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POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana

General Purpose Financial Statements
As of and for the year ended June 30, 1999
With Supplemental Information Schedules

Release Date _____

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.

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Release Date 1-20-2000

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
General Purpose Financial Statements
As of and for the year ended June 30, 1999
With Supplemental Information Schedules

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POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
June 30, 1999

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CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

POINTE COUPEE PARISH SCHOOL BOARD New Roads, Louisiana

We have audited the accompanying general purpose financial statements of the Pointe Coupee Parish School Board as of and for the year ended June 30, 1999, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of management of the Pointe Coupee Parish School Board. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, 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 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.

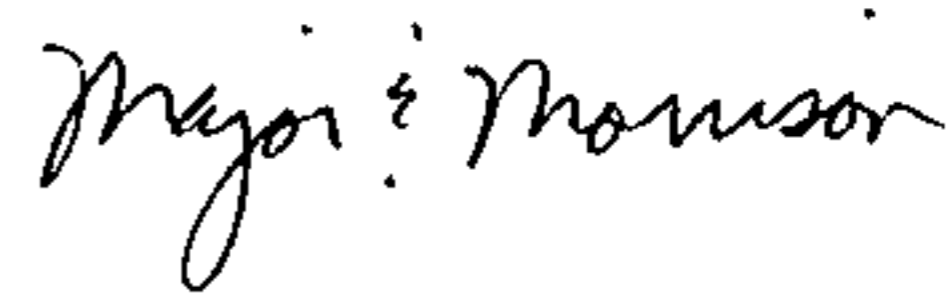
Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 issue. The Pointe Coupee Parish School Board has included such disclosures in Note 20. Because of the unprecedented nature of the Year 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 the Pointe Coupee Parish School Board's disclosures with respect to the Year 2000 issue made in Note 20. Further, we do not provide assurance that the Pointe Coupee Parish School Board is or will be year 2000 ready, that the Pointe Coupee Parish School Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Pointe Coupee 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 general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Pointe Coupee Parish School Board as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 1999 on our consideration of the Pointe Coupee 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 conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the other supplemental schedules listed in the table of contents are presented for purposes of additional analysis, and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Major & Morrison
New Roads, Louisiana
December 7, 1999



Pointe Coupee Parish School Board
New Roads, Louisiana
ALL FUNDS TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1999

	GOVERNMENTAL FUNDS			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 1,503,033	\$ 74,608	\$ 2,850,616	\$ 106,323
Receivables	759,376	536,800	18	0
Interfund receivables	531,539	0	1,786	0
Inventory	0	30,923	0	0
Land, buildings, furniture and equipment	0	0	0	0
Other Debits:				
Amount available in debt service funds	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 2,793,948	\$ 642,330	\$ 2,852,420	\$ 106,323
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Accounts, salaries and other payables	\$ 2,073,453	\$ 5,244	\$ 0	\$ 0
Interfund payables	75,948	541,041	0	1,786
Intergovernmental payables	0	0	0	0
Deposits due others	0	0	0	0
Other liabilities	0	15,777	0	0
Compensated absences payable	0	0	0	0
Capital lease payable	0	0	0	0
Certificates of indebtedness payable	0	0	0	0
Bonds payable	0	0	0	0
Total Liabilities	2,149,401	562,062	0	1,786
Equity and Other Credits:				
Investments in general fixed assets	0	0	0	0
Retained earnings	0	0	0	0
Fund balances:				
Reserved	0	0	2,852,420	0
Unreserved - designated	758,363	80,268	0	104,537
Unreserved - undesignated	(113,816)	0	0	0
Total Equity and Other Credits	644,547	80,268	2,852,420	104,537
TOTAL LIABILITIES, EQUITIES AND AND OTHER CREDITS	\$ 2,793,948	\$ 642,330	\$ 2,852,420	\$ 106,323

The accompanying notes are an integral part of this statement.

GENERAL PURPOSE FINANCIAL STATEMENTS

Pointe Coupee Parish School Board
New Roads, Louisiana
ALL FUNDS TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1999

PROPRIETARY FUND- INTERNAL SERVICE FUND	FIDUCIARY FUND- TRUST AND AGENCY FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL (MEMORANDUM ONLY)
\$ 11,902	\$ 140,595	\$ 0	\$ 0	\$ 4,687,077
0	0	0	0	1,296,193
85,450	0	0	0	618,775
0	0	0	0	30,923
0	0	30,533,199	0	30,533,199
0	0	0	2,852,420	2,852,420
0	0	0	7,135,119	7,135,119
<u>\$ 97,352</u>	<u>\$ 140,595</u>	<u>\$ 30,533,199</u>	<u>\$ 9,987,539</u>	<u>\$ 47,153,707</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,078,697
0	0	0	0	618,775
0	0	0	0	0
0	140,595	0	0	140,595
97,352	0	0	0	113,129
0	0	0	410,434	410,434
0	0	0	352,105	352,105
0	0	0	475,000	475,000
0	0	0	8,750,000	8,750,000
<u>97,352</u>	<u>140,595</u>	<u>0</u>	<u>9,987,539</u>	<u>12,938,735</u>
0	0	30,533,199	0	30,533,199
0	0	0	0	0
0	0	0	0	2,852,420
0	0	0	0	943,169
0	0	0	0	(113,816)
<u>0</u>	<u>0</u>	<u>30,533,199</u>	<u>0</u>	<u>34,214,972</u>
<u>\$ 97,352</u>	<u>\$ 140,595</u>	<u>\$ 30,533,199</u>	<u>\$ 9,987,539</u>	<u>\$ 47,153,707</u>

The accompanying notes are an integral part of this statement.

Pointe Coupee Parish School Board
New Roads, Louisiana
GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	TOTAL (MEMORANDUM) ONLY)
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 3,188,398	\$ 0	\$ 1,387,288	\$ 0	\$ 4,575,686
Sales and use	1,888,313	0	0	0	1,888,313
Interest earnings	84,119	4,552	105,253	20,261	214,185
Food services	0	170,291	0	0	170,291
Other	275,704	0	0	0	275,704
State sources:					
Unrestricted grants-in-aid	8,572,256	0	0	0	8,572,256
Restricted grants-in-aid	1,426,631	0	0	0	1,426,631
Federal sources	37,819	3,161,776	0	0	3,199,595
Total revenues	<u>15,473,240</u>	<u>3,336,619</u>	<u>1,492,541</u>	<u>20,261</u>	<u>20,322,660</u>
EXPENDITURES					
Instruction:					
Regular programs	6,933,764	0	0	0	6,933,764
Special programs	1,742,947	972,577	0	0	2,715,524
Vocational ed programs	313,299	57,379	0	0	370,677
Other instructional programs	341,162	116,391	0	0	457,553
Support Services:					
Student services	477,000	114,748	0	0	591,748
Instructional staff support	522,019	490,006	0	0	1,012,025
General administration	490,970	28,348	54,344	200	573,862
School administration	748,993	0	0	0	748,993
Business services	241,293	12,868	4,765	505	259,431
Plant services	1,291,277	214,536	0	0	1,505,813
Student transportation services	1,882,547	44,157	0	0	1,926,704
Food services	0	1,556,499	0	0	1,556,499
Community service programs	0	14,602	0	0	14,602
Facilities acquisition and construction	345,561	0	0	704,984	1,050,545
Debt service	0	0	1,493,010	0	1,493,010
Total expenditures	<u>15,330,830</u>	<u>3,622,111</u>	<u>1,552,120</u>	<u>705,689</u>	<u>21,210,750</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES					
	<u>\$ 142,410</u>	<u>\$ (285,492)</u>	<u>\$ (59,579)</u>	<u>\$ (685,428)</u>	<u>\$ (888,089)</u>

The accompanying notes are an integral part of this statement.

Pointe Coupee Parish School Board
New Roads, Louisiana
GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999
(continued)

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM) ONLY
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 142,410	\$ (285,492)	\$ (59,579)	\$ (685,428)	\$ (888,089)
OTHER FINANCING SOURCES (Uses)					
Other	0	485	0	0	485
Operating transfers in	47,174	321,033	497,477	695,935	1,561,619
Operating transfers out	(852,445)	(47,174)	0	(662,000)	(1,561,619)
Total other financing sources (uses)	(805,271)	274,344	497,477	33,935	485
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(662,862)	(11,148)	437,898	(651,492)	(887,604)
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	1,307,409	91,417	2,414,522	756,030	4,569,378
FUND BALANCE (Deficit) AT END OF YEAR	\$ 644,547	\$ 80,268	\$ 2,852,420	\$ 104,537	\$ 3,681,773

The accompanying notes are an integral part of this statement.

Pointe Coupee Parish School Board
New Roads, Louisiana
GOVERNMENTAL FUNDS - GENERAL
AND SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For The Year Ended June 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVOR (UNFAVOR)	BUDGET	ACTUAL	VARIANCE FAVOR (UNFAVOR)
REVENUES						
Local sources:						
Taxes:						
Ad valorem	\$ 3,189,987	\$ 3,188,398	\$ (1,589)	\$ 0	\$ 0	\$ 0
Sales and use	1,950,000	1,888,313	(61,687)	0	0	0
Interest earnings	48,000	84,119	36,119	5,500	4,552	(948)
Food services	0	0	0	169,856	170,291	435
Other	257,000	275,704	18,704	0	0	0
State sources:						
Unrestricted grants-in-aid	8,871,408	8,572,256	(299,152)	0	0	0
Restricted grants-in-aid	1,263,897	1,426,631	162,733	0	0	0
Federal sources	40,000	37,819	(2,181)	3,333,719	3,161,776	(171,943)
Total revenues	<u>15,620,292</u>	<u>15,473,240</u>	<u>(147,053)</u>	<u>3,509,075</u>	<u>3,336,619</u>	<u>(172,456)</u>
EXPENDITURES						
Instruction:						
Regular programs	6,749,395	6,933,764	(184,368)	0	0	0
Special programs	1,708,499	1,742,947	(34,449)	1,115,564	972,577	142,987
Vocational ed programs	390,013	313,299	76,714	58,368	57,379	989
Other instructional programs	358,466	341,162	17,305	116,156	116,391	(235)
Support Services:						
Student services	472,900	477,000	(4,100)	99,366	114,748	(15,382)
Instructional staff support	513,137	522,019	(8,882)	456,809	490,006	(33,197)
General administration	525,807	490,970	34,837	79,526	28,348	51,178
School administration	863,095	748,993	114,102	0	0	0
Business services	239,134	241,293	(2,159)	31,855	12,868	18,987
Plant services	1,363,952	1,291,277	72,675	224,331	214,536	9,795
Student transportation services	1,940,173	1,882,547	57,625	49,178	44,157	5,021
Food services	0	0	0	1,529,893	1,556,499	(26,606)
Community service programs	0	0	0	12,535	14,602	(2,067)
Facilities acquisition and						
construction	284,200	345,561	(61,361)	0	0	0
Total expenditures	<u>15,408,770</u>	<u>15,330,830</u>	<u>77,940</u>	<u>3,773,582</u>	<u>3,622,111</u>	<u>151,471</u>
EXCESS (Deficiency) OF REVENUES						
OVER EXPENDITURES	<u>\$ 211,522</u>	<u>\$ 142,410</u>	<u>\$ (69,112)</u>	<u>\$ (264,506)</u>	<u>\$ (285,492)</u>	<u>\$ (20,986)</u>

The accompanying notes are an integral part of this statement.

Pointe Coupee Parish School Board
New Roads, Louisiana
GOVERNMENTAL FUNDS - GENERAL
AND SPECIAL REVENUE FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For The Year Ended June 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVOR (UNFAVOR)	BUDGET	ACTUAL	VARIANCE FAVOR (UNFAVOR)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 211,522	\$ 142,410	\$ (69,112)	\$ (264,506)	\$ (285,492)	\$ (20,986)
OTHER FINANCING SOURCES (Uses)						
Other	0	0	0	485	485	0
Operating transfers in	36,519	47,174	10,655	305,743	321,033	15,290
Operating transfers out	(797,175)	(852,445)	(55,270)	(51,013)	(47,174)	3,839
Total other financing sources (uses)	(760,657)	(805,271)	(44,615)	255,214	274,344	19,129
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES & OTHER USES	(549,135)	(662,862)	(113,727)	(9,292)	(11,148)	(1,856)
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	1,307,409	1,307,409	0	91,417	91,417	0
FUND BALANCE (Deficit) AT END OF YEAR	\$ 758,275	\$ 644,547	\$ (113,727)	\$ 82,125	\$ 80,268	\$ (1,856)

The accompanying notes are an integral part of this statement.

Pointe Coupee Parish School Board
New Roads, Louisiana
PROPRIETARY FUND-
INTERNAL SERVICE FUND
Statement of Revenues, Expenses, and Changes
in Retained Earnings
For the Year Ended June 30, 1999

	INTERNAL SERVICE FUND
OPERATING REVENUES	
Workers compensation insurance	\$ <u>90,788</u>
Total Operating Revenues	<u>90,788</u>
OPERATING EXPENSES	
Claims administration	20,860
Excess insurance cost	27,480
Workers compensation claims	<u>42,448</u>
Total Operating Expenses	<u>90,788</u>
NET INCOME	0
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>0</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

Pointe Coupee Parish School Board
New Roads, Louisiana
PROPRIETARY FUND-
INTERNAL SERVICE FUND
Statement of Cash Flows
For the Year Ended June 30, 1999

	<u>INTERNAL SERVICE FUND</u>
Cash flows from operating activities:	
Net income	\$ 0
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase (decrease) in due from other funds	(2,978)
Increase (decrease) in claims payable	<u>2,385</u>
Net cash provided by operating activities	<u>(593)</u>
Net increase (decrease) in cash	(593)
Cash at beginning of year	<u>12,495</u>
Cash at end of year	<u>\$ 11,902</u>

The accompanying notes are an integral part of this statement.

Notes to Financial Statements

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements
As of June 30, 1999

INTRODUCTION

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

The school board operates eight schools within the parish with a total of 3,414 pupils. In conjunction with 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 Pointe Coupee 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 parish 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 governmental 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 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:

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

C. FUND ACCOUNTING (Continued)

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 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 project funds--account for financial resources received and used for acquisition, construction, or improvement of capital facilities not reported in 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. The school board has one proprietary fund, which is an internal service fund. 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.

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--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.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

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

Sales taxes are recorded in the month collected by the school board's collection agent or by the Louisiana Department of Public Safety and Corrections, Public Safety Services.

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

Substantially all other revenues are recorded when received.

Expenditures

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

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

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

Principal and interest on general long-term obligations are recognized when due.

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, sale of fixed assets, and proceeds from sale of certificates of indebtedness are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING (Continued)

Deferred Revenues

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

All proprietary 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 liabilities associated with the operation of these funds are included on the balance sheet. Proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.

The Governmental Accounting Standards Board (GASB) Statement Number 20 provides guidance on accounting and financial reporting for proprietary fund types and allows proprietary fund types to choose one of two options in applying pronouncements issued by the Financial Accounting Standards Board (FASB) as of November 30, 1989. The Pointe Coupee Parish School Board has elected to use the first option for reporting its activities. This approach applies all GASB pronouncements and FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Changes to FASB statements and interpretations, APB opinions and ARBs issued after November 30, 1989, would not apply unless adopted by GASB.

E. BUDGETS

The proposed budgets for the General Fund and the special revenue funds for the fiscal year ended June 30, 1999 was completed and made available for public inspection and comments from taxpayers at the school board office on August 17, 1998. The proposed budget was legally adopted by the school board on August 27, 1998. The budget, which included proposed expenditures and the means of financing them, was published in the official journal 14 days prior to the public hearing on August 27, 1998, the date of its adoption.

The budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end. Encumbrances are recognized within the accounting records for budgetary control purposes. Formal budget integration (within the accounting records) is employed as a management control device. The superintendent of schools is authorized to transfer amounts between line items within fund budgets. However, when actual revenues within a fund fail to meet estimated annual budgeted revenues, and/or actual expenditures within a fund exceed estimated budgeted expenditures by five per cent or more, a budget amendment is adopted by the school board in an open meeting. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by the General Fund and capital projects funds for budgetary control purposes. Encumbrances outstanding at year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

G. CASH AND CASH EQUIVALENTS

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

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

G. CASH AND CASH EQUIVALENTS (Continued)

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 or any other state of the United States, or under the laws of the United States.

II. 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. GASB Statement No. 31 allows the school board to report at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short term, highly liquid debt instruments that include U.S. Treasury obligations. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Investments listed in the balance sheet are stated at cost.

I. 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.

J. INVENTORY

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; 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.

K. 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.

L. COMPENSATED ABSENCES

All 12-month employees earn vacation leave each year, depending on the years of service with the school board. Vacation leave can be accumulated up to a maximum of 40 days and shall be paid upon termination, retirement, or resignation at his/her daily rate of pay.

<u>Years of Service</u>	<u>No. of Days Per Year</u>
1-5	10 Days
6-10 or more	11-15 Days

All school board employees earn from 10 to 18 days of sick leave each year, depending upon the number of months employed per year.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

L. COMPENSATED ABSENCES (Continued)

<u>Type Employee</u>	<u>Year Service</u>	<u>Days Per Year</u>
9 Month	N/A	10 Days
10 Month	N/A	11 Days
12 Month	1-3 Years	12 Days
	4-10 Years	15 Days
	Over 10	18 Days

Sick leave may be accumulated without limitation. Upon retirement or death, depending upon the number of months employed per year, unused sick leave, up to a limit, is paid to the employee or his heirs at the employee's current rate of pay. Those limits are as follows:

<u>Type Employee</u>	<u>Accum. Paid For</u>
9 Month	25 Days
10 Month	25 Days
12 Month	37 Days

Under the Louisiana Teacher's Retirement System, the total unused accumulated sick leave, including the days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers Retirement System and for sick leave earned under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the days paid, is used in the retirement benefit computation as earned services.

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

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

N. 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 fund when due.

O. 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.

P. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

P. INTERFUND TRANSACTIONS (continued)

to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

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

Q. SALES TAXES

On September 30, 1967, the voters of Pointe Coupee Parish approved a permanent one per cent sales and use tax to be levied for the Pointe Coupee Parish School Board. The sales and use tax is collected and remitted to the school board by the Pointe Coupee Parish Police Jury. The proceeds, after payment of necessary costs and expenses of collecting the tax, are dedicated for salaries of teachers and/or for the general operations of the schools. The sales and use taxes collected in June on behalf of the Pointe Coupee Parish School Board are remitted to the school board by July 30.

R. USE OF ESTIMATES

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

S. TOTAL COLUMNS ON COMBINED STATEMENTS

The total columns on the combined statements are captioned Memorandum/Memo 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 for the fiscal year ended June 30, 1999:

	<u>Authorized and Levied Millages</u>	<u>Expiration Date</u>
Parishwide taxes:		
Constitutional	4.54	Does Not Expire
Maintenance	11.96	2010
District taxes - bond and interest:		
District 10	13.56	2020
District 19	6.90	2007

The following are the principal taxpayers and related ad valorem tax revenue for the school board. Tax revenues also include amounts collected for School District #19 and District #10:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for School Board</u>
Cajun Electric	Electric	\$ 80,838,455	37.76%	\$ 1,891,615
Entergy Gulf States	Electric	23,393,070	10.92%	550,378
Union Pacific Corp.	Railroad	2,350,540	10.43%	87,535
Oryx Energy	Oil & Gas	1,377,080	6.11%	18,673
Amoco Production	Oil & Gas	5,840,312	2.94%	135,105

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

3. CASH AND CASH EQUIVALENTS

At June 30, 1999, the school board has cash and cash equivalents (book balances) totaling \$4,687,077 in interest bearing and non interest-bearing demand deposits.

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 \$5,438,822 in deposits (collected bank balances). These deposits are secured from risk by \$548,356 of federal deposit insurance and \$7,775,263 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized (Category 3) under the provision 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.

4. RECEIVABLES

The receivables of \$1,296,193 at June 30, 1999, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 43	\$ -	\$ 18	\$ 61
Sales and use	200,596	-	-	200,596
Intergovernmental				
Grants:				
Federal	3,440	526,487	-	529,927
State	460,574	-	-	460,574
Accounts	<u>94,722</u>	<u>10,313</u>	<u>-</u>	<u>105,035</u>
Total	<u>\$759,375</u>	<u>\$536,800</u>	<u>\$ 18</u>	<u>\$ 1,296,193</u>

5. FIXED ASSETS

The changes in general fixed assets follow:

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Balance at July 1, 1998	\$1,064,464	\$23,524,725	\$4,752,080	\$29,341,269
Additions	-	782,669	490,168	1,272,837
Deletions	<u>1,750</u>	<u>-</u>	<u>79,157</u>	<u>80,907</u>
Balance at June 30, 1999	<u>\$1,062,714</u>	<u>\$24,307,394</u>	<u>\$5,163,091</u>	<u>\$30,533,199</u>

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

6. RETIREMENT SYSTEMS

Substantially all employees of the school board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers Retirement System of Louisiana (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement System (LASERS). 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 percent, 9.1 percent, and 5.0 percent 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 16.5 percent 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 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, 1998, and 1997 were \$1,413,709, \$1,402,452, and \$1,320,477, 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.

Funding Policy. Plan members are required to contribute 6.35 percent of their annual covered salary and the school board is required to contribute at an actuarially determined rate. The current rate is 6.00 percent 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, 1998, and 1997, were \$89,944, \$89,402, and \$82,931, respectively, equal to the required contributions for each year.

7. OTHER POST EMPLOYMENT BENEFITS

The Pointe Coupee Parish School Board provides certain continuing health care and life insurance benefits for its retired employees as provided by Louisiana Revised Statute (LSA-R.S.) 17:1223. Substantially all of the school board's employees become eligible for these benefits if they reach normal retirement age while working for the school board.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

7. OTHER POST EMPLOYMENT BENEFITS (continued)

These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the school board. The school board recognizes the cost of providing these benefits (the board's portion of premiums) as an expenditure when the monthly premiums are due. The cost of active employee's benefits totaled \$477,900 and the cost of retiree benefits totaled \$159,269 for the year ended June 30, 1999.

8. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$2,078,697 at June 30, 1999, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
Salaries	\$1,013,187	\$ -	\$ -	\$1,013,187
Withholdings	501,260	-	-	501,260
Intergovernmental Accounts	-	-	-	-
	<u>559,006</u>	<u>5,244</u>	<u>\$ -</u>	<u>564,250</u>
Total	<u>\$2,073,453</u>	<u>\$ 5,244</u>	<u>\$ -</u>	<u>\$ 2,078,697</u>

9. COMPENSATED ABSENCES

At June 30, 1999, employees of the school board have accumulated and vested \$410,434 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term obligations account group.

10. LEASES

The school board records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

<u>Type</u>	<u>Recorded Amount</u>
Equipment	\$ 831,397

The following is a schedule of the future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 1999:

<u>Fiscal Year:</u>	<u>Equipment</u>	<u>Total</u>
1999-00	196,234	196,234
2000-01	163,274	163,274
2001-02	33,612	33,612
2002-04	<u>-0-</u>	<u>-0-</u>
Total Minimum Lease Payments	393,120	393,120
Less -- Amounts representing interest	<u>41,015</u>	<u>41,015</u>
Present value of net minimum lease payments	<u>\$ 352,105</u>	<u>\$ 352,105</u>

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

11. CHANGE IN AGENCY FUND - SCHOOL ACCOUNT BALANCES

A summary of changes in the School Activity Agency Fund balances follows:

Balance, June 30, 1998	\$ 128,048
Additions during 1998-99	610,652
Deductions during 1998-99	<u>(598,105)</u>
Balance, June 30, 1999	<u>\$ 140,595</u>

12. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Lease Purchase Agreements</u>	<u>Total</u>
Long-Term obligations at June 30, 1998	\$10,160,000	\$ 530,263	\$ 511,230	\$ 11,201,493
Additions	-0-	44,602	-0-	44,602
Deductions	<u>(935,000)</u>	<u>(164,431)</u>	<u>(159,125)</u>	<u>(1,258,556)</u>
Long-term obligations at June 30, 1999	<u>\$ 9,225,000</u>	<u>\$ 410,434</u>	<u>\$352,105</u>	<u>\$ 9,987,539</u>

In prior years, the Board defeased certain outstanding general obligation bonds by issuing \$4,960,000 in new general obligation bonds. Proceeds from the issuance of the new general obligation bonds were placed in an irrevocable escrow account and were invested in U.S. Treasury obligations that, together with interest earned thereon, will provide amounts sufficient for payment of all principal and interest on the refunded bonds on each of their respective payment dates. Accordingly, the refunded general obligation bonds are not included in the Board's financial statements. At June 30, 1999, the outstanding balance on bonds considered defeased is \$4,530,000.

In accordance with Louisiana Revised Statute 39:562, the school board is legally restricted from incurring long-term bonded debt in excess of 35 per cent of the assessed value of taxable property. At June 30, 1999, the statutory limit is \$74,926,231, and outstanding bonded debt totals \$9,225,000.

All school board bonds outstanding at June 30, 1999, in the amount of \$9,225,000, consist of general obligation bonds (\$8,750,000) and certificates of indebtedness (\$475,000) with maturities from 2000 to 2020 and interest rates from 3.5% to 12%. Bond principal and interest payable in the next fiscal year are \$1,015,000 and \$484,669, respectively. The individual issues are as follows:

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

12. CHANGES IN GENERAL LONG-TERM OBLIGATIONS (Continued)

<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>
School District #19 bonds dated November 1, 1991 Certificate of Indebtedness Series 1993	\$ 7,500,000	6.9-12.0	05/1/01	\$ 88,846	\$ 915,000
School District #10 bonds Series 1995A dated October 1, 1995	2,890,000	3.5-5.10	03/1/00	24,225	475,000
School District #19 bonds Dated March 19, 1998	<u>4,960,000</u>	3.8-4.50	05/1/08	<u>1,297,776</u>	<u>4,895,000</u>
Total	<u>\$ 18,350,000</u>			<u>\$3,775,900</u>	<u>\$ 9,225,000</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. At June 30, 1999, the school board has accumulated \$2,852,420 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	1,015,000	484,669	1,499,669
2001	590,000	396,017	986,017
2002	640,000	373,788	1,013,788
2003	680,000	344,302	1,024,302
2004	715,000	311,953	1,026,953
Thereafter	<u>5,585,000</u>	<u>1,865,171</u>	<u>7,450,171</u>
Total	<u>\$ 9,225,000</u>	<u>\$3,775,900</u>	<u>\$13,000,900</u>

By resolution adopted August 24, 1995, the Pointe Coupee Parish School Board authorized the obtaining of a Letter of Credit in the amount of \$150,000 for possible use if needed in the Self-Insured Workers' Compensation Program. The letter of credit was renewed at a local bank covering the period from June 30, 1998 to June 30, 1999 in the amount not to exceed \$150,000.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

13. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special revenue funds:	
	IASA - Title I	\$ 384,870
	Special Education	134,546
	IASA - Title II	5,551
	School Lunch	6,572
Internal Service Fund:	General Fund	75,948
	School Lunch	9,502
Debt Service:		
Dist #10 - 1995A	Capital Project:	
	Dist. #10 - 1995A	<u>1,786</u>
Total		<u>\$ 618,775</u>

14. GENERAL FUND BALANCE

At June 30, 1999, the general fund has an unreserved-designated fund balance of \$758,363. These funds are designated as a cash reserve for future needs in the amount of \$408,363, and \$350,000 for possible future claims occurring in the self insured worker's compensation program. These funds require a two-thirds vote of the board in order to be spent as passed in a resolution by the board on February 22, 1996. The school board has an unreserved-undesignated fund balance deficit of \$ (113,816) and is taking steps to eliminate the deficit by researching ways to increase local revenues, cutting costs and freezing expenses in order to eliminate the deficit.

15. RELATED PARTY TRANSACTIONS

Superintendent Dr. David E. Lee performed speaking engagements, for which he was paid \$1,500 and provided lodging and travel expenses, before sales representatives for Mergent Technologies Group, Inc. (which later became Invest Learning, Inc.) on three occasions from 1995 through 1996. From June 1995 through August 1997, the school board purchased \$194,424 of computer equipment, software, and other items from Mergent and Invest Learning.

Superintendent Dr. David E. Lee, prior to becoming superintendent, contracted with Centec Learning to promote Centec's educational software in Louisiana. The school board later purchased computer labs from Centec totaling \$467,956.

16. RISK MANAGEMENT

The Pointe Coupee Parish School Board is exposed to various risks of loss related to injuries to employees. In prior years, the school board established an Internal Service Fund to account for and finance its uninsured risks of loss. The internal service fund provides coverage for up to a maximum of \$200,000 for each worker's compensation claim. The school board purchases commercial insurance for claims in excess of coverage provided by the fund up to the statutory limit at which time the school board would have to cover any additional claims in excess of the statutory limit up to \$1,000,000 per occurrence.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

16. RISK MANAGEMENT (continued)

All funds of the school board participate in the fund and make payments to the internal service fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The school board established a cash reserve designated for the Internal Service Fund for future claims from the savings earned by instituting the self-insurance program for workers compensation. As of June 30, 1999, the amount invested was \$350,000 and requires a two-thirds vote of the board to be spent. The claims liability of \$97,352 reported in the fund at June 30, 1999 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount in fiscal year 1999 were:

	Beginning of Fiscal-Year <u>Liability</u>	Current Yr. Claims & <u>Changes in Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal <u>Year-End</u>
1995-96	\$ -0-	\$ 61,918	\$ (6,357)	\$ 55,561
1996-97	\$ 55,561	\$ 106,325	\$(34,056)	\$ 127,830
1997-98	\$127,830	\$ 50,950	\$(83,813)	\$ 94,967
1998-99	\$ 94,967	\$ 42,448	\$(40,063)	\$ 97,352

17. LITIGATION AND CLAIMS

At June 30, 1999, the school board is involved in four lawsuits, which are being handled by outside counsel through the school board's insurance carriers. The ultimate resolution of these lawsuits cannot be presently determined and no provision for any liability that may result from such claims has been made in the financial statements. Outside counsel feels the cases will be resolved in the school board's favor. Litigation costs of \$13,722 were incurred in the current year. Of this amount \$13,722 has been recorded as a current year expenditure in the General Fund.

18. CONSTRUCTION COMMITMENTS

On April 27, 1998, the Pointe Coupee Parish School Board awarded a contract to Charles Carter Construction Co., Inc. to build, construct, and complete the vocational agriculture building addition and renovations including science wing at Livonia High School, and restroom building, restroom renovations, bus pickup and related improvements at Valverde Elementary School for \$935,695. As of June 30, 1999, the project is substantially complete except for the determination of liquidated damages due to the project not being completed on time. Damages, if any, to be assessed will be withheld from the final retainage amount due of \$107,475.

19. SUBSEQUENT EVENTS

The State Department of Education conducted an audit on Pointe Coupee Parish School Board's Minimum Foundation Program (MFP) covering the year ended June 30, 1999 and issued its report on November 8, 1999. The Department's report noted that 196 students, of which 190 were attending the School of Hope (a charter school), were ineligible for MFP funding. The students at the School of Hope were not allowed in the MFP count due to not meeting the student membership definition as adopted in the MFP handbook. Of the 190 students, 174 were attending a private school in the parish and were to participate via internet hook-up. The MFP handbook specifically does not allow students receiving services through the public school system to be included in the base student membership, however the charter school application approved by BESE for the School of Hope allowed these students, specifically the private school students. Because Pointe Coupee Parish is a hold harmless parish they were not funded by MFP for the increased count over the prior year which was 168 students. The remaining 28 students (196-168) will be deducted from the student counts. These adjustments, which are estimated to amount to \$70,000, could result in a reduction of MFP revenue in the fiscal year ending June 30, 2000.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Financial Statements (Continued)

19. SUBSEQUENT EVENTS (continued)

On November 20, 1999, the voters of Pointe Coupee Parish approved a permanent one percent sales and use tax to be levied for the Pointe Coupee Parish School Board. The sales and use tax will be collected and remitted to the school board by the Pointe Coupee Parish Policy Jury. Seventy-five percent of the sales tax proceeds, after payment of necessary costs and expenses of collecting the tax, are dedicated for salary increases to certified teachers and twenty five percent to non-certified and support personnel.

20. YEAR 2000 COMPLIANCE

The year 2000 (Y2K) issue is the result of computerized systems being written to store and process the year portion of dates using two digits rather than four. Date-aware systems (any system performing calculations or other operations) may fail or produce erroneous results on or before January 1, 2000 because the year 2000 will be interpreted as the year 1900.

The Pointe Coupee Parish School Board has instituted a plan to ensure all its computer systems will be able to process dates from and after January 1, 2000, including leap years, without critical system failures (Y2K Compliant). Computer systems are integral to the School Board's accounting controls. The School Board began preparing for the Y2K issue two years ago by taking an inventory of all equipment and imbedded systems contained in its buildings, which could be affected by the Y2K issue. As part of its technology improvements over the past two years, the majority of the Board's computers as well as computers at the individual schools have been replaced with up to date systems. Management has worked with various entities regarding its software packages and has received and installed Y2K compatible updates. Working with their major software suppliers, tests have been performed on the accounting systems with no problems detected. An assessment of all embedded systems contained in the School Board's buildings has been performed with no for-seeable potential problems in connection with the Y2K issue.

The School Board's computer systems are not integrated with the systems of its suppliers or other governmental agencies with which it transacts business. The primary potential risk attributable to third parties would be the disruption of supplies and electricity to be used by the Board and the receipt of funds to operate the school system. Also, there is the risk that payments owed by the board could be delayed due to computer problems. The Board has received various communications from suppliers regarding their Y2K readiness as well as their electrical supplier and banks with which they do business.

Even though the School Board believes the likelihood of the above risks occurring to be low, contingency plans will be developed, as needed by the end of 1999. However, there can be no assurance that the School Board will not be materially adversely affected by Y2K problems or related costs. There also can be no assurance that the systems of other companies will be converted on a timely basis or that failure to convert will not have a material adverse effect on the School Board.

21. GOING CONCERNS

Due to Pointe Coupee Parish School Board's excess spending during the prior two years, a decrease in available fund balance and decreasing local revenues, concerns regarding their ability to continue as a going concern for a one-year period after the balance sheet date has been discussed with management. Without being able to continue as a going concern, the school system would be taken over by the state in order to be brought back into a positive operating position, bills would be delayed or not paid at all, and services to students would decline. Management does not feel there is a going concern problem for the coming year or the near future. They have already begun to streamline operations and cut unnecessary costs to eliminate deficit spending and operate within the revenues that they collect. Property tax revenues will increase in 2001 due to a major taxpayer coming on to the assessment rolls. They are also researching ways to raise alternate sources of revenue and have discussed other methods of decreasing expenses in order to alleviate the deficit spending.

SUPPLEMENTAL INFORMATION SCHEDULES

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the year ended June 30, 1999

SPECIAL REVENUE FUNDS

IMPROVING AMERICA'S SCHOOL ACT

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

Title VI of the Improving America's School Act (IASA) is a program by which the federal government provides block grant funds to the states. The Louisiana Department of Education uses these funds to assist state and local educational agencies to improve elementary and secondary education. The school system uses the funds to purchase instructional materials and equipment and to provide books and printed materials to school libraries.

Title II of the Improving America's School Act (IASA) is a program by which the federal government provides funds to the school board for projects that are designed to improve the skills of teachers and instruction in mathematics, science, computer learning, and foreign languages and to increase the access of all students to such instruction. The program is federally financed, state-administered, and locally operated by the school board.

Title IV of the Improving America's School Act (IASA) is a program by which the federal government provides funds to establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

SPECIAL EDUCATION

The Special Education - IDEA Part B grants to states is a federally financed program of free education in the least restricted environment to children with exceptionalities.

The Special Education - IDEA Part B preschool grants is a federally financed program of free education for children with exceptionalities aged three to five years of age.

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

ADULT BASIC EDUCATION - A program that improves the educational opportunities for adults to obtain the basic educational skills necessary to function in a literate society and to obtain a high school diploma.

STARTING POINTS - A preschool program for disadvantaged children.

FIND WORK PROGRAM - A program to assure that needy families with children obtain education, training, and employment that will help them avoid long-term welfare dependency.

VOCATION EDUCATION - Funds used to enhance vocation programs and training for eligible students.

Pointe Coupee Parish School Board
New Roads, Louisiana
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1999

	IMPROVING AMERICA'S SCHOOLS ACT			SPECIAL EDUCATION FUND	SCHOOL LUNCH FUND	TOTAL (MEMO ONLY)
	TITLE I FUND	TITLE II FUND	TITLE VI FUND			
ASSETS AND OTHER DEBITS						
Assets:						
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0	\$ 74,608	\$ 74,608
Receivables	385,729	5,551	0	135,206	10,313	536,800
Interfund receivables	0	0	0	0	0	0
Inventory	0	0	0	0	30,923	30,923
TOTAL ASSETS AND OTHER DEBITS	\$ 385,729	\$ 5,551	\$ 0	\$ 135,206	\$ 115,844	\$ 642,330
LIABILITIES, EQUITY, AND OTHER CREDITS						
Liabilities:						
Accounts, salaries and other payables	\$ 859	\$ 0	\$ 0	\$ 659	\$ 3,725	\$ 5,244
Interfund payables	384,870	5,551	0	134,546	16,074	541,041
Deferred revenues	0	0	0	0	15,777	15,777
Other liabilities	0	0	0	0	0	0
Total Liabilities	385,729	5,551	0	135,206	35,576	562,062
Equity and Other Credits:						
Fund balances:						
Unreserved:						
Designated	0	0	0	0	80,268	80,268
Total Equity and Other Credits	0	0	0	0	80,268	80,268
TOTAL LIABILITIES, EQUITIES AND OTHER CREDITS	\$ 385,729	\$ 5,551	\$ 0	\$ 135,206	\$ 115,844	\$ 642,330

Pointe Coupee Parish School Board
New Roads, Louisiana
SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

	<u>IMPROVING AMERICA'S SCHOOLS ACT</u>				<u>ADULT BASIC EDUCATION</u>
	<u>TITLE I FUND</u>	<u>TITLE II FUND</u>	<u>TITLE IV FUND</u>	<u>TITLE VI FUND</u>	
REVENUES					
Local sources:					
Interest earnings	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Food services	0	0	0	0	0
Other	0	0	0	0	0
State sources	0	0	0	0	0
Federal sources	1,390,537	30,192	29,433	28,887	47,798
Total revenues	<u>1,390,537</u>	<u>30,192</u>	<u>29,433</u>	<u>28,887</u>	<u>47,798</u>
EXPENDITURES					
Instruction:					
Special programs	750,638	621	0	0	0
Adult education programs	0	0	0	0	46,546
Vocation education programs	0	0	0	0	0
Support Services:					
Student services	15,896	0	28,473	0	0
Instructional staff support	359,489	28,755	0	27,781	0
General administration	27,988	30	0	30	0
Business services	4,646	78	0	319	0
Plant services	188,775	0	0	0	0
Student transportation services	2,647	0	0	0	0
Food services	0	0	0	0	0
Community service programs	14,602	0	0	0	0
Facilities acquisition and construction	0	0	0	0	0
Total expenditures	<u>1,364,681</u>	<u>29,483</u>	<u>28,473</u>	<u>28,130</u>	<u>46,546</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	25,855	708	959	757	1,252
OTHER FINANCING SOURCES (Uses)					
Other	485	0	0	0	0
Operating transfers in	5,039	0	0	0	0
Operating transfers out	(31,380)	(708)	(959)	(757)	(1,252)
Total other financing sources (uses)	<u>(25,855)</u>	<u>(708)</u>	<u>(959)</u>	<u>(757)</u>	<u>(1,252)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	0	0	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0	0	0
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Pointe Coupee Parish School Board
New Roads, Louisiana
SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

STARTING POINTS	FIND WORK PROGRAM	VOCATION EDUCATION	SPECIAL EDUCATION FUND	SCHOOL LUNCH FUND	TOTAL (MEMO ONLY)
\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,552	\$ 4,552
0	0	0	0	170,291	170,291
0	0	0	0	0	0
0	0	0	0	0	0
53,574	119,226	57,379	349,534	1,055,217	3,161,776
53,574	119,226	57,379	349,534	1,230,060	3,336,619
52,246	0	0	169,072	0	972,577
0	69,845	0	0	0	116,391
0	0	57,379	0	0	57,379
0	0	0	70,379	0	114,748
0	0	0	73,981	0	490,006
0	0	0	300	0	28,348
0	196	0	7,629	0	12,868
0	9,242	0	16,519	0	214,536
0	36,736	0	4,774	0	44,157
0	0	0	0	1,556,499	1,556,499
0	0	0	0	0	14,602
0	0	0	0	0	0
52,246	116,019	57,379	342,655	1,556,499	3,622,111
1,328	3,207	0	6,879	(326,439)	(285,492)
0	0	0	0	0	485
0	0	0	703	315,290	321,033
(1,328)	(3,207)	0	(7,583)	0	(47,174)
(1,328)	(3,207)	0	6,879	315,290	274,344
0	0	0	0	(11,148)	(11,148)
0	0	0	0	91,417	91,417
\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,268	\$ 80,268

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended
June 30, 1999

DEBT SERVICE FUNDS

SCHOOL DISTRICT NO. 19 FUND

The School District No. 19 Fund accumulates monies for payment of the \$7,500,00 general obligation bond issue approved by the voters of School District No. 19 of Pointe Coupee Parish on May 18, 1988. Bond anticipation notes were issued to construct and acquire land, equipment, and furnishings for a new consolidated school. These Bond Anticipation Notes were later refunded and replaced by General Obligation School Bonds, Series 1991, of School District No. 19, pursuant to a resolution adopted October 14, 1991. On March 19, 1998, \$4,530,000 of the outstanding General Obligation School Bonds, Series 1991 were defeased and replaced by General Obligation School Refunding Bonds, Series 1998, of School District No. 19, in the amount of \$4,960,000 to achieve a lower effective interest rate and for debt service savings. The bonds are secured by the special ad valorem taxes collected within the district.

CAPITAL IMPROVEMENT AND SALARY FUND

The Capital Improvement and Salary Fund accumulates monies for the payment of \$3,000,000 certificates of indebtedness issue approved by the Pointe Coupee Parish School Board on October 25, 1990. Certificates of indebtedness were issued for the purpose of providing additional support for the maintenance and operation of the public elementary and secondary schools of the parish by maintaining salary levels and number of employees and paying a portion of the cost of providing essential improvements to the school building system of the parish. The certificates are secured by the ad valorem taxes collected within the parish. Subsequently these certificates were refunded on July 1, 1993 with Certificates of Indebtedness Series 1993 in the amount of \$2,890,000.

SCHOOL DISTRICT NO. 10 1995A FUND

The School District No. 10 1995A Fund accumulates money for the payment of \$3,000,000 general obligation bond issue approved by the voters of School District No. 10 of Pointe Coupee Parish on April 29, 1995. The bonds were issued to refund outstanding bonds of School District No. 10 and for purchasing, erecting and or improving school grounds, buildings, and other school related facilities and acquiring the necessary equipment and furnishings therefor.

Pointe Coupee Parish School Board
New Roads, Louisiana
DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 1999

	SCHOOL DISTRICT NO. 19 FUND	CAPITAL IMPROVEMENT AND SALARY FUND	SCHOOL DISTRICT NO. 10 - 1995A FUND	TOTAL (MEMO ONLY)
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents	\$ 2,638,752	\$ 5,637	\$ 206,228	\$ 2,850,616
Receivables	18	0	0	18
Interfund receivables	0	0	1,786	1,786
TOTAL ASSETS AND OTHER DEBITS	\$ 2,638,769	\$ 5,637	\$ 208,014	\$ 2,852,420
LIABILITIES, EQUITY, AND OTHER CREDITS				
Liabilities:				
Accounts, salaries and other payables	\$ 0	\$ 0	\$ 0	\$ 0
Interfund payables	0	0	0	0
Total Liabilities	0	0	0	0
Equity and Other Credits:				
Fund balances:				
Reserved	2,638,769	5,637	208,014	2,852,420
Total Equity and Other Credits	2,638,769	5,637	208,014	2,852,420
TOTAL LIABILITIES, EQUITIES AND OTHER CREDITS	\$ 2,638,769	\$ 5,637	\$ 208,014	\$ 2,852,420

The accompanying notes are an integral part of this statement.

Pointe Coupee Parish School Board
New Roads, Louisiana
DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

	SCHOOL DISTRICT NO. 19 FUND	CAPITAL IMPROVEMENT AND SALARY FUND	SCHOOL DISTRICT NO. 10 - 1995A FUND	TOTAL (MEMO ONLY)
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,168,328	\$ 0	\$ 218,960	\$ 1,387,288
Sales and use	0	0	0	0
Interest earnings	97,322	238	7,692	105,253
Total revenues	<u>1,265,651</u>	<u>238</u>	<u>226,652</u>	<u>1,492,541</u>
EXPENDITURES				
General administration	45,831	0	8,514	54,344
Business services	2,387	834	1,545	4,765
Debt service	793,824	497,175	202,012	1,493,010
Total expenditures	<u>842,041</u>	<u>498,009</u>	<u>212,070</u>	<u>1,552,120</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 423,609</u>	<u>\$ (497,771)</u>	<u>\$ 14,582</u>	<u>\$ (59,579)</u>
OTHER FINANCING SOURCES (Uses)				
Operating transfers in	0	497,477	0	497,477
Operating transfers out	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>497,477</u>	<u>0</u>	<u>497,477</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	423,609	(294)	14,582	437,898
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	<u>2,215,160</u>	<u>5,930</u>	<u>193,432</u>	<u>2,414,522</u>
FUND BALANCE (Deficit) AT END OF YEAR	<u>\$ 2,638,769</u>	<u>\$ 5,637</u>	<u>\$ 208,014</u>	<u>\$ 2,852,420</u>

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended
June 30, 1999

CAPITAL PROJECT FUNDS

SCHOOL DISTRICT NO. 10 1995A FUND

The School District No. 10 1995A Capital Project Fund accounts for financial resources to be used for purchasing, erecting and or improving school grounds, buildings, and other school related facilities within School District No. 10. This fund was established as the result of the \$3,000,000 general obligation bond issue approved by the voters of School District No. 10 of Pointe Coupee Parish on April 29, 1995.

Pointe Coupee Parish School Board
New Roads, Louisiana
CAPITAL PROJECT FUNDS
Combining Balance Sheet
June 30, 1999

	DISTRICT 10 CONSTRUCTION SERIES 1995A FUND
ASSETS AND OTHER DEBITS	
Assets:	
Cash and cash equivalents	\$ 106,323
Investments	0
Interfund receivables	0
TOTAL ASSETS AND OTHER DEBITS	\$ 106,323
 LIABILITIES, EQUITY, AND OTHER CREDITS	
Liabilities:	
Accounts, salaries and other payables	\$ 0
Interfund payables	1,786
Total Liabilities	1,786
 Equity and Other Credits:	
Fund balances:	
Unreserved - designated	104,537
Total Equity and Other Credits	104,537
 TOTAL LIABILITIES, EQUITIES AND OTHER CREDITS	 \$ 106,323

Pointe Coupee Parish School Board
New Roads, Louisiana
CAPITAL PROJECT FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

	DISTRICT 10 CONSTRUCTION SERIES 1995A FUND
REVENUES	
Local sources:	
Other	\$ 0
Interest earnings	20,261
Total revenues	<u>20,261</u>
 EXPENDITURES	
General administration	200
Business services	505
Plant services	0
Facilities acquisition and construction	704,984
Total expenditures	<u>705,689</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 (685,428)
 OTHER FINANCING SOURCES (Uses)	
Operating transfers in	695,935
Operating transfers out	<u>(662,000)</u>
Total other financing sources (uses)	<u>33,935</u>
 EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	 (651,492)
 FUND BALANCE AT BEGINNING OF YEAR	 <u>756,030</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 104,537</u>

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended June 30, 1999

SCHOOL ACTIVITY AGENCY FUND

The activities of the various school accounts are accounted for in the School Activity Agency Fund. While the accounts are under the supervision of the school board, they belong to the individual schools or their student bodies and are not available for use by the school board.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
SCHOOL ACTIVITY AGENCY FUND
Schedule of Changes in School Account Balances
For the Year Ended June 30, 1999

	Balance July 1, <u>1998</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	Balance June 30, <u>1999</u>
LaBarre Elementary	\$ 22,147	\$ 45,884	\$ 48,146	\$ 19,885
Livonia High	43,193	164,954	158,970	49,177
Morganza Elementary	1,060	20,726	19,896	1,890
Pointe Coupee Central	5,822	148,914	138,207	16,529
Rosenwald Elementary	12,810	65,258	73,132	4,936
Rougon Elementary	5,547	36,988	34,719	7,816
Upper Pointe Coupee Elementary	535	40,158	39,966	727
Valverde Elementary	<u>36,934</u>	<u>87,770</u>	<u>85,069</u>	<u>39,635</u>
 Total	 <u>\$128,048</u>	 <u>\$610,652</u>	 <u>\$598,105</u>	 <u>\$140,595</u>

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended June 30, 1999

GENERAL

COMPENSATION PAID BOARD MEMBERS

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 Louisiana Legislature. The compensation of school board members is included in the general administrative 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, each member of the school board receives \$800 per month, and the president receives \$900 per month for performing the duties of his or her office. In addition, each member of the executive committee receives \$50 for each scheduled meeting attended.

**EXPENDITURES OF FEDERAL AWARDS
AND AUDIT FINDINGS RESOLUTION**

In accordance with Office of Management and Budget Circular A-133, schedules of expenditures of federal awards, follow-up and corrective action taken on prior audit findings, and corrective action plans for current year findings are presented.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 1999

BOARD MEMBERS	<u>1999</u>
Charles A Aguiard, Sr.	\$ 9,600
Frank R. Aguiard, Jr.	11,400
Elliott J. Bizette, Jr.	9,900
Clayton Chenevert	4,800
Othoyelia M. Cline	4,800
Thelma Ford, President	4,800
Nell B. LaCour	9,600
Patti E. Mayeaux	5,100
Thomas A. Nelson	9,600
Russell A. Polar	<u>10,200</u>
Total	<u>\$ 79,800</u>

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME</u>	<u>Federal CFDA NUMBER</u>	<u>Pass Through Grantor's NUMBER</u>	<u>EXPENDITURES</u>
United States Department of Agriculture			
Passed through Louisiana Department of Agriculture and Forestry:			
Food Distribution	10.550	N/A	\$ 80,457
Passed through Louisiana Department of Education:			
School Breakfast Program	10.553	N/A	215,893
National School Lunch Program	10.555	N/A	730,652
Summer Food Service Program for Children	10.559	N/A	<u>28,215</u>
Total United States Department of Agriculture			<u>1,055,217</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Adult Education- State Grant Program	84.002	99-AE-39-F 99-AETT-39-F	47,798
Title I Grants to Local Education Agencies	84.010	99-IASA-39-T1 98-IASA-39C/O	1,390,537
Special Education-Grants to States	84.027	99-IB-39-S 98-FT-39C/O	314,644
Special Education-Preschool Grants	84.173	99-IP-39-S 98-PF-39C/O	34,890
Vocational Education- Basic Grants to States	84.048	99-VE-39-2B 99-VE-39-BG	57,379
Title IV - Safe and Drug Free Schools & Communities- State Grants	84.186	99-IASA-39-4	29,433
Title II-Eisenhower Professional Development- State Grants	84.281	99-IASA-39-2 98-IASA-39-2C/O	30,192
Title VI- Innovative Education Program Strategies	84.298	99-IASA-39-VI 98-IASA-39-VIC/O	<u>28,887</u>
Total United States Department of Education			<u>1,933,760</u>
United States Department of Health & Human Services			
Passed through Louisiana Department of Social Services-Office of Family Support:			
Temporary Assistance for Needy Families – Find Work Program	93.558	PJ#4304	119,226
Passed through Louisiana Department of Education:			
U.S. Childcare & Development Block Grant- Starting Points Preschool Program	93.575	CFMS533852	<u>53,574</u>
Total United States Department of Health & Human Services			<u>172,800</u>
Other Financial Assistance			
United States Department of Defense - ROTC	N/A	N/A	<u>37,818</u>
Total Other Financial Assistance			<u>37,818</u>
Total Program Issues/Expenditures			\$3,199,595

The accompanying notes are an integral part of this schedule.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Notes to the Schedule of
Expenditures of Federal Awards
For the Year Ended June 30, 1999

Note A - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Pointe Coupee Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB 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.

Note B - Risk Based Approach

The dollar threshold used to distinguish between Type A and Type B programs is \$300,000. The school board does not qualify as a low-risk auditee.

Note C - Food Distribution

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. At June 30, 1999, the school board had food commodities totaling \$15,777 in inventory.

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on the internal control and compliance with laws and regulations required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report on internal control and compliance is based on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses and any compliance matters that would be material to the presented financial statements.

MAJOR & MORRISON

CERTIFIED PUBLIC ACCOUNTANTS

VAN P. MAJOR, CPA, PC
JOHN L. MORRISON III, CPA, PC
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

POINTE COUPEE PARISH SCHOOL BOARD New Roads, Louisiana

We have audited the general purpose financial statements of the Pointe Coupee Parish School Board as of and for the year ended June 30, 1999, and have issued our report thereon dated December 7, 1999, which was qualified because insufficient audit evidence exists to support Pointe Coupee Parish School Board's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, 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 Pointe Coupee 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as items 99-1 and 99-2.

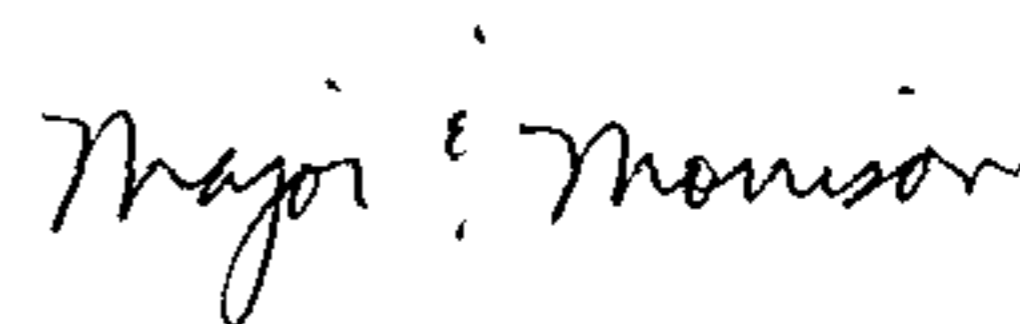
Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pointe Coupee 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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect Pointe Coupee Parish School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 99-3.

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

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

Major & Morrison
New Roads, Louisiana
December 7, 1999



**OTHER REPORTS REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133**

The following pages contain a report on internal control and compliance with laws and regulations required by OMB Circular A-133. The report on internal accounting and administrative controls and tests of compliance with laws and regulations relates to matters that could be significant and/or material to federal award programs.

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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

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana

Compliance

We have audited the compliance of Pointe Coupee 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. Pointe Coupee 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 Pointe Coupee Parish School Board's management. Our responsibility is to express an opinion on Pointe Coupee 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 State, 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 Pointe Coupee 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 a legal determination on Pointe Coupee Parish School Board's compliance with those requirements.

In our opinion, Pointe Coupee 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.

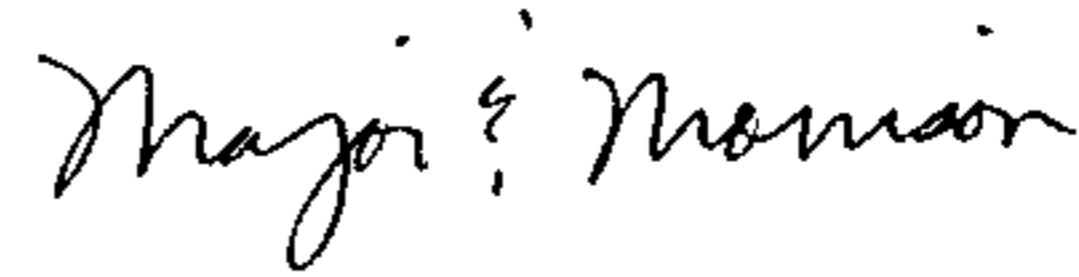
Internal Control Over Compliance

The management of Pointe Coupee 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 Pointe Coupee 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 that we consider to be material weaknesses.

POINTE COUPEE PARISH SCHOOL BOARD
Compliance & Internal Control Report
December 7, 1999
Page 2

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



Major & Morrison
New Roads, Louisiana
December 7, 1999

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1999

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/partial Corrective Action Taken</u>
Section I – Internal Control and Compliance Material to the Financial Statements:				
98-1	6/98	Disbursement procedures followed by school board personnel were found to be incomplete in the approval process. Lack of formal approval was found to be missing in some instances.	Yes	
98-2	6/98	Alternative School Program - School of Hope students did not meet minimum instructional time of 330 minutes in accordance with Bulletin 741. The program application is based on 4 hours of attendance with classes offered in either the morning or afternoon with requirements to attend only one session which does not meet the minimum required instructional time. An audit by State Dept of Education disallowed MFP funding.	Yes	Charter School status approved for the 98-99 year.
98-3	6/98	Fiscal year ending 6/30/97 audit was submitted 1/7/98 after the due date and in violation of La.R.S. 24:513	Yes	
98-4	6/98	Superintendent performed Speaking engagements during normal school hours without taking leave and was reimbursed travel costs related to the engagements.	Yes	Hours & travel costs reimbursed by Superint. Superintendent fined by ethics board which was paid.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1999
(continued)

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Planned Corrective Action/partial Corrective Action Taken</u>
Section I – Internal Control and Compliance Material to the Financial Statements (continued):				
98-5 98-6 98-7	6/98	Purchase of Computer Labs in violation of bid laws & not seeking approval from State Bond Commission on Leases which constituted debt.	Yes	Agreements modified with bond commission approval. Bid law procedures modified to be in compliance.

Section II – Internal Control and Compliance Material to Federal Awards:

98-8	6/98	Disbursement procedures. See detailed finding Reference No. 98-1 Above.	Yes	
98-9 98-10 98-11	6/98	Purchase of Computer Labs. See detailed Finding reference No. 98-5 above.	Yes	

Section III – Management Letter:

In our management letter dated December 17, 1998, we recommended that the school board adopt and post to the accounting records budget amendments for special revenue funds that are expenditure driven in order to avoid the appearance of failing to meet budgetary law requirements. Management agreed to comply with our request and adopt and post budget amendments for all special revenue funds which are expenditure driven.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1999

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weakness(es) identified? X yes ___ no

Reportable condition(s) identified not considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted? X yes ___ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? ___ yes X no

Reportable condition(s) identified not considered to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? ___ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
84.010	Title I Grants to Local Education Agencies
	Special Education Cluster:
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? ___ yes X no

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1999
(continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 99-1

Criteria: Students included in the October 1 student membership count should meet the student membership definition as adopted by the Board of Elementary and Secondary Education and rules dictated in the Minimum Foundation Program handbook.

Condition: One hundred and ninety-six students included in Pointe Coupee Parish School Board's October 1, 1998 Student Membership Count did not meet the student membership definition to be included for funding status from the Minimum Foundation Program. The inclusion of these students in the student membership count overstates the October 1 student membership count, which results in an overstatement of Minimum Foundation Program funds distributed to the local school district.

Context: The Pointe Coupee Parish School Board included the above referenced students within their reported student counts to the State Department of Education to go towards funding from the Minimum Foundation Program (MFP). Of the 196 students, 190 attended the parish's charter school - the school of hope. 174 of the school of hope students counted were attending a private school in the parish, which was allowed per the approved charter school application by BESE.

Effect: The school board overstated its student membership count by 196 students according to the Dept of Education. Of these students 174 were from a private school in the parish and was allowed in the count per the approved charter school application approved by BESE. However, because Pointe Coupee Parish is a hold harmless parish they were not funded during the fiscal year ending June 30, 1999 for the increase in the student count over the prior year, which was 168 students. Therefore the adjustments result in an estimated decrease of 28 students (196-168) and results in an estimated overpayment of \$70,000 in MFP funds. Fiscal year June 30, 2000 MFP revenue could be reduced by \$70,000.

Cause: Supervisory personnel's lack of continued oversight of student counts, weak methods regarding the gathering of actual student count participation, and unexpected changes in personnel due to illness resulted in errors and over-counting.

Recommendation: We recommend that steps be taken to bring the charter school program under compliance by counting only those students eligible to participate and instituting stronger supervisory control and procedures to insure that students included in the counts are actually participating in the school's programs and eligible to participate.

Management's Response: Management has indicated steps have been taken to tighten procedures involving charter school participation, and to include only those students eligible in the October 1 student counts. Stronger controls have been implemented in order to avoid errors and provide more accurate student counts for the school system as a whole. Management has also checked fiscal year ending June 30, 2000 counts to determine that there were no overstatements similar to prior years and have determined the counts are more accurate.

Finding 99-2

Criteria: The state budget laws (LSA R.S. 39:1309-10) require amendment to the budget if estimated fund balance fails to meet actual fund balance by 5% or more and fund balance is being used to fund current year expenses. In addition, these statutes dictate that in no event shall a budget amendment be adopted proposing expenditures which exceed the total of estimated funds available for the fiscal year; thus current year deficit spending constitutes a violation of these regulations.

Condition: The general fund operations for the fiscal year ended June 30, 1999, resulted in excess spending of \$662,862. After applying the carry-forward undesignated fund balance of \$549,046 from fiscal year ended June 30, 1998, the resulting deficit in undesignated general fund balance is \$113,816 as of June 30, 1999.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1998
(continued)

SECTION II - FINANCIAL STATEMENT FINDINGS (continued)

Context: General fund operations for the June 30, 1999 fiscal year incurred deficit spending in excess of undesignated fund balance by \$113,816. Although the Pointe Coupee Parish School Board has cash reserves set aside of \$408,363 in unreserved-designated fund balance, it requires a two-thirds vote by the board to be used. As of June 30, 1999 no vote was taken to reclass and use part of cash reserves to cover the deficit spending, thereby resulting in a deficit balance in the unreserved-undesignated fund balance – a violation of the state budget laws.

Effect: Results in a violation of state budget laws by incurring expenditures in excess of estimated funds available for the fiscal year ending June 30, 1999.

Cause: Spending in excess of revenue collection resulting in an undesignated fund balance deficit. Estimates that revenues would increase and that expenditures would decrease toward the later part of the fiscal year end did not materialize as anticipated, which would not have required the use of cash reserves.

Recommendations: Management should implement immediate cost saving measures and attempt to recover the prior year deficit in the current fiscal year. Rather than spending all recurring and non-recurring revenue each year, which has occurred the past two years, the board should cut costs and freeze unnecessary expenses. Use of the cash reserves could cover the current year fund balance deficit, but will not help for future periods based on the rate of excess spending that has occurred the past two years.

Management's Response: Management has already begun streamlining operations and cutting back on unnecessary spending. They are also researching alternative ways of increasing local and other revenues to avoid any further cuts in state funding. Their main objective is to spend only what is necessary and implement saving measures to build cash reserves up to sustainable levels.

Finding 99-3

Criteria: A record of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets should be maintained for proper safeguard and control over these assets.

Condition: The Pointe Coupee Parish School Board's general fund detailed asset inventory records have not been properly updated and maintained for current year capital asset purchases.

Context: Upon tests of general fund capital asset purchases it was noted that not all assets purchased were added to the detailed inventory asset records. Tests on the federal programs (Lunch, Special Ed., Title I, etc.) indicated no problems and all assets purchased were listed on inventory records, but general fund was not updated accurately.

Effect: The lack of accurately updated detailed general fund asset lists lends the Pointe Coupee Parish School Board vulnerable to theft or casualty losses on unaccounted for assets.

Cause: The general fund's detailed asset list is not completely updated and keyed to the general ledger accounts and tagging system. The change in personnel at this position and volume of asset purchases to be handled by one person with other administrative duties has also contributed to the inaccuracy of the listing.

Recommendation: A monthly updating should be done to record all new acquisitions and dispositions. Additions and deletions per the inventory asset listings should be reconciled with those recorded in the general ledger. The board should consider assigning personnel whose one and only job would be to maintain and update the general fixed asset lists without other administrative duties. With the approaching deadline of GASB Statement No. 34, the board should consider the possibility of hiring an inventory specialist firm to determine if any assets are not accounted for and update the inventory lists for accuracy.

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1998
(continued)

SECTION II - FINANCIAL STATEMENT FINDINGS (continued)

Management's Response: Management has taken additional steps to strengthen the accounting for fixed assets and has considered the proposal of separating the asset maintenance duties from personnel who perform other administrative duties. If budget constraints allow it, they will consider the hiring of an inventory specialist to update and review the asset listings to ensure the proper inclusion of all assets.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no matters reported as required by Circular A-133, Section .510(a).

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, 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 of Contact Person</u>	<u>Anticipated Completion</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
99-1	Inclusion of students in MFP count that were ineligible.	Tighten procedures to determine proper MFP count and improve supervisory oversight of the program..	M. Cilano M. Mandell	12/99
99-2	Deficit spending - a violation of state budget laws.	Streamline operations, cut costs, and freeze unnecessary expenses. Also research alternative sources of revenue and monitor more closely current year spending. At same time implement measures to build sustainable cash reserves.	M. Cilano	06/00
99-3	General fund detailed asset lists not properly updated and maintained	Steps will be taken to strengthen accounting for fixed asset procedures to tie general ledger purchases with assets recorded to inventory lists. Also consideration will be given to hiring personnel to be assigned only this function and outside firms to review and correct asset lists.	M. Cilano	06/00

Section II - Internal Control and Compliance Material to Federal Awards:

There were no matters reported as required by Circular A-133, Section .510(a).

Section III - Management Letter:

Recommendation that management institute immediate cost saving measures in order to maintain the level of services it provides to students. Management has indicated their intent to do this and has begun analyzing expenses in which cost savings can be realized.

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Management Letter

Pointe Coupee Parish School Board
New Roads, Louisiana

In planning and performing our audit of the general purpose financial statements of the Pointe Coupee 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 judgement, could adversely affect Pointe Coupee 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.

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.

Before addressing the current year reportable conditions or material weaknesses, we wish to comment that prior year conditions were noted to be resolved or improved as follows:

In our reports on compliance and internal control dated December 17, 1998, issued in conjunction with the audit of the general purpose financial statements for the year ended June 30, 1998, we noted findings that we considered to be reportable conditions and material weaknesses identified as:

- 98-1&8) Insufficient approval by supervisory personnel on supporting documentation prior to payment
- 98-2) Alternative school program - school of hope students did not meet minimum instructional time of 330 minutes in accordance with Bulletin 741.
- 98-3) Audits should be completed within six months of the close of the entity's fiscal year
- 98-4) Overpayment of travel and salary expense related to superintendent's speaking engagements
- 98-5/11) Violation of bid law and state bond commission approval on debt

All of the findings above have been corrected and remedied by management.

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. In addition, because of inherent limitations in internal control, errors or fraud may occur and not be detected by such controls. However, we noted reportable conditions that we believe to be material weaknesses that were disclosed in the schedule of current year audit findings in our report on the general purpose financial statements dated December 7, 1999.

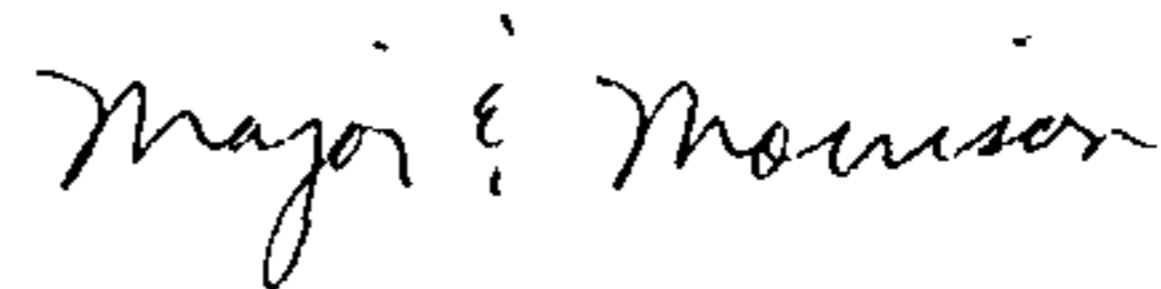
Pointe Coupee Parish School Board
Management Letter
December 7, 1999
Page 2

In addition to the findings and comments noted in the reports as identified above which constitute reportable conditions and material weaknesses, we wish to communicate the following comments and recommendations to management and the Board:

The board has made an effort to raise local revenues in order to reduce any further cuts in state funding by proposing and placing on the ballot two tax propositions. These propositions were dedicated one hundred percent to raising teacher and other personnel's salary. One of the propositions passed, which will help improve salaries and bring the overall school system's salary levels closer to surrounding parishes. However, since the funds were dedicated one hundred percent to salaries, none of the funds raised have provided much needed revenue for operations and maintenance. The board needs to institute immediate cost saving measures in order to maintain the level of services it provides to the students. The board, without an increase in revenue for operations, will have to spend only what it generates and examine expenses and cut those items, which are not absolutely necessary.

The State Department of Education has recently completed its QEA visit regarding the Title I program and has proposed recommendations to improve the Title I program. The board has hired a new Title I director for the fiscal year ending June 30, 2000, and we recommend that management and the board continue to work with the new director and provide support in carrying out the programs goals and objectives.

This report is intended solely for the information and use of the Pointe Coupee Parish School Board, its management, and others within its administration. This restriction is not intended to limit distribution of this report, which is a matter of public record.



Major & Morrison
New Roads, Louisiana
December 7, 1999