leave:

All twelve months employees earn annual leave at varying rates depending on the length of service. Annual leave cannot be accumulated. All School Board employees earn from 10 to 18 days of sick leave each year. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees at their current rate of pay and all remaining unpaid sick leave is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation and for professional 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. In accordance with GASB Statement 16 the cost of professional sabbatical leave privileges, is recognized

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

as a current-year expenditure in the governmental funds when leave is actually taken and the cost of rest and recuperation leave privileges not requiring current resources is recorded in the general long-term obligations account group.

**L. 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.

**M. FUND EQUITY**

**Reserves**

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

**Designated Fund Balances**

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

**N. INTERFUND TRANSACTIONS**

During the course of normal operations, the school board has transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental type funds financial statements generally reflect such transactions.

Included in the financial statements as quasi-external transactions are sales of maintenance supplies from the general fund to the maintenance funds. The general fund buys the supplies in bulk and sells them to the maintenance funds as needed, the transactions are recorded as "sales to maintenance funds" in the general fund and included as "plant services" in the maintenance funds (special revenue funds).

**O. TOTAL COLUMNS ON COMBINED STATEMENTS**

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position 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.

**P. RISK MANAGEMENT**

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School Board is self insured for its workmens compensation claims up to \$35,000. For amounts over \$35,000 the School Board carries commercial insurance for excess claims. Claims for workmens compensation are handled through a contracted claims agent which handles the claims administration for the School Board. Settled claims are reported as an expense in the general fund. Other risks of loss are managed through commercial insurance coverage. Settled claims resulting

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

from these risks covered by commercial insurance have not exceeded coverage in the past three fiscal years. In addition, the School Board has reserved \$1,000,000 of the General Fund balance to cover insurance losses in excess of that amount.

2. **PROPERTY TAXES**

A. **MILLAGE**

The Jefferson Davis Parish and Allen Parish Sheriff's offices in their capacity of tax collector is responsible for the collection of property taxes. The millages in effect for the tax revenue for the current year are as follows:

	<u>Jefferson Davis Parish</u>	<u>Allen Parish</u>
Constitutional Tax	6.05	
Special School Tax	9.57	
<u>School District No. 1:</u>		
Maintenance	10.71	
Bonds	40.75	
<u>School District No. 2:</u>		
Maintenance	11.39	
<u>School District No.3:</u>		
Maintenance	6.43	
Special Maintenance	5.48	
Bonds	9.00	
<u>School District No. 5:</u>		
Maintenance	3.94	
<u>School District No. 8:</u>		
Maintenance	8.09	
Bonds	13.25	
<u>School District No. 22:</u>		
Maintenance	10.85	10.85
<u>Consolidated District No. 1:</u>		
Maintenance	10.61	
Bonds	5.75	

3. **FUND DEFICITS**

The following individual funds had deficits in unreserved or reserved fund balance at June 30, 1998:

<u>Fund</u>	<u>Deficit Amount</u>
School District No. 1 Maintenance Fund	\$ 8,917
School District No. 3 Maintenance Fund	8,983
School District No. 8 Maintenance Fund	58,909

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

**4. EXPENDITURES - ACTUAL AND BUDGET**

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

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Consolidated School District #1	\$ 166,000	\$ 181,735	\$ 15,735
School District #1 Maintenance	94,909	97,445	2,536
School District #3 Maintenance	43,899	45,663	1,764
School District #5 Maintenance	40,395	45,451	5,056
School District #8 Maintenance	36,197	45,237	9,040
School District #22 Maintenance	96,117	98,760	2,643
School Lunch	2,409,747	2,490,356	80,609

**5. CASH, CASH EQUIVALENTS AND INVESTMENTS**

At June 30, 1998, the School Board has cash and cash equivalents (book balances) totaling \$12,497,264 and holds investments totaling \$2,600,000 as follows:

Cash and Cash Equivalents:	
Demand and Interest-Bearing Deposits	\$ 6,741,204
Time Deposits	5,741,045
Cash with Fiscal Agent	<u>14,593</u>
Total Cash and Cash Equivalents	\$ 12,496,842
Investments:	
Time Deposits	<u>2,600,418</u>
Total Investments	\$ 2,600,418
Total Cash, Cash Equivalents, and Investments	<u>\$ 15,097,260</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 June 30, 1998, the school board has \$15,915,270 in deposits (collected bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$16,283,523 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the school board that the fiscal agent has failed to pay deposited funds upon demand.



JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

6. RECEIVABLES

The receivables of \$776,698 at June 30, 1998 are as follows:

	General Fund	Special Revenue Funds	Debt Service Funds
Grants:			
State	\$ 98,099	\$ 441,257	\$ 0
Property taxes	113,892	22,548	37,643
Other miscellaneous	63,093	166	0
Totals	<u>\$ 275,084</u>	<u>\$ 463,971</u>	<u>\$ 37,643</u>

7. FIXED ASSETS

The changes in general fixed assets follows:

	Balance July 1, 1997	Additions	Deletions	Adjustments	Balance June 30, 1998
Land	\$ 1,168,485	\$ 0	\$ 0	\$ 0	\$ 1,168,485
Buildings	28,721,411	0	0	0	28,721,411
Furniture and equipment	7,685,026	961,322	505,985	355,730	8,496,093
Construction in Progress-Warehouse Complex	0	0	0	49,038	49,038
Total	<u>\$37,574,922</u>	<u>\$ 961,322</u>	<u>\$ 505,985</u>	<u>\$ 404,768</u>	<u>\$ 38,435,026</u>

8. RESTRICTED ASSETS

Restricted assets were applicable to the following at June 30, 1998:

	General Fund	Debt Service	School Activity Funds
Cash		<u>\$ 14,594</u>	
Time Deposits		<u>\$ 546,892</u>	\$ 34,406
Investment	<u>\$1,000,418</u>		
Taxes Receivable		<u>\$ 37,640</u>	

The general fund restricted amount has been set aside to pay any type of claim not covered by property insurance. The debt service funds are restricted to the payment of matured and unredeemed bonds and interest only. The school activity funds restricted amounts are reserved for specific scholarship fund purposes.

9. 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 Teachers' Retirement System of

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. TEACHERS' RETIREMENT SYSTEM OF LOUISIANA (TRS)**

**Plan Description.** The TRS consists of two membership plans: Regular Plan and Plan A. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446.

**Funding Policy.** Plan members are required to contribute a percentage of their annual covered salary for the Regular Plan and Plan B. The School Board is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. 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.

Contributions required and made to the TRS were as follows:

Fiscal Year Ended June 30,	1998	1997	1996
TRS Regular:			
Member contribution %	8.00%	8.00%	8.00%
Employer contribution %	16.40%	16.30%	16.50%
Employer contribution \$	\$ 2,411,540	\$ 2,301,346	\$ 2,250,853
TRS-Plan B:			
Member contribution %	5.00%	5.00%	5.00%
Employer contribution %	16.40%	16.30%	16.50%
Employer contributions \$	\$ 145,359	\$ 133,301	\$ 133,463

**B. LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM (LASERS)**

**Plan Description.** The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the LASERS. That report may be obtained in writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (504) 925-6484.

**Funding Policy.** Plan members are required to contribute a percentage of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

Systems' Actuarial Committee. The School Board's employer contribution for the LASERS is funded by the state of Louisiana through annual appropriations.

Contributions required and made to the LASERS were as follows:

Fiscal Year Ended June 30,	1998	1997	1996
Member contribution %	6.35%	6.35%	6.35%
Employer contribution %	6.00%	6.00%	6.00%
Employer contribution \$	\$ 87,347	\$ 82,511	\$ 82,853

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

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

	Capital Leases	Bonds Payable	Accrued Unpaid Sick Sick and Sabbatical Leave	Total
Long-term debt at July 1, 1997	\$ 349,373	\$3,578,000	\$1,037,911	\$4,965,284
Additions	82,165	0	131,411	213,576
Deductions-payments	183,460	546,000	0	729,460
Long-term debt at June 30, 1998	\$ 248,078	\$3,032,000	\$1,169,322	\$4,449,400

General obligation bonds:

\$1,473,000 School District No. 1 bonds dated 3-1-74, maturing 3-1-99, due in annual installments of \$95,000 through 1995 interest at 5.25%	\$ 115,000
\$251,000 School District No. 1 bonds dated 6-1-75, maturing 6-1-2000 due in annual installments of \$1,000 through 2000; interest at 6.00%	2,000
\$400,000 School District No. 3 bonds dated 2-1-90, maturing 2-1-2010 due in annual installments of \$15,000 through 1995; interest at 6.90-10.00%	310,000
\$805,000 School District No. 8 Refunding Bonds dated 9-1-91, maturing 3-1-2005 due in annual installments of \$10,000 through 1995; interest at 4.70-6.65%	590,000
\$500,000 Consolidated School District No. 1 refunding bonds dated 6-1-93, maturing 6-1-2000 due in annual installments of \$70,000 through 1995; interest at 4.75%	150,000

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

\$2,285,000 School District #1 Refunding Bonds dated 3-1-93,  
maturing 3-1-2006 due in annual installments of \$25,000  
through 1996; interest at 3.35%-5.70%

1,865,000  
\$ 3,032,000

The bonds are payable from ad valorem tax revenues collected by the School Board.

The annual requirements to amortize all bonds payable as of June 30, 1998, including interest payments of \$832,315, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
1999	\$ 633,338
2000	519,463
2001	443,790
2002	441,375
2003	437,815
2004-2008	1,305,198
2009-2010	<u>83,338</u>
	<u>\$ 3,864,317</u>

**11. CAPITAL LEASES**

The School Board has entered into certain lease agreements as lessee for financing the purchase of computer equipment and software. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of data-processing equipment leased under capital leases as of June 30, 1998:

	<u>Additions to General Fixed Assets</u>
Data-processing equipment	\$ 245,062

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 1998:

<u>Year Ending June 30,</u>	<u>General Long-Term Debt</u>
1999	\$ 123,999
2000	92,785
2001	<u>61,785</u>
Total minimum lease payments	\$ 278,569
Less: amount representing interest	<u>30,491</u>
Present value of future minimum lease payments	<u>\$ 248,078</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1998

12. INTERFUND ASSETS/LIABILITIES

Due from/to others:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General	\$ 406,120	\$ 1,947
Lunch Fund	0	5,313
Consolidated School District #1 Maintenance	0	24,000
District #1 Maintenance	0	24,000
District #5 Maintenance	1,077	0
District #3 Maintenance	870	17,200
District #8 Maintenance	0	61,700
Chapter I	0	103,546
Migrant	0	13,114
Title VI: Chapter II	0	803
Title II	0	16,904
Title IV: Drug-Free	0	3,646
Other Federal Funds	0	65,726
IDEA Preschool	0	8,683
Title I Carryover	0	5,111
Other Special Education Federal	0	1,639
IDEA	0	54,735
	<hr/>	<hr/>
Totals	\$ 408,067	\$ 408,067

13. FEDERAL GRANTS

The school board participates in a number of federally assisted grant programs. These programs are subject to the program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the School Board's management feels such disallowances, if any, will be immaterial.

14. CONTINGENCIES AND LITIGATION

The school board is the defendant in five lawsuits. The potential liability to the school board cannot be determined at this time for the five suits. Accordingly, no provision for losses has been recorded on the accompanying financial statements.

**SUPPLEMENTAL INFORMATION**

## **SPECIAL REVENUE FUNDS**

### **School District Maintenance Funds**

The School District Maintenance Funds account for the general maintenance and upkeep of school facilities within the respective districts. Financing is provided primarily by ad valorem taxes and the related state revenue sharing within the territorial limits of the appropriate school districts.

### **School Lunch Fund**

The School Lunch Fund accounts for the operations of the school cafeterias which regularly serve breakfasts and lunches in connection with school activities. Financing is provided primarily by subsidies from the U.S. Department of Agriculture, the State of Louisiana and meal sales.

### **Title VII Fund**

This fund is used to account for grant monies designed to enable children with limited English proficiency to achieve competence in the English language in order to meet educational objectives.

### **Improving America's Schools Act Funds**

Title I of the Improving America's Schools Act Funds (IASA) is a program for economically and educationally deprived school children which is federally financed, state administered and locally operated by the School Board. The Title I services are provided through various projects which are designated to meet the special needs of educationally deprived children. The activities supplement rather than replace state and local mandated activities.

Title VI of the IASA is a program by which the federal government provides money to the School Board based on a per pupil allocation for audio-visual materials, equipment and library resources.

Title IV Fund - Revenues are used to ensure drug free education environment.

Title II Fund - Provides resources to improve professional development for education.

### **I.D.E.A., I.D.E.A.-Preschool, Other Special Education Federal Funds, and Other Federal Funds**

These funds account for various federal special education, vocational and adult education grants. The programs are designed to meet the special needs of the participants.

JEFFERSON DAVIS PARISH SCHOOL BOARD

SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 1998

ASSETS AND OTHER DEBITS	School District Maintenance Funds							School Lunch Fund	I.A.S.A. Programs (Schedule 3)	I.D.E.A. Preschool	Other Special Education Federal Funds	Other Federal Funds	Total (Memorandum Only) 1998
	Consolidated No. 1	No. 1	No. 2	No. 3	No. 5	No. 8	No. 22						
Cash in bank:													
Demand deposits	\$ 57,119	\$ 8,619	\$ 257,527	\$ 8,270	\$ 18,008	\$ 2,490	\$ 42,836	\$ 269,997	\$ -	\$ -	\$ -	\$ -	\$ 664,866
Revenues Receivable:													
Ad valorem taxes	574	9,985	6,689	80	21	693	5,537	-	-	-	-	-	22,670
Louisiana Department of Education- Pass through federal grants	-	-	-	-	-	-	-	48	289,512	8,868	1,639	82,954	441,258
Other	-	-	-	-	-	-	-	117,776	-	-	-	-	117,776
Inventory, at cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	870	1,077	-	-	-	-	-	-	-	1,947
<b>Total Assets</b>	<b>\$ 57,693</b>	<b>\$ 17,704</b>	<b>\$ 264,207</b>	<b>\$ 9,220</b>	<b>\$ 19,106</b>	<b>\$ 3,183</b>	<b>\$ 48,373</b>	<b>\$ 387,821</b>	<b>\$ 289,512</b>	<b>\$ 8,868</b>	<b>\$ 1,639</b>	<b>\$ 82,954</b>	<b>\$ 1,248,565</b>

LIABILITIES AND FUND BALANCE

Liabilities:													
Accounts payable	\$ 5,201	\$ 2,621	\$ 15,130	\$ 1,003	\$ 998	\$ 392	\$ 4,811	\$ 7,728	\$ 40,096	\$ 185	\$ -	\$ 5,735	\$ 87,120
Due to other funds	24,000	24,000	-	17,200	-	61,700	-	5,313	143,124	8,683	1,639	65,726	406,120
Due to other governments	-	-	-	-	-	-	-	-	15	-	-	-	15
Payroll taxes and withholdings payable	-	-	-	-	-	-	-	54,656	44,618	-	-	4,241	103,612
Salaries payable	-	-	-	-	-	-	-	92,957	61,659	-	-	7,252	162,101
<b>Total Liabilities</b>	<b>\$ 29,201</b>	<b>\$ 26,621</b>	<b>\$ 15,130</b>	<b>\$ 18,203</b>	<b>\$ 998</b>	<b>\$ 62,092</b>	<b>\$ 4,811</b>	<b>\$ 160,654</b>	<b>\$ 289,512</b>	<b>\$ 8,868</b>	<b>\$ 1,639</b>	<b>\$ 82,954</b>	<b>\$ 758,968</b>
Fund balance:													
Unreserved - undesignated	\$ 28,492	\$ (8,917)	\$ 249,077	\$ (8,983)	\$ 18,108	\$ (58,909)	\$ 43,562	\$ 227,167	\$ -	\$ -	\$ -	\$ -	\$ 489,597
<b>Total Liabilities and Fund Balance</b>	<b>\$ 57,693</b>	<b>\$ 17,704</b>	<b>\$ 264,207</b>	<b>\$ 9,220</b>	<b>\$ 19,106</b>	<b>\$ 3,183</b>	<b>\$ 48,373</b>	<b>\$ 387,821</b>	<b>\$ 289,512</b>	<b>\$ 8,868</b>	<b>\$ 1,639</b>	<b>\$ 82,954</b>	<b>\$ 1,248,565</b>



JEFFERSON DAVIS PARISH SCHOOL BOARD

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

	School District Maintenance Funds						L.S.A. Funds (Schedule 4)	I.D.E.A. Preschool	Other Special Education Federal Funds	Other Federal Funds	Total (Memorandum Only) 1998
	Consolidated No. 1	No. 1	No. 2	No. 3	No. 5	No. 8					
<b>Revenues</b>											
Parish sources:											
Ad valorem tax collections:											
Taxes, interest, penalties	\$ 165,955	\$ 116,898	\$ 340,515	\$ 50,906	\$ 41,814	\$ 65,696	\$ 97,092	\$ -	\$ -	\$ -	\$ 878,876
Rentals, leases, and royalties	-	-	5,497	-	-	-	-	-	-	-	5,497
Interest earned	1,842	616	7,779	376	1,631	769	678	6,984	-	-	20,675
Other parish sources	100	-	2,333	1,478	-	-	-	-	-	-	3,911
Food services income	-	-	-	-	-	-	-	404,912	-	-	404,912
State sources:											
Revenue sharing	11,613	11,508	35,412	4,163	2,647	3,681	6,743	-	-	-	75,767
Equalization	-	-	-	-	-	-	-	515,500	-	-	515,500
Federal sources:											
Restricted grants in aid	-	-	-	-	-	-	-	-	-	-	-
Restricted pass through grants	-	-	-	-	-	-	-	-	-	-	-
Commodities-USDA	-	-	-	-	-	-	-	137,854	-	-	137,854
Federal reimbursements	-	-	-	-	-	-	-	1,412,518	-	-	1,412,518
Total Revenues	\$ 179,510	\$ 129,022	\$ 391,536	\$ 56,923	\$ 46,092	\$ 70,146	\$ 104,513	\$ 2,477,768	\$ 381,697	\$ 8,361	\$ 6,013,329
<b>Expenditures</b>											
Instruction:											
Regular programs	\$ 38,833	\$ 26,385	\$ 124,640	\$ 18,863	\$ 7,299	\$ 11,831	\$ 11,280	\$ -	\$ -	\$ -	\$ 429,153
Special education programs	-	-	-	-	-	-	-	200,186	-	8,053	259,325
Vocational education programs	-	-	-	-	-	-	-	-	-	-	77,392
Other programs	-	-	-	-	-	-	-	-	-	-	40,193
Special programs	-	-	-	-	-	-	-	-	-	-	1,032,682
Adult continuing education programs	-	-	-	-	-	-	-	-	-	-	39,967
Support Services:											
Student services	-	-	-	-	-	-	-	37,246	-	-	77,028
Instructional staff support	-	-	-	-	-	-	-	450,071	-	-	561,451
General administration	4,879	3,339	10,188	1,528	1,361	1,898	2,906	2,324	-	-	28,323
School administration	4,190	1,252	10,023	1,741	221	1,416	199	-	-	-	19,042
Plant services	132,801	66,204	213,013	23,389	36,670	29,968	81,893	77,463	-	-	661,401
Student transportation	1,032	265	2,158	142	-	124	2,482	26,446	-	-	32,649
Central services	-	-	-	-	-	-	-	6,610	-	-	6,610
Non-instructional services	-	-	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	2,490,356	-	-	2,490,356
Community services	-	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-	-
Debt service-capital leases	-	-	-	-	-	-	-	-	-	-	-
Transfers to other governments	-	-	-	-	-	-	-	207,949	-	-	207,949
Total expenditures	\$ 181,735	\$ 97,445	\$ 360,022	\$ 45,663	\$ 45,451	\$ 45,237	\$ 98,760	\$ 2,490,356	\$ 375,258	\$ 8,053	\$ 5,963,521
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (2,225)	\$ 31,577	\$ 31,514	\$ 11,260	\$ 641	\$ 24,909	\$ 5,753	\$ (12,588)	\$ 6,439	\$ 308	\$ 49,799
<b>Other Financing Sources (Uses)</b>											
Operating transfers in	-	-	-	-	-	-	37,831	-	-	-	110,916
Operating transfers out	-	-	-	-	-	-	-	-	-	-	(72,470)
Indirect costs	-	-	-	-	-	-	-	-	-	-	(41,738)
Sale of fixed assets	-	-	3,100	-	-	-	-	(6,439)	-	(834)	3,100
Capital leases	-	-	-	-	-	-	-	-	-	-	82,165
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 3,100	\$ -	\$ -	\$ -	\$ 37,831	\$ -	\$ (6,439)	\$ (834)	\$ 82,165
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	\$ (2,225)	\$ 31,577	\$ 34,614	\$ 11,260	\$ 641	\$ 24,909	\$ 43,584	\$ (12,588)	\$ -	\$ -	\$ 131,772
<b>Fund Balance at Beginning of Year</b>	\$ 30,717	\$ (40,494)	\$ 214,463	\$ (20,243)	\$ 17,467	\$ (83,818)	\$ (22)	\$ 239,755	\$ -	\$ -	\$ 357,825
<b>Fund Balance at End of Year</b>	\$ 28,492	\$ (8,917)	\$ 249,077	\$ (8,983)	\$ 18,108	\$ (58,909)	\$ 43,562	\$ 227,167	\$ -	\$ -	\$ 489,597

The accompanying notes are an integral part of these statements.

**JEFF DAVIS PARISH SCHOOL BOARD  
SPECIAL REVENUE FUNDS- COMBINING BALANCE SHEET FOR IASA FUNDS  
FOR THE YEAR ENDED JUNE 30, 1998**

Improving America's Schools Act Funds (IASA)							
	Title I	Title I C/O	Title L Part C- Migrant	Title VI	Title IV- Drug Free Schools	Title II Eisenhower Grant	Total (Memorandum Only) 1998
<b>ASSETS</b>							
Cash in bank:							
Demand deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues Receivable:							
Federal grants through the state	217,265	15,871	27,032	5,413	7,027	16,904	289,512
<b>Total Assets</b>	<b>\$ 217,265</b>	<b>\$ 15,871</b>	<b>\$ 27,032</b>	<b>\$ 5,413</b>	<b>\$ 7,027</b>	<b>\$ 16,904</b>	<b>\$ 289,512</b>

**LIABILITIES AND FUND BALANCES**

Liabilities :							
Accounts payable	\$ 24,277	\$ 3,436	\$ 4,392	\$ 4,610	\$ 3,381	\$ -	40,096
Due to other funds	103,546	5,111	13,114	803	3,646	16,904	143,124
Due to other governments	-	-	15	-	-	-	15
Payroll deductions and w/h payable	36,545	3,310	4,763	-	-	-	44,618
Salaries payable	52,897	4,014	4,748	-	-	-	61,659
<b>Total Liabilities</b>	<b>\$ 217,265</b>	<b>\$ 15,871</b>	<b>\$ 27,032</b>	<b>\$ 5,413</b>	<b>\$ 7,027</b>	<b>\$ 16,904</b>	<b>\$ 289,512</b>
Fund balances:							
Unreserved - undesignated	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 217,265</b>	<b>\$ 15,871</b>	<b>\$ 27,032</b>	<b>\$ 5,413</b>	<b>\$ 7,027</b>	<b>\$ 16,904</b>	<b>\$ 289,512</b>

**JEFF DAVIS PARISH SCHOOL BOARD  
SPECIAL REVENUE FUNDS- COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE FOR IASA FUNDS  
FOR THE YEAR ENDED JUNE 30, 1998**

Improving America's Schools Act (IASA)									
	Title I	Title I		Title VI	Title IV- Drug Free Schools		Title II Eisenhower Grant	Total (Memorandum Only) 1998	
		Title C/O	Part C- Migrant		Title IV- Drug Free Schools	Title II Eisenhower Grant			
<b>Revenues:</b>									
<b>Federal &amp; State sources:</b>									
Other state & federal sources-grants	\$ 1,478,250	\$ 160,481	\$ 102,034	\$ 34,120	\$ 41,506	\$ 44,047	\$ 1,860,438		
<b>Total Revenues</b>	<b>\$ 1,478,250</b>	<b>\$ 160,481</b>	<b>\$ 102,034</b>	<b>\$ 34,120</b>	<b>\$ 41,506</b>	<b>\$ 44,047</b>	<b>\$ 1,860,438</b>		
<b>Expenditures:</b>									
<b>Instruction:</b>									
Regular	\$ 81,880	\$ -	\$ -	\$ -	\$ 9,382	\$ 3,079	\$ 94,341		
Special	879,916	64,918	32,750	24,324	30,774	-	1,032,682		
<b>Support Services:</b>									
Pupil support services	23,534	15,592	-	-	-	-	39,126		
Instructional staff support	262,271	71,844	66,775	8,738	440	40,003	450,071		
General administration	1,704	-	310	310	-	-	2,324		
School administration	-	-	-	-	-	-	-		
Food services	-	-	-	-	-	-	-		
Plant services	73,271	4,192	-	-	-	-	77,463		
Central services	5,547	1,063	-	-	-	-	6,610		
Capital outlay	-	-	-	-	-	-	-		
Community services	-	-	-	-	-	-	-		
Debt service-capital leases	207,949	-	-	-	-	-	207,949		
<b>Total expenditures</b>	<b>\$ 1,536,072</b>	<b>\$ 157,609</b>	<b>\$ 99,835</b>	<b>\$ 33,372</b>	<b>\$ 40,596</b>	<b>\$ 43,082</b>	<b>\$ 1,910,566</b>		
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (57,822)</b>	<b>\$ 2,872</b>	<b>\$ 2,199</b>	<b>\$ 748</b>	<b>\$ 910</b>	<b>\$ 965</b>	<b>\$ (50,128)</b>		
<b>Other Financing Sources (Uses)</b>									
Operating transfers in	\$ -	\$ -	\$ 72,470	\$ -	\$ -	\$ -	\$ 72,470		
Operating transfers out	-	-	(72,470)	-	-	-	(72,470)		
Indirect costs	(24,343)	(2,872)	(2,199)	(748)	(910)	(965)	(32,037)		
Transfers to other governments	-	-	-	-	-	-	-		
Capital leases	82,165	-	-	-	-	-	82,165		
Sale of fixed assets	-	-	-	-	-	-	-		
<b>Total other financing sources (uses)</b>	<b>\$ 57,822</b>	<b>\$ (2,872)</b>	<b>\$ (2,199)</b>	<b>\$ (748)</b>	<b>\$ (910)</b>	<b>\$ (965)</b>	<b>\$ 50,128</b>		
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Fund Balances at Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Fund Balances at End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		

The accompanying notes are an integral part of these statements

#### **DEBT SERVICE FUNDS**

The Debt Service Funds are used to accumulate monies for payment of outstanding bond issues. The bonds were issued by the respective school districts for the purpose of acquiring and improving sites, erecting and equipping additional public school buildings and acquiring the necessary equipment and furnishings therein, and improving the existing school buildings. The bond issues are financed by a special property tax levy on property within the territorial limits of the appropriate school districts.

**JEFFERSON DAVIS PARISH SCHOOL BOARD**

Schedule 5

**DEBT SERVICE FUNDS  
Combining Balance Sheet  
June 30, 1998**

	Consolidated	School District No. 1	School District No. 3	School District No. 8	School District No. 22	Total (Memorandum Only) 1998
<b><u>ASSETS AND OTHER DEBITS</u></b>						
Cash in bank (restricted):						
Time deposits	\$ 76,975	\$ 298,604	\$ 50,389	\$ 120,919	\$ 5	\$ 546,892
Cash with fiscal agents (restricted):	-	14,594	-	-	-	14,594
Ad valorem taxes receivable	333	36,038	60	1,209	-	37,640
	<u>\$ 77,308</u>	<u>\$ 349,236</u>	<u>\$ 50,449</u>	<u>\$ 122,128</u>	<u>\$ 5</u>	<u>\$ 599,126</u>

**LIABILITIES AND FUND BALANCE**

Liabilities :						
Matured but unredeemed bonds and interest	\$ -	\$ 14,594	\$ -	\$ -	\$ -	\$ 14,594
Fund balance:						
Reserved for debt service	<u>77,308</u>	<u>334,642</u>	<u>50,449</u>	<u>122,128</u>	<u>5</u>	<u>584,532</u>
	<u>\$ 77,308</u>	<u>\$ 349,236</u>	<u>\$ 50,449</u>	<u>\$ 122,128</u>	<u>\$ 5</u>	<u>\$ 599,126</u>

The accompanying notes are an integral part of these statements.

## JEFFERSON DAVIS PARISH SCHOOL BOARD

## DEBT SERVICE FUNDS

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

	Consolidated	School District No. 1	School District No. 3	School District No. 8	School District No. 22	Total (Memorandum Only) 1998
<b>Revenues</b>						
Parish sources:						
Ad valorem tax collections:						
Tax	\$ 90,005	\$ 446,248	\$ 38,468	\$ 107,671	\$ 66	\$ 682,458
Interest earned	5,299	15,788	2,290	5,937	5,417	34,731
Other parish sources	-	-	-	-	-	-
Total Revenues	\$ 95,304	\$ 462,036	\$ 40,758	\$ 113,608	\$ 5,483	\$ 717,189
<b>Expenditures</b>						
Support services-general administration:						
Sheriff's contribution to pension fund	\$ 2,629	\$ 12,705	\$ 1,147	\$ 3,108	\$ -	\$ 19,589
Bank charges	183	320	685	23	153	1,364
Legal Services	-	-	100	-	-	100
Bond principal retirement	75,000	286,000	15,000	60,000	110,000	546,000
Bond interest	10,688	118,131	23,493	41,465	6,050	199,827
Total expenditures	\$ 88,500	\$ 417,156	\$ 40,425	\$ 104,596	\$ 116,203	\$ 766,880
<b>Other Financing Sources (Uses)</b>						
Operating transfers (out)	\$ -	\$ -	\$ -	\$ -	\$ (37,831)	\$ (37,831)
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ (37,831)	\$ (37,831)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 6,804	\$ 44,880	\$ 333	\$ 9,012	\$ (148,551)	\$ (87,522)
<b>Fund Balance at Beginning of Year</b>	70,504	289,762	50,116	113,116	148,556	672,054
<b>Fund Balance at End of Year</b>	\$ 77,308	\$ 334,642	\$ 50,449	\$ 122,128	\$ 5	\$ 584,532

The accompanying notes are an integral part of these statements.

JEFFERSON DAVIS PARISH SCHOOL BOARD  
SUPPLEMENTAL INFORMATION

COMPENSATION PAID TO BOARD MEMBERS  
JUNE 30, 1998

The schedule of compensation paid to school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

The compensation of the school board members is included in the general administration expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the school board members have elected the monthly payment method of compensation. Under this method the members of the school board received \$350.00 per month. In addition, executive committee members received \$50.00 per month for attending executive committee meetings and the president received \$100.00 per month for discharging the duties of his office.

JEFFERSON DAVIS PARISH SCHOOL BOARD  
COMPENSATION PAID TO BOARD MEMBERS  
YEAR ENDED JUNE 30, 1998

Bertrand, Darryl, Vice President	\$ 4,200
Campbell, Thomas G.	4,200
Capdeville, David	4,200
Deshotel, John J.	4,200
Doise, Michael	4,200
Fruge, Larry	4,200
Fruge, Nicholas H.	4,200
Gilbeaux, Harry O.	4,200
Heinen, Mike J.	4,200
Ladner, Donald	4,200
Richert, Joel, President	5,400
Segura, James E.	4,200
Vincent, Garland	<u>4,200</u>
Total	\$ 55,800



JEFFERSON DAVIS PARISH SCHOOL BOARD  
SUPPLEMENTAL INFORMATION

SALES AND USE TAX AGENCY FUND  
JUNE 30, 1998

The Sales and Use Tax Agency Fund is used for the collection and distribution of a two per cent sales and use tax levied by the Jefferson Davis Parish School Board and a one per cent sales and use tax levied by the City of Jennings, Town of Welsh, Town of Elton and the Town of Lake Arthur. Also collected is a hotel-motel tax for the City of Jennings.

## JEFFERSON DAVIS PARISH SCHOOL BOARD

SCHEDULE OF CHANGES IN SALES AND USE TAX ACCOUNT BALANCE  
YEAR ENDED JUNE 30, 1998

Account balance, beginning of year	\$ <u>          0</u>
Additions:	
Sales tax collections:	
Jefferson Davis Parish School Board	\$ 5,931,360
City of Jennings	3,122,513
Town of Lake Arthur	375,577
Town of Welsh	543,269
Town of Elton	126,901
Village of Fenton	22,375
Hotel tax collections	49,208
Interest earned on invested funds	<u>15,862</u>
Total additions	<u>\$ 10,187,065</u>
Reductions:	
Transfers to:	
Jefferson Davis Parish School Board General Fund:	
Sales tax collections	\$ 5,931,360
Fees from municipalities	88,072
Interest earned on invested funds	15,862
City of Jennings	3,056,899
Town of Lake Arthur	367,688
Town of Welsh	531,861
Town of Elton	124,210
Village of Fenton	21,905
Jefferson Davis Parish Tourist Commission	<u>49,208</u>
Total reductions	<u>\$ 10,187,065</u>
Account balance, end of year	\$ <u>          0</u>

JEFFERSON DAVIS PARISH SCHOOL BOARD  
 FIDUCIARY FUND TYPE-SCHOOL ACTIVITY FUNDS  
 SCHEDULE OF CHANGES IN AGENCY BALANCES  
 YEAR ENDED JUNE 30, 1998

School	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
Elton High School	\$ 38,745	\$ 201,628	\$ 203,320	\$ 37,053
Elton Elementary	8,390	52,846	41,857	19,379
Fenton Elementary	13,424	36,151	33,484	16,091
Hathaway High School	47,677	241,000	223,711	64,966
Jennings High School	98,600	318,879	316,121	101,358
Jennings Northside Junior High	31,691	105,384	104,541	32,534
Jennings Ward Elementary	46,060	122,798	145,534	23,324
Jennings West End Elementary	13,501	68,898	66,303	16,096
Lacassine High School	55,035	172,426	174,671	52,790
Lake Arthur Elementary	35,214	117,612	110,134	42,692
Lake Arthur High School	16,989	352,719	337,511	32,197
Welsh Elementary	27,104	117,948	116,281	28,771
Welsh High School	32,277	227,282	211,752	47,807
Welsh-Roanoke Junior High	13,572	60,763	58,623	15,712
Totals	<u>\$ 478,281</u>	<u>\$ 2,196,334</u>	<u>\$ 2,143,844</u>	<u>\$ 530,770</u>

**OTHER REPORTS**

JEFFERSON DAVIS PARISH SCHOOL BOARD  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses a qualified opinion on the general purpose financial statements of the Jefferson Davis Parish School Board.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Jefferson Davis Parish School Board were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the Jefferson Davis Parish School Board expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Jefferson Davis Parish School Board are reported in Part C of this Schedule.
7. The programs tested as major programs included:

USDA Nutrition Cluster:			
School Breakfast Program	CFDA#		10.553
School Lunch Program			10.555
IASA Title I			84.010

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Jefferson Davis Parish School Board was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

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

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the financial statements of the Jefferson Davis Parish School Board as of and for the year ended June 30, 1998, and have issued our report thereon dated January 13, 1999, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance, which we have reported to management of the Jefferson Davis Parish School Board in a separate letter dated January 13, 1999.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

*Krielow & Company*  
Certified Public Accountants

Jennings, Louisiana  
January 13, 1999

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

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

COMPLIANCE

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

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-33 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 Jefferson Davis Parish 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 legal determination on the Jefferson Davis Parish School Board's compliance with those requirements.

In our opinion, the Jefferson Davis Parish 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 Jefferson Davis Parish 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 Jefferson Davis Parish 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 A-133.

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

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

*Krielow & Company*  
Certified Public Accountants

Jennings, Louisiana  
January 13, 1999



JEFFERSON DAVIS PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	YEAR ENDED JUNE 30, 1998	
	CFDA NUMBER	GRANT EXPENDITURES
United States Department of Agriculture		
Passed through Louisiana Department of Education:		
USDA Nutritional Cluster:		
National School Lunch Program	10.555	\$ 1,091,091
School Breakfast Program	10.553	321,427
Total Nutritional Cluster		\$ 1,412,518
USDA Commodities	10.550	137,854
Total United States Department of Agriculture		\$ 1,550,372
United States Department of Education		
Passed through Louisiana Department of Education:		
Adult Basic Education	84.002	\$ 40,305
Special Education-Grants for Infants and Families with Disabilities	84.181	8,361
IASA Title I-Local Educational Agencies	84.010	1,603,021
IASA Title I Migrant Education-Basic State Formula Grant Program	84.011	102,004
Special Education-State Grants	84.027	381,669
Vocational Education:		
Basic Grants to States	84.048	77,205
Drug Free Schools	84.186	41,506
Eisenhower Professional Development State Grants	84.281	44,047
Innovative Education	84.298	34,120
Handicapped Preschool Grants	84.173	51,920
Total United States Department of Education		\$ 2,384,158
United States Department of Labor		
Job Training Partnership Act	17.250	\$ 40,082
United States Department of Health and Human Services		
Medical Assistance Program		
Medicaid Assistance Program	93.778	\$ 10,916
Total Federal Awards Expended		\$ 3,985,528

JEFFERSON DAVIS PARISH SCHOOL BOARD

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 1998

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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**No Prior Year Audit Findings**

JEFFERSON DAVIS PARISH SCHOOL BOARD

Corrective Action Plan for Current Year Audit Findings  
For the Year Ended June 30, 1998

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
98-1	The audit engagement is required to be completed within six months of the close of the School Board's fiscal year which is December 31, 1998. The audit was not delivered until January 15, 1999 in violation of LA R.S. 24:514.	The School Board's management and the auditing firm's personnel will coordinate their schedules to insure that personnel are available and auditing procedures are completed on a timely basis.	Cleve Beard Edward Krielow	Immediately

# KRIELOW & COMPANY

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## MANAGEMENT MEMORANDUM

To the Members of the  
Jefferson Davis Parish School Board  
Jennings, Louisiana

We have audited the financial statements of the Jefferson Davis Parish School Board for the year ended June 30, 1998, and have issued our report thereon dated January 13, 1999. As part of our audit, we made a study and evaluation of the School Board's internal control structure to the extent we considered necessary to evaluate the structure as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the School Board's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the internal control structure taken as a whole.

The management of the Jefferson Davis Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the structure. Accordingly, we do not express an opinion on the internal control structure of the Jefferson Davis Parish School Board taken as a whole. However, our audit disclosed the following conditions that we believe results in more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of the Jefferson Davis Parish School Board may occur and not be detected within a timely period.

Condition: Louisiana Revised Statute 24:514 requires the completion and delivery of audited financial statements within six months of the close of the entity's fiscal year. The audit of the Jefferson Davis Parish School Board was completed and delivered on January 15, 1999, fifteen days past the scheduled delivery date. Due to the loss of the auditor in charge of this engagement by the auditing firm, a major rescheduling and reassignment of duties was necessary. This loss delayed the planning, scheduling and completion of the procedures required by OMB Circular A-133. When personnel from the auditing firm became available to complete this portion of the audit, the School Board personnel responsible for the federal programs were not available due to previously scheduled vacations.

Recommendation:

The auditing firm and Superintendent should coordinate the proper scheduling of audit procedures and School Board personnel to insure each others availability that will allow for the timely completion and delivery of the annual audit report.

The above conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the primary government financial statements for the fiscal year ended June 30, 1998 and this report does not affect our report on these financial statements dated January 13, 1999.

*Krielow & Company*  
Certified Public Accountants

Jennings, Louisiana  
January 13, 1999