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**BEAUREGARD PARISH SCHOOL BOARD  
DeRidder, Louisiana**

**General-Purpose Financial Statements  
As of and for the Year Ended June 30, 1999  
With Independent Auditors' Report**

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 1-26-2000

**BEAUREGARD PARISH SCHOOL BOARD  
DeRidder, Louisiana**

**General-Purpose Financial Statements  
As of and for the Year Ended June 30, 1999  
With Supplemental Information Schedules**

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## INDEPENDENT AUDITORS' REPORT

President and Members of the  
Beauregard Parish School Board  
DeRidder, Louisiana

We have audited the accompanying general-purpose financial statements of the Beauregard Parish School Board as of and for the year ended June 30, 1999, 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 financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards and *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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because we were not engaged as auditors until after June 30, 1998, we were not present to observe the physical inventory taken at that date, and we have not satisfied ourselves by means of other auditing procedures about inventory quantities. Also, we have not applied audit procedures necessary to satisfy ourselves about the classifications and amounts comprising the balance sheet at June 30, 1998. The amount of inventory and other significant aspects of the balance sheet at June 30, 1998, including classifications and amounts, materially affect the determination of the combined statements of revenues, expenditures, and changes in fund balances for all funds for the year ended June 30, 1999, or on the consistency of application of accounting principles with the preceding year.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 Issue. Beauregard Parish School Board has included such disclosures in Note 13. Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support Beauregard Parish School Board's disclosures with respect to the Year 2000 Issue made in Note 13. Further, we do not provide assurance that Beauregard Parish School Board is or will be year 2000 ready, Beauregard Parish School Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Beauregard Parish School Board does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the accompanying combined balance sheet – all fund types and account groups, presents fairly, in all material respects, the financial position of Beauregard Parish School Board as of June 30, 1999, in conformity with generally accepted accounting principles.

**Beauregard Parish School Board**  
**Page Two**

In accordance with *Government Auditing Standards*, we have also issued our report date December 30, 1999 on our consideration of the Beauregard 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 taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Beauregard Parish School Board. Additionally, the accompanying schedule of expenditures of federal awards is presented for additional analysis as required by the U.S. Office of Management and Budget, Circular A-133, "*Audits of States and Local Governments, and Nonprofit Organizations*", and is not a required part of the general-purpose financial statements of the Beauregard Parish School Board. Our opinion on the general-purpose financial statements was qualified as explained in paragraph three of this report. Such supplemental information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, except for the effects of any adjustments that might have resulted had we been able to audit the balance sheet as of June 30, 1998, the supplemental information is fairly stated, in all material respects, in relation to the general purpose-financial statements taken as a whole.

Because generally accepted accounting principles require the presentation of fund type and account groups, the information in the "Total Memorandum-Only" column is not intended to present financial position and results of operations of the Beauregard Parish School Board, in conformity with generally accepted accounting principles.

*Dangley, Williams & Co., LLC*

Lake Charles, Louisiana  
December 30, 1999

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**June 30, 1999**

	Governmental Fund Types			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
<b>Assets and other debits:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,357,864	\$ 413,036	\$ 1,571,353	\$ 8,539,044
Investments, at cost	3,020,211	-	-	-
Receivables	190,112	227,800	3,226	-
Interfund receivable	107,830	-	-	-
Inventory	293,398	79,720	-	-
Prepaid items	140,711	1,303	-	-
Land, buildings, and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-
<b>Other Debits:</b>				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
<b>Total assets and other debits</b>	<b>\$ 6,110,126</b>	<b>\$ 721,859</b>	<b>\$ 1,574,579</b>	<b>\$ 8,539,044</b>
<b>Liabilities, fund equity, and other credits:</b>				
<b>Liabilities:</b>				
Cash overdraft	\$ -	\$ 1,229	\$ -	\$ -
Accounts, salaries, and other payables	409,510	52,029	-	322,832
Contracts payable	-	-	-	82,638
Interfund payable	3,147,262	321,316	-	17,300
Deposits due others	-	-	-	-
Deferred revenues	16,064	12,545	-	-
Estimated workers' compensation claims	-	-	-	-
Compensated absences payable	-	-	-	-
Certificates of indebtedness payable	-	-	-	-
Bonds payable	-	-	-	-
<b>Total Liabilities</b>	<b>3,572,836</b>	<b>387,119</b>	<b>-</b>	<b>422,770</b>
<b>Equity and Other Credits:</b>				
Investment in general fixed assets	-	-	-	-
Retained earnings	-	-	-	-
<b>Fund balances:</b>				
Reserved for debt service	-	-	1,574,579	-
Reserved, other	440,300	-	-	-
Designated for capital improvements	-	-	-	8,116,274
Designated for contingencies	1,557,488	-	-	-
Unreserved, undesignated	539,502	334,740	-	-
<b>Total Equity and Other Credits</b>	<b>2,537,290</b>	<b>334,740</b>	<b>1,574,579</b>	<b>8,116,274</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 6,110,126</b>	<b>\$ 721,859</b>	<b>\$ 1,574,579</b>	<b>\$ 8,539,044</b>

The accompanying notes are an integral part of this statement.

**Statement A**

Proprietary Fund Types		Fiduciary	Account Groups		Totals
Internal Service Fund	Enterprise Fund	Fund Type - Agency Funds	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
\$ 1,509,713	\$ 7,120	\$ 846,469	\$ -	\$ -	\$ 15,244,599
-	-	-	-	-	3,020,211
2,032	-	-	-	-	423,170
-	-	3,466,033	-	-	3,573,863
-	-	-	-	-	373,118
28,130	-	-	-	-	170,144
-	5,358	-	46,327,961	-	46,333,319
-	-	-	-	1,574,579	1,574,579
-	-	-	-	21,281,552	21,281,552
<u>\$ 1,539,875</u>	<u>\$ 12,478</u>	<u>\$ 4,312,502</u>	<u>\$ 46,327,961</u>	<u>\$ 22,856,131</u>	<u>\$ 91,994,555</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,229
-	1,155	3,649,805	-	-	4,435,331
-	-	-	-	-	82,638
-	2,985	85,000	-	-	3,573,863
-	-	577,697	-	-	577,697
-	-	-	-	-	28,609
145,794	-	-	-	-	145,794
-	3,266	-	-	861,131	864,397
-	-	-	-	1,605,000	1,605,000
-	-	-	-	20,390,000	20,390,000
145,794	7,406	4,312,502	-	22,856,131	31,704,558
-	-	-	46,327,961	-	46,327,961
1,394,081	5,072	-	-	-	1,399,153
-	-	-	-	-	1,574,579
-	-	-	-	-	440,300
-	-	-	-	-	8,116,274
-	-	-	-	-	1,557,488
-	-	-	-	-	874,242
<u>1,394,081</u>	<u>5,072</u>	<u>-</u>	<u>46,327,961</u>	<u>-</u>	<u>60,289,997</u>
<u>\$ 1,539,875</u>	<u>\$ 12,478</u>	<u>\$ 4,312,502</u>	<u>\$ 46,327,961</u>	<u>\$ 22,856,131</u>	<u>\$ 91,994,555</u>

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Combined Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Fund Types**  
**For the Year Ended June 30, 1999**

**Statement B**

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Totals (Memorandum Only)
<b>Revenues:</b>					
Local sources:					
Ad valorem taxes	\$ 3,633,843	\$ -	\$ 2,029,373	\$ -	\$ 5,663,216
Sales and use taxes	6,132,811	300,525	-	-	6,433,336
Interest earnings	265,477	11,036	74,249	295,746	646,508
Food services	-	527,981	-	-	527,981
Other	135,216	16,529	-	-	151,745
State sources:					
Equalization	18,857,923	274,321	-	-	19,132,244
Other	1,300,696	23,066	-	-	1,323,762
Federal sources	10,388	3,055,614	-	-	3,066,002
Total revenues	<u>30,336,354</u>	<u>4,209,072</u>	<u>2,103,622</u>	<u>295,746</u>	<u>36,944,794</u>
<b>Expenditures:</b>					
Instruction:					
Regular programs	13,298,799	33,055	-	678,482	14,010,336
Special education programs	3,134,982	184,466	-	-	3,319,448
Vocational educational programs	966,690	55,624	-	-	1,022,314
Other instructional programs	607,778	60,701	-	-	668,479
Special programs	242,643	861,414	-	-	1,104,057
Adult and continuing education programs	32,221	89,831	-	-	122,052
Support services:					
Student services	1,295,358	205,841	-	-	1,501,199
Instructional staff support	1,560,641	416,630	-	-	1,977,271
General administration	711,764	-	70,740	48,399	830,903
School administration	2,057,166	-	-	-	2,057,166
Business administration	424,421	-	-	-	424,421
Plant services	3,047,115	83,808	-	-	3,130,923
Student transportation services	2,701,530	596	-	-	2,702,126
Central services	312,610	-	-	-	312,610
Food services	80,779	2,102,818	-	-	2,183,597
Community service programs	2,369	-	-	-	2,369
Facilities acquisition and construction	64,241	-	-	2,053,281	2,117,522
Debt service	218,181	-	1,892,330	-	2,110,511
Total expenditures	<u>30,759,288</u>	<u>4,094,784</u>	<u>1,963,070</u>	<u>2,780,162</u>	<u>39,597,304</u>
<b>Excess revenues over (under) expenditures</b>	<b>(422,934)</b>	<b>114,288</b>	<b>140,552</b>	<b>(2,484,416)</b>	<b>(2,652,510)</b>
<b>Other financing sources (uses):</b>					
Proceeds of bonds	-	-	-	5,000,000	5,000,000
Proceeds of certificates of indebtedness	750,000	-	-	-	750,000
Other	1,086	-	4,539	-	5,625
Operating transfers in	51,824	82,578	-	10,458	144,860
Operating transfers out	(121,963)	(51,824)	-	-	(173,787)
Total other financing sources (uses)	<u>680,947</u>	<u>30,754</u>	<u>4,539</u>	<u>5,010,458</u>	<u>5,726,698</u>
<b>Excess revenues and other sources over expenditures and other uses</b>	<b>258,013</b>	<b>145,042</b>	<b>145,091</b>	<b>2,526,042</b>	<b>3,074,188</b>
<b>Fund balances - beginning of year</b>	<b>2,279,277</b>	<b>189,698</b>	<b>1,429,488</b>	<b>5,590,232</b>	<b>9,488,695</b>
<b>Fund balances - end of year:</b>	<b>\$ 2,537,290</b>	<b>\$ 334,740</b>	<b>\$ 1,574,579</b>	<b>\$ 8,116,274</b>	<b>\$ 12,562,883</b>

The accompanying notes are an integral part of this statement.



**BEAUREGARD PARISH SCHOOL BOARD**

**DeRidder, Louisiana**

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

	General Fund			Special Revenue Funds		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>						
<b>Local sources:</b>						
Ad valorem taxes	\$ 3,614,124	\$ 3,633,843	\$ 19,719	\$ -	\$ -	\$ -
Sales and use taxes	6,184,921	6,132,811	(52,110)	297,797	300,525	2,728
Interest earnings	209,116	265,477	56,361	9,000	11,036	2,036
Food services	-	-	-	518,864	527,981	9,117
Other	115,280	135,216	19,936	9,530	16,529	6,999
<b>State sources:</b>						
Equalization	18,857,923	18,857,923	-	274,321	274,321	-
Other	1,339,468	1,300,696	(38,772)	23,066	23,066	-
Federal sources	-	10,388	10,388	3,004,543	3,055,614	51,071
<b>Total revenues</b>	<b>30,320,832</b>	<b>30,336,354</b>	<b>15,522</b>	<b>4,137,121</b>	<b>4,209,072</b>	<b>71,951</b>
<b>Expenditures:</b>						
<b>Instruction:</b>						
Regular programs	13,412,205	13,298,799	113,406	34,556	33,055	1,501
Special education programs	3,261,467	3,134,982	126,485	180,301	184,466	(4,165)
Vocational educational programs	962,394	966,690	(4,296)	56,440	55,624	816
Other instructional programs	620,926	607,778	13,148	68,909	60,701	8,208
Special programs	255,914	242,643	13,271	809,908	861,414	(51,506)
Adult education programs	32,623	32,221	402	95,490	89,831	5,659
<b>Support services:</b>						
Student services	1,277,463	1,295,358	(17,895)	191,594	205,841	(14,247)
Instructional staff support	1,660,708	1,560,641	100,067	469,243	416,630	52,613
General administration	728,377	711,764	16,613	-	-	-
School administration	2,120,593	2,057,166	63,427	-	-	-
Business services	424,512	424,421	91	-	-	-
Plant services	3,049,219	3,047,115	2,104	83,429	83,808	(379)
Student transportation services	2,728,356	2,701,530	26,826	2,075	596	1,479
Central services	343,775	312,610	31,165	-	-	-
Food services	81,000	80,779	221	2,174,573	2,102,818	71,755
Community service programs	2,981	2,369	612	-	-	-
Facilities acquisition and construction	64,243	64,241	2	-	-	-
Debt service	218,181	218,181	-	-	-	-
<b>Total expenditures</b>	<b>31,244,937</b>	<b>30,759,288</b>	<b>485,649</b>	<b>4,166,518</b>	<b>4,094,784</b>	<b>71,734</b>
<b>Excess revenues over (under) expenditures</b>	<b>(924,105)</b>	<b>(422,934)</b>	<b>501,171</b>	<b>(29,397)</b>	<b>114,288</b>	<b>143,685</b>
<b>Other financing sources (uses)</b>						
Proceeds of bonds	-	-	-	-	-	-
Proceeds of certificates of indebtedness	750,000	750,000	-	-	-	-
Other	(1,108)	1,086	2,194	-	-	-
Operating transfers in	56,627	51,824	(4,803)	86,884	82,578	(4,306)
Operating transfers out	(121,963)	(121,963)	-	(56,627)	(51,824)	4,803
<b>Total other financing sources (uses)</b>	<b>683,556</b>	<b>680,947</b>	<b>(2,609)</b>	<b>30,257</b>	<b>30,754</b>	<b>497</b>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	<b>(240,549)</b>	<b>258,013</b>	<b>498,562</b>	<b>860</b>	<b>145,042</b>	<b>144,182</b>
<b>Fund balances - beginning of year</b>	<b>2,279,277</b>	<b>2,279,277</b>	<b>-</b>	<b>189,698</b>	<b>189,698</b>	<b>-</b>
<b>Fund balances - end of year</b>	<b>\$ 2,038,728</b>	<b>\$ 2,537,290</b>	<b>\$ 498,562</b>	<b>\$ 190,558</b>	<b>\$ 334,740</b>	<b>\$ 144,182</b>

The accompanying notes are an integral part of this statement.

Debt Service Fund			Capital Projects Funds		
Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
\$ 1,980,000	\$ 2,029,373	\$ 49,373	\$ -	\$ -	\$ -
-	-	-	-	-	-
44,000	74,249	30,249	291,382	295,746	4,364
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,024,000	2,103,622	79,622	291,382	295,746	4,364
-	-	-	888,601	678,482	210,119
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
68,292	70,740	(2,448)	58,679	48,399	10,280
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,149,000	2,053,281	95,719
1,892,330	1,892,330	-	-	-	-
1,960,622	1,963,070	(2,448)	3,096,280	2,780,162	316,118
63,378	140,552	77,174	(2,804,898)	(2,484,416)	320,482
-	-	-	5,000,000	5,000,000	-
-	-	-	-	-	-
-	4,539	4,539	4,540	-	(4,540)
-	-	-	-	10,458	10,458
-	-	-	-	-	-
-	4,539	4,539	5,004,540	5,010,458	5,918
63,378	145,091	81,713	2,199,642	2,526,042	326,400
1,429,488	1,429,488	-	5,590,232	5,590,232	-
\$ 1,492,866	\$ 1,574,579	\$ 81,713	\$ 7,789,874	\$ 8,116,274	\$ 326,400

**BEAUREGARD PARISH SCHOOL BOARD**

DeRidder, Louisiana

**Combined Statement of Revenues, Expenses, and  
Changes in Retained Earnings**

**Proprietary Fund Types**

**For the Year Ended June 30, 1999**

**Statement D**

	Internal Service Fund	Enterprise Fund	Totals (Memorandum Only)
<b>Operating revenues:</b>			
Charges for services - food processing income	\$ -	\$ 71,622	\$ 71,622
Charges for services - workers' compensation contributions	361,592		361,592
Interest	59,805		59,805
<b>Total operating revenues</b>	<u>421,397</u>	<u>71,622</u>	<u>493,019</u>
<b>Operating expenses:</b>			
Salaries and related benefits		70,802	70,802
Materials and supplies		12,482	12,482
Utilities		14,709	14,709
Repairs		1,144	1,144
Workers' compensation claims	19,810		19,810
Contract services	13,850		13,850
Stop-loss premiums	26,984		26,984
Other	4,604		4,604
Depreciation		1,026	1,026
<b>Total operating expenses</b>	<u>65,248</u>	<u>100,163</u>	<u>165,411</u>
<b>Operating income (loss)</b>	356,149	(28,541)	327,608
<b>Operating transfers in</b>	<u>-</u>	<u>28,927</u>	<u>28,927</u>
<b>Net income</b>	356,149	386	356,535
<b>Retained earnings - beginning of year</b>	<u>1,037,932</u>	<u>4,686</u>	<u>1,042,618</u>
<b>Retained earnings - end of year</b>	<u>\$ 1,394,081</u>	<u>\$ 5,072</u>	<u>\$ 1,399,153</u>

The accompanying notes are an integral part of this statement.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Combined Statement of Cash Flows**  
**Proprietary Fund Types**  
**For the Year Ended June 30, 1999**

**Statement E**

	Internal Service Fund	Enterprise Fund	Totals (Memorandum Only)
<b>Cash flows from operating activities:</b>			
Operating income (loss)	\$ 356,149	\$ (28,541)	\$ 327,608
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	-	1,026	1,026
Changes in operating assets and liabilities:			
Receivables	(2,032)	-	(2,032)
Prepaid expense	1,349	-	1,349
Accounts payable	-	(957)	(957)
Interfund payable	-	2,708	2,708
Estimated workers' compensation claims	(76,217)	-	(76,217)
Compensated absences payable	-	(184)	(184)
Net cash used in operating activities	279,249	(25,948)	253,301
<b>Cash flows from non-capital financing activities:</b>			
Transfers in	-	28,927	28,927
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>279,249</b>	<b>2,979</b>	<b>282,228</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,230,464</b>	<b>4,141</b>	<b>1,234,605</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,509,713</b>	<b>\$ 7,120</b>	<b>\$ 1,516,833</b>

The accompanying notes are an integral part of this statement.

**BEAUREGARD PARISH SCHOOL BOARD  
DeRidder, Louisiana**

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

**INTRODUCTION**

The Beauregard Parish School Board was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Beauregard Parish. The School Board is authorized by 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 10 members who are elected from 10 districts for terms of four years.

The School Board operates 13 schools within the parish with a total enrollment of approximately 6000 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 accompanying financial statements of the Beauregard Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**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 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.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

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 three categories: governmental, proprietary, 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 the following:

1. The General Fund is 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.
4. Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**Proprietary Funds**

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include the following:

1. The internal service fund accounts for the financing of goods or services provided by one department to other departments or governments on a cost-reimbursement basis.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

2. The enterprise fund accounts for operations that are financed and operated in a manner similar to private business enterprises and for which the intent of the School Board is that the costs (expenses, including depreciation) of providing the services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance, and improvement of the physical plant facilities required to provide these services are financed from existing cash resources and contributions.

**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. The 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. ACCOUNT GROUPS**

**General Fixed Assets Account Group**

This self-balancing group of accounts is established to account for all fixed assets of the School Board, except for those accounted for in proprietary funds.

**General Long-Term Obligations Account Group**

*This group of accounts is established to account for the outstanding principal balance of general obligation bonds and certificates of indebtedness and accrued liabilities for compensated absences of governmental fund types which cannot be liquidated using currently available financial resources.*

**E. 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:

**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.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

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<sup>th</sup> of each year, and become delinquent on December 31<sup>st</sup>. The taxes are generally collected in December, January, and February of the fiscal year.

**Expenditures**

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not effect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the general long-term obligations account group. Governmental fund expenditures include the following:

1. Salaries are recorded as paid. Salaries for nine-month employees who elect to be paid over twelve months are accrued at June 30.
2. Principal and interest on general long-term obligations are recognized when due.
3. Inventory is expensed when consumed.
4. Compensated absences are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death. The cost of compensated absences not requiring current resources is recorded in the general long-term obligations account group.

**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). These other financing sources (uses) are recognized at the time the underlying events occur.

**Deferred Revenues**

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

All proprietary funds and non-expendable trust funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary funds and non-expendable trust funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.



**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

**F. BUDGETS**

The School Board uses the following budget practices:

1. The budget for the fiscal year ended June 30, 1999, was published June 12, 1998. The budget was available for viewing from that date until the date of the public hearing on July 6, 1998. The budget was formally adopted on August 13, 1998 by the School Board. The adopted budget is submitted to the Louisiana Department of Education no later than September 15<sup>th</sup> each year for approval.
2. Appropriations (unexpended budget balances) lapse at year-end.
3. Budgets are prepared on a GAAP basis or all funds.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental, or get project level. However, when projected revenues within a fund fail to meet budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**G. ENCUMBRANCES**

Outstanding encumbrances lapse at year-end. To the extent the School Board intends to honor the purchase orders and commitments, they are disclosed in the financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

**H. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, 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, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**I. INVESTMENTS**

Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments, however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments are recorded at amortized cost, which approximates fair value. Fair value of investments in securities is based on quoted market prices. Fair value of time deposits is estimated based the certificate rate and current market rates for similar deposits.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

**J. SHORT-TERM INTERFUND  
RECEIVABLES/PAYABLES**

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

**K. INVENTORIES**

Inventory of the General Fund consists of expendable supplies held for consumption. These items are recorded at the lower of cost (first-in, first-out) or market value.

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 revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

**L. 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. Construction period interest is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

**N. COMPENSATED ABSENCES**

The School Board has the following policies relating to compensated absences:

**Vacation**

Vacation is earned for all twelve-month active employees at the following rates:

<u>Years of service</u>	<u>Rate</u>
0-3	1 day per month (12 days annually)
3-10	1 ¼ days per month (15 days annually)
Over 10	1 ½ days per month (18 days annually)

Accumulated vacation is capped at 48 days.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

**Sick Leave**

Sick leave is earned for active employees at the following rates:

Nine-month employees	10 days
Ten-month employees	11 days
Eleven- and twelve-month employees:	
0-10 years	12 days
Over 10 years	18 days

If a nine- or ten-month employee works additional time during summer, the employee will receive one day additional sick leave (or portion thereof) for each additional month worked (or portion thereof). Sick leave can be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees at the employees' *current rate of pay and all unused sick leave is used in the retirement computation as earned service*. However, the School Board may pay, on a uniform basis, such unused sick leave beyond twenty-five days, not to exceed 45 days, at its discretion.

**Emergency Leave**

Emergency leave shall be granted for the following reasons:

1. A maximum of three days continuous leave for illness in the immediate family unless there are extenuating circumstances.
2. A maximum of three days continuous leave for death in the immediate family unless there are extenuating circumstances.
3. *A maximum of two days for the purpose of marriage.*
4. Circumstances beyond the control of the employee (i.e., fire, flood, tornado, etc.)

The superintendent or his designee may grant emergency leave for reasons other than above. Two days of sick or emergency leave may be allowed for personal reasons.

**Excess leave**

Excess leave may be granted by the superintendent beyond the sick and emergency leave up to a maximum of five days. Any request beyond five days requires School Board approval.

**Sabbatical Leave**

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.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

The cost of current leave privileges is recognized as an expenditure in the governmental funds when the leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. Sabbatical leave benefits are recorded as expenditures in the period paid. For the proprietary funds, the liability for compensated absences is accrued when the leave is earned by the employee.

**O. 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.

**P. 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.

**Q. 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 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 nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**R. SALES AND USE TAXES**

A one-cent sales and use tax was approved by voters at a special election held July 23, 1966. The proceeds of the tax are to be used exclusively to supplement other revenues available to the School Board for the payment of salaries of teachers in the public elementary and secondary schools of the parish and for the expenses of operating said schools, such operating expenses to include payment of salaries of other personnel employed by the School Board in addition to teachers, but to exclude expenditures for capital improvements and purchases of automobiles.

Another one-cent sales and use tax was approved by voters at a special election held May 5, 1990. The proceeds of the tax is to be used for the purpose of supplementing salaries of teachers and other school employees and providing benefits for teachers, other school employees, and retirees.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

**S. TOTAL COLUMNS ON COMBINED STATEMENTS**

The 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 operations, 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.

**2. LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
<b>Parishwide taxes</b>			
Constitutional	4.23	4.23	N/A
Maintenance and operations	7.76	7.76	2001
<b>District taxes</b>			
Maintenance and operations – Instructional	18.82	18.82	2003
Bond and Interest	17.80	17.80	1997-2007

**3. CASH AND CASH EQUIVALENTS**

At June 30, 1999, the School Board has cash and cash equivalents (book balances) totaling \$15,244,599 as follows:

Interest-bearing demand deposits	\$ 12,544,599
Time deposits	<u>2,700,000</u>
Total	<u><u>\$ 15,244,599</u></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, 1999, the School Board has approximately \$13,170,000 in deposits (collected bank balances). These deposits are secured from risk by \$2,700,000 of federal deposit insurance and approximately \$20,600,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 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.

**4. INVESTMENTS**

Investments are categorized into these three categories of credit risk:

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

At fiscal year-end, the School Board's investment balances were as follows:

Type of Investment	Category			Fair Value	Carrying Amount
	1	2	3		
US government and agency securities	\$ 2,020,211	-	-	2,020,211	2,020,211
Certificates of deposit	-	-	1,000,000	1,000,000	1,000,000
<b>Total</b>	<b>\$ 2,020,211</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 3,020,211</b>	<b>\$ 3,020,211</b>

**5. RECEIVABLES**

The receivables of \$423,170 at June 30, 1999, consist primarily of amounts due from other governmental units under various grant programs and ad valorem and sales and use tax collections due from the parish tax collector.

**6. FIXED ASSETS**

The changes in general fixed assets follow:

	Balance, July 1, 1998	Additions	Deletions	Balance, June 30, 1999
Land	\$ 396,563	\$ 2,350	\$ -	\$ 398,913
Buildings and Improvements	36,051,072	82,768	-	36,133,840
Furniture and equipment	7,398,304	2,028,496	(779,628)	8,647,172
Construction in progress		1,148,036		1,148,036
<b>Total</b>	<b>\$ 43,845,939</b>	<b>\$ 3,261,650</b>	<b>\$ (779,628)</b>	<b>\$ 46,327,961</b>

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

A summary of fixed assets used in the proprietary funds follows:

Furniture and equipment	\$ 48,000
Less accumulated depreciation	<u>(42,642)</u>
Total	<u>\$ 5,358</u>

**7. 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 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 three membership plans: Regular Plan, Plan A, and Plan B. 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 8.0%, 9.1%, and 5.0% of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 16.4% of annual covered payroll for all three membership plans. 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.

The School Board's contributions to the TRS for the years ending June 30, 1999 and 1998, were \$2,936,284 and \$2,628,836, respectively, equal to the required contributions for each year.

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 by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (504) 925-6484.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

*Funding Policy.* Plan members are required to contribute 6.35% of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 6.00% of annual covered payroll. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LASERS is funded by the State of Louisiana through annual appropriations.

The School Board's contributions to the LASERS for the years ending June 30, 1999 and 1998, were \$136,985 and \$130,908, respectively, equal to the required contributions for each year.

**C. Louisiana Parochial Employees' Retirement System (LPERS)**

*Plan Description.* Board members can elect to participate in the LPERS, which provides retirement benefits. Ten years of service credit is required to become vested for retirement benefits. Benefits are established and amended by state statute.

*Funding Policy.* Plan members are required to contribute 9.50% of their annual covered salary and the School Board is required to contribute at an actuarily determined rate. The current rate is 7.75% of covered payroll.

The School Board's contributions to the LASERS for the years ending June 30, 1999 and 1998, were \$488 and \$961, respectively, equal to the required contributions for each year.

**8. INTERFUND RECEIVABLES/PAYABLES**

The following is a summary of interfund receivables and payables at June 30, 1999:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds	\$ 5,530
General Fund	Capital Projects Funds	17,300
General Fund	Agency Funds	85,000
Agency Funds	General Fund	3,147,262
Agency Funds	Special Revenue Funds	315,786
Agency Funds	Enterprise Fund	<u>2,985</u>
		<u>\$ 3,573,863</u>

**9. GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligation transactions for the year ended June 30, 1999:

	<u>Bonded Debt</u>	<u>Certificates of Indebtedness</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations at July 1, 1998	\$ 16,505,000	\$ 1,008,000	\$ 823,164	\$ 18,336,164
Additions	5,000,000	750,000	37,967	5,787,967
Deductions	<u>(1,115,000)</u>	<u>(153,000)</u>	<u>-</u>	<u>(1,268,000)</u>
Long-term obligations at June 30, 1999	<u>\$ 20,390,000</u>	<u>\$ 1,605,000</u>	<u>\$ 861,131</u>	<u>\$ 22,856,131</u>



**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

**General Obligation Bonds**

All School Board bonds outstanding at June 30, 1999, are general obligation bonds with maturities from 2005 to 2019 and interest rates from 2.5% to 5.2%. Bond principal and interest payable in the next fiscal year are \$1,265,000 and \$941,542, respectively. The individual issues are as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Series 1993 Refunding	\$ 2,775,000	2.5-4.9%	2007	\$ 264,173	\$ 1,235,000
Series 1994 Refunding	6,020,000	3.2-5.2%	2005	745,763	4,445,000
Series 1998	10,000,000	4.6-5.1%	2010	5,211,770	9,710,000
Series 1999	5,000,000	4.3-4.8%	2019	2,943,517	5,000,000
	<u>\$ 23,795,000</u>			<u>\$ 9,165,223</u>	<u>\$ 20,390,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish (or other as indicated). At June 30, 1999, the School Board has accumulated \$1,574,579 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2000	\$ 1,265,000	\$ 941,542	\$ 2,206,542
2001	1,320,000	902,820	2,222,820
2002	1,385,000	841,060	2,226,060
2003	1,455,000	775,320	2,230,320
2004	1,515,000	704,350	2,219,350
Thereafter	13,450,000	5,000,131	18,450,131
Total	<u>\$ 20,390,000</u>	<u>\$ 9,165,223</u>	<u>\$ 29,555,223</u>

In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 1999, the statutory limit is approximately \$42,000,000.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

**Certificates of Indebtedness**

During 1996, 1997, and 1999 the School Board issued certificates of indebtedness to provide for equipment used for general School Board operations. Principal and interest payments are made from the general fund. The certificates of indebtedness have maturities from 2002 to 2006 and interest rates from 4.50% to 5.25%. Principal and interest payable on the certificates in the next fiscal year are \$297,000 and \$77,009, respectively. The individual issues are as follows:

<u>Certificate Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Series 1996	\$ 727,000	5.25%	2006	\$ 113,820	\$ 550,000
Series 1997	485,000	5.00%	2002	31,250	305,000
Series 1999	750,000	4.50%	2004	104,850	750,000
	<u>\$ 1,962,000</u>			<u>\$ 249,920</u>	<u>\$ 1,605,000</u>

The certificates are due as follows:

<u>Year Ending June 30,</u>	<u>Payments</u>	<u>Payments</u>	<u>Total</u>
2000	\$ 297,000	\$ 77,009	\$ 374,009
2001	311,000	62,614	373,614
2002	335,000	47,534	382,534
2003	239,000	31,294	270,294
2004	248,000	19,894	267,894
Thereafter	175,000	11,575	186,575
Total	<u>\$ 1,605,000</u>	<u>\$ 249,920</u>	<u>\$ 1,854,920</u>

**10. RESERVED AND DESIGNATED FUND BALANCES**

It is the Board's policy to reserve/designate a portion of fund balance in the general fund for subsequent year expenditures and contingencies. These reservations/designations were recorded in the general fund at June 30, 1999. Total fund balance in the debt service fund is reserved for debt service. Total fund balances in the capital projects funds have been designated for capital projects.

**11. RISK MANAGEMENT**

The School Board maintains insurance coverage through commercial insurance carriers for liability, errors and omissions, employee bonds, and property insurance. The School Board is self-insured for workers' compensation claims. An internal service fund was established to fund workers' compensation claims through interfund premiums, which are based primarily on the individual fund's payroll. These premiums are reported as expenditures in the individual funds.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Financial Statements (continued)**

**12. LITIGATION AND CLAIMS**

The School Board is a defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the School Board and legal counsel, the outcomes of these lawsuits will not have a material adverse effect on the accompanying general-purpose financial statements and, accordingly, no provision for losses has been recorded.

**13. YEAR 2000 ISSUES**

The Year 2000 Issue consists of two shortcomings that make computer processing systems unable to read year-date data beyond the Year 1999. The first shortcoming is many computer programs contain abbreviated dates which eliminate the first two digits of the year. Therefore, some computer programs may recognize January 1, 2000, as January 1, 1900 and process data incorrectly or stop processing altogether. The second shortcoming is some computers will be unable to detect the Year 2000 is a leap year and may not register the additional day and data calculations may be incorrect.

The Beauregard Parish School Board believes that they have addressed their Year 2000 issues, however, the School Board cannot assure that this will be the case.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Combining Balance Sheet - Special Revenue Funds**  
**June 30, 1999**

**Schedule 1**

	School Food Service	Federal Programs			JTPA & Other Vocational	Totals (Memorandum Only)
		Title I	Special Education	Consolidated Educational		
<b>Assets and other debits:</b>						
Assets:						
Cash and cash equivalents	\$ 384,192	\$ 25,944	\$ 543	\$ -	\$ 2,357	\$ 413,036
Receivables	2,732	130,124	36,032	8,883	50,029	227,800
Inventory	79,720	-	-	-	-	79,720
Prepaid items	1,303	-	-	-	-	1,303
<b>Total assets and other debits</b>	<b>\$ 467,947</b>	<b>\$ 156,068</b>	<b>\$ 36,575</b>	<b>\$ 8,883</b>	<b>\$ 52,386</b>	<b>\$ 721,859</b>
<b>Liabilities and fund equity:</b>						
Liabilities:						
Cash overdraft	\$ -	\$ -	\$ -	\$ 1,229	\$ -	\$ 1,229
Accounts, salaries, and other payables	3,918	41,792	3,154	599	2,566	52,029
Interfund payable	150,830	107,926	18,301	5,619	38,640	321,316
Deferred revenues	12,545	-	-	-	-	12,545
<b>Total Liabilities</b>	<b>167,293</b>	<b>149,718</b>	<b>21,455</b>	<b>7,447</b>	<b>41,206</b>	<b>387,119</b>
Fund equity:						
Fund balances	300,654	6,350	15,120	1,436	11,180	334,740
<b>Total liabilities and fund equity</b>	<b>\$ 467,947</b>	<b>\$ 156,068</b>	<b>\$ 36,575</b>	<b>\$ 8,883</b>	<b>\$ 52,386</b>	<b>\$ 721,859</b>

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Special Revenue Funds**  
**For the Year Ended June 30, 1999**

**Schedule 2**

	School Food Service	Federal Programs			JTPA & Other Vocational	Totals (Memorandum Only)
		Title I	Special Education	Consolidated Educational		
<b>Revenues:</b>						
Local sources:						
Sales and use taxes	\$ 300,525	\$ -	\$ -	\$ -	\$ -	\$ 300,525
Interest earnings	11,036	-	-	-	-	11,036
Food services	527,981	-	-	-	-	527,981
Other	30	400	12,098	4,001	-	16,529
State sources:						
Equalization	274,321	-	-	-	-	274,321
Other	23,066	-	-	-	-	23,066
Federal sources	1,093,261	1,076,565	488,633	86,079	311,076	3,055,614
<b>Total revenues</b>	<b>2,230,220</b>	<b>1,076,965</b>	<b>500,731</b>	<b>90,080</b>	<b>311,076</b>	<b>4,209,072</b>
<b>Expenditures:</b>						
Instruction:						
Regular programs	-	-	-	26,256	6,799	33,055
Special education programs	-	-	184,466	-	-	184,466
Vocational educational programs	-	-	-	-	55,624	55,624
Other instructional programs	-	-	-	-	60,701	60,701
Special programs	-	800,556	-	-	60,858	861,414
Adult and continuing education programs	-	-	-	-	89,831	89,831
Support services:						
Student services	-	53,418	146,086	1,593	4,744	205,841
Instructional staff support	-	172,372	150,200	60,967	33,091	416,630
Plant services	-	82,133	1,160	-	515	83,808
Student transportation services	-	-	508	-	88	596
Food services	2,102,818	-	-	-	-	2,102,818
<b>Total expenditures</b>	<b>2,102,818</b>	<b>1,108,479</b>	<b>482,420</b>	<b>88,816</b>	<b>312,251</b>	<b>4,094,784</b>
<b>Excess revenues over expenditures</b>	<b>127,402</b>	<b>(31,514)</b>	<b>18,311</b>	<b>1,264</b>	<b>(1,175)</b>	<b>114,288</b>
Other financing sources (uses):						
Operating transfers in	95	59,101	8,915	1,945	12,522	82,578
Operating transfers out	-	(31,018)	(14,325)	(1,773)	(4,708)	(51,824)
<b>Total other financing sources (uses)</b>	<b>95</b>	<b>28,083</b>	<b>(5,410)</b>	<b>172</b>	<b>7,814</b>	<b>30,754</b>
<b>Excess revenues and other sources over expenditures and other uses</b>	<b>127,497</b>	<b>(3,431)</b>	<b>12,901</b>	<b>1,436</b>	<b>6,639</b>	<b>145,042</b>
<b>Fund balances - beginning of year</b>	<b>173,157</b>	<b>9,781</b>	<b>2,219</b>	<b>-</b>	<b>4,541</b>	<b>189,698</b>
<b>Fund balances - end of year</b>	<b>\$ 300,654</b>	<b>\$ 6,350</b>	<b>\$ 15,120</b>	<b>\$ 1,436</b>	<b>\$ 11,180</b>	<b>\$ 334,740</b>

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Combining Balance Sheet - Capital Projects Funds**  
**June 30, 1999**

**Schedule 3**

	DeRidder Elementary	1997 Parishwide Construction	Roofing Projects	Honeywell Projects	Totals (Memorandum Only)
<b>Assets and other debits:</b>					
Assets:					
Cash and cash equivalents	\$ 14,930	\$ 8,516,260	\$ -	\$ 7,854	\$ 8,539,044
Receivables	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items	-	-	-	-	-
<b>Total assets and other debits</b>	<b>\$ 14,930</b>	<b>\$ 8,516,260</b>	<b>\$ -</b>	<b>\$ 7,854</b>	<b>\$ 8,539,044</b>
<b>Liabilities and fund equity:</b>					
Liabilities:					
Accounts, salaries, and other payables	\$ -	\$ 322,832	\$ -	\$ -	\$ 322,832
Contracts payable	-	82,638	-	-	82,638
Interfund payable	-	11,000	-	6,300	17,300
Deferred revenues	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>416,470</b>	<b>-</b>	<b>6,300</b>	<b>422,770</b>
Fund equity:					
Fund balances	14,930	8,099,790	-	1,554	8,116,274
<b>Total liabilities and fund equity</b>	<b>\$ 14,930</b>	<b>\$ 8,516,260</b>	<b>\$ -</b>	<b>\$ 7,854</b>	<b>\$ 8,539,044</b>

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Capital Projects Funds**  
**For the Year Ended June 30, 1999**

**Schedule 4**

	DeRidder Elementary	1997 Parishwide Construction	Roofing Projects	Honeywell Projects	Totals (Memorandum Only)
<b>Revenues:</b>					
Local sources:					
Interest earnings	\$ 720	\$ 294,368	\$ 210	\$ 448	\$ 295,746
<b>Expenditures:</b>					
Instruction:					
Regular programs	-	678,482	-	-	678,482
Support services:					
General administration	-	48,399	-	-	48,399
Facilities acquisition and construction	-	2,036,712	10,279	6,290	2,053,281
Total expenditures	-	2,763,593	10,279	6,290	2,780,162
<b>Excess revenues over (under) expenditures</b>	720	(2,469,225)	(10,069)	(5,842)	(2,484,416)
<b>Other financing sources (uses):</b>					
Proceeds of bonds					
	-	5,000,000	-	-	5,000,000
Operating transfers in					
	-	10,458	-	-	10,458
Total other financing sources (uses)	-	5,010,458	-	-	5,010,458
<b>Excess revenues and other sources over (under) expenditures and other uses</b>	720	2,541,233	(10,069)	(5,842)	2,526,042
<b>Fund balances - beginning of year</b>	14,210	5,558,557	10,069	7,396	5,590,232
<b>Fund balances - end of year</b>	<u>\$ 14,930</u>	<u>\$ 8,099,790</u>	<u>\$ -</u>	<u>\$ 1,554</u>	<u>\$ 8,116,274</u>

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**AGENCY FUNDS**  
**Schedule of Changes in Assets and Liabilities**  
**For the Year Ended June 30, 1999**

**Schedule 5**

	School Activity Funds	Payroll Clearing Fund	Totals (Memorandum Only)
Deposit and receivable balances at beginning of year	\$ 528,285	\$ 3,443,189	\$ 3,971,474
Additions	2,013,148	291,616	2,304,764
Reductions	(1,963,736)	-	(1,963,736)
Deposit and receivable balances at end of year	<u>\$ 577,697</u>	<u>\$ 3,734,805</u>	<u>\$ 4,312,502</u>



**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**SCHOOL ACTIVITY AGENCY FUND**  
**Schedule of Changes in Assets and Liabilities**  
**For the Year Ended June 30, 1999**

**Schedule 6**

<u>School</u>	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
Beauregard Alternative School	\$ -	\$ 2,234	\$ (135)	\$ 2,099
Beauregard Vocational Center	4,903	6,829	(5,668)	6,064
G.W. Carver Elementary School	22,941	56,206	(58,369)	20,778
DeRidder High School	107,895	496,504	(487,559)	116,840
DeRidder Junior High School	104,473	186,452	(191,091)	99,834
East Beauregard High School	52,423	274,570	(274,102)	52,891
Hyatt High School	24,959	74,970	(73,501)	26,428
K.R. Hanchey Elementary School	21,741	67,587	(62,014)	27,314
Merryville High School	49,235	266,893	(251,289)	64,839
Pinewood Elementary School	20,362	85,407	(75,966)	29,803
Singer High School	20,404	116,281	(121,177)	15,508
South Beauregard Elementary School	22,405	85,828	(83,511)	24,722
South Beauregard High School	76,544	293,387	(279,354)	90,577
	<u>\$ 528,285</u>	<u>\$ 2,013,148</u>	<u>\$ (1,963,736)</u>	<u>\$ 577,697</u>

BEAUREGARD PARISH SCHOOL BOARD  
DeRidder, Louisiana  
Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 1999

Schedule 7

<u>MEMBERS</u>	<u>AMOUNT</u>
Bernice Burgess	\$ 4,200
Larry Carroll	2,100
J. Cooley	4,450
James Eaves	2,100
Don Gray	2,100
Donald Hillman	4,200
Charley Hitchens	4,200
Frances Jouban	4,550
Stephen Lacy	2,100
Johnny McDaniel	4,200
James Rudd	4,200
Marvin Simmons	4,200
	<hr/>
	\$ 42,600

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 1999**

**Schedule 8**

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<b>United States Department of Agriculture</b>			
Passed through Louisiana Department of Education:			
Child Nutrition Cluster:*			
National School Lunch Program	10.555	N/A	\$ 751,618
School Breakfast Program	10.553	N/A	226,438
Passed through Louisiana Department of Agriculture and Forestry:			
Food Distribution	10.550	N/A	<u>115,206</u>
Total United States Department of Agriculture			1,093,262
<b>United States Department of Education</b>			
Passed through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	99-AE-06-F	93,779
Title I Grants to Local Educational Agencies*	84.010	99-IASA-6	1,120,223
Migrant Education - Basic State Grant Program	84.011	N/A	19,274
Special Education Cluster:*			
State grants	84.027	99-FT-06	429,756
Preschool grants	84.173	99-PF-06	66,989
Vocational Education - Basic Grants to States	84.048	99-VE-06-2B/BG	71,567
Federal, state, and local Partnerships for Educational Improvements (Title VI)	84.151	99-IASA-06-VI	33,516
Eisenhower Mathematics and Science Education State Grants (Title II)	84.164	99-IASA-06-II	14,574
Drug Free Schools and Communities - State Grants (Title IV)	84.186	99-IASA-06-IV	42,499
Technology Literacy	84.318	N/A	<u>21,227</u>
Total United States Department of Education			1,913,404
<b>United States Department of Health and Human Services</b>			
Passed through Louisiana Department of Education:			
Payments to States for Child Care Assistance	93.037	CIMS533825	49,392
Passed through Louisiana Department of Social Services:			
Medicaid	93.778	N/A	<u>1,296</u>
Total United States Department of Health and Human Services			50,688
<b>United States Department of Labor</b>			
Passed through the Fifth District Planning Consortium:			
Job Training Partnership Act	17.250	N/A	13,527
<b>United States Department of Defense</b>			
JROTC	N/A	N/A	60,789
Troops to Teachers	N/A	N/A	<u>6,232</u>
Total United States Department of Defense			<u>67,021</u>
Total Expenditures of Federal Awards			<u>\$ 3,137,902</u>

\* Denotes major Federal program

The accompanying notes are an integral part of this schedule.

**BEAUREGARD PARISH SCHOOL BOARD**  
**DeRidder, Louisiana**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 1999**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Beauregard Parish School Board and is presented on the GAAP basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.



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SEC PRACTICE SECTION  
OF AICPA

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

Beauregard Parish School Board  
DeRidder, Louisiana

We have audited the general purpose financial statements of Beauregard Parish School Board as of and for the year ended June 30, 1999, and have issued our report thereon dated December 30, 1999. 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 Beauregard Parish School Board's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Beauregard 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 general purpose 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 general purpose 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. However, we noted a matter involving the internal control over financial reporting that we have reported to management of Beauregard Parish School Board in a separate letter dated December 30, 1999.

**Beauregard Parish School Board**  
**Page 2**

This report is intended solely for the information and use of the Beauregard Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Langley, Williams & Co., LLC*

Lake Charles, Louisiana  
December 30, 1999



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

Beauregard Parish School Board  
DeRidder, Louisiana

### Compliance

We have audited the compliance of the Beauregard 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, 1999. Beauregard Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Beauregard Parish School Board's management. Our responsibility is to express an opinion on Beauregard 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, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Beauregard Parish School Board's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Beauregard Parish School Board's compliance with those requirements.

In our opinion, the Beauregard 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, 1999.

### Internal Control Over Compliance

The management of Beauregard 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 Beauregard 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.

**Beauregard Parish School Board**  
**Page 2**

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

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

*Langley, Williams & Co., LLC*

Lake Charles, Louisiana  
December 30, 1999





# Langley, Williams & Company, L.L.C.

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SEC PRACTICE SECTION  
OF AICPA

December 30, 1999

President and Members of the  
Beauregard Parish School Board  
DeRidder, Louisiana

In planning and performing our audit of the general purpose financial statements of the Beauregard Parish School Board for the year ended June 30, 1999, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect Beauregard Parish School Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

During our testwork on the School Board's bank reconciliations, we noted several significant items identified on the reconciliation of the money market account as requiring adjustment, however, the adjustments had not been made as of June 30, 1999. We recommend that adjustment be made immediately on all items identified. Furthermore, we recommend that reconciliations be prepared and reviewed on a timely basis to ensure that such adjustments are recorded as soon as they are identified.

A material weakness is a reportable 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 errors or fraud in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

This report is intended solely for the information and use of the Beauregard Parish School Board, management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**BEAUREGARD PARISH SCHOOL BOARD  
DeRidder, Louisiana  
Corrective Action Plan for  
Current Year Audit Findings  
For the Year Ended June 30, 1999**

<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>
<b>Section I - Internal Control and Compliance Material to the Financial Statements:</b>				
NONE				
 <b>Section II - Internal Control and Compliance Material to Federal Awards:</b>				
NONE				
 <b>Section III - Management Letter:</b>				
No. 1	Pending adjustments per bank reconciliation not recorded.	Adjustments to be recorded when identified. Bank recs to be prepared and reviewed on timely basis.	J. Armetta	January 31, 2000